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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

9-11

July 29, 1997

To: Board of Directors (Engineering and Operations--Information)

From: General Manager

Submitted by: Chief Engineer

Subject: Engineering Division Management Plan

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RECOMMENDATION

For information only.

EXECUTIVE SUMMARY

In September 1996, the Engineering Division began developing a plan to define and articulate its strategies and goals. A draft of the plan was completed in January 1997, which identified key drivers and five focus areas: cost reduction, staffing, quality, communication, and business development. The Division requested proposals from consulting firms and selected F. J. Schroeder & Associates to assess the draft plan, interview constituents, make recommendations, and provide outside perspectives. The consultant's study was completed in July 1997. The Division has revised the plan to incorporate the consultant's recommendations and is circulating the attached draft Management Plan for comments. The Engineering Division will incorporate comments, finalize, and begin implementing the Management Plan by October 1997.

DETAILED REPORT

In September 1996, Engineering Division management met with Executive Management and various constituents to discuss divisional strategies, goals, and perceptions. Following these meetings, Division management began developing a plan to reassess its strategies and goals in light of the current environment. Development of the Division's plan began with a series of meetings within the Office of the Chief Engineer to define the Division's mission, guiding principles, and key focus areas. Five key focus areas were identified: cost reduction, staffing, quality, communications, and business development. Next, a retreat was held with Engineering Division Branch Managers to discuss the current environment and review the mission, guiding principles, and focus areas. At the retreat, Branch Managers formed teams for

each of the focus areas and began developing new strategies and goals. The teams continued to meet following the retreat and prepared reports documenting analyses, proposed strategies, and goals. The team reports were consolidated into a draft Strategic Plan in January 1997.

In December 1996, a Request for Proposal was issued to find a consulting firm that would assess the Division's Strategic Plan, provide independent recommendations, and outside perspectives. A panel of Metropolitan senior managers evaluated three firms which had been short-listed and ultimately selected F. J. Schroeder & Associates to conduct the study. Over the following six months, F. J. Schroeder & Associates reviewed the plan, conducted focus groups, and interviewed a cross-section of directors; member agency managers; senior management; managers in other Metropolitan divisions; representatives of engineering, construction, and supply firms; and Engineering Division employees. They also studied numerous Engineering documents and processes. The consulting firm issued its final report in July 1997.

The Engineering Division has revised its plan to incorporate the consultant's recommendations and has renamed the plan from Strategic Plan to the Management Plan to avoid confusion with Metropolitan's Strategic Plan. The following are some of the key goals and recommendations in the Management Plan:

- Initiate measures to improve project manager skills, accountability, and empowerment to run projects, make decisions, and control costs.
- Reduce regular positions from 514 to 275 by fiscal year 2005/6. This can be accomplished through attrition and retirements.
- Investigate opportunities to further reduce Engineering Division regular positions through transfers of selected functions to other divisions.
- Concentrate on core work and outsource more work to consultants.
- Keep the level of regular employee staffing well below "valleys" in our projected workload to increase flexibility in dealing with uncertainties.
- Make greater use of nontraditional approaches of project delivery, such as design-build.
- Create employee development plans to ensure that employees possess key skills needed in the future, plus cross-train and rotate staff to enrich jobs and provide staffing flexibility.
- Institute a series of initiatives to improve two-way communication with our stakeholders, including the Directors, Member Agencies, Executive Management, and our employees.
- Continue to support business development efforts of Metropolitan's newly created Business Development Office.

- Establish multi-tier quality standards to ensure that all facilities are designed and built to standards appropriate for their intended use. Solicit input and customer requirements from Member Agencies, Operations Division, and other customers to better define standards and determine when/where each should be applied.

Attached for your information are copies of the consultant's Strategic Plan Assessment - Final Report and a draft of the Engineering Division Management Plan. The consultant provided an oral report of its findings and recommendations at the July 1997 meeting of the Engineering and Operations (E&O) Committee and will be available to answer questions at the August meeting of the E&O Committee. Staff will present an overview of the Management Plan at the August meeting of the E&O Committee and solicit Director input on the plan. Staff will also present an overview of the Plan at the Member Agency Managers Meeting and the September meeting of the Metropolitan / Member Agency Engineering Managers Group to solicit Member Agency input on the Plan. Input from Engineering Division staff will also be solicited through a series of staff meetings. The Division's goal is to incorporate input, finalize, and begin implementing the Management Plan by October 1997.

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Attachments