

MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-6

December 20, 1993

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

From: General Manager

Subject: Authority for the General Manager to Enter into and Amend Existing Contracts with Employment Agencies Supplying Temporary Personnel with a Limitation in Total Amounts Paid of **\$5,953,275** through the Third Quarter of Fiscal Year 1993-94

Report

This letter addresses the employment agency agreements which are administered by the Personnel Division (Personnel). The approved budget for the agreements is **\$7,937,700** for fiscal year (F/Y) 1993-94. Personnel administers the District's employment agency agreements for all departments and divisions with the exception of the Engineering Division's (Engineering) professional services labor agreements. However, Personnel does administer agreements for Engineering's temporary clerical needs. The budget for these charges was included in the Engineering labor allocation for the current fiscal year.

At the request of your Board's Organization and Personnel Committee, authority is requested in quarterly amounts, rather than for the full F/Y. From July 31, 1993 through the current quarter which ends December 31, 1993, approximately **\$3,500,000** has been expended on temporary agency employees, versus a budgeted amount of **\$3,968,850**, for a favorable variance of just under \$500,000. In order to provide budgeted personnel services through the third quarter of fiscal year 1993-94 (**\$1,984,425** quarterly), it is proposed to amend existing agreements or enter into new ones with the various employment agencies, to a total amount of no more than **\$5,953,275**. The General Manager's goal is to maintain or expand the current favorable variance between budgeted and actual cost by continuously reducing the number of temporary employees.

In August 1993, the General Manager initiated a temporary employee reduction plan. As part of that plan, temporary employees were placed into three categories based on their duration of use: Category I, short-term (four months or less); Category II, medium-term (**one-** to three-year closed-end assignments, usually tied to special projects); and Category III,

assignments which are expected to be needed and continued indefinitely, where the positions may be converted to permanent as funds or vacancies become available. Category II work is now being re-engineered out through warehouse shutdowns, facility consolidations, and anticipated conversions from manual paper driven systems to paperless systems. Further re-engineering may reduce Category III work.

Attachment "A," Summary of Temporary Agency Employee Usage, shows the current numbers of temporary agency employees at the District by these three categories. A total of 157 temporary agency employees provide services for the District in all three categories: 79 in Category I (including brush clearance and apprenticeship work described below), 47 in Category II, and 31 in Category III. The temporary services include: basic and specialized clerical duties; unskilled labor; skilled craft work; technical writing; and various professional assignments.

Attachment "B," Scheduled Reduction in Category I Temporary Agency Employee Usage, shows planned reductions during the remainder of this fiscal year in this "**short-term**" group. Within Category I are listed 18 temporary agency employees who were hired by the Operations Division for a **15-Week Apprenticeship Program** (which is nearing completion). This program is intended to provide work experience for targeted minority/female disadvantaged youths between the ages of 18 and 25 years. In addition, the annual brush clearance program has begun at Lake Mathews, where 44 temporary Category I employees are employed. All work shown in Attachment B will be completed by July 1994.

Attachment "C," Scheduled Reduction in Category II Temporary Agency Employee Usage, shows planned reductions as business system re-engineering and automation proceeds over the next one to three years. All Category II work is being eliminated.

Attachment "D," Scheduled Reductions in Temporary Agency Employees, illustrates the proposed reduction of temporary agency work from January 1994 through January 1997, as a result of short-term project completions and medium-term reengineering over the next one to three years. It is proposed that future reauthorization of significant programs such as the Apprenticeship Program be funded separately as an outreach program, as opposed to ordinary temporary labor.

At the present time, the District uses the services of 24 temporary employment agencies. Ten of the firms are either **women-** or minority-owned (42 percent).

Some, but not all, of these agreements may exceed the General Manager's approval authority of \$250,000. The delegation of authority for the General Manager to exceed the \$250,000 limit provides administrative efficiency in managing the employment agency agreements by reducing Board and staff time involved in lengthy revision processes that would be required were this authority not extended to the General Manager. Costs are monitored on a continual basis by the Personnel Division using an on-line cost inquiry system. When the monetary limitation of the agreements is reached, a change order is prepared under this authority and funds for the agreements are adjusted without disruption or termination of service.

Section 8103 (i) of the Administrative Code eliminates the need to competitively bid professional service contracts such as those which have been or will be set up for the purposes explained in this letter.

This action is exempt from the provisions of the California Environmental Quality Act because it can have no significant effect on the physical environment.

