

- **Board of Directors**
Organization and Personnel Committee

December 13, 2005 Board Meeting

7-5

Subject

Authorize entering into and amending existing contracts with temporary worker service agencies and professional firms supplying temporary personnel in the amount of \$1.97 million

Description

Since 1989, the Board has authorized the Chief Executive Officer to enter into contracts with temporary worker service agencies and professional firms to obtain temporary personnel for Metropolitan's capital projects and operations and maintenance 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 temporary worker 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 by utilizing small businesses. Temporary personnel will be utilized to provide assistance for peak workloads or term-limited assignments on specific capital and O&M projects, and to provide coverage for regular employees on long-term leave, or while a position is in the recruitment process. The types of temporary personnel typically needed are administrative, for backfill of employees, specialized technical personnel such as lab technicians, chemists, HR analysts, specialized engineers for compliance projects, specialized IT personnel for specific capital projects, and supplemental labor for capital and O&M projects throughout Metropolitan.

Metropolitan's usage of temporary personnel has significantly dropped over the past three years. In fiscal year 2003/04, Metropolitan reduced the budget to \$4.76 million for 10 to 15 temporary contracts. For fiscal year 2004/05, Metropolitan remained at \$4.76 million for 10 to 15 contracts. In fiscal year 2005/06, Metropolitan recommends that the budget be reduced to \$1.97 million based on the projected usage including budgeted and non-budgeted projects.

The cost of temporary agency workers is similar to that of regular employees in that the agency markup on the temporary agency workers' wage is approximately the same as the benefit loading for regular employees. However, given the variety of tasks required for varying periods of time, it is not feasible to hire full-time employees at the same cost as temporary workers.

Metropolitan is adhering to the requirements of Operating Policy H-08, which was updated in August 2002, and is currently being updated to ensure use of temporary agency workers consistent with legal requirements. The maximum time limitation for a position as required by Operating Policy H-08 will not be exceeded.

Policy

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

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 (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 the provisions of 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 temporary worker service agencies and professional firms supplying temporary personnel in excess of \$250,000. The aggregate amount of contracts with agencies will not exceed \$1.97 million.

Fiscal Impact: Shall not exceed \$1.97 million as stated in the proposed temporary personnel labor budget for the 2005/06 fiscal year

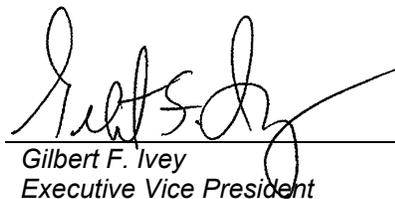
Option #2

Do not authorize the CEO's contract authority to amend existing agreements and enter into new contracts with temporary worker 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 a delay or not being able to use temporary agencies. Some required work would likely not be performed.

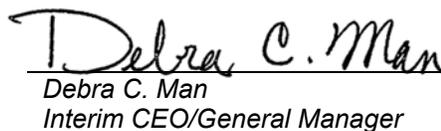
Staff Recommendation

Option #1



Gilbert F. Ivey
Executive Vice President

11/10/2005
Date



Debra C. Man
Interim CEO/General Manager

11/14/2005
Date