

Quarterly Report

June 7, 1999

To: Engineering and Operations Committee--Information

From: General Manager _____

Submitted by: Gary M. Snyder
Chief Engineer _____

Subject: Third Quarterly Report of Consulting and Professional Service Agreements for the 1998/99 Fiscal Year

RECOMMENDATION(S)

For information only.

DETAILED REPORT

Pursuant to Administrative Code Section 2720(d), the Third Quarterly Report of Consulting and Professional Services Agreements for the 1998/99 Fiscal Year (FY) is attached hereto as Exhibits A through D.

For your information, the General Manager is currently performing a thorough review of the agreements listed. In particular, the use of rollover agreements for consulting and professional services will be evaluated. Rollover agreements are those agreements with an annual not-to-exceed maximum amount payable. Metropolitan implemented a policy in May 1997 limiting the term of a rollover agreement to three years. Division manager approval must be obtained to extend the term of the agreement beyond three years. Resulting changes to this policy following the General Manager's analysis will be reported to the Board.

Exhibit A lists agreements that were recorded as active during the third quarter of the 1998/99 FY. Agreements that were terminated during the quarter are shaded. The exhibit includes the types of service provided, brief scopes of work, agreement amounts, and payment data. (See Exhibit D for the service ID key.) Rollover agreements are marked with an asterisk.

Agreements procured through a formal request for proposal process include the "RFP" notation in the scope of work. If an alternate or modified selection process was used, the scope of work includes "ALT RFP."

Exhibits B and C incorporate Legal and Audit Department agreements into this report. Included in these exhibits are brief scopes of work, agreement amounts, and payment data.

The amount paid for consulting and professional services during the third quarter totaled \$24,404,080. The amount expended includes \$22,352,568 paid on agreements administered by the General Manager's Department (78 percent of which was expended on agreements that

received individual approval by the Board), \$1,772,995 paid on agreements administered by the Legal Department, \$246,507 paid on agreements administered by the Audit Department, and an additional \$32,010 paid on blanket orders or agreements with maximum amount payables of less than \$25,000.

As a result of continuing efforts to reduce the number of inactive agreements reported to the Board, 69 agreements were terminated during the third quarter. This is in addition to 26 in the second quarter and 18 in the first quarter, for a total of 113 in the FY. As of March 31, 1999, 491 were reported as open.

Fifty-five of the agreements listed in Exhibit A were authorized under a separate Board letter in December 1998 for providing temporary employees for the Engineering Division. Of the \$18,600,000 approved by the Board for temporary and part-time personnel for the 1998/99 FY, \$12,294,457 was expended in the first three quarters of the FY.

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 **(SEE HARD COPY FOR ATTACHMENT)** 