



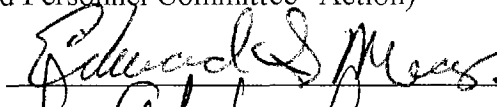
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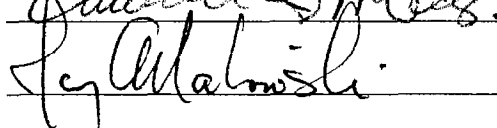
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

8-4

September 24, 1997

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

From: *for* General Manager 

Submitted by: Chief of Operations 

Subject: Authorization to Enter into an Agreement with Stockmar Industrial, Inc. for Providing Supplemental Labor for the Special Services Maintenance Shops

RECOMMENDATION

To provide supplemental labor for the Special Services maintenance shops, it is recommended that your Board authorize the General Manager to enter into an agreement with Stockmar Industrial, Inc. for a two-year period, renewable for an additional two years, for a maximum amount payable of \$2,000,000 per year, not to exceed \$8,000,000 for the term of the contract

EXECUTIVE SUMMARY

The Special Services machine shop requires the use of supplemental labor to assist its permanent staff during periods of above-normal loading. The current contract for supplemental labor will expire on October 30, 1997. Metropolitan issued a request for proposals for providing supplemental labor services. Requests were sent to nine specialty labor contractors who appeared to have the ability to meet Metropolitan's occasional personnel peaking requirements. Only five contractors submitted proposals. After evaluation of the proposals, Stockmar Industrial, Inc. was found to be the most capable of providing the necessary services at the most competitive cost. Funds are available for this work under the annual budget appropriation for operations and maintenance. The total maximum cost of this contract is \$8,000,000.

JUSTIFICATION

Metropolitan has had an agreement with the Department of Water Resources (DWR) since 1983 to provide repair services for State Water Project equipment. This agreement was entered into in lieu of the state duplicating shop facilities for which Metropolitan would have paid a large portion of the cost. The amount of work Metropolitan performs for DWR has increased over the years and projections are that it will continue to do so. As previously reported to your Board, the service agreement with DWR was recently increased to \$2,000,000 per year through June 30, 2002. There have been increases in the amount of work the shops perform on Metropolitan

equipment as well. The amount of work that the shops have at any given time fluctuates. Therefore, it is most cost-effective to contract for supplemental skilled labor to meet fluctuations in staffing requirements and hire full-time staff for the historic base load.

ALTERNATIVES TO PROPOSED ACTION

1) Use Only Metropolitan Staff to Perform Maintenance

Metropolitan could hire additional staff to meet projected maximum workload in the maintenance shops. This would allow us to continue supporting Metropolitan and DWR needs but at a greater cost as additional staff would be paid for forty hours per week whether or not the work existed.

2) Cancel the Agreement with the Department of Water Resources

Metropolitan could cancel the existing agreement with the Department of Water Resources and agree to provide machining services only when Metropolitan needs have been met. This would result in DWR needing to acquire the services at greater cost and less reliability or to expand their maintenance facilities to handle the work. Either option would undoubtedly increase the O&M costs of the State Water Project and, therefore, Metropolitan.

ACTIONS AND MILESTONES

- o Award new supplemental labor contract by November 1, 1997.
- o Provide supplemental skilled labor for the Special Services maintenance shops as required.

CEQA COMPLIANCE / ENVIRONMENTAL DOCUMENTATION

The proposed action is exempt from the provisions of the California Environmental Quality Act because it does not have the potential to cause a significant effect on the environment.

CONTRACT SUMMARY

Contract Status:	New	Type of Selection:	Competitive Proposals - RFP No. 255
Contract Form:	Professional Services	Contractors Requesting Plans:	9
Contract Type:	New	Proposals Submitted:	5
Evaluation Criteria:	Evaluation based upon qualifications, ability to provide required personnel from contractor's permanent staff, dependency on subcontracting required personnel, and cost-effectiveness.		

MBE / WBE - CONSULTANT AGREEMENT

Based on a review of the scope of services and the goal attainment of previous, similar projects, the Business Outreach Office recommended that no goals be established for this project. As further recommended, the request for proposals contained Metropolitan's policy statement encouraging the use of minority- and women-owned businesses.

DETAILED REPORT

The Special Services maintenance shops provide services in support of all Metropolitan distribution and aqueduct facilities including pumping plants, hydroelectric plants, filtration plants, and pipelines. In addition, Metropolitan has entered into an agreement with the Department of Water Resources (DWR) to provide machining and repair services for State Water Project equipment. The terms of the contract extend through June 30, 2002 and authorize Metropolitan to provide up to \$2,000,000 per year for such services. This contract was entered into in lieu of our paying the cost for DWR to build and staff a heavy maintenance facility.

In the last few years, increases in both Metropolitan and DWR work have resulted in the shops running at varying percentages of full capacity. Since the amount and type of work and the time frame in which the shop services are required are not fully defined, adjustments in the shop's personnel requirements are necessary to accommodate fluctuations and to more effectively respond to emergency conditions. Metropolitan has, in the past, entered into contracts for the use of supplemental labor to augment its staff in times of peak demand.

Under the terms of this contract, Stockmar Industrial, Inc., will provide Metropolitan with up to a maximum of 30 workers with a variety of skills at rates ranging from \$28 per hour to \$36 per hour, including benefits and contractor profit. Workers will be paid the prevailing wage, as determined by the Division of Labor Statistics and Research, Department of Industrial Relations of the State of California. Workers will be made available depending on Metropolitan's needs at any point in time. Under the terms of the contract, there is no guarantee of minimum work needs. This contract is for a two-year period and is renewable for an additional two years. The maximum amount payable is \$2,000,000 per year, not to exceed \$8,000,000 for the term of the contract.

Stockmar is an equal opportunity employer and a copy of its affirmative action plan will be kept on file with Metropolitan for the term of the contract. Funding for this contract is available under the annual budget appropriation for operations and maintenance. Also, under a separate agreement with the State, Metropolitan will be reimbursed for all costs associated with State repair work.

JFM/SL/sl

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