



**Metro**

Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000 Tel  
metro.net

**24**

**EXECUTIVE MANAGEMENT AND AUDIT COMMITTEE  
SEPTEMBER 18, 2008**

**SUBJECT: CONTRACT NO. OP30101812, INTEREST-BASED PROBLEM SOLVING**

**ACTION: APPROVE CONTRACT MODIFICATION TO CONTRACT NO. OP30101812  
WITH AGREEMENT DYNAMICS, INC.**

**RECOMMENDATION**

Authorize the Chief Executive Officer to execute Modification No. 4 to Contract No. OP3010-1812 with Agreement Dynamics, Inc., for interest-based problem solving training consulting services in the amount not to exceed \$382,925 through September 30, 2009, increasing the Total Contract Value from \$395,155 to \$778,080.

**RATIONALE**

Since 2006, we have successfully negotiated collective bargaining agreements with Amalgamated Transit Union (ATU), United Transportation Union (UTU), Transportation Communications Union (TCU), Teamsters, and 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 cohesive group relationship and dynamic.

The ATU, UTU, and TCU collective bargaining agreements are set to expire June 30, 2009. We will initiate negotiations with these unions in January 2009. Because of an in-depth knowledge of our past collective bargaining agreements, negotiation strategies, and contract related issues faced by the agency, the consultant services of Agreement Dynamics, Inc. are an integral component for successful negotiations. The Scope of Work for Modification 4 will include:

- Shop steward and supervisor/manager training in interest-based problem solving;
- Planning meetings for ATU and UTU labor negotiations to begin in January 2009;
- Development of ground rules, schedules and clarification of issues and interests as well as data collection and analysis;
- Training for ATU, UTU, and TCU bargaining team members;
- Negotiation facilitation; and

- Individual consultation with our managers and officials and with bargaining unit members and representatives on an as-needed basis to facilitate successful communication and resolution of issues.

### **IMPACTS TO OTHER CONTRACTS**

There are no impacts to other contacts.

### **FINANCIAL IMPACT**

The funding of \$382,925 for this service is included in the FY09 budget in Cost Center 3010, Executive Office Transit Operations, Project 300006, Strike/Labor Negotiations under Account 50316, Professional Services. In FY08, \$150,802 was expended on Agreement Dynamics' labor negotiations support.

Since this is a multi-year contract, the cost center manager and the Chief Operations Officer will be responsible for budgeting in future years.

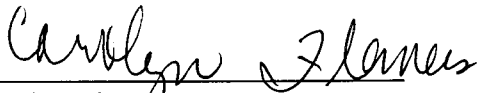
### **ALTERNATIVES CONSIDERED**

The Board could direct staff to conduct training and labor negotiations using in-house staff or to issue a 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 very successfully trained the negotiating teams and acted as a facilitator throughout the process, is invaluable. Use of another consultant would require time and effort to obtain the same level of expertise and understanding of the current labor relations environment.

### **ATTACHMENTS**

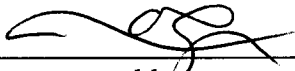
- A. Procurement Summary
  - A-1. Procurement History
  - A-2. List of Subcontractors

Prepared by: Christopher Gallanes, Operations Performance Analysis Manager



---

Carolyn Flowers  
Chief Operations Officer



---

Roger Snoble  
Chief Executive Officer

**BOARD REPORT ATTACHMENT A  
PROCUREMENT SUMMARY**

**INTEREST-BASED PROBLEM SOLVING**

1.	Contract Number: OP30101812		
2.	Recommended Vendor: Agreement Dynamics, Inc.		
3.	Cost/Price Analysis Information:		
	A. Bid/Proposed Price: \$382,925	Recommended Price: \$382,925	
	B. Details of Significant Variances are in Attachment A-1.D		
4.	Contract Type: Time and Material		
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: 09/07/06		
	F. Conflict of Interest Form Submitted to Ethics: 09/05/06		
6.	Small Business Participation:		
	A. Bid/Proposal Goal: N/A	Date Small Business Evaluation Completed: N/A	
	B. Small Business Commitment: 0% Details are in Attachment A-2		
7.	Invitation for Bid/Request for Proposal Data:		
	Notifications Sent: 0	Bids/Proposals Picked up: 0	Bids/Proposals Received: 0
8.	Evaluation Information:		
	A. Bidders/Proposers Names: Agreement Dynamics, Inc.	<u>Bid/Proposal Amount:</u> \$382,925	<u>Best and Final Offer Amount:</u> \$382,925
	B. Evaluation Methodology: Describe Methodology Details are in Attachment A-1.C		
9.	Protest Information: N/A		
	A. Protest Period End Date: N/A		
	B. Protest Receipt Date: N/A		
	C. Disposition of Protest Date: N/A		
10.	Contract Administrator: Samira Baghdikian	Telephone Number: 213 922-1033	
11.	Project Manager: Christopher Gallanes	Telephone Number: 213 922-4828	

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

**INTEREST-BASED PROBLEM SOLVING**

**A. Background on Contractor**

Agreement Dynamics, Inc. of Seattle, WA is a consulting firm specializing in Labor Management Relations, Negotiations Facilitation, and Conflict Conversation. Agreement Dynamics, Inc. 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 Rapid Transit, Utah Transit. Agreement Dynamics, Inc. has provided satisfactory service to us in the past.

**B. Procurement Background**

The existing contract was awarded December 16, 2005 as a non-competitive award in the amount of \$98,555 for training of key staff, as well as ATU and UTU personnel on the Interest-Based Negotiation methodology, as well as negotiation facilitation services. Contract Modification No. 1 covered a doubling of the level of effort when it became apparent that the Interest-Based Negotiation method was yielding success at the negotiation table. Modification No. 2 called for the same services for an additional nine month period covering new negotiations with Teamsters and contract implementation and training for all labor contracts. Modification No. 3 was issued as a no cost contract extension through June 30, 2009.

**C. Evaluation of Proposals**

The proposal submitted by Agreement Dynamics, Inc. is consistent with the previous work performed for ATU 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.

**D. Cost/Price Analysis Explanation of Variances**

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 our cost analysis. The rates proposed are mainly for the direct work of the Agreement Dynamics, Inc. Principal which is required in order to manage the varying interests of the chief negotiator, negotiation committee, labor union leadership, Board of Directors, and our management. Based on comparisons for work performed by corporate principals, the fully burdened hourly rate of \$183 and \$214 is determined to be fair and reasonable. All travel expenses shall be approved prior to expenditure and shall be reimbursed for actual costs.

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

**INTEREST-BASED PROBLEM SOLVING**

**PRIME CONTRACTOR – AGREEMENT DYNAMICS, INC.**

Small Business Commitment

Other Subcontractors

N/A

N/A

Total Commitment      0%