



- **Board of Directors**

Organization, Personnel and Technology Committee

6/14/2022 Board Meeting

7-9

Subject

Authorize an increase in the maximum amount payable under contract with Johnson Service Group by \$22,000 to an amount not to exceed \$271,000 for on-call temporary skilled labor; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Details

Metropolitan has nineteen contracts with various supplemental labor firms ranging from three to five years to provide coverage for critical vacancies during long-term absences of regular employees. These supplemental labor agreements provide ready-to-deploy labor to support shutdowns, emergency repairs, maintenance, and other operational duties. Requests to use these services are requested by staff in the various groups through Human Resources staff who administer the contracts to ensure Metropolitan complies with common law employee rules and California Public Employee Retirement System (CalPERS) requirements. Specifically, Human Resources ensures individuals employed through outside supplemental labor contracts do not qualify for CalPERS benefits. Individuals utilized under supplemental labor contracts have not qualified for additional benefits based on established Human Resources processes and procedures.

Johnson Service Group has provided supplemental labor through contract 184454-02. This contract was in place from December 1, 2020 to November 30, 2021 with an amount not to exceed \$249,000. There is a current contract 184454-03 which is effective from December 1, 2021 to November 30, 2022. There were supplemental labor services provided by workers that overlapped the two contracts. Of this overlap, there was a billable amount of \$21,909.71 that exceeded the total amount of \$249,000 of contract 184454-02. Staff recommends authorizing an increase to contract 184454-02 in order to pay three outstanding invoices.

The labor services provided for these invoices include two temporary employees that started on July 19, 2021. The services provided support for an employee that was out on medical leave and for an employee that was assigned to a key project. These individuals were scheduled to work for six months which would require invoices to be charged to contract 184454-02 and to contract 184454-03. At the time of invoicing, it was determined that services provided during the contract period needed to be applied based on the service date and not based on the invoice date. This resulted in the contract exceeding the agreed-upon amount of \$249,000.

Policy

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

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).

CEQA determination for Option #2:

None required

Board Options

Option #1

Authorize the General Manager to increase contract 184454-02 with Johnson Service Group by \$22,000 to an amount not to exceed \$271,000.

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

Business Analysis: This supplemental labor agreement allows Metropolitan to increase staff during peak workloads and to cover vacancies. This increase will allow Metropolitan to pay for services provided by Johnson Service Group through contract 184454-02.

Option #2

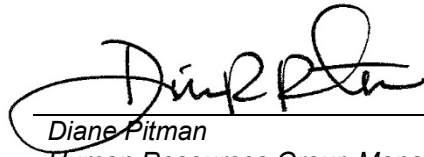
Do not authorize the General Manager to increase contract 184454-02 with Johnson Service Group

Fiscal Impact: Unknown fiscal impact

Business Analysis: Metropolitan would need to address, and determine how to resolve, unpaid invoices and services provided through the supplemental labor agreement with Johnson Service Group.

Staff Recommendation

Option #1



Diane Pitman
Human Resources Group Manager

6/6/2022

Date



Adel Hagekhalil
General Manager

6/7/2022

Date