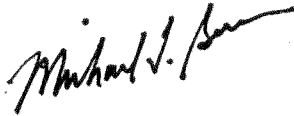


Date: March 29, 2007  
Committee Meeting Date: N/A  
Board Meeting Date: April 5, 2007  
ACTION  DISCUSSION  INFO

**BOARD MEMORANDUM**

**TO:** Santa Clara Valley Transportation Authority  
Board of Directors

**FROM:** Michael T. Burns  
General Manager 

**SUBJECT:** Organizational Assessment Implementation Support

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**RECOMMENDATION:**

Authorize the General Manager to negotiate and execute a contract with Karen Antion Consulting, LLC, to provide professional services in support of the implementation of recommendations contained in the Organizational and Financial Assessment of the Santa Clara Valley Transportation Authority, for an amount up to \$500,000.

**BACKGROUND:**

In August 2006, the Board of Directors approved a contract with the Hay Group to conduct an Organizational and Financial Assessment of VTA. The assessment included a review of the structure and performance of the entire organization, a specific review of each business division, an assessment of VTA's financial performance, and detailed analyses of specific program areas.

VTA undertook this assessment at its own initiative in an effort to identify areas needing improvement. This type of performance review is a fairly common undertaking in the private sector and is considered a best business practice. This is the first such review of VTA since its creation in 1996 and provides a good opportunity for a fresh look at current business practices, organizational structure, governance and financial situation.

The Hay Group findings and recommendations fall into three primary areas: Governance, Organizational Structure, and Financial Management. The Executive Report consolidates the major recommendations into nine categories, each of which includes additional components. The report includes a list of recommendations from the consultants' divisional and programmatic reviews as well.

**DISCUSSION:**

The Hay Group's Executive Report and Technical Memorandum identify many areas in need of improvement and present many recommendations. As General Manager, I agree with the overall assessment and propose to move forward with changes in the areas identified in the report. Of primary importance will be the prioritization of implementation of recommendations. While I expect many of the recommendations to be implemented, many require Board policy discussion and direction, others may be longer term and others may not be desirable at this time. I will work with the Board, through the Administration and Finance Committee, to set priorities for implementing agreed-upon changes.

I propose to engage the lead consultant from the Organizational Assessment team, Karen Antion, to provide continuing support to VTA as we review the recommendations, set priorities, and implement changes in policies and procedures. Ms. Antion will engage the services of additional subconsultants as subject matter experts on an as-needed basis as those areas are identified. Many of those subconsultants were members of the original Organizational Assessment team and will be able to draw upon their recent experience with VTA to advance the recommendations contained in the report. Under my direction, Ms. Antion will provide professional services primarily in the areas of Governance and Organizational Structure.

**ALTERNATIVES:**

The Board could direct the General Manager to conduct a competitive bid for these services.

**FISCAL IMPACT:**

Funds for these services are included in the proposed FY 2008 VTA operating budget.