



## Board Report

File #: 2018-0598, File Type: Contract

Agenda Number: 34.

### EXECUTIVE MANAGEMENT COMMITTEE NOVEMBER 15, 2018

**SUBJECT: METRO LEADERSHIP ACADEMY**

**ACTION: AWARD PROFESSIONAL SERVICES CONTRACT**

#### **RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD a three-year firm fixed price Contract No. PS54336000 to Southern Methodist University Cox School of Business, to serve as the academic partner for the Metro Leadership Academy (MLA) Program, in the amount of \$858,552, effective December 2018 through December 2021; and
- B. APPROVE Contract Modification Authority specific to Contract No. PS54336000 in the amount of \$85,855.

#### **ISSUE**

The MLA is an employee development program is an internal leadership program to address two major challenges. First, 30% of Metro employees are eligible to retire and 60% of Metro employees are eligible to retire within the next 10 years. Secondly, Metro has committed to an ambitious work plan as we build the fastest growing public transportation system in the country. If we do not prepare our Agency and develop leaders, we may face a great gap that cannot be filled with a simple hiring process.

Since its inception, an academic partner has been retained for the implementation of the MLA. The current contract expires December 31, 2018 so a new contract award is recommended to ensure continuity.

#### **BACKGROUND**

The MLA was initiated in 2015 by Metro's Chief Executive Officer, Phil Washington. Participants are drawn from both contract and non-contract employees agency-wide. The first 40-person cohort was launched in January 2016. The Academy is a 12 month program that features both academic leadership courses along with Metro's Senior Leadership Team providing real-world learning as it applies to Metro.

Since the inception of the MLA program there have been 120 employees who participated from all Managing Departments within the agency. Below are demographics of the MLA participants from 2016-2018.

- Gender: Female 53% - Male 47%
- Workforce: Non-Contract 59% - Contract 41%
- Age: Over 40 years of age 54% - Under 40 years of age 46%
- Ethnicity: Asian 14.17%  
African American 29.17%  
Hispanic or Latino 32.5%  
Native Hawaiian or Pacific Islander .83%  
White 16.67%  
Two or More 6.67%

The MLA provides employees the framework and tools to understand their personal leadership style and the changing environment within our industry and workplace. Participants graduate from the Academy with a renewed appreciation of their potential; a new understanding of high-quality business connections and a stronger sense of how to maximize their influence. Each cohort is also required to present a group recommendation. Since the inception of the MLA, three out of eight recommendations have been implemented by management. And while participation in the Academy does not include a guarantee of promotion, 32% (38 out of 117) of graduates have received a promotion and five of the graduates have been promoted twice.

## **DISCUSSION**

The MLA academic partner will be responsible for the development, implementation and evaluation of the leadership program that is targeted to engage all levels of leadership in the agency. The academic partner serves as a facilitator for curriculum that teaches participants leadership competencies with the goal of having these graduates serve as the next generation of leadership in the transportation industry.

In addition to the MLA, the academic partner will provide Leadership Engagement Training and Senior Leadership Team Training. The Leadership Engagement Training is for those not accepted into the MLA, which will serve as an opportunity for participants to enhance their communication skills and achieve results in the workplace as well as retain their interest in the MLA. The Senior Leadership Team training will focus on leadership competencies consistent with what is taught in the MLA and will provide methods to emphasize and accelerate the use of these competencies in the broader organization.

## **DETERMINATION OF SAFETY IMPACT**

Approval of this item will have no impact on safety standards for Metro customers and employees.

## **FINANCIAL IMPACT**

The funding of \$240,000 for this service is included in the FY19 budget in cost center 6220, Talent Development, under project number 100001, General Overhead.

Since this is a multi-year contract the cost center manager and Chief Human Capital & Development Officer will be accountable for budgeting the cost in future years, including any option exercised.

### **Impact to Budget**

The source of funds for Project 100001 is General Overhead funds, comprised of Federal, state and local funds. These funds are eligible for bus and rail operating costs.

## **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

The staff recommendation supports Metro's Strategic Plan Goal 5 "Provide responsive, accountable, and trustworthy governance within the Metro organization".

The MLA supports these goals by developing staff in the competencies needed to build skills for setting a strategic vision, acting as a champion for change, effective decision making, managing resources, building effective teams and managing diversity. This program engages leaders at all levels within Metro to both support succession planning efforts as well as enabling Metro to deliver on the mission of providing a world-class transportation system that enhances quality of life for everyone in Los Angeles County.

