



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-3

April 29, 1993

To: Board of Directors (Organization & Personnel Committee--Action)

From: General Manager

Subject: Request to Authorize the General Manager to Exceed the Board of Director's \$250,000 Limitation on the Existing Contract for Recruitment Advertising Services up to the \$300,000 Previously Approved in the Budget

Report

The General Manager's delegated authority to enter into service agreements has a limitation of \$250,000. For fiscal year 1992-93, the Board approved \$300,000 in the budget for recruitment advertising services (which represents a reduction of 15% from the previous year). The General Manager has entered into a contract with Austin Knight Advertising Agency to provide services up to \$250,000. Expenditures under this contract are now approaching the delegated limitation because of the cost of on-going recruitment and the specialized affirmative action/equal employment opportunity outreach efforts undertaken by the District's Personnel Division. It is, therefore, recommended that the General Manager be authorized to increase the contract with Austin Knight Advertising Agency to a maximum amount of \$300,000, as approved in the budget for this purpose.

The District's recruitment and selection program is an active one. Metropolitan's average annual turnover generates between 88 and 152 vacancies per year. This is because of Metropolitan's policy of promoting from within; the promotion of one existing employee frequently causes a domino effect resulting in 2 to 3 subsequent vacancies. Thus, even with no new positions being added to the budget, the District must maintain an active recruitment program to handle the vacancies resulting from turnover alone. In addition, the District's Recruitment and Selection Program faced the following specific challenges in the past year:

- Metropolitan's changing program mandates created a significant increase in the diversity of recruitments undertaken by the Personnel Division. For example, this year we recruited for such specialized positions as: environmental engineers; engineers with extensive experience in designing and building dams; a Principal

Microbiologist; a Limnologist who is a Certified SCUBA Diver; resource and environmental specialists; geotechnical engineers; high-level information systems managers; a power resource manager; and engineers with experience in materials testing and corrosion control.

- The District's expanding commitment to affirmative action and equal employment opportunity made improved recruitment outreach efforts imperative.
- The number of job seekers in the marketplace has expanded exponentially; automation became an absolute necessity to accommodate data management and record-keeping needs, and increase productivity. In calendar year 1992, Personnel posted 261 position vacancies and, through the new automated application tracking system, responded in writing to 20,095 requests for applications, and generated an additional 20,701 notices to notify job seekers of their status in the recruitment and selection process.

As a result of these factors, and as presented in greater detail in a manual given to the members of the Operations and Personnel Committee on April 12, 1993, major improvements were undertaken in every aspect of the District's recruitment and outreach program. One major change was the redesign of our recruitment and equal employment outreach strategy. The economy has forced fierce competition for the best and the brightest, particularly those who will enable employers to achieve their affirmative action objectives. Our revised recruitment strategy included projecting Metropolitan's image as a highly desirable employer and, equally important, sharpening outreach efforts by targeting advertising in the right places to ensure results. Improved results required a new and more innovative advertising agency, since previous agencies utilized had produced only ordinary results.

In moving toward selection of a new advertising agency, staff researched the 15 recruitment advertising agencies in the Southern California area; none was minority-owned, and three were woman-owned. Four agencies, including one woman-owned agency, were selected as finalists and participated in a competitive process to determine their service levels and creative capabilities. Each agency was specifically challenged to demonstrate how they proposed to present and serve both the District's specialized recruitment needs and our equal employment opportunity outreach commitment. As a result of this competitive process, the Austin Knight agency was selected and has provided exceptional service and impressive results.

With continuing concerns for the District's MBE/WBE commitment, it should be noted that the advertising agency's fees represent only 15% of the cost of the advertising program;

the remaining costs go back into the community of businesses involved in advertising: newspapers, magazines, trade and professional publications, event (job/career fair) organizers, and those providing services such as printing and producing advertising materials. The greatest cost of advertising is with the L.A. Times, which has tremendous readership in one of the most demographically diverse marketplaces in the United States. However, per our agreement with Austin Knight, the services of minority or woman-owned businesses are used or subcontracted for whenever possible. For example: last June, \$29,500 worth of advertising materials was produced through a minority-owned printer; and approximately \$20,000 worth of advertising and job/career fair participation has been purchased through minority-owned businesses this fiscal year.

While it is understood that recruitment and outside advertising costs should lessen for the remainder of this fiscal year due to a hiring slowdown, the Personnel Division must be ready to respond if and when advertising services are needed. Therefore, it is requested that the General Manager be authorized to exceed the delegated limitation for recruitment advertising services, to a maximum amount of \$300,000.

This action is exempt from the provisions of the California Environmental Quality Act because it can be seen with certainty that there is no possibility that the proposed action could have a significant effect on the environment.

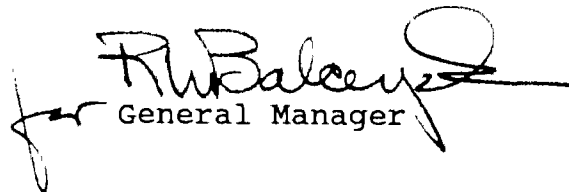
Board Committee Assignments

This letter is referred for action to the Organization and Personnel Committee because of its jurisdiction over the terms and conditions of employment of all consultants, advisors, and special counsel, pursuant to Administrative Code Section 2471(g).

Recommendation

ORGANIZATION AND PERSONNEL COMMITTEE FOR ACTION.

It is recommended that the General Manager be authorized to amend the existing contract with Austin Knight Advertising Agency for recruitment advertising services to increase the \$250,000 limitation to \$300,000 which was previously approved in the 1992-93 fiscal year budget for this purpose.


for General Manager

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