



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FEB 14 1995

James E. Duff
EXECUTIVE SECRETARY

January 20, 1995

(Finance and Insurance Committee--Action)

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

From: General Manager

Subject: Authority to Execute an Agreement with Reiter-Lowry Consultants for Consulting Services and Appropriation of Funds to Pay Expenses Related to Administration of the Water Standby Charge Program for Fiscal Years 1995-96, 1996-97 and 1997-98

Report

In order to continue administration of the District's water standby charge program, staff proposes to enter into a new agreement with the firm of Reiter-Lowry-Consultants (RLC). RLC has extensive experience in the administration of such programs. This firm has administered the District's water standby charge program under annual agreements during each of the last three fiscal years.

It is proposed that the new service agreement with RLC be for a three-year period. RLC has estimated that the longer period will enable them to negotiate more favorable terms with their vendors and subcontractors resulting in approximate savings to the District of 10 percent compared to the cost of three single-year contracts. The contract will contain a termination clause which would be used if the Board, for any reason, decides not to continue the water standby charge for the next three years.

The service to be provided by RLC includes subscription to the firm's Parcel Information System, data preparation, submission of standby charges to each county within the District's service area, the processing of exemptions, taxpayer inquiries, and other miscellaneous services. Due to the highly technical and specialized nature of this work, execution of the new agreement is considered exempt from competitive bidding requirements under Administrative Code Section 8103 (i).

The estimated annual cost for the proposed services is \$748,395. This is a decrease of \$130,600 from payments to RLC for services in the current fiscal year. The total for the three year service contract is \$2,245,185. Table 1 shows a detailed breakdown of the

estimated costs. Table 2 shows the consultant's proposed hourly rates and charges. It is planned to include funds for the continuing services in the Annual Budget appropriations for each of the next three fiscal years.

In accordance with your Board's policy, RLC will provide an updated Equal Employment Opportunity certificate that will comply with all equal opportunity laws and will certify that RLC will not discriminate in the employment of any persons.

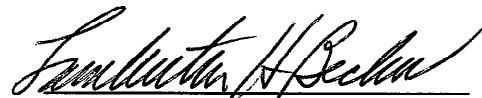
Adoption of the recommendations in this letter is exempt from the provisions of the California Environmental Quality Act since it can be seen with certainty that the proposed consulting services will not have a significant effect on the environment.

Recommendation

It is recommended that the Board of Directors authorize the General Manager to execute an agreement with Reiter-Lowry-Consultants, in form approved by the General Counsel, to provide services required to administer the District's water standby charge program for fiscal years 1995-96, 1996-97 and 1997-98, and appropriate \$2,245,185 from the Operations and Maintenance Fund to pay for the costs of such services.

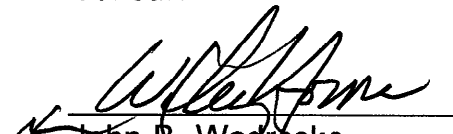
J. R. Wodraska
General Manager

Submitted by:



Lambertus H. Becker
Acting Chief Financial Officer

Concur:



John R. Wodraska
General Manager

Attachments

TABLE 1

ESTIMATED ANNUAL COSTS OF RLC STANDBY CHARGE PROGRAM

	<u>Estimated Annual Cost</u>
RLC Parcel Information System (1)	\$556,728
Submit Charges to Counties (2)	38,000
Engineer's Report & Parcel Listing (3)	18,000
Taxpayer Inquiries & Exemption Processing (4)	<u>135,667</u>
ANNUAL TOTAL	\$745,395

Notes:

- (1) Payable monthly @ \$46,394/mo.
- (2) Prepare and reconcile final assessments, prepare microfiche hard copy.
- (2) Prepare proposed assessments for Engineer's Report, microfiche vendor to provide required records.
- (4) 1,650 hours for calls/follow-up responses, microfiche vendor, 1,200 hours for engineering evaluation and research, property location verifications, analysis of government involvement, administration and letters.

TABLE 2

REITER-LOWRY CONSULTANTS RATES AND CHARGES

<u>Billing Category</u>	<u>Hourly Rate</u>
Principal	\$ 105
Associate	95
Systems Design	65
Programming	55
Research Assistant	55
Data Input	35
Word Processing	35
Travel	1/2 of hourly rate for billing category of person in transit

Reimbursable Expenses

Administrative Service Charge	\$7.00 per hour (based on Principals' billing hours)
Sub-consulting	Actual Cost
Mileage	\$0.28 per mile
Express Delivery	Actual Cost
County Magnetic Tape	Actual Cost
Printing	Actual Cost
Lodging	Actual Cost
Other Expenses (directly related to project)	Actual Cost
HP3000 CPU	\$0.016 per CPU second
HR3000 CPU storage	\$0.008 per block *

* One block equals 512 bytes.