## **ALTERNATIVES CONSIDERED**

Staff has considered using in-house Metro resources to perform this work; however, this approach is not recommended as Metro does not have sufficient resources and subject matter experts available to perform this work.

The Board of Directors may choose not to authorize the Contract award for this project; however, this alternative is not recommended as this Contract is critical to the development and training of Metro's growing workforce.

## **NEXT STEPS**


Upon Board approval, staff will executive Contract No. PS54336000 with Southern Methodist University Cox School of Business to prepare for the 2019 Metro Leadership Academy Class that begins in January 2019.

## **ATTACHMENTS**

Attachment A - Procurement Summary  
Attachment B - DEOD Summary

Prepared by: Patrice McElroy, Executive Officer, Talent Management  
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Phillip A. Washington  
Chief Executive Officer

## PROCUREMENT SUMMARY

## METRO LEADERSHIP ACADEMY / PS54336000

|    |   |  |
|----|---|--|
| 1. | <b>Contract Number:</b> PS54336000  |  |
| 2. | <b>Recommended Vendor:</b> Southern Methodist University Cox School of Business   |  |
| 3. | <b>Type of Procurement (check one):</b> <input type="checkbox"/> IFB <input checked="" type="checkbox"/> RFP <input type="checkbox"/> RFP-A&E<br><input type="checkbox"/> Non-Competitive <input type="checkbox"/> Modification <input type="checkbox"/> Task Order |  |
| 4. | <b>Procurement Dates:</b>   |  |
|    | <b>A. Issued:</b> June 21, 2018   |  |
|    | <b>B. Advertised/Publicized:</b> June 18, 2018  |  |
|    | <b>C. Pre-Proposal Conference:</b> N/A  |  |
|    | <b>D. Proposals Due:</b> July 25, 2018  |  |
|    | <b>E. Pre-Qualification Completed:</b> October 15, 2018   |  |
|    | <b>F. Conflict of Interest Form Submitted to Ethics:</b> July 30, 2018  |  |
|    | <b>G. Protest Period End Date:</b> November 23, 2018  |  |
| 5. | <b>Solicitations Picked up/Downloaded:</b> 23   | <b>Bids/Proposals Received:</b><br>1       |
| 6. | <b>Contract Administrator:</b><br>Marc Margoni  | <b>Telephone Number:</b><br>(213) 922-1304 |
| 7. | <b>Project Manager:</b><br>Stephanie Burke  | <b>Telephone Number:</b><br>(213) 418-3105 |

**A. Procurement Background**

This Board Action is to approve the award of Contract No. PS54336000 to Southern Methodist University Cox School of Business (SMU) in support of Talent Development's 2019 Metro Leadership Academy.

Request for Proposal (RFP) No. PS54336 was issued in accordance with Metro's Acquisition Policy and the contract type is firm fixed price. The RFP was issued as a Race Conscious Disadvantaged Business Enterprise (RC DBE) with a 5% DBE goal.

No amendments were issued during the solicitation phase of this RFP.

There were two questions received and responses were released prior to the proposal due date.

A total of 23 firms downloaded the RFP and were included on the planholders list. A total of one proposal from Southern Methodist University Cox School of Business was received on the due date of July 25, 2018.

A market survey was conducted shortly thereafter inquiring as to why members on the Planholders list elected not to participate in the solicitation. Those who responded presented various reasons for the lack of participation such as: not being able to adequately fulfill the Statement of Work; not having the proper accreditation;

believing the Leadership Academy RFP was a construction project; and timing of the solicitation was not conducive to the contractor's business timelines.

## **B. Evaluation of Proposals**

A Proposal Evaluation Team (PET) consisting of staff from Talent Development, Countywide Planning and Development, Accounting, and Talent Acquisition was convened and conducted a comprehensive technical evaluation of the proposal received.

The proposal was evaluated based on the following evaluation criteria and weights:

- Past Performance of Similar Work 25 percent
- Qualifications of Proposed Personnel 25 percent
- Consultant's Proposed Process and Approach 30 percent
- Price 20 Percent

The evaluation criteria are appropriate and consistent with criteria developed for other, similar procurements. Several factors were considered when developing these weights, giving the greatest importance to Consultant's proposed process and approach.

