



- **Board of Directors**
Engineering, Operations, and Technology Committee

8/19/2025 Board Meeting

7-1

Subject

Authorize an agreement with Kaygen Inc., in an amount not to exceed \$473,640 for MyWarehouse Shopping Cart Replacement project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

This project, My Warehouse Shopping Cart Replacement, will replace the existing warehouse inventory shopping application. The existing application is outdated and does not integrate with the Oracle financial system. The Oracle inventory module on the existing software does not update in real time. Manual updates to the warehouse database make inventory mistakes more likely.

This action authorizes an agreement to develop a new, fully functional warehouse inventory application. The new application will integrate with the Oracle EBS inventory module, thereby freeing labor hours for warehouse staff and vastly reducing the likelihood of inventory errors. The application will also save time for field staff by eliminating time-consuming inventory misunderstandings.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize an agreement with Kaygen Inc., in an amount not to exceed \$473,640 for MyWarehouse Shopping Cart Replacement project; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Fiscal Impact: Expenditures of \$655,000 in capital funds for FY 2024-2026

Business Analysis: This option will increase the inventory reliability and make warehouse and field staff more efficient, and allow for field staff to order items from their mobile devices.

Option #2

Do not authorize the agreement

Fiscal Impact: No capital expenditures

Business Analysis: This option will not fix the existing inventory problems. Warehouse staff will continue to spend time manually keeping the Oracle EBS inventory in sync with the warehouse inventory.

Alternatives Considered

None

Applicable Policy

Metropolitan Water District Administrative Code Section 5108: Appropriations

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

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

None

Summary of Outreach Completed

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt from CEQA because there is no potential for the activity in question to have a significant effect on the environment. (State CEQA Guidelines Section 15061(b)(3)).

CEQA determination for Option #2:

None required

Details and Background

Background

The current warehouse inventory application is used by field staff to order inventory items from Metropolitan's warehouses, and it needs to be replaced. It is ten years old, and the original vendor is no longer available for maintenance or upgrades. The application does not fully integrate with the Oracle EBS Financial system inventory. When items are ordered, the Oracle inventory module does not automatically update the warehouse database in real time. This results in warehouse staff having problems with preparing preordered goods for staff, and reduces the ability of field workers to efficiently do their jobs. The lack of real-time updating of the inventory database requires manual input by warehouse staff, which is difficult to keep up with and more prone to errors. Also, the existing application's search functionality is limited and does not accurately portray items carried by the warehouse. The existing application is also not mobile-enabled, which is not compatible with the field staff using mobile devices.

Professional and Technical Services (Kaygen Inc.) – New Agreement

RFP-DS-1390 was issued on January 6, 2025, and closed on February 18, 2025. Metropolitan received a total of three responsive proposals from the competitive process. The Business Outreach participation goal designated for this solicitation was 25 percent. Proposals were reviewed by a team consisting of staff from the Information Technology Group and the Water System Operations Group. After careful deliberation, the evaluation team recommended Kaygen, Inc. as the selected firm from the solicitation. Kaygen Inc. was chosen because they demonstrated a keen technical understanding of Oracle EBS, as well as having a thorough and comprehensive ability to acquire knowledge of Metropolitan's operational methodology through documented experience. Kaygen Inc. proposed a seamless Oracle EBS integration under a single company banner devoid of any subcontractors, consultants, or professional partners.

The total project budget is \$655,000 and includes funds for awarding a new agreement with Kaygen Inc. for \$473,640 for professional and technical services; \$120,000 for labor, and \$61,360 for contingency.

This project has been evaluated and recommended by Metropolitan's CIP Evaluation Team, and funds are available within the fiscal year 2024/25 capital expenditure plan. See **Attachment 1** for the Financial Statement.

Project Milestone(s)

9/23/2025 – Project Initiation

4/11/2026 – Development and Integration complete

5/30/2026 – Testing and Go-live complete



Charles Eckstrom
Group Manager, Information Technology

8/6/2025

Date



John Bednarski
Interim General Manager

8/6/2025

Date

Attachment 1 – Financial Statement

Ref# it12700658

Allocated Funds for My Warehouse Shopping Cart Replacement Project

	Current Board Action (Aug. 2025)
Labor	
Studies & Investigations	\$ -
Final Design	-
Owner Costs (Program mgmt.)	120,000
Submittals Review & Record Drwgs	-
Construction Inspection & Support	-
Metropolitan Force Construction	-
Materials & Supplies	-
Incidental Expenses	-
Professional/Technical Services	473,640
Equipment Use	-
Contracts	-
Remaining Budget	61,360
Total	\$ 655,000