

MOTION NO. M2016-53

Continuous Process Improvement Consulting Services

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:
Board	05/26/2016	Final Action	Mike Harbour, Deputy CEO Kathy Albert, Strategic Business Officer

PROPOSED ACTION

Authorizes the chief executive officer to execute a one-year contract with four one-year options with The Athena Group, LLC to provide continuous process improvement consulting services for a total authorized amount not to exceed \$1,500,000.

KEY FEATURES SUMMARY

- Sound Transit has been developing and implementing agencywide continuous process improvement (CPI) to improve core processes used to deliver Sound Transit projects and improve communications and processes for cross-departmental projects.
- This on-call consultant services contract provides CPI experts to:
 - Plan and facilitate CPI events to implement process improvements and develop portions of new processes;
 - Provide strategic CPI consultation to the Sound Transit CPI Program Manager and CPI committee; and
 - Train staff to independently use CPI principles and skills.
- Staff leads will work with the consultants to validate assumptions and establish a scope of work, budget, and schedule for each event. The consultant individually designs and facilitates each event, which involves a pilot phase for the proposed improvements prior to full implementation.
- The requested amount covers the initial term of the contract and all four one-year options.
- Sound Transit conducted a Request for Proposals (RFP) for these services. A total of 18 proposals were received. The proposal submitted by The Athena Group, LLC was determined to be the highest ranked proposal that best met the evaluation criteria, offered the best value, and is in the best interest to Sound Transit.

BACKGROUND

The agency's annual performance scorecard has included a CPI commitment since 2014 to improve core processes used to deliver Sound Transit projects and improve communications and processes for cross-departmental projects.

A CPI committee, which includes the Deputy CEO, Strategic Business Officer, and Chief Human Resources Officer, provides strategic direction and guidance to agency staff on CPI opportunities and focus areas. The CPI committee also monitors the progress and performance measures for process improvement efforts in the agency's quarterly performance reporting system.

In the first 18 months of CPI implementation, a formal training module was offered and completed by 50 percent of agency staff. Individuals and work groups throughout the agency completed small process improvements using the tools gained from this training. The agency also piloted large CPI events, where consultants formally facilitated groups of cross-functional staff through process development and improvement efforts using Lean and other process improvement methodologies.

These CPI events resulted in elimination of process waste, development of portions of cross-functional or cross-departmental processes, improved handoffs between groups, and establishment of an accepted agencywide process approach.

FISCAL INFORMATION

This action executes a one year contract with additional four one-year options with The Athena Group, LLC to provide Continuous Process Improvement consulting for a total of \$1,500,000, estimated at \$300,000 per year.

The remaining four one-year options of the contract for the cost of \$1,200,000 will be requested in future years under the Executive Department Professional and Technical Services budget.

This action is within the adopted budget, and sufficient monies remain after approval of this action to fund the remaining services as contained in the current year department budget.

Current Year Budget	Adopted 2016 Budget	Spent to date 2016	Contract Expenditures	Remaining 2016 Budget
Executive Dept Professional & Technical Services	2,735	513	300	1,922
Other Categories	16,356	3,061		13,295
Total Executive Budget	19,091	3,574	300	15,217

Contract Spending Plan	Prior Year(s) Spending	Expected 2016 Spending	Future Expenditures	Total
The Athena Group, LLC	-	300	1,200	1,500

Contract Budget	Current Approved Contract Value	Spent to Date	Proposed Action	Proposed Total Contract Value
The Athena Group, LLC	-	-	1,500	1,500
Contingency	-	-	-	-
Total Contract	-	-	1,500	1,500
Percent Contingency	0%	0%	0%	0%

Notes:

- 1) The budget for the Executive Department budget is on page 29 of 112 in the Adopted 2016 Budget book.
- 2) Budget for this item is in the Executive Department staff budget within the services category. Budget for the future expenses will be requested in future annual budgets.

SMALL BUSINESS/DBE PARTICIPATION AND APPRENTICESHIP UTILIZATION

Sound Transit promotes and encourages small business participation, which also includes Disadvantaged Business Enterprises (DBEs). Small Business and DBE goals are based upon an examination of subcontracting opportunities contained in the work of this contract and the number of Small Businesses/DBEs available to perform such subcontracting work.

Sound Transit determined that there were few Small Business and DBE subcontracting opportunities based upon the work described in this contract, so Small Business/DBE goals were not established or required.

PUBLIC INVOLVEMENT

Not applicable to this action.

TIME CONSTRAINTS

A one month delay would not create a significant impact to the program's schedule.

ENVIRONMENTAL REVIEW

JI 4/15/2016

LEGAL REVIEW

LA 19 May 2016

MOTION NO. M2016-53

A motion of the Board of the Central Puget Sound Regional Transit Authority authorizing the chief executive officer to execute a one-year contract with four one-year options with The Athena Group, LLC to provide continuous process improvement consulting services for a total authorized amount not to exceed \$1,500,000.

BACKGROUND:

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This on-call consultant services contract provides CPI experts to plan and facilitate CPI events to implement process improvements and develop portions of new processes; provide strategic CPI consultation to the Sound Transit CPI Program Manager and CPI committee; and train staff to independently use CPI principles and skills.

MOTION:

It is hereby moved by the Board of the Central Puget Sound Regional Transit Authority that the chief executive officer is authorized to execute a one-year contract with four one-year options with The Athena Group, LLC to provide continuous process improvement consulting services for a total authorized amount not to exceed \$1,500,000.

APPROVED by the Board of the Central Puget Sound Regional Transit Authority at a regular meeting thereof held on May 26, 2016.


Dow Constantine
Board Chair

ATTEST:


Kathryn Flores
Board Administrator