



MWD

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

7-4

December 5, 1997

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

From: *for* General Manager

Edward S. Meas

Submitted by: Kevin L. Wattier
Director of Business Development

Kevin L. Wattier

Subject: Business Development Program: Approval to Respond to KCM, Inc.
Request for Metropolitan's Participation on a Value Engineering Team.

RECOMMENDATION(S)

It is recommended that the Board of Directors authorize Metropolitan to provide fee-for-service to KCM, Inc., pursuant to a \$5,500 service contract approved as to form by the General Counsel, and authorize all ancillary activities necessary to implement the agreement.

EXECUTIVE SUMMARY

KCM, Inc., a consulting firm in Kennewick, Washington, has requested the participation of staff from the Engineering Divisions' Soils and Concrete Laboratory on their Value Engineering Team. The Team will develop plans for the relining of large diameter pipeline for a Washington water district. Metropolitan participated in a similar effort over 18 months ago. The Team will complete its work in Kennewick, Washington, over a four-day period. Metropolitan's "Guiding Principles on Business Initiatives" require Board of Directors' approval for non-member agency services.

This opportunity has been evaluated and meets the Board-adopted criteria for Business Development. It relates to Metropolitan's core mission, unique expertise in large diameter pipeline rehabilitation, as well as providing additional revenue.

PROPOSAL TO PROVIDE SERVICES

- Requester:** KCM, Inc.
- Services Requested:** Value Engineering panel participation.
- Purpose:** To develop solutions to the relining of a large diameter pipeline for a Washington water district.
- Date Required:** February 1998
- Resources Required:** Labor of an Engineering Technician for approximately 40 hours including travel.
- Risk and Mitigation:** Metropolitan's work will be covered under the new Professional Services and Product Liability Insurance.
- Contract Value:** \$5,500.

COMPLIANCE WITH BUSINESS DEVELOPMENT POLICY AND GUIDELINES

- (1) Metropolitan possesses unique expertise in the Value Engineering Process.
- (2) Expanded technical knowledge: Metropolitan staff will continue to expand their expertise in the Value Engineering Process and in participating with the private sector.
- (3) Business Case: The anticipated revenue will cover all direct costs, and also contribute to Metropolitan's fixed costs.