



Authorize New DWR Shop Services Agreement

Engineering & Operations Committee

Item 8-4

July 9, 2012

Current Action

- Authorize a five-year reimbursable agreement with the California Department of Water Resources to provide services for State Water Project operations and maintenance activities for an amount not to exceed \$25 million
- Includes expenditures for subcontracts not to exceed \$1.5 million per year

Agreement Background

- First agreement established in 1983
- Scope expanded several times
- Agreements leverage unique shop capabilities and staff expertise
- Current agreement expires September 30, 2012



Shop Capabilities

- Machining, fabrication, and coating services for large and unique system components
- Outside subcontracting services, and material and equipment procurement



La Verne Shops Primary Functions



- 24/7 emergency response
- O & M support
- Rehabilitation & Repair projects
- Member Agency support
- DWR support

New Agreement

- Manufacturing services
- Engineering design and project management
- Maintenance
- Emergency response assistance
- Subcontracting services
- Procurement



New Agreement Terms and Conditions

- 5 year agreement not to exceed \$25,000,000 expiring September 30, 2017
- Includes subcontracting up to \$1,500,000 per year
- Reimbursable work



Benefits of New Agreement

- Improve State Water Project reliability
- Facilitate timely repair and rehabilitation work
- Enhance emergency response capability
- Reduce SWP costs to Metropolitan through reduction of overall SWP maintenance costs

Board Options

- Option #1
 - Adopt the CEQA determination
 - Authorize a 5-year reimbursable agreement with DWR to provide services for SWP operations and maintenance activities in an amount not to exceed \$25 million
 - Authorize entering into subcontracts greater than \$250,000 to complete work under the agreement
 - Authorize entering into subcontracts as needed, not to exceed \$1.5 million annually under the agreement

Board Options

- Option #2
 - Do not extend the current agreement, which will expire September 30, 2012

Staff Recommendation

- Option # 1