During the week of August 22, 2018, the PET met and conducted an independent technical evaluation and deemed SMU technically qualified to perform the tasks as outlined in the RFP.

### **Qualifications Summary of Firm**

#### **Southern Methodist University Cox School of Business**

Over the past 15 years, SMU has worked with hundreds of organizations and positively impacted thousands of managers, directors, and executives as part of their corporate outreach to help companies address talent development issues. SMU, in collaboration with Dallas Area Rapid Transit (DART), created a program entitled Leadership DART.

The University, founded in 1911, has seven colleges with approximately 2000 faculty and staff and serves over 11,000 students from over 50 countries.

The following is a summary of the PET scores:

| 1 | Firm  | Average Score | Factor Weight  | Weighted Average Score | Rank     |
|---|---|---------------|----------------|------------------------|----------|
| 2 | <b>Southern Methodist University<br/>Cox School of Business</b> |               |                |                        |          |
| 3 | Past Performance of Similar Work                                | 84.80         | 25.00%         | 21.20                  |          |
| 4 | Qualifications of Proposed Personnel                            | 80.00         | 25.00%         | 20.00                  |          |
| 5 | Consultant's proposed process and approach                      | 95.70         | 30.00%         | 28.71                  |          |
| 6 | Price   | 100.00        | 20.00%         | 20.00                  |          |
| 7 | <b>Total</b>  |               | <b>100.00%</b> | <b>89.91</b>           | <b>1</b> |

### C. Cost/Price Analysis

The recommended price has been determined to be fair and reasonable based upon price analysis, technical evaluation, fact finding, historical cost, and negotiations. The negotiated amount reflects a reduction in the number of Engagement and Senior Executive Training sessions to an acceptable level without compromising program efficacy. Metro's Independent Cost Estimate (ICE) incorporated Engagement and Senior Executive Training sessions that were later deemed not critical to the program's success.

|    | Proposer Name  | Proposal Amount | Metro ICE          | Negotiated Amount |
|----|--|-----------------|--------------------|-------------------|
| 1. | Southern Methodist University Cox School of Business | \$2,632,966     | <b>\$1,974,074</b> | <b>\$858,552</b>  |

### D. Background on Recommended Contractor

The recommended firm, SMU, is located in Dallas, TX and has been in business for 107 years. SMU is a leader in the field of Executive Education and provides services in customer relationship and program execution functions and is staffed by proven business leaders with vast experience in adult learning and executive education. Prior engagements include: DART, Anadarko Petroleum, British Petroleum, Chesapeake Energy, Federal Express, Lockheed Martin, Shell, NBC Universal, and Toyota Manufacturing North America.

Proposed personnel are subject matter experts in executive education solutions across multiple industries.

In 2017 and 2018, SMU was selected to be the academic partner for the Metro Leadership Academy. In concert with the Senior Leadership Team and the Talent Development organization, SMU created and implemented a process for the Academy based on collaboration and adaptability that allows for ongoing innovation.



DEOD SUMMARY

METRO LEADERSHIP ACADEMY / PS54336000

**A. Small Business Participation**

The Diversity and Economic Opportunity Department (DEOD) established a 5% Disadvantaged Business Enterprise (DBE) goal for this solicitation. Southern Methodist University met the goal by making a 5% DBE commitment.

|                            |               |                                  |               |
|----------------------------|---------------|----------------------------------|---------------|
| <b>Small Business Goal</b> | <b>5% DBE</b> | <b>Small Business Commitment</b> | <b>5% DBE</b> |
|----------------------------|---------------|----------------------------------|---------------|

|    | <b>DBE Subcontractors</b>  | <b>Ethnicity</b>  | <b>% Commitment</b> |
|----|----------------------------|-------------------|---------------------|
| 1. | Salt of the Earth Catering | Hispanic American | 5%                  |
|    | <b>Total</b>               |                   | <b>5%</b>           |

**B. Living Wage and Service Contract Worker Retention Policy Applicability**

The Living Wage and Service Contract Worker Retention Policy (LW/SCWRP) is not applicable to this Contract.

**C. Prevailing Wage Applicability**

Prevailing wage is not applicable to this Contract.

**D. Project Labor Agreement/Construction Careers Policy**

Project Labor Agreement/Construction Careers Policy (PLA/CCP) is not applicable to this Contract. PLA/CCP is applicable only to construction contracts that have a construction contract value in excess of \$2.5 million.