

September 10, 1999

To: Board of Directors (Sub-committee on Real Property and Asset Management—
Action)
(Executive Committee—Action)

From: General Manager _____

Submitted by: Roy L. Wolfe _____
Manager, Corporate Resources

Subject: Approval to Respond to a Request to Extend and Increase the Value of
Metropolitan’s Member Agency Services Contract with the Orange County
Water District from \$280,000 to \$390,000.

RECOMMENDATION(S)

It is recommended that the Board of Directors authorize Metropolitan to extend and increase the value of its existing service contract with the Orange County Water District from \$280,000 to \$390,000 pursuant to an agreement approved as to form by the General Counsel.

EXECUTIVE SUMMARY

In 1995, Orange County Water District contracted with Metropolitan’s Water Quality Laboratory to furnish disinfection by-product analytical services. The original contract was amended in August 1996, and again in 1997 and 1998 to permit increases in contract value. In April 1998, the Board authorized Metropolitan to contract with the Orange County Water District for such services for amount not exceeding \$360,000. The most recent amendment expired on June 30, 1999, within a cumulative receipt of \$280,000. The Orange County Water District has requested that Metropolitan extend the contract for the analytical services, increase the cumulative amount payable to Metropolitan from \$280,000 to \$390,000, and continue work on the Santa Ana River Study.

Metropolitan’s “Guiding Principles on Business Initiatives” require Board of Directors’ approval to provide member agency services that exceed \$250,000. This opportunity has been evaluated and meets the Board-adopted criteria for Business Development. It allows Metropolitan to gain more experience in the area of disinfection by-product research, and provides reimbursements for the costs of providing the service.

DETAILED REPORT

Purpose: The Orange County Water District is studying the recharge of reclaimed water into the groundwater aquifer. This water will ultimately be used for potable consumption and requires a large research and monitoring effort funded by Orange County Water District. Orange County Water District's Santa Ana River Water Quality and Health Study is a multicomponent study on the Santa Ana River and groundwater basin receiving the recharge water. Metropolitan's Water Quality Laboratory has participated in the chemistry component of the study since 1995. Metropolitan's Water Quality Laboratory is using its unique expertise in the analysis and interpretation of disinfection by-products to work with Orange County Water District in this study.

Duration: As required up to maximum contract

Resources Required: Existing labor, equipment, and materials

Contract Value: \$390,000

Business Case: The anticipated revenue will cover all direct and indirect costs.

HB:jp