

**Metro**Los Angeles County
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metro.net**EXECUTIVE MANAGEMENT COMMITTEE
NOVEMBER 21, 2013****SUBJECT: INTEREST-BASED PROBLEM SOLVING****ACTION: APPROVE CONTRACT MODIFICATION****RECOMMENDATION**

Authorize the Chief Executive Officer to execute Contract Modification No. 11 to Contract No. OP30101812 with Agreement Dynamics, Inc., to provide interest-based problem solving training and other consulting services in an amount not-to-exceed \$225,000 through October 1, 2014, increasing the total contract value from \$1,027,944 to \$1,252,944.

ISSUE

Since 2006, we have successfully negotiated collective bargaining agreements with the Amalgamated Transit Union (ATU), United Transportation Union (UTU), Transportation Communications Union (TCU), Teamsters and the American Federation of State, County, and Municipal Employees Union (AFSCME) by utilizing an Interest-Based Negotiation (IBN) strategy. This strategy has enabled the negotiations/labor relations process to be more effective and timely and has created a more cooperative working relationship.

Of the current labor agreements, two expired on June 30, 2013 and the remaining three expire on June 30, 2014. Facilitation services are needed to support negotiations currently underway and those that will begin in early 2014.

DISCUSSION

The Scope of Work for Contract Modification No. 11 will include:

- Interest-based problem solving training with Metro and the Union negotiating teams;
- Clarification of issues and interests as well as data collection and analysis;
- Individual consultation with managers and officials and with bargaining unit members and representatives on an as-needed basis to facilitate successful communication and resolution of issues;

- Negotiation facilitation with ATU and TCU which are currently underway and with UTU, AFSCME and Teamsters which are set to begin in early 2014; and
- Post negotiation training and contract implementation.

Because of the in-depth knowledge of our past collective bargaining agreements, current negotiation strategies, and contract related issues faced by the agency, the consultant services of Agreement Dynamics, Inc., cannot be replicated by another source at this critical phase in the negotiations, and are an integral component for successful negotiations.

DETERMINATION OF SAFETY IMPACT

There is no direct impact on safety as a result of this contract modification.

FINANCIAL IMPACT

The funding of \$125,000 for this service is included in the FY14 budget in cost center 2420, Employee & Labor Relations, under project number 100001, General Overhead, account 50316, Professional Services.

Since this is a multi-year contract, the cost center manager will ensure that funds are budgeted in future years.

Impact to Budget

The FY14 funding source for these for these services is Project 100001 – General Overhead, which is allocated to projects according to the federally approved Cost Allocation Plan and funded accordingly, including bus and rail operating and capital projects.

ALTERNATIVES CONSIDERED

The Board could direct staff to conduct training and labor negotiations using in-house staff or to issue a new competitive procurement for this service. Staff does not recommend the first option due to the specialized nature of this training. While other consultants do provide similar services, the continuity of using the same trainer, who has successfully trained the negotiating teams and acted as a facilitator throughout the process for multiple contract cycles, is invaluable.

NEXT STEPS

The vendor is currently providing these services; we will continue to use Agreement Dynamics, Inc., until the conclusion of Metro's current and upcoming labor negotiations. At the conclusion of this round of negotiations, Employee & Labor Relations will seek a new consultant contract to support future negotiations through competitive means.

ATTACHMENT

- A. Procurement Summary
- B. Summary Contract Actions/Contract Modification Authority

Prepared by: Don Ott, Executive Director, Employee & Labor Relations
(213) 922-8864


Michelle Lopes Caldwell
Chief Administrative Services Officer

 for Paul Taylor
Paul C. Taylor
Deputy Chief Executive Officer


Arthur T. Leahy
Chief Executive Officer

PROCUREMENT SUMMARY

INTEREST-BASED PROBLEM SOLVING PROFESSIONAL SERVICES CONTRACT

1.	Contract No.: OP30101812		
2.	Contractor: Agreement Dynamics, Inc.		
3.	Mod. Work Description: Interest Based Problem Solving Training		
4.	Work Description: Interest Based Problem Solving		
5.	The following data is current as of :		October 24, 2013
6.	Contract Status:		
	Bids Opened	N/A	Original Contract Amount \$98,555
	Contract Awarded	12/6/05	Approved Modifications \$929,389
	NTP	N/A	This Action \$225,000
	Original Complete Date	7/15/06	Total Contract Amount \$1,252,944
	Current Est. Complete Date	6/30/14	
7.	Contract Administrator: Nathan Jones III		Telephone Number: (213) 922-6101
8.	Project Manager: Don Ott		Telephone Number: (213) 922-8864

A. Procurement Background

This contract was awarded December 16, 2005 as a non-competitive award in the amount of \$98,555 for training of key LACMTA, ATU and UTU personnel on the Interest-Based Negotiation methodology, as well as negotiation facilitation services.

B. Background on Recommended Contractor

Agreement Dynamics, Inc. of Seattle, WA, is a consulting firm specializing in Labor Management Relations, Negotiations Facilitation, and Conflict Conversation. Agreement Dynamics expertise and experience in coaching and training public agencies in Interest-Based Negotiations is unique and a proven method for labor contract resolution. Interest-Based Negotiations have successfully been used by Bay Area Transit and Utah Transit. Agreement Dynamics has provided satisfactory service to us.

The proposal submitted by Agreement Dynamics for this modification is consistent with the previous work performed for ATU, AFSCME and UTU negotiations. The same labor rate structure and labor categories defined under the original contract with negotiated updated rates and other direct costs will apply to the requested modification.

C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon a technical evaluation of the tasks and associated costs and the results of cost analysis. The rates proposed are mainly for the direct work of Agreement Dynamics' Principal who is required to manage the varying interests of the chief negotiator, negotiation committee, labor union leadership, Metro Board of Directors, and Metro management. Based on comparisons for work performed by corporate principals, the cost elements used to develop the fully burdened hourly rates were determined to be fair and reasonable. All travel expenses shall be approved prior to expenditure and shall be reimbursed for actual costs.

D. Small Business Participation

Due to the specialized nature of this work and expertise of this contractor, the Diversity and Economic Opportunity Department (DEOD) determined that no subcontracting opportunities were available.

ATTACHMENT B

SUMMARY OF CONTRACT ACTIONS/CONTRACT MODIFICATION AUTHORITY

Contract Actions	Amount	Authority	Total Contract Value
Original Contract Award (12/16/05)	\$98,555	Original Award	\$98,555
Approved Modification No. 1 (5/12/06)	\$100,000	CMA authorized by the Board	\$198,555
Approved Modification No. 2 (7/6/06)	\$196,600	Authorized by the Board	\$395,155
Approved Modification No. 3 (2/28/08)	No Cost		\$395,155
Approved Modification No. 4 (9/25/08)	\$382,925	Authorized by the Board	\$788,080
Approved Modification No. 5 – 7 (6/17/11)	No Cost		\$788,080
Approved Modification No. 8 (11/18/11)	\$99,864	Authorized by the Board	\$877,944
Approved Modification No. 9 (6/28/12)	\$149,992	Authorized by the Board	\$1,027,944
Approved Modification No. 10 (7/17/13)	No Cost		\$1,027,944
Modification No. 11 (11/21/13)	\$225,000	Pending Approval	\$1,252,944

