

- **Board of Directors**  
**Legal, Claims and Personnel Committee**

June 12, 2001 Board Meeting

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8-7

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**Subject**

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Authorize entering into and amending existing contracts with employment service agencies and professional firms supplying temporary personnel in excess of \$250,000

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**Description**

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Since 1989, the Board has authorized the Chief Executive Officer to enter into contracts with employment service agencies and professional firms to obtain temporary personnel for Metropolitan's capital projects and O&M activities. Each year a request is submitted to the Board recommending that the CEO be authorized to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel exceeding the \$250,000 limitation on the CEO's contract authority. The selective use of temporary personnel provides flexibility in conducting Metropolitan's work in a cost-effective and productive manner. Metropolitan will continue to use contracts established through a competitive bid process and provide opportunities for diversity to be represented. Temporary personnel will be utilized to provide coverage for regular employees in a long-term leave status, while a position is in the recruitment process, and to provide assistance for peak workloads or term-limited assignments on capital and O&M projects.

Metropolitan's usage of temporary personnel has been significantly reduced over the last two fiscal years. In FY 99-00, Metropolitan budgeted \$14.4 million for 58 temporary agency contracts. The following year, FY 00-01, Metropolitan budgeted \$8.7 million for 44 temporary agency contracts. The proposal for next year, FY 01-02, reduces the temporary agency contracts to 21 with a budget of \$7.4 million. We are reducing our use of temporary personnel and establishing guidelines for consistent and appropriate usage of temporary personnel.

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**Policy**

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Metropolitan Water District Administrative Code Section 8117: Professional and Technical Services limits the CEO's contractual authority to \$250,000 per contract during any one year.

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**CEQA**

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The proposed action is not defined as a project under the California Environmental Quality Act (CEQA) because the proposed action involves continuing administrative activities such as personnel-related (Section 15378 (b)(2) of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA (Section 15061 (b)(3) of the State CEQA Guidelines).

The CEQA determination for both Options #1 and #2 is: Determine that the proposed action is not subject to CEQA per Sections 15378(b)(2) and 15061(b)(3) of the State CEQA Guidelines.

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**Board Options/Fiscal Impacts**

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**Option #1**

Adopt the CEQA determination and authorize the CEO to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel in excess of \$250,000. No individual contract will exceed \$2 million in a single contract year.

**Fiscal Impact:** Shall not exceed \$7.45 million as stated in the proposed temporary personnel labor budget for the 2001/02 fiscal year.

**Option #2**

Adopt the CEQA determination and do not authorize the CEO's contract authority to amend existing agreements and enter into new contracts with employment service agencies and professional firms supplying temporary personnel exceeding the \$250,000 limitation. Each individual contract would need to be authorized by the Board.

**Fiscal Impact:** Shall not exceed \$7.45 million as stated in the proposed temporary personnel labor budget for the 2001/02 fiscal year. Higher administrative costs associated with seeking Board authority for individual contracts.

**Staff Recommendation**

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Option #1

 _____ Roy L. Wolfe Manager, Corporate Resources	5/14/2001 _____ Date
 _____ Ronald R. Jester President & Chief Executive Officer	5/21/2001 _____ Date