

● **Board of Directors**
Engineering, Operations and Real Property Committee

June 12, 2001 Board Meeting

8-4

Subject

Authorize an increase of \$97,000 to the cafeteria services contract for Metropolitan's building at Union Station (Appn. 11002)

Description

Guckenheimer Enterprises, Inc. has been providing cafeteria and catering services for Metropolitan's building at Union Station under a three-year contract not to exceed \$250,000 per contract year, effective September 28, 1998 through September 27, 2001. The operating costs for the first two years were under the contract limit. However, during the current contract year there has been an increase in requests for catering services. These services have included food provided for meetings, conferences, and special events such as workshops on climate change, watershed issues, special recognition events for official dignitaries and directors. During the previous two-year period, cafeteria and catering service costs averaged approximately \$20,500 per month. During the current contract year, however, cafeteria and catering services have averaged almost \$29,000 per month. As a result, staff estimates that costs for the balance of the contract year will exceed the contract limit by approximately \$97,000. The contract with Guckenheimer Enterprises, Inc. expires September 28, 2001. Staff is currently in the process of issuing a Request for Proposals for cafeteria operations and catering services for the next three years.

Policy

Metropolitan Water District Administrative Code Section 8117: Professional and technical services shall not exceed \$250,000 per contract during any one year.

CEQA

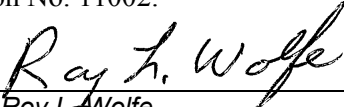

The proposed action is not defined as a project under the California Environmental Quality Act (CEQA), because the proposed action involves government fiscal activities (increase of the amount payable for a service contract) which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination for the staff recommendation is: Determine that the proposed action is not subject to CEQA per Section 15378(b)(4) of the State CEQA Guidelines.

Staff Recommendation

Adopt the CEQA determination, appropriate \$97,000, and authorize the Chief Executive Officer to amend the existing contract with Guckenheimer Enterprises, Inc. by increasing the limit to \$346,900 to maintain cafeteria operations and catering services through September 27, 2001.

Fiscal Impact: Budgeted O&M expenditure of \$97,000 to pay for cafeteria operations and catering services through September 27, 2001 under existing Appropriation No. 11002.

 _____ Roy L. Wolfe Manager, Corporate Resources	5/21/2001 Date
 _____ Ronald R. Foster President & Chief Executive Officer	5/24/2001 Date