



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-3

Office of the General Manager

October 18, 1994

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

From: General Manager

Subject: Appropriation No. 690 for \$2,770,000 to Finance all Estimated Costs for Selection and Installation of a Metropolitan Water District Facilities Security System

RECOMMENDATION:

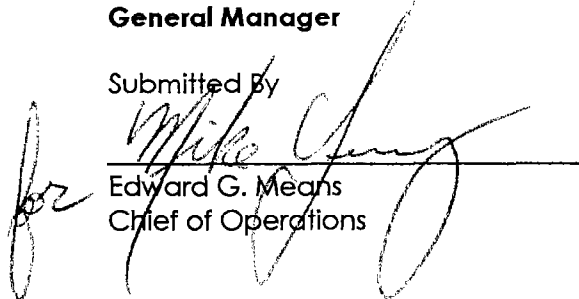
It is recommended that the Board authorize the General Manager to have all work performed, other than work to be performed under contracts involving an expenditure of \$250,000 or more, for the selection, final design, and installation of the Facilities Security System.

It is recommended that the Board Authorize Appropriation No. 690 in the amount of \$2,770,000 from the Pay-As-You-Go Fund to finance all estimated costs for the selection and installation of the Facilities Security System.

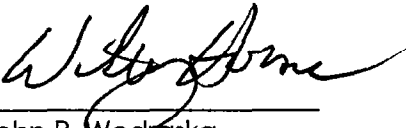
APPROVAL OF REQUEST

John R. Wodraska
General Manager

Submitted By

for 
Edward G. Means
Chief of Operations

Concur:


John R. Wodraska
General Manager

CAPITAL FUNDING REQUEST					
PROJECT NAME: METROPOLITAN WATER DISTRICT FACILITIES SECURITY SYSTEM					
APPROPRIATION NO.:	690	FUNDING REQUEST NO.:	NEW	AMOUNT:	\$2,770,000
SOURCE OF FUNDS: PAY-AS-YOU-GO					
BUDGET:	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	@ \$2,770,000	CAPITAL PROGRAM	PAGE NO. REFERENCE: F-57
PROJECT JUSTIFICATION AND TYPE: (CHECK ALL APPLICABLE)					
<input type="checkbox"/>	MEET WATER DEMANDS	<input type="checkbox"/>	NEW FACILITY	<input type="checkbox"/>	REPLACEMENT
<input type="checkbox"/>	MANDATED BY LAW	<input checked="" type="checkbox"/>	IMPROVEMENT	<input type="checkbox"/>	EXPANSION
<input checked="" type="checkbox"/>	ASSET PROTECTION/RISK MGT.				
<input checked="" type="checkbox"/>	COST AVOIDANCE				
<input type="checkbox"/>	OTHER _____				

PROJECT DESCRIPTION (INCLUDE CLASSIFICATION AND PURPOSE):

District wide Facilities Security System that will provide elements such as access control, video surveillance (for both security and safety purposes), perimeter alarms, and intrusion alarms. These requirements represent a consensus between the Area Managers, Security, Operations Division Management, and Communications in the Information Systems Division. Additionally, standards have been set that will be used in the seven major operating areas within Metropolitan's system. These standards will be implemented all major operating facilities, such as treatment plants, as well as many of the secondary facilities such as reservoirs, hydro electric plants and control structures.

The type of equipment required for this project has been used in the water, gas, and electric industries for a number of years. A survey of current practice among utilities is shown on Attachment A. The project team is ready to select a System Integrator, through the Request for Proposal (RFP) process to configure this system based upon our requirements, acquire the necessary equipment, perform some minor modifications to the software, and install it. We will meet or exceed our MBE/WBE goals on this project.

Class: Three - Project not directly related to the delivery of water but demonstrates economic savings outweighing program costs due to reduced contract labor costs.

STRATEGIC PLAN PRINCIPLE: 2.1 - District Budget 4.11 Treatment Plant Security

BENEFIT (NARRATIVE FOR DIRECT AND OTHER BENEFITS):

Based on the proposed security improvements involved in the Facilities Security System and an analysis of our existing procedures, the Security Section has projected a reduction in existing guard services of 15 guards or 30,004 hrs/year. In addition, the District's exposure to property loss through vandalism and theft will be reduced (see Attachment B). Further, the District's potential liability for personal injury to (or caused by) unauthorized intruders could be significantly reduced.

PROJECT PLAN:						
PHASE	COST	1994	1995	1996	1997	1998
PRE. DESIGN	\$25,000	██████████				
FINAL DESIGN	\$35,000		██████████			
CONSTRUCTION	\$2,340,000		██████████			
ACCEPTANCE TESTING	\$0			██████		
CONTINGENCY	\$349,200					
TOTAL	\$2,770,000	2% COMPLETE; \$26,000 SPENT				

Alternatives to Proposed Action:

The alternative to this proposed project is to maintain the present number of contract security guards throughout the District and to continue to suffer property loss at the present rate. This represents an unavoids, combined cost of approximately \$478,000 per year.

Policy Considerations:

Avoided cost project; May reduce District's exposure to claims for personal injury or property damage.

