

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE

December 12, 2011

Chair J. Murray, Jr. called the meeting to order at 1:34 p.m. in Committee Room 2-456 at Metropolitan's Headquarters.

Members present: Chair J. Murray, Jr., Vice Chair Edwards, Directors Ballin, Bowersox, Dick, Evans, Friedman, Gray, Little, Quiñonez, and Wunderlich

Members absent: Directors Camacho, Montalvo, and Sanchez

Other Board Members present: Directors Ackerman, Barbre, Blake, Brown, Foley, Griset, Heidel, Lewinger, Morris, K. Murray, Peterson, Record, Steiner, Wilson, and Wright

Staff present: Beatty, Bennion, G. Breaux, Burton, D. Edwards, Giron, Ivey, Jankovic, Johnson, Kightlinger, Lem, Man, Mares, Pimentel, Pitman, Riss, O. Sanchez, Scully, H. Torres Jr., Upadhyay, Wolfe, and Zinke

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

None

2. APPROVAL OF THE MINUTES OF THE ORGANIZATION, PERSONNEL AND TECHNOLOGY COMMITTEE MEETING HELD ON NOVEMBER 7, 2011

Approved

Motion: Director Gray

Seconded: Director Ballin

3. COMMITTEE CHAIR'S REPORT

Chief Administrative Officer Gilbert Ivey acknowledged Information Technology Section Manager Dave Edwards for all his hard work. Mr. Ivey announced that Mr. Edwards will be retiring at the end of the month.

4. CONSENT CALENDAR ITEMS – ACTION

None

5. OTHER BOARD ITEMS – ACTION

None

6. BOARD INFORMATION ITEMS

None

7. COMMITTEE ITEMS

- a. Subject: **Innovative procurement practices**
Presented by: Business Technology Group, Contracting Services Unit Manager
Mike Kolodisner

Mr. Kolodisner provided an overview of Contracting Services and updated the Board on activities related to innovation and effectiveness. Mr. Kolodisner highlighted and covered the following items: (1) Scope of Services; (2) Innovations; (3) Performance Measures; and (4) Results and Effectiveness.

The key functions are purchasing goods, equipment and non-professional services, solicit, negotiate, and contract for professional services, administer Metropolitan's P-card program, manage Metropolitan's 8 warehouses, manage the sale of salvage and reuse of surplus furniture/equipment, and provide contract administration support and services. Some of the key activities provided by Contracting Services in the last 12 months include the processing of 13,600 purchase orders, dollar value of approximately \$88 million; processed 139 professional service agreements for a value of \$25 million; and processed 60,000 inventory issues, current inventory 6,000 items worth about \$8.3 million.

The innovations implemented in Contracting Services include a Contract Academy, online bidding, online auction of salvage, participation in multiagency contracts, warehouse inventory bar coding, and price matching. These innovations have improved efficiency and effectiveness while reducing costs.

Mr. Kolodisner reported achieving their key metrics. In addition, he reported that Contracting Services received eight awards of excellence and two outstanding agency accreditations.

Director Blake asked what the percentage of warehouse theft is. Mr. Kolodisner responded there are some shortages, but less than one percent is unaccounted for in the warehouse.

Director Evans mentioned that the contract academy is available to member agencies. He asked if the contract academy is also available to the subagencies. Mr. Kolodisner responded it is.

Director Peterson stated that during the late 1990s Metropolitan had a few computers stolen and he was told everything would be bar coded. Director Peterson asked if the bar coding system had been changed. Mr. Kolodisner responded that there are two different types of bar coding being done. All operating equipment that is theft prone or worth more than \$5,000 is bar coded. All computers fall under this category and they are being bar coded. The inventory items kept in the warehouses (i.e., repair parts, supplies, etc.) are also bar coded.

Director Dick stated that Metropolitan did not have any items up for sale on the online auction site. He noticed that some of the items that were offered for sale, but not sold, were no longer available. He asked why the items wouldn't be left open in hopes that someone would buy them. In addition, he asked if the 7 ½ percent is paid to a third-party administrator. Mr. Kolodisner responded that is correct. He explained that the third-party administrator broadcasts the sale of the items, shows pictures of the items, and tracks the pricing.

Director Evans stated he found the metrics interesting, in particular the metric regarding the time it takes to process a purchase order. He asked if it takes Metropolitan four days to pay a vendor. Mr. Kolodisner responded that the four days is from the time Purchasing receives the requisition and then gets it out. Group Manager Roy Wolfe provided further clarification that the four days refers only to Metropolitan's internal process.

b. Subject: **Review of unrepresented employees. (Closed Session)**

Presented by: Human Resources Group, Group Manager Fidencio Mares

In closed session the committee heard a report on item 7b. No action was taken.

8. FOLLOW-UP ITEMS

None

9. FUTURE AGENDA ITEMS

None

Next meeting will be held on January 9, 2012.

Meeting adjourned at 2:36 p.m.

John W. Murray Jr.
Chair