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May 7, 1997
Revised May 16, 1997



TO: BOARD OF DIRECTORS

FROM: LINDA BOHLINGER
INTERIM CHIEF EXECUTIVE OFFICER

Los Angeles County
Metropolitan
Transportation
Authority

SUBJECT: AMEND CONTRACT # PS 9010055 - ORGANIZATIONAL ASSESSMENT

One Gateway Plaza
Los Angeles, CA
90012

RECOMMENDATIONS

Approve the contract amendment to continue Coopers & Lybrand Consulting services through FY 1997-98 in an amount not-to-exceed \$285,000 for advisory, technical and oversight support in implementing the recommendations of the organizational assessment.

213.922.6000

ORGANIZATIONAL IMPACT

Implementing the recommendations in the study will result in a more effective and productive organization and provide the MTA with long term operating costs savings.

Mailing Address:

P.O. Box 194

Los Angeles, CA 90053

BUDGET IMPACT

Funding for these services is included in the Chief of Staff/Strategic Planning FY 1998 budget request. Using "leveraged" consultant support to advise and train internal staff to carry out organizational improvements will allow MTA to complete these tasks at a lower cost than separate, stand-alone consultant contracts.

ALTERNATIVES CONSIDERED

1. Use only in-house staff to implement the improvements, assess effectiveness of implementation and report to the Board. This is not recommended, because an independent advisor can more effectively guide the implementation and provide objective oversight of these efforts.
2. Do not amend the Coopers & Lybrand contract and issue an RFP for this oversight and advising effort. This is not recommended. Coopers & Lybrand completed the organizational assessment study and therefore is in the best position to ensure its recommendations are fully addressed. Major work efforts and initiatives that cannot or should not be done solely by in-house staff – such as major process overhauls or system designs (e.g. Vehicle Maintenance/Material Management or the Human Resources Information System) will be competitively bid.

BACKGROUND

In July 1996 the Board authorized a contract with Coopers & Lybrand to complete a top-to-bottom review of MTA management structures and practices. This review was to be done in three phases: I) a review of MTA goals and objectives; II) an inventory of previous studies and remaining gaps and III) preparation of a study and action plan to include review of current operations against strategic requirements, gap analysis and opportunities for improvement. An additional phase (Phase IV) was to implement the recommendations contained in Phases I-III.

The original RFP required submission of a fixed price proposal for Phases I through III and pricing information for Phase IV as an option. Estimates for Phase IV in the responsive proposals ranged from \$881,000 to \$1.7 million. Because the specific work scope in Phase IV depended upon the recommendations in Phase III, the Board authorized Coopers & Lybrand for Phases I through III. It was agreed that staff would return to the Board at a later date with recommendations for implementation.

In February 1996, the Board accepted the Organizational Assessment Study from Coopers & Lybrand Consulting and supported management's plan to implement the recommendations. In March, the Organizational Assessment Steering Committee met to review progress on implementing recommendations in the Study. The first quarterly report, April 1997, reported that MTA management had reviewed Coopers and Lybrand's 85 original recommendations and combined them into 57 major initiatives – 65% (37 of 57 initiatives) had been started as of the April report date.

RECOMMENDATION FOR PHASE IV

Staff recommends that the bulk of implementation efforts be done in-house, with guidance from Coopers & Lybrand Consulting. Subject to availability of funds, competitive procurement processes would be initiated for major efforts such as the Vehicle Maintenance/Material Management System or the Human Resources Information System.

Staff implementation efforts will be guided by Coopers & Lybrand in four ways:


1. Advisory and Technical Support to Board and Management
2. Organization Assessment – First Annual Evaluation and Update
3. Board and Executive Reporting and Briefing
4. Improvement Training, Coaching, Best Practices Briefings

The work will be controlled by task order, with a total not-to-exceed amount of \$285,000. The attached scope of work outlines the Coopers & Lybrand's proposed effort. Leveraging staff capabilities with carefully-designed consultant assistance will achieve the objectives of the top-to-bottom review, provide independent oversight, strengthen internal capabilities and allow the MTA to implement the recommendations within constrained budget resources.

SMALL BUSINESS PARTICIPATION

The goal was waived on the original contract.

Prepared by: Patricia V. McLaughlin, Managing Director
Strategic Planning and Organizational Effectiveness


FRANK C. CARDENAS *mkp*
Chief of Staff

Attachment 1
CONTRACT # PS 9010055
SUMMARY OF COMPLETED AND PROPOSED ACTIONS

Contract # PS 9010055	Amount - This Action	Cumulative Amount	Funding	Purpose
Original contract amount	\$438,200	\$438,200	100% in FY 1996-97	Conduct an organization assessment, including review of MTA management structures and practices, in four phases I. Review of goals and objectives II. Review and assessment of pertinent past studies and recommendations III. Gap analysis, opportunity areas, prepare assessment study IV. Comprehensive review of key areas identified in phase III, above, with specific assessments and recommendations for structural changes
board determined to hold back award of this portion until they received the study from phases I-III	n.a.	n.a.	n.a.	
Amendment #1	\$ 97,000	535,200	100% in FY 1996-97	<ul style="list-style-type: none"> • advisory and technical support services to support management's implementation planning • presenting the report at an additional special board meeting in February 1997 • coaching and support for pilot process analysis and improvement initiative
Proposed Amendment #2	\$285,000	\$820,000	100% in FY 1997-98	<ol style="list-style-type: none"> 1. Advisory And Technical Support To Management And Board 2. Organization Assessment – First Annual Evaluation And Update 3. Board And Executive Reporting And Briefing 4. Improvement Training, Coaching, Best Practices Briefings