

FILED

By the Board of Directors of  
The Metropolitan Water District  
of Southern California  
at its meeting held

OCT 10 1995

*Barney E. Deff*  
EXECUTIVE SECRETARY

9-6



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

September 19, 1995

**To:** Board of Directors (Engineering and Operations Committee--Information)  
**From:** General Manager  
**Subject:** Engineering Organization Changes Recommended by KPMG Peat Marwick

**RECOMMENDATION:**

For information only.

John R. Wodraska  
General Manager

Submitted by:

*for* *Wally Zuer*  
Gary M. Snyder  
Chief Engineer

Concur:

*for* *John R. Wodraska*  
John R. Wodraska  
General Manager

TMS\mg\kmpgbd  
(o:\eng\kpmgbrd.ltr)  
Attachment

**EXECUTIVE SUMMARY:**

On June 1, 1995, KPMG Peat Marwick LLP (KPMG), a management consulting firm, submitted its findings of an organizational study of Metropolitan's Engineering Division. An executive summary of those findings was presented to the Engineering and Operations Committee on July 10, 1995. The consultant's report contained more than 50 specific recommendations which the Engineering Division has studied and begun to implement. A status report of the division's actions on the recommendations is attached.

**DETAILED REPORT:**

At its September 13, 1994 meeting, your Board approved capital funding not to exceed \$275,000 for an objective assessment of the Engineering Division's organization and project management systems and procedures. Following a competitive evaluation process, KPMG Peat Marwick LLP (KPMG) was selected to conduct the study. KPMG was assisted by three consultants: Black & Veatch, Cordoba Corporation, and MARRS Services Inc. The Minority-Owned Business Enterprise (MBE) participation goal of 17 percent, as stated in the Request for Proposal, was achieved by KPMG's use of Cordoba Corporation, and the Women-Owned Business Enterprise (WBE) goal of 4 percent was exceeded by utilizing MARRS Services Inc. at 10 percent participation.

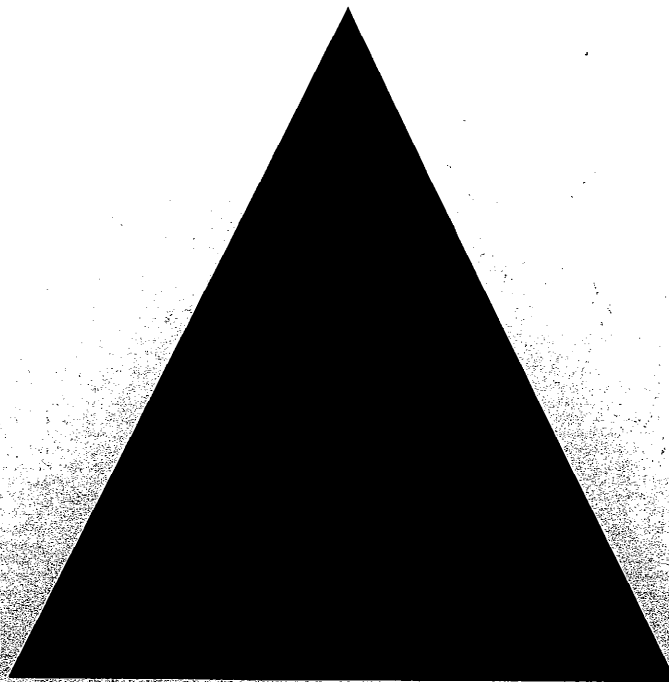
The primary focus of the KPMG study was to assess the organizational structure of the Engineering Division, as well as its utilization of project management concepts and practices. As a secondary focus, the study examined various aspects of human resources management, including diversity and training issues. The consultant was also requested to comment on the appropriate application of value engineering techniques within the capital improvement program.

The study required eight months to complete, during which time the consultant completed a review of relevant documents, conducted more than 80 personal interviews with staff and other individuals, and held 11 employee focus groups. The scope of the study included an analysis of the division's organizational and management structure, reporting relationships, work flow and work assignments, and span of control.

Upon receipt of KPMG's final report on June 1, 1995, Engineering staff began to study and implement recommendations contained in the study. A number of changes have already been instituted, including a reorganization of the division into a project management matrix and the appointment of two additional Assistant Chief Engineers. Other changes in structure and processes will be made in succeeding months.

This section uses the following tracking code : 2Da

This section uses the following index code : 41623



## Page Place Holder Sheet / Page Tracking Sheet

Page Place Holder Sheet

This sheet stands in for a section consisting of 11 total number of pages in this document, including those starting at page number \_\_\_\_\_ and ending with page number \_\_\_\_\_ as numbered in the document.

Page Tracking Sheet

This section of \_\_\_\_\_ total number of pages has been pulled from the document titled:  
\_\_\_\_\_

This section was pulled for seperate processing due to:

Duplex Pages

Simple Binding

Special Binding

Mounted Components

Page Material

Page Size

Damaged Page

Text on Screen

Image Only Pages

Page Rotation