



REVISED
EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE
SEPTEMBER 21, 2006

SUBJECT: 2006 LABOR RELATIONS SUPPORT

**ACTION: MODIFY CONTRACT WITH GAYLAND MOFFAT, INC. TO PROVIDE
SUPPORT FOR 2006 LABOR RELATIONS PROCESS**

RECOMMENDATION

Authorize the Chief Executive Officer to execute Modification No. 2 to Contract No. OP3000772, with Gayland Moffat Inc. to provide labor relations consulting services in the amount not to exceed \$423,925 through February 28, 2008, increasing the Total Contract Value from \$522,580 to \$946,505.

RATIONALE

On June 28, 2006, Metro reached tentative agreements with Amalgamated Transit Union (ATU), United Transportation Union (UTU) and Transportation Communications Union (TCU). The Metro Board of Directors ratified these agreements at a Board meeting on June 29, 2006 and approved the funding required including an amount for training and implementation. Subsequently, in July 2006, the Board approved an amendment to the FY07 budget that includes funds for training and implementation. This contract modification No. 2 is part of the significant effort to train all operations managers and supervisors responsible for administering the ATU and UTU contracts.

In August 2006, the Deputy Chief Executive Officer/Chief Operating Officer recently assumed the role of Chief Negotiator for the Teamsters whose contract expires September 30, 2006. Therefore, this negotiation will commence immediately and labor consulting assistance is requested for this process.

The scope of work for Modification No. 2 includes:

Teamsters Contract Negotiations

- Preparing management proposals
- Conducting labor market research
- Assisting negotiations with strategy
- Drafting contract language

- Acting as second chair in negotiations sessions
- Implementing agreement

UTU/ATU/Teamsters Contract Implementation

- Training of up to 700 Metro Operations managers, assistant managers, supervisors, labor representatives, and others responsible for administering the labor contracts. Training focuses on language, value and expectation changes.
- Training of Metro Operations management and union representatives on interest-based problem solving as applied to the Metro environment
- Supporting values-based organizational development workshops to instill new philosophy and behaviors throughout all Metro Operations management levels

Labor Relations Realignment

- Identifying and analyzing current grievance and arbitration load and negotiating and arbitrating outstanding cases.
- Defining and refining the new Labor Relations organizational structure:
 - o Developing selection criteria for each labor relations position under the new structure
 - o Developing Key Performance Indicators (KPIs) and measurements for each Labor Relations position and function
 - o Training of new staff in KPIs
- Interim management of the labor relations function until new head of Labor Relations is hired
- Interim hearing of step two grievance cases for the UTU and ATU
- Transitioning of functions and responsibilities from the existing Labor Relations Department and structure to the new one.
- Beginning initial preparation for AFSCME negotiations. AFSCME contract expires June 2008.
- Establishing and maintaining an ongoing collective bargaining agreement website for Metro Operations managers and others responsible for administering the contracts. This will provide a valuable resource and guide for managers to more effectively and consistently administer labor contracts.

IMPACTS TO OTHER CONTRACTS

This contract modification is necessary to effectively implement the agreements reached with the unions in June 2006. Gayland Moffat Inc. will be partnering with Agreement Dynamics, Inc. on the interest-based problem solving training. Staff is also requesting board approval in September 2006 for a modification to Agreement Dynamic's contract for this purpose.

FINANCIAL IMPACT

Funding for this contract is included in the FY07 budget as part of the budget amendment approved by the board at the conclusion of labor negotiations.

ALTERNATIVES CONSIDERED

The Board could direct staff to perform ATU and UTU Contract Implementation and labor relations realignment using in-house staff and to negotiate the Teamsters contract without outside assistance. Staff does not recommend the first option since contract implementation and related training requires specialized planning and knowledge.

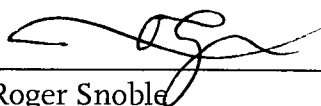
ATTACHMENT

- A. Procurement Summary
 - A-1. Procurement History
 - A-2. List of Subcontractors
- B. Task and Hour Breakdown

