

March 23, 1999

To: Board of Directors (Executive Committee--Action)

From: General Manager _____

Submitted by: Peter J. Carpenter _____
Director of Asset Management

Subject: Approval to Provide Corrosion Engineering Services for a Fee to Longview Inspection, Inc.

RECOMMENDATION(S)

It is recommended that the Board of Directors authorize Metropolitan to provide Services for a Fee to Longview Inspection, Inc., pursuant to an \$80,000 service contract approved as to form by the General Counsel.

EXECUTIVE SUMMARY

Longview Inspection, Inc., a provider of various types of materials testing services has requested Metropolitan’s services. Longview, a California based organization, wishes to tap the expertise of Metropolitan’s corrosion engineering services on a periodic basis for field inspection, Acoustic Emission, Metalographic Replication, and Fracture Mechanics. They are particularly interested in Metropolitan’s expertise in Acoustic Emission Testing. This opportunity has been evaluated and meets the Board-adopted criteria for Business Development. It relates to Metropolitan’s core mission, unique expertise in evaluating materials performance and corrosion inspection and testing services, as well as providing additional revenue.

DETAILED REPORT

Requestor:	Longview Inspection, Inc.
Services Requested:	Acoustic Emission Inspection and Field Microstructure Examination Testing Services.
Purpose:	Provide periodic inspection and testing services using the expertise of the Engineering Division’s Corrosion Branch staff.
Duration:	Twelve-month period
Resources Required:	Trained and certified Engineering staff on an “as available” basis to perform Acoustic Emissions and Field Microstructure Tests.

Risk and Mitigation: Metropolitan's work will be covered under the Professional Services and Product Liability Insurance.

Contract Value: \$80,000

COMPLIANCE WITH BUSINESS DEVELOPMENT POLICY AND GUIDELINES

Mission Related Expertise: Metropolitan staff possess experience in Acoustic Emission Inspection and Testing Services as well as Metallurgical Testing Services.

Expanded Knowledge: Metropolitan's staff will expand its expertise through testing various materials under different conditions.

Business Case: The anticipated revenue will cover all direct cost, and contribute to Metropolitan's fixed costs.

HB:jp