

# REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 5               | 08/28/17           | Open                | Action                  | 08/08/17   |

Subject: Approving the Fifth Amendment to the Contract for Operational Assessment and Implementation of Recommendations for Cost Reduction and Revenue Growth Services with Douglas Carter and MBO Partners, Inc.

## ISSUE

Whether to approve the Fifth Amendment to the Contract for Operational Assessment and Implementation of Recommendations for Cost Reduction and Revenue Growth Services with Douglas Carter and MBO Partners, Inc.

## RECOMMENDED ACTION

Adopt Resolution No. 17-08-\_\_\_\_, Approving the Fifth Amendment to the Contract for Operational Assessment and Implementation of Recommendations for Cost Reduction and Revenue Growth Services with Douglas Carter and MBO Partners, Inc.

## FISCAL IMPACT

|                           |                  |               |    |         |
|---------------------------|------------------|---------------|----|---------|
| Budgeted:                 | Yes              | This FY:      | \$ | 125,000 |
| Budget Source:            | Operating        | Total Amount: | \$ | 125,000 |
| Funding Source:           | Operating        |               |    |         |
| Cost Cntr/GL Acct(s) or   | CC17, GL #630003 |               |    |         |
| Capital Project #:        |                  |               |    |         |
| Total Budget:             | \$ 95,000        |               |    |         |
| Original Contract         | \$ 95,810        |               |    |         |
| 1st Amendment             | \$113,550        |               |    |         |
| 2nd Amendment             | \$ 65,514        |               |    |         |
| 3 <sup>rd</sup> Amendment | \$ 25,000        |               |    |         |
| 4 <sup>th</sup> Amendment | \$ 95,000        |               |    |         |
| 5 <sup>th</sup> Amendment | \$125,000        |               |    |         |
| Total Contract            | \$519,874        |               |    |         |

## DISCUSSION

On December 12, 2016, the Board approved the Fourth Amendment to the Contract for Operational Assessment and Recommendations for Cost Reduction and Revenue Growth Services with Douglas Carter and MBO Partners, Inc. In the last two years under Mr. Carter's recommendations, SacRT has made significant progress in implementing more than 50 specific cost and revenue enhancement strategies. SacRT has also adopted fiscal responsibility policies, implemented its first fare change in seven years, placed ticket agents on board trains, hired a new General Manager/CEO, and improved the quality of its services to all riders, including those travelling to the new Golden 1 Center.

Approved:

Presented:

Final 08/23/17

General Manager/CEO

VP, Planning & Accountability

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While much has been accomplished with Mr. Carter’s support, SacRT still faces many future challenges and his services are required to ensure the success of the transition vision and goals developed by the Board. With his continued assistance, Mr. Carter will provide strategic guidance, advice and approaches based on his wide experience.

Mr. Carter’s further efforts in assisting SacRT will include three primary work areas; Implementing Strategy and Plans, Executive Coaching, and Cultural Change. Mr. Carter will assist in identifying opportunities, processes and safe guards to engender collaboration, help to develop leaders and processes for collaboration, and will contribute to SacRT’s success with his expert knowledge in organizational transformation and cultural revolution.

Mr. Carter has worked diligently with staff for ongoing improvements, and is committed to SacRT’s continued and growing success. His continued services will allow for the identification and implementation of further cost saving opportunities. The proposed Fifth Amendment to the Contract increases the scope of work as noted above and increases the total consideration by \$125,000 to \$519,874. Staff recommends that the Board approve a Fifth Amendment to the Contract for Operational Assessment and Implementation of Recommendations for Cost Reduction and Revenue Growth Services with Douglas Carter and MBO Partners, Inc.

RESOLUTION NO. 17-08-\_\_\_\_\_

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

August 28, 2017

**APPROVING THE FIFTH AMENDMENT TO THE CONTRACT FOR OPERATIONAL ASSESSMENT AND IMPLEMENTATION OF RECOMMENDATIONS FOR COST REDUCTION AND REVENUE GROWTH SERVICES WITH DOUGLAS CARTER AND MBO PARTNERS, INC.**

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Fifth Amendment to the Contract between the Sacramento Regional Transit District, therein referred to as "SacRT," and Douglas Carter therein referred to as "Consultant," and MBO Partners, Inc., therein referred to as "MBO," whereby the Consultant agrees to continue the work identified in the Fifth Amendment, and the total consideration is increased by \$125,000 from \$394,874 to \$519,874, is hereby approved.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute Fifth Amendment.

\_\_\_\_\_  
ANDREW J. MORIN, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary