

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

August 30, 1993

To: Board of Directors (Engineering and Operations Committee--Action)  
(Finance and Insurance Committee--Information)

From: General Manager

Subject: Authority to Enter into Agreement with Stockmar Industrial, Inc.,  
for Supplemental Labor for the Special Services Maintenance Shops

### Report

The Special Services maintenance shops provide services in support of all of Metropolitan's distribution and aqueduct facilities including (a) pumping plants, (b) hydroelectric plants, (c) filtration plants, and (d) pipelines. In addition, Metropolitan has entered into an agreement with the Department of Water Resources (DWR) to provide machining and repair services for State Water Project equipment. The terms of the contract extend through June 10, 1997. This contract was entered into in lieu of our paying the cost for DWR to build and staff a heavy maintenance facility.

In the last few years, increases in both Metropolitan and DWR work have resulted in the shops running at their maximum capacity for most of the year. Since the amount and type of work, and the time frame in which the shop services are required are not fully defined, adjustments in the shop's personnel requirements are necessary to accomplish fluctuations and to more effectively respond to emergency conditions, Metropolitan has entered into contracts for the use of supplemental labor to augment its staff in times of peak demand.

The current contract for the supplemental labor expires September 30, 1993. Because Metropolitan's permanent staff cannot meet the above-mentioned peaks, it is necessary to continue with the use of contract supplemental labor to accomplish this work. A request for proposal (RFP) was sent to 11 specialty labor contractors who appeared to have the ability to meet Metropolitan's occasional personnel peaking requirements. Only two contractors submitted proposals.

After careful review of the proposals, Stockmar Industrial, Inc., was selected to supply the supplemental labor for the Special Services Shops. Each of these firms was

required to furnish its affirmative action plan to Metropolitan, together with data showing the composition of its work force. This information was evaluated to ensure that each complied with affirmative action and equal opportunity regulations, and provided equal opportunity through apprenticeship and job training programs. Stockmar is an equal opportunity employer and a copy of its affirmative action plan will be kept on file with Metropolitan for the term of the contract. Additionally, Stockmar's fee schedule for the crafts need was substantially below the other bidder.

Under the terms of the contract, Stockmar Industrial, Inc., will provide Metropolitan with up to a maximum of 12 workers with a variety of skills at rates ranging from \$22 per hour to \$38 per hour, including benefits and contractor profit. Workers will be paid the prevailing wage, as determined by the Division of Labor Statistics and Research, Department of Industrial Relations of the State of California. Workers will be made available depending on Metropolitan's needs at any point in time. Under the terms of the contract, there is no guarantee of minimum work needs. This contract is for a two-year period and is renewable for an additional two years. The maximum amount payable is \$1,000,000 per year, not to exceed \$4,000,000 for the term of the contract.

Funding for this contract is available under the annual budget appropriation for operation and maintenance. Also, under a separate agreement with the State, Metropolitan will be reimbursed for all costs associated with State repair work.

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

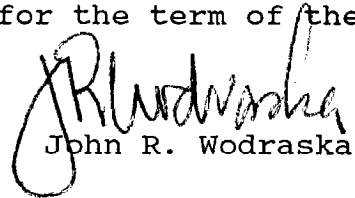
This letter is referred for action to the Engineering and Operations Committee because of its authority regarding the operation and maintenance of facilities required for the delivery of water and engineering aspects of the State Water Project facilities, pursuant to Administrative Code Section 2431, Subdivision (c).

This letter is referred for information to the Finance and Insurance Committee because it has jurisdiction over appropriations pursuant to Administrative Code Section 2441, Subdivision (d).

Recommendation

ENGINEERING AND OPERATIONS COMMITTEE FOR ACTION.

It is recommended that the General Manager be authorized to enter into a contract, in form approved by the General Counsel with Stockmar Industrial, Inc. for a two year period, renewable for an additional two years and the maximum amount payable not to exceed \$4,000,000 for the term of the contract.

  
John R. Wodraska

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