



- Board of Directors
Organization, Personnel and Technology Committee

11/14/2017 Board Meeting

7-2

Subject

Adopt CEQA determination and authorize amendment to agency temporary skilled craft labor agreement with Elite Craftsmen Services to increase the total amount payable each year from \$500,000 to \$1 million.

Executive Summary

Metropolitan's Water System Operations Group (WSO) relies on temporary skilled labor to support peak workload and temporarily fill critical vacancies. Temporary skilled craft labor agreements provide accessible labor to support shutdowns, emergency repairs, maintenance, and certain operational and administrative duties. As a result of these needs, Metropolitan is currently under contract with three agency temporary skilled labor vendors: Grafton, Inc., Johnson Services Group, and Elite Craftsmen Services.

In July 2017, the Board approved amendments providing an additional \$500,000 to each of these three temporary skilled craft labor agreements, for a total of \$1.5 million per year. Since that time, Grafton, Inc. has ceased providing services in this area, and as a result staff has been unable to utilize either the agreement, or the already approved \$500,000 per year in funding. Since the \$500,000 allotted to the Grafton, Inc. agreement is not transferrable to any of the other agency temporary skilled labor agreements, additional board action is needed to reallocate \$500,000 to one or more of the remaining vendors, and the Grafton agreement will be terminated.

To ensure that WSO has reliable, ongoing access to temporary labor for the operational needs of Metropolitan, staff recommends an amendment to increase the funding of the Elite Craftsmen Services agreement from \$500,000 to \$1 million per year. Staff also intends to start a request for proposal process at the beginning of calendar year 2018 to find additional vendors. This will ensure more options and greater flexibility for WSO in obtaining temporary skilled labor.

These positions represent less than one percent of WSO's overall labor budget. No additional funds are needed for these contract amendments as the temporary labor will be funded from operations and maintenance (O&M) or capital budgets.

Details

Metropolitan has relied on short-term temporary labor for assisting with O&M, capital, and reimbursable projects since 1988. The temporary skilled laborers include crafts such as carpenters, electricians, heavy equipment operators, machinists, coaters, millwrights, welders, plumbers, and mechanics. These temporary laborers fill critical staffing gaps that result from peak maintenance activities during shutdowns, repairs following storms and longer-term absences due to regular staff vacancies.

Agencies providing skilled workers are responsible for screening, testing, verifying certifications and licenses, and ensuring that temporary workers meet minimum qualifications and have appropriate skills and environmental health and safety training. In addition, the agencies are responsible for providing written verification that all persons hired for temporary work assignments are eligible for employment under all state and federal laws and have passed required background investigations. Individuals from each agency are limited to a maximum of six months on any one project and six months must elapse between temporary assignments. All crafts covered by a prevailing wage determination will be entitled to prevailing wage rates; however, agency temporary workers are

not eligible for per diem expenses or reimbursement for costs incurred while performing work at any site within Metropolitan's service area.

Current Contracts

The contracts with Grafton, Inc., Johnson Services Group, and Elite Craftsmen Services are for amounts not to exceed \$500,000 each per year, with up to four annual renewal options. These amounts were approved by the Board in July 2017. Since that time Grafton, Inc. has ceased providing services in this area. The agreement with Grafton, Inc. will be terminated.

As of October 2017, the maximum amount payable per year under the Elite Craftsmen Services contract has been reached and does not renew until March 1, 2018. By contrast, Johnson Services Group has a new contract beginning December 2017, bringing with it a new maximum amount payable of \$500,000. Therefore, it will be most effective to amend the contract with Elite Craftsmen Services so that this vendor may continue to provide uninterrupted temporary labor support.

This action authorizes the General Manager to amend the maximum amount payable for Elite Craftsmen Services to the not-to-exceed amount of \$1 million per year. No funding or project authorizations are required under this action. In addition, no work is guaranteed to these firms during the term of the agreements.

Policy

Metropolitan Water District Administrative Code Section 8121: General Authority of the General Manager to Enter Contracts

By Minute Item 50881, dated July 11 2017, authorized amendments to agency temporary skilled craft labor agreements with Grafton, Inc., Johnson Services Group, and Elite Craftsmen Services, to increase the total amount payable each year under these three contracts from \$899,000 to \$1.5 million.

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

Option #1

Adopt the CEQA determination that the proposed action is not defined as a project and is not subject to CEQA, and

Authorize the General Manager to amend the Elite Craftsmen Services agreement to a maximum amount payable from \$500,000 to \$1 million per year, through the year 2020.

Fiscal Impact: None; expenditures are budgeted and approved under the individual projects or from existing O&M funds.

Business Analysis: This skilled labor agreement allows Metropolitan to increase skilled labor during peak workloads and to cover vacancies.

Option #2

Do not authorize the General Manager to amend the existing agreement with Elite Craftsmen Services.

Fiscal Impact: Unknown fiscal impact

Business Analysis: Metropolitan would not be able to meet peak workloads or backfill some critical vacancies with temporary skilled craft labor. Some projects or emergency repairs would be delayed and overtime expenditures and fatigue for regular staff would increase.

Staff Recommendation

Option #1



Diane Pitman
Director of Human Resources

11/6/2017
Date



Jeffrey Kightlinger
General Manager

11/7/2017
Date

Ref# hr12660070