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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-6

June 12, 1997

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

From: *for* General Manager

Submitted by: Kevin L. Wattier
Director of Business Development

Subject: Business Development Program: Approval to Respond to Montgomery Laboratories' Request for Metropolitan Water Quality Services

RECOMMENDATION

It is recommended that the Board of Directors authorize Metropolitan to provide Water Quality services to Montgomery Laboratories 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 non-member agency services.

Montgomery Laboratories, a Division of Montgomery Watson Americas, Inc., has obtained a research grant from the American Water Works Association Research Foundation (AWWARF) for the study entitled: "Case Studies of Impact of Treatment Changes on Biostability in Full-Scale Distribution Systems". As part of the study, laboratory testing of ozone by-products such as carboxylic acids and aldehydes is required. Metropolitan's Water Quality Laboratory is uniquely qualified to perform these tests using existing laboratory equipment.

Metropolitan has an interest in supporting this study because of the impending ozone/peroxide retrofit at the Mills and Jensen Treatment Plants.

This opportunity has been evaluated and meets the Board-adopted criteria for business development. It relates to Metropolitan's core mission, unique expertise in testing of ozone by-products, as well as potential for providing gross revenue of \$7,000.

PROPOSAL TO PROVIDE SERVICES

- Requester:** Montgomery Laboratories, a division of Montgomery Watson America, Inc.
- Services Requested:** Analyses of low molecular weight carboxylic acids by Ion Chromatography, and aldehydes by gas chromatography. Work will be done at Metropolitan's Water Quality Laboratory in La Verne.
- Purpose:** Montgomery Watson, a recipient of an AWWARF grant, desires Metropolitan's services as it pertains to ozone by-products.
- Date Required:** Analytical report has to be provided within twenty (20) working days after receipt of samples over a period of 2 years.
- Resources Required:** Approximately 90 low molecular weight carboxylic acid and 25 aldehyde analyses will be conducted during the term of the contract using existing labor, materials, laboratory equipment, and facilities.
- Risk and Mitigation:** (1) The work will be covered by Metropolitan's new Professional Services and Product Liability Insurance; and
- (2) Work performed by Metropolitan is limited to test results and findings. No recommendations will be made as part of contracted work.
- Contract Value:** Not to exceed \$7,000.

COMPLIANCE WITH BUSINESS DEVELOPMENT POLICY AND GUIDELINES

- (1) Metropolitan possesses unique expertise in the carboxylic acid analysis by Ion Chromatographic Instrumentation.
- (2) Expanded Technical Knowledge. Metropolitan staff will continue to expand upon their expertise in this area through continued application and experimentation.
- (3) Business Case. The anticipated revenue will cover all direct costs, and also contribute to Metropolitan's fixed costs.