



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-16

November 20, 1992

To: Board of Directors (Engineering and Operations Committee--Action)  
(Executive Committee--Action)

From: General Manager

Subject: Revisions of Administrative Code Provisions Concerning Contracts  
and Quarterly Reports

Report

In June 1991, the Board approved Administrative Code revisions to reduce the volume of administrative and routine items requiring individual consideration by the Board and its committees. To clarify, implement, and further reduce the administrative work load, the following revisions are proposed:

General Manager's Quarterly Report  
to the Engineering and Operations  
Committee on Service Connections

In accordance with Administrative Code Section 2720(a), the General Manager is required to report quarterly to the Engineering and Operations Committee on new service connections approved by him during the quarter. In addition to permanent service connections, the District also installs temporary service connections for a limited period of time that generally do not represent large expenditures by our member agencies. It is proposed that the word "permanent" be added before the words "service connection" so that the Administrative Code language is consistent with the long-standing practice of only reporting on new permanent service connections each quarter.

Capital Improvement Programs

In accordance with Administrative Code Section 5115, the established policy for Board approval and funding Capital Programs has two phases. The first phase authorizes and funds planning, feasibility and environmental studies and the second phase authorizes and funds all remaining work including design and construction. Although Board approval of capital improvement programs and funding may be granted, the General Manager's authority to award contracts is currently limited to \$250,000. It is therefore proposed that the approval phases for capital improvement programs also authorize the General

Manager to award and execute all contracts for the required work under each phase in accordance with established policy and without regard to amount unless otherwise restricted by the Administrative Code or the Board.

#### Change Orders

It is proposed that Administrative Code Section 8115(d) be revised to conform with the proposed revisions to Administrative Code Section 5115 which will authorize the General Manager to issue change orders for capital program contracts under Administrative Code Section 5115 in amounts up to \$250,000 per contract, or, for contracts which exceed \$5 million, an aggregate amount per contract not to exceed five percent of the initial amount of the contract.

#### Agency Temporary Personnel

The funding for temporary personnel is approved each year as part of the annual budget. It is proposed that Administrative Code Section 8122 be added to authorize the General Manager to enter into and amend existing contracts with employment service agencies and consultants supplying temporary personnel, regardless of dollar value, provided that the aggregate expenditure during any fiscal year does not exceed the amount provided for in the annual budget appropriation for these services. The General Manager will report quarterly to the Organization and Personnel and Engineering and Operations committees on the exercise of this authority.

Accordingly, attached for review are proposed revisions of relevant Administrative Code sections (Attachment A), and a copy of existing provisions reflecting additions and deletions (Attachment B).

This action is exempt from the provisions of the California Environmental Quality Act in that it can be seen with certainty that there is no possibility that the Administrative Code Revisions will have a significant effect on the environment.

#### Board Committee Assignments

This letter is referred for action to:

The Engineering and Operations Committee because of its jurisdiction over construction, operation, and maintenance of District facilities, pursuant to Administrative Code Section 2431; and

The Executive Committee because of its jurisdiction relating to policies and procedures to be considered by the Board pursuant to Administrative Code Section 2417(e).

Recommendation

**ENGINEERING AND OPERATIONS AND EXECUTIVE COMMITTEES FOR ACTION.**

It is recommended that Sections 2720, 5115, 8113, and 8115 of the Metropolitan Water District Administrative Code be amended, and that Section 8122 be added to the Administrative Code to read as set forth in Attachment A.



Carl Boronkay

LTF:atr/rdl  
(brd:admcode.dec-11242)  
Attachments

**§ 2720. General Manager's Quarterly Reports**

The General Manager shall make the following reports quarterly:

(a) To the Engineering and Operations Committee:

(1) On permanent service connections approved by the General Manager pursuant to Sections 4700-4706 with the estimated cost and approximate location of each;

(2) On the execution of relocation agreements involving an amount in excess of \$100,000 under the authority of Section 8118(a);

(3) On the execution of any contract authorized pursuant to Section 8121; and

(4) On the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516.

(b) To the Land Committee:

(1) Deeds or grants accepted during the preceding quarter;

(2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;

(3) All leases made during the preceding quarter under the authority of Sections 8222 and 8223;

(4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and

(5) Property sold pursuant to the authority granted by Section 8240 et seq.

- (c) To the Legal and Claims Committee, jointly with the General Counsel, the exercise of any power delegated to them by Sections 6431, 9200 and 9201.
- (d) To the Organization and Personnel Committee on the employment of any consultant, the extension of any consulting agreement, and on the exercise of authority under Sections 8103(k) and 8117 during the preceding calendar quarter. The report covering the last calendar quarter of the year may be combined with and included in the annual report. Each such report shall indicate when a consultant is a former employee of the District.
- (e) To the Water Problems Committee on the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516.
- (f) To the Executive Committee on Directors' travel expenses.
- (g) To the Organization and Personnel and Engineering and Operations Committees on the execution of contracts and extension of contracts with employment service agencies and consultants supplying temporary personnel under the authority of Section 8122.