CEQA Compliance/Environmental Documentation:

The proposed project is exempt from the provisions of the California Environmental Quality Act as it consists of modifications of existing facilities, involving no expansion of use beyond that previously existing.

FINANCIAL ANALYSIS (NEW PROJECTS ONLY)

EVALUATION PERIOD: 10 YEARS

A. PROJECTED COSTS (CAPITAL AND O&M):

	YEAR 1	YEAR 2	YEAR 3	OUT YEARS	TOTAL
LABOR/ADDITIVES	\$ 54,000	\$ 204,600	119,900	0	\$378,500
PROFESSIONAL SERVICES	0	0	0	0	0
CONTRACTS	35,500	987,000	1,007,800	0	2,030,300
TOTAL	\$89,500	\$1,191,600	1,127,700	0	\$2,408,800

NOTE: CONTINGENCIES OF \$361,200 NOT INCLUDED

B. PROJECTED SAVINGS:

	YEAR 1	YEAR 2	YEAR 3	OUT YEARS	TOTAL
LABOR/ADDITIVES	\$0	\$0	\$0	\$0	\$0
PROFESSIONAL SERVICES	0	236,557	458,385	4,795,058	\$5,490,000
OTHER - PROPERTY LOSS	0	0	25,000	175,000	200,000
TOTAL	\$0	\$236,557	\$483,385	\$4,970,058	\$5,690,000

C. DIFFERENCE (B-A)	\$(89,500)	\$(955,043)	\$(644,315)	\$4,970,058	\$3,281,200
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D. CUMULATIVE DIFFERENCE	\$(89,500)	\$(1,044,543)	\$(1,688,858)	\$3,281,200	\$3,281,200
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PAYBACK PERIOD: 4.7 YEARS

ESTIMATED LIFE OF PROJECT:

10 YEARS

ASSUMPTIONS:

5% AVERAGE INFLATION RATE PER YEAR ACCRUED ON BENEFITS OVER 10 YEARS

COSTS ARE INCURRED WITHIN ONE YEAR

REDUCTION OF APPROXIMATELY 15 CONTRACT GUARDS PER YEAR/ 30,004 HOURS

\$25,000 SAVINGS IN LOST PROPERTY PER YEAR

NO ALLOWANCE WAS USED FOR REDUCED INJURY LIABILITY DUE TO INCREASED SECURITY

Attachment A

BENCHMARK SURVEY

August 1, 1994

	SECURITY BUDGET	ELECTRONIC ACCESS CONTROL	VIDEO CAMERAS	INTRUSION SYSTEMS	DOGS	PROPRIETARY GUARDS	CONTRACT GUARDS
SO.CALIF EDISON	6.0 Million	Yes	Yes	Yes	No	80	As Needed
SO.CALIF GAS	2.4 Million	Yes	Yes	Yes	No	No	90 Guards
PACIFIC GAS AND ELECTRIC	3.2 Million	Yes	Yes	Yes	No	No	65 Guards
S. D. WATER AUTHORITY	Included in Ops Budget	Yes	No	Yes	No	No	Alarm Service
SAN DIEGO GAS & ELECT	1.3 Million	Yes	Yes	Yes	No	No	37 Guards
EASTERN	Included in Ops Budget	Yes	Yes	Yes	No	No	No
WESTERN	Included in Ops Budget	Yes	No	Yes	No	No	Alarm Service
LA DWP	8.4 Million	Yes	Yes	Yes	No	5.0 Million for 117 Guards	No
MWD	4.0 Million	No	No	No	No	No	86 Guards

SUMMARY OF RECENT INCIDENT REPORTS

The following is a summary of just a few Incident Reports that occurred because of the lack of security equipment.

1. Crime- Trespass / Vandalism

Pipe Bomb on the top of Fargo Canyon Adit

2. Crime- Theft Confidential File

Theft of a confidential file from the Mills F.O.A. office on a Hazardous Material leak. As a result an anonymous letter was sent to numerous regulatory agencies claiming misconduct by MWD.

3. Crime / Theft

Structure CB14T- Solar Batteries and Metering Package stolen.

4. Property Damage- Other Party

Main gate closed on other party vehicle because of no camera on the entrance.

5. Crime / Vandalism

Wires cut on supervisors personal vehicles while they are parked at Lake Mathews.

6. Crime / Theft

Several containers of Roundup pesticide were stolen from a outside locker. This pesticide is a controlled and regulated chemical.

Attachment B7. Crime / Theft

Cellular telephone stolen from the office at CUF over holidays.

8. Crime / Burglary

Burglary at a District residence. Suspects stole approx. \$2000.00 worth of property.

9. Crime / Burglary

Three District trucks were broken into at CUF. Items were stolen and trucks were damaged.

10. Crime / Theft

District Crane was broken into and \$900.00 worth of tools and equipment were stolen.

11. Crime / Escape from Eagle Mt. Prison

Escapee entered Eagle Mt. Pump Plant and stole District vehicle. Vehicle was recovered in Indio 4 days later.

12. Crime / Escape from Eagle Mt. Prison

Escapee arrested inside Eagle Mt. Pump Plant village. Escapee was attempting to enter a residence. Female employee who was 8 months pregnant at the time, holding a second child in her arms, and a gun to protect herself.