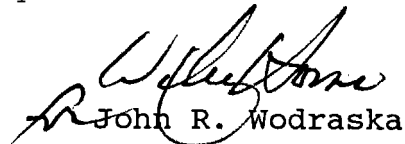
Board Committee Assisnment

This letter is referred for action to the Organization and Personnel Committee because of this Committee's 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

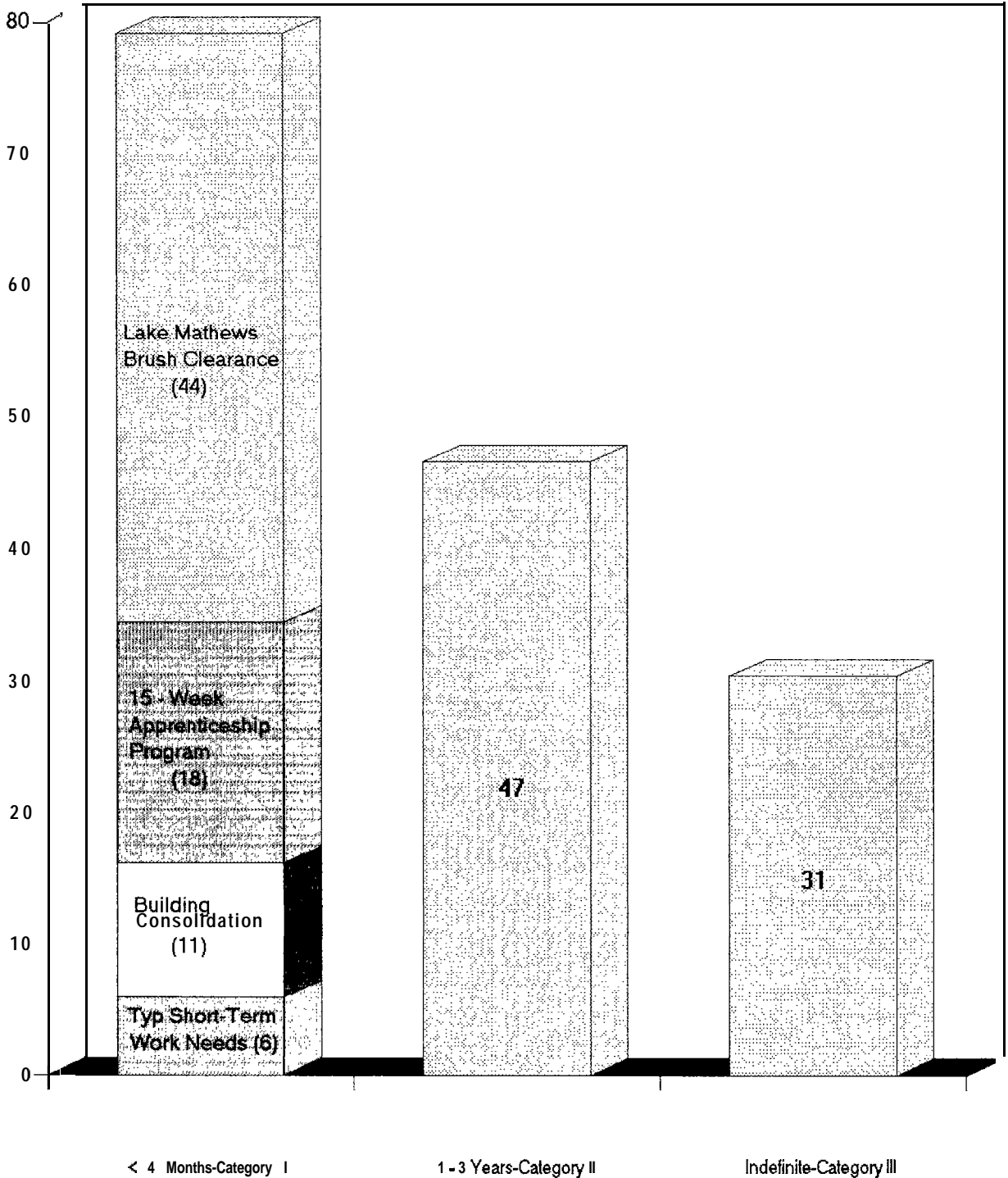
It is recommended that the General Manager be authorized to amend existing agreements and enter into new agreements with temporary employment agencies in excess of the \$250,000 limit, as specified in the District's Administrative Code. The overall limitation to this delegation of authority is \$5,953,275 through the third quarter of fiscal year 1993-94 (\$1,984,425 quarterly) substantially in accordance with the terms outlined in this letter, and in forms approved by the General Counsel.