**§ 5115. Capital Improvement Program Approvals and Funding.**

Unless otherwise exempted by the Administrative Code, the General Manager may request that the Board appropriate funds for planning, feasibility and environmental studies for all Capital Improvement Programs and authority to award and execute all contracts related to studies. Following completion of all studies, the General Manager may request a total appropriation to fund the completion of all remaining work, as well as the authority to award and execute all contracts under that appropriation in accordance with established policy and without regard to amount unless otherwise restricted by this Code or the Board. If the actual aggregate costs of a capital program are expected to exceed the amount appropriated, the General Manager shall request additional funding and submit a report supporting said request. Notwithstanding the foregoing, the Board at its discretion may elect to appropriate only such amounts as it deems necessary for the completion of each distinct phase of a capital program.

**§ 8113. Award.**

(a) By Board. - Award of contract required to be made upon competitive bidding shall be made by the Board in the following instances:

(1) When the lowest responsible bid for the construction of works or structures, for the purchase of equipment, materials or supplies, or for the performance of labor or services is \$250,000 or more except for contracts within Section 5115;

(2) Where competitive bids are required and the low bid meeting the requirements of the notice inviting bids is not accepted.

(b) By General Manager. - In all cases other than those referred to in Section 8113(a) hereof, award of contract may be made by the General Manager unless otherwise directed by the Board.

**§ 8115. Negotiated Contracts.**

All contracts not required to be let by competitive bidding shall be entered into as follows:

(a) Contracts Over \$250,000. - Except as provided in Sections 5115 and 8115(b), if the amount payable or expected to be paid under the terms of the contract is \$250,000 or more, the contract shall be executed only upon prior approval of the Board, provided that the Board may designate an officer of the District to negotiate and execute classes of contracts without prior approval of the Board.

(b) Urgent Necessity Contracts. - When the cost for the construction of works or structures, for the purchase of equipment, materials or supplies, or for the performance of labor or services is \$250,000 or more, and such construction, purchase, or performance is determined by the General Manager to be of urgent necessity, the General Manager may execute a contract therefor, provided that such contract shall not be binding on the District in an amount exceeding \$250,000 unless the General Manager obtains ratification of such contract by a two-thirds vote of the Board.

(c) Contracts Under \$250,000. - If the amount payable or expected to be paid under the terms of a contract is less than \$250,000 the contract may be executed by the General Manager unless otherwise directed by the Board.

(d) Change Orders. - Except for construction and Capital Improvement Program contracts under Section 5115, if the amount payable under a change order is less than \$250,000, the General Manager is authorized to execute the change order even if the change order will bring the total amount payable under the contract to \$250,000 or more. Notwithstanding the foregoing, the General Manager shall not, without prior Board approval, issue change orders totalling more than \$250,000 to a contract involving an original total amount payable under \$250,000, or a change order that would cause the amount payable under a contract for professional and consulting services to exceed the limit established by Section 8117. Change orders for construction and Capital Improvement Program contracts under Section 5115 may be executed by the General Manager without prior Board approval for an amount up to \$250,000 per contract or an aggregate amount not to exceed 5 percent of the initial amount of the contract, whichever is greater.

#### **§ 8122. Contracts for Temporary Personnel**

The General Manager may enter into and amend existing contracts with employment service agencies and consultants supplying temporary personnel, regardless of dollar value, provided that the aggregate expenditure during any fiscal year does not exceed the amount provided for in the approved annual budget appropriation for these services.

**§ 2720. General Manager's Quarterly Reports**

The General Manager shall ~~quarterly~~ make the following reports quarterly:

(a) To the Engineering and Operations Committee:

(1) On permanent service connections approved by the General Manager pursuant to Sections 4700-47086 with the estimated cost and approximate location of each;

(2) On the execution of ~~any~~ relocation agreements involving an amount in excess of \$100,000 under the authority of Section 8118(a);

(3) On the execution of any contract authorized pursuant to Section 8121; and

(4) On the status of the Local Projects Program, including the execution of any Local Projects Program agreements under the authority of Section 4516.

(b) To the Land Committee:

(1) Deeds or grants accepted during the preceding quarter;

(2) Easements, or similar rights, granted during the preceding quarter under the authority of Section 8220, and shall also include in such report any relocation or protection agreement made in connection therewith;

(3) All leases made during the preceding quarter under the authority of Sections 8222 and 8223;

(4) The details of any transactions during the preceding quarter in which an improvement was disposed of in such a manner as to make the improvement available for subsequent use by a party other than the District; and

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- (c) To the Legal and Claims Committee, jointly with the General Counsel, the exercise of any power delegated to them by Sections 6431, 9200 and 9201.
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- (f) To the Executive Committee on Directors' travel expenses.
- (g) To the Organization and Personnel and Engineering and Operations Committees on the execution of contracts and extension of contracts with employment service agencies and consultants supplying temporary personnel under the authority of Section 8122.

**§ 5115. Capital Project Improvement Program Approvals and Funding.**

Unless otherwise exempted by the Administrative Code, the General Manager shall may request that the Board to appropriate amounts funds for initial planning and, feasibility and environmental studies for all Capital Improvement projects Programs and authority to award and execute all contracts related to studies. Following completion of all environmental documentation studies, the General Manager shall may request a total appropriation for to fund the completion of all remaining work, as well as the authority to award and execute all contracts under that appropriation in accordance with established policy and without regard to amount unless otherwise restricted by this Code or the Board. If the actual aggregate costs of a capital project program are expected to exceeds the amount appropriated, the General Manager shall request additional funding and submit a report supporting said request. Notwithstanding the foregoing, the Board at its discretion may elect to appropriate only such amounts as it deems necessary for the completion of each separate distinct phase of a capital project program.

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