

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

July 9, 2002 Board Meeting

8-8

Subject

Authorize entering into and amending existing contracts with employment service agencies and professional firms supplying temporary personnel in the total amount of \$7.4 million

Description

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. 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 three fiscal years. In fiscal year 1999/00, Metropolitan budgeted \$14.4 million for 58 temporary agency contracts. The following year, FY 2000/01, Metropolitan budgeted \$8.7 million for 44 temporary agency contracts. The current year, FY 2001/02, reduced the temporary agency contracts to 21 with a budget of \$7.4 million. The proposal for next year, FY 2002/03, maintains the budget of \$7.4 million for 21 temporary agency contracts. We are reducing the use of temporary personnel and following established guidelines for consistent and appropriate usage of temporary personnel.

Policy

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

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities, such as personnel-related actions (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action is not subject to CEQA because it involves other government fiscal activities, 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 is: Determine that the proposed action is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) of the State CEQA Guidelines.

CEQA determination for Option #2:

None required

Board Options/Fiscal Impacts

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 \$7.4 million as stated in the proposed temporary personnel labor budget for the 2002/03 fiscal year

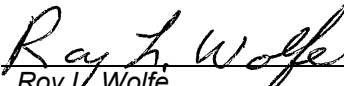
Option #2

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 Higher costs and lower productivity would be associated with not being able to use temporary agencies and would necessitate reallocation of Metropolitan staff to cover work assignments.

Staff Recommendation

Option #1

 Roy L. Wolfe Manager, Corporate Resources	6/10/2002 Date
 Ronald R. Gastelum Chief Executive Officer	6/14/2002 Date