John R. Wodraska

GJB/mdm
Attachments

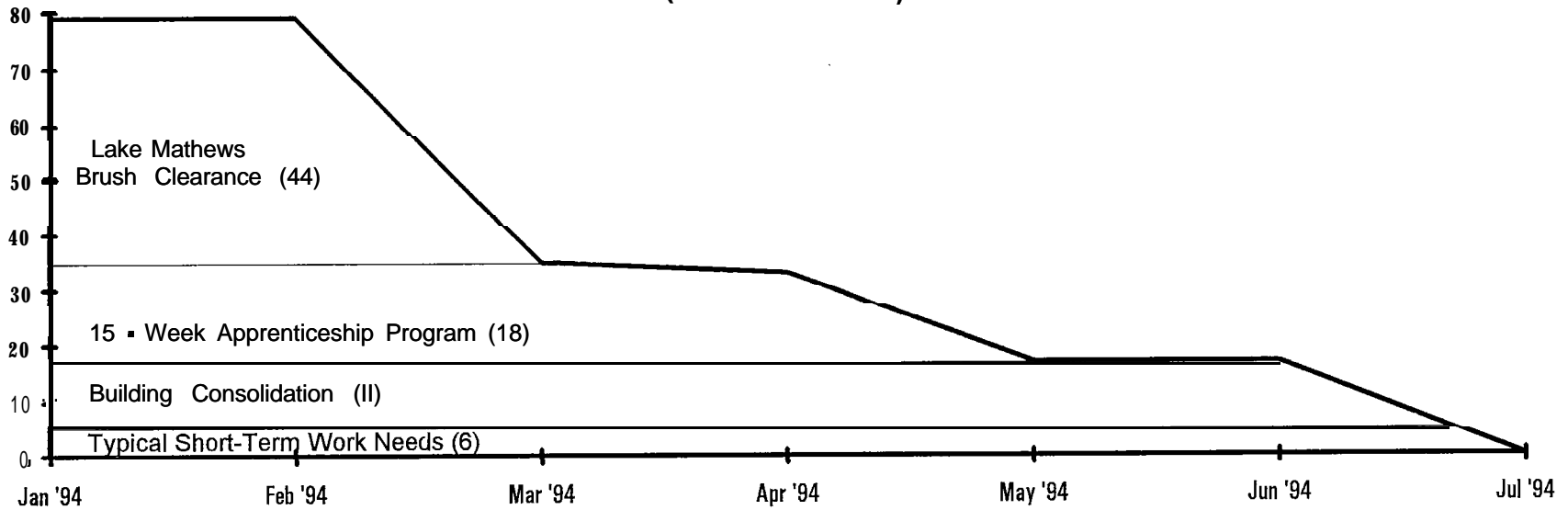
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**Summary of Temporary Agency Employee Usage
December 1, 1993**



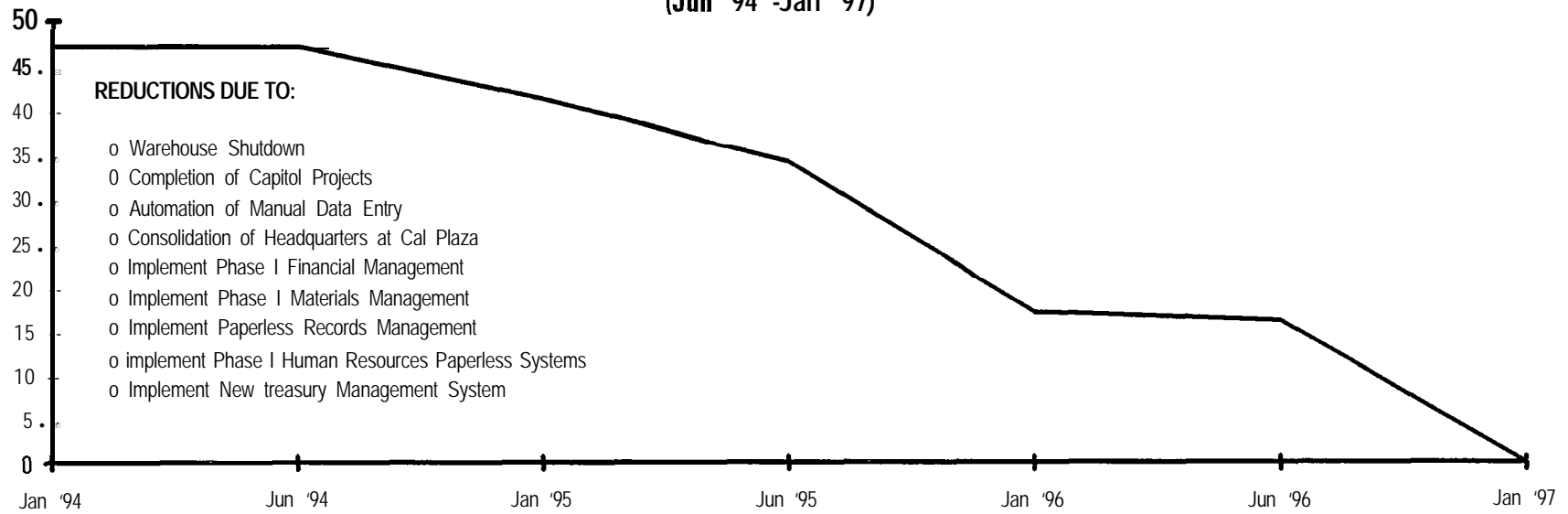
Scheduled Reduction in Category I Temporary Agency Employee Usage

(Jan '94 - Jul '94)



Scheduled Reduction in Category II Temporary Agency Employee Usage

(Jun '94 -Jan '97)



Scheduled Reductions in Agency Temporary Employee Usage (Jan '94 - Jan '97)

