



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-5

March 18, 1997

To: Board of Directors (Executive Committee--Action)

From: General Manager

Edward S. Mess III
Gary M. Snyder

Submitted by: Gary M. Snyder
Chief Engineer

Subject: Business Development Program: Approval to Respond to Black and Veatch's
Additional Request for Metropolitan Engineering Services

RECOMMENDATION

It is recommended that the Board of Directors authorize Metropolitan to provide additional engineering services to Black and Veatch pursuant to a contract approved as to form by the General Counsel, and authorize all ancillary activities necessary to implement the contract.

EXECUTIVE SUMMARY

Periodically, Metropolitan receives requests for a variety of services from the consulting community as well as from water agencies. Metropolitan's "Guiding Principles on Business Initiatives" require Board of Directors' approval for nonmember agency services.

Last January, the Board of Directors approved a request for technical services from Black and Veatch pertaining to ozonation processes. This work has led to a second request. The requested work will involve Finite Element Analysis (FEA) using existing Metropolitan labor and computer software.

This opportunity meets the Board-adopted criteria for business practices. It relates to Metropolitan's core mission, unique expertise in hydraulic modeling, as well as providing additional gross revenue of \$53,000.

PROPOSAL TO PROVIDE SERVICES

- Requester:** Black and Veatch, Consultants
(Initial Request, approved January 1997. This is for additional work.)
- Services Requested:** Highly specialized technical services pertaining to the ozonation process for a new water treatment plant in Vancouver, Canada. This work includes finite element analysis using staff expertise in hydraulic performance of ozone contractors. The work will be performed in Los Angeles, however, one meeting in Vancouver, Canada, may be required.
- Date Required:** Work to be completed within 5 months from contract execution.
- Resources Required:** Existing labor, computer software and equipment will be used. Approximately 500 hours of labor will be spread among expert staff within 5 months.
- Risk and Mitigation:** (1) Mitigated impact on core business through broad time bands for work completion
(2) Mitigated monetary exchange rate risk: contract in US \$, not Canadian currency.
- Agreement Format:** Time and materials.
- Contract Value:** Approximately \$53,000.

**COMPLIANCE WITH BUSINESS DEVELOPMENT
POLICY AND GUIDELINES**

- (1) Metropolitan is uniquely qualified to fill this need because of their experience with the ozonation process in gravity fed water supply and treatment systems.
- (2) Broadened Technical Knowledge. Metropolitan staff will continue to expand upon their expertise in water treatment through the application of their knowledge in a different environment.
- (3) Enhanced Business Relationships. Metropolitan was contacted by Black and Veatch as a valuable resource and experienced business partner.
- (4) Business Case. The anticipated revenue will cover all direct costs, as well as contribute to MWD's fixed costs.