Prepared by: Andrea Burnside, Managing Director, Operations Administration



John B. Catoe, Jr.
Deputy Chief Executive Officer



Roger Snoble
Chief Executive Officer

**BOARD REPORT ATTACHMENT A
PROCUREMENT SUMMARY**

2006 LABOR RELATIONS SUPPORT

1.	Contract Number: OP3000772		
2.	Recommended Vendor: Gayland Moffat Consulting, Inc.		
3.	Cost/Price Analysis Information:		
	A. Proposed Price: \$423,925	Recommended Price: \$423,925	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Time and Expenses		
5.	Procurement Dates:		
	A. Issued: N/A		
	B. Advertised: N/A		
	C. Pre-proposal Conference: N/A		
	D. Proposals Due: N/A		
	E. Pre-Qualification Completed: 12/9/05		
	F. Conflict of Interest Form Submitted to Ethics: 12/5/05		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: N/A	Date Small Business Evaluation Completed: N/A	
	Small Business Commitment: None.		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: N/A	Proposals Picked up: N/A	Proposals Received: N/A
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Gayland Moffat Consulting	<u>Proposal Amount:</u> \$423,925 NTE	<u>Best and Final Offer Amount:</u> \$423,925 NTE
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		
9.	Protest Information:		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Victor Ramirez	Telephone Number: 213 922-1059	
11.	Project Manager: Andrea Burnside	Telephone Number: 213 922-3084	

**BOARD REPORT ATTACHMENT A-1
PROCUREMENT HISTORY**

2006 LABOR RELATIONS SUPPORT

A. Background on Contractor

Gayland Moffat, owner of Gayland Moffat Consulting, Inc., Salt Lake City Utah, has provided labor negotiations support for transit properties since 1984. Mr. Moffat's experience as a Chief Labor Representative and Organizer give him the type of knowledge and perspective that has made him a valuable asset to municipal and transit organizations in negotiations with represented labor groups. He has successfully supported transit property negotiations with WMTA, Utah Transit, and most importantly Metro in 2006. Mr. Moffat has also assisted the City of Salt Lake in their negotiations with Police, Fire and AFSME Labor groups as recently as 2003.

B. Procurement Background

The existing contract was awarded on February 1, 2006 as a follow-on contract for work begun under Contract OP3000771. The existing contract, a non-competitive award, was intended for negotiation table assistance and labor contract implementation planning for ATU and UTU labor contracts. Contract Modification No. 2 covers a small level of effort increase to the base contract and six months worth of effort covering new negotiations with Teamsters and contract implementation and training for all labor contracts.

Amendment No. 1 was issued May 1, 2006 as a no cost modification covering slight changes to the terms and conditions for Indemnification.

C. Evaluation of Proposals

The proposal submitted by Mr. Moffat has been reviewed for cost as well as qualifications. His firm has completed Metro's pre-qualification process.

D. Cost/Price Analysis Explanation of Variances

The rates proposed for this contract modification are equal to those under the existing contract. That labor rate has been determined to be fair and reasonable based upon comparison to Mr. Moffat's previous Labor Negotiations Support Contract negotiated in 2000, and labor rates for recent negotiations conducted on Metro's behalf related to litigation settlement. Mr. Moffat's proposed labor rate has risen by an average of 7.8% annually over a six-year period since his 2000 Contract. Mr. Moffat's rate was also compared to the rates paid for recent negotiations for litigation settlement support. These rates are viewed as being analogous because of the complexity of the negotiations, the skill set and experience necessary for success, and the relative importance to the agency. Based on a comparison of those rates, Mr. Moffat's proposed labor rate is 11% lower.

**BOARD REPORT ATTACHMENT A-2
LIST OF SUBCONTRACTORS**

2006 LABOR RELATIONS SUPPORT

PRIME CONTRACTOR

Gayland Moffat, Inc.

Small Business Commitment

None

Other Subcontractors

None

Total Commitment 0%

Task and Hours Detail for Contract No. OP3000772 with Gayland Moffat, Inc.

	Timeframe					Labor and Expenses			
	Feb 06-Jun '06	Jul 06-Aug '06	Sept 06-Aug 07	Sep 07-Feb 08	Tot. Hrs	Rate	Labor Cost	Expenses	Total Contract
Task Hours - Original Scope					↑				
*Negotiations Tech Consulting/UTU & ATU	988								
*Contract Implementation; Mgr & Supervisor Training on UTU & ATU Contract Changes		299	384						
*Retention Consulting services as needed									
<u>Subtotal Hrs. Orig Scope</u>	988	299	384		1670.6	\$ 295	\$ 492,839	\$ 29,741	\$ 522,580
Task Hours - Modification 2					↑				
*Contract Implementation; Mgr & Supervisor Training on UTU & ATU Contract Changes			95						
Added Tasks in Modif 2:									
*Negotiations Tech Consulting/Teamsters			60						
*Labor Relations Realignment/interim mgmt of LR function			800						
*Contract Implementation; Mgr/Supervisor interest-based problem solving, values-based training supporting new philosophy & behaviors			360						
*Retention Consulting services as needed (period moved & no hours/cost added)			192	192					
<u>Subtotal Modif 2 Added Hrs</u>			1315		1315	\$ 295	\$ 387,925	\$ 36,000	\$ 423,925
Grand Total Contract No. OP3000772					2985.6	\$ 295	\$ 880,764	\$ 65,741	\$ 946,505