



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
2

Meeting Date: **DECEMBER 20, 2010**

Subject:

Board Discussion regarding a proposed two-year agreement with Advantage Performance Group in the amount of \$492,000, for Strategic Business Planning Services

Recommendation:

Discuss and forward this item to the January 6, 2011 Board meeting for approval.

Background/Justification:

As a new agency created in 2003, the Authority began focusing on its mission, vision, short-term goals and addressing its mandated tasks. As the Authority matured into a large, complex organization, the leadership team created, and the Board adopted viable, long-term strategic goals and objectives. While development of strategies was achieved, various internal efforts at alignment and execution of those strategies met with limited success. Earlier this year, the President/CEO, seeking to engage the entire organization and ensure its long-term sustainability, directed that a Request for Proposals (RFP) be issued to solicit assistance with strategic business planning services.

Request for Proposals Timeline / Criteria / Scoring

On July 23, 2010, the Airport Authority issued an RFP to solicit assistance with strategic business planning processes including: 1) developing and aligning strategic goals and outcomes; 2) establishing strategic leadership and critical thinking paradigms; 3) assessment of organizational culture and strategies for enhancing culture; and, 4) creating, nurturing and sustaining a high-performance organization that engages and involves Authority stakeholders including the airlines, Authority Board and other public agencies.

Fifty-three firms viewed the opportunity, which was advertised and posted on the Authority's website. The Authority received nine proposals on August 11, 2010. The criteria used to evaluate the proposals were included in the RFP. These criteria are summarized as follows:

- a. Organization Experience and Skill: Include an organizational description, professional history, skills, and relevant experience demonstrating a capable, working knowledge of performing the services requested in this RFP or similar projects. Provide an organization chart delineating who would have responsibility for the project.
- b. Primary Staff: Identify the services to be performed by Respondent and identify any that will be performed by subcontractors. If using subcontractors, Respondent must include the subcontractors' responsibilities, qualifications, and the major clients and projects they have worked on relative to the services requested of this RFP.
- c. Work Plan: Provide, in detail, the steps necessary and the deliverables needed to complete the services in the best interest of the Authority.
- d. Compensation / Fees: Submit all proposed costs and fees associated with performing and completing the services requested in this RFP.

The Evaluation Panel, consisting of members of the Authority's Executive Team, evaluated the proposals using the criteria listed above. Points were awarded to each of the Respondents as follows:

Shortlist – Evaluation Criteria	Company Experience & Skill	Primary Staff	Work Plan	Fees	Small Business Preference	Total
Maximum Points	30	20	30	15	5	100
AXIS Consulting, Inc.	19	13	12	13	0	57
Advantage Performance Group, Inc.	27	19	28	3	0	77
Airport Consult Group, LLC	12	8	12	13	0	45
Cal-Republic Company	12	8	11	7	0	38
The Corporate L.I.F.E. Centre International, Inc.	11	8	12	15	5	51
Clint Burdett Strategic Consulting	9	7	11	15	5	47
CS Consulting Group, LLC	12	9	11	14	5	51
LeighFisher, Inc.	22	16	20	12	0	70
Performance Works Consulting, LLC	19	13	20	12	0	64

The three Respondents scoring highest were interviewed by the Evaluation Panel on August 20, 2010. Based on the evaluation criteria and interviews, the Evaluation Panel's final rankings were as follows:

1. Advantage Performance Group, Inc.
2. LeighFisher, Inc.
3. Performance Works Consulting, LLC

Consistent with the Evaluation Panel's rankings, the President/CEO has directed that staff forward for Board approval an award of a contract to Advantage Performance Group, Inc.

The Board may recall that Advantage Performance Group, Inc. conducted a workshop during the Board's retreat on September 18, 2010, during which the firm's methods and techniques were demonstrated to Board and staff.

Background on Recommended Contractor and Subcontractor

Advantage Performance Group, Inc. (APG) (primary contractor) is a wholly owned subsidiary of BTS Group, AB, a global provider of learning solutions to solve clients' specific business challenges. John Hoskins, APG's co-founder, will provide oversight and quality control on this project. He has nearly 20 years of experience bringing the breakthrough learning technology of Root Learning (subcontractor, see below) to APG's clients. APG has distinguished itself in the industry by being the only firm of its kind to guarantee business impact from the training it provides.

Root Learning (subcontractor) is a group of creative, analytical people who combine art and dialogue in innovative ways. Root Learning has been providing innovative learning solutions to organizations for more than 20 years. Root Learning's primary tool is the Learning Map[®] module, and the process of developing these modules fosters alignment, clarity, and increased understanding at a leadership level. The tool, combined with its unique development process, creates a powerful methodology that builds understanding and alignment around customers' learning needs. This methodology has proven successful in both paper-based and electronic learning solutions. Root Learning has been providing custom eLearning solutions for over eight years, with a focus on engagement and innovation.

Overview of APG Approach

APG believes that tools used to educate should not only create an intellectual understanding of material, but spark an emotional fire within the employee. Understanding builds compliance, but engagement builds commitment. To reach the desired outcomes for this project and support the Authority through changes ahead, employees must be strategically engaged. In addition to addressing the communication and educational needs of Authority employees, APG will also use its development process and tools to address two other areas critical to the success of this program and to the Authority's efforts to create a sustainable platform for achieving the future state.

1. Enrollment in the Change – This can take different forms at various levels. At the leadership level, all key stakeholders must be aligned on the content and understand their role in bringing the future state and strategy to life.
2. Integrating the System (strategy and vision for the future) – A critical aspect of establishing context is making sure that there is an aligned organizational view on how this information supports the greater goals and objectives of the business.

Deliverables: APG will design a process for the Authority that will engage and energize the leadership team to ensure an aligned view on why we are changing, what we are changing to, and how to lead the change. The process will include:

- A Root Watercooler™ Exercise (illustrated above) on current state perspectives on the vision and strategy for the future.
- A Transformation Roadmap for identifying key actions required to transform the business from current state to future state.
- A “work in-progress” visual representation of the future state as it will be defined by the vision and strategy.
- Clear behavioural “ground rules” that align with the vision and strategy to guide the leaders of this effort in leading the business in a manner consistent with who the Authority wants to become.
- Specific “burden-busting” activities that remove redundancies, duplication, and low-value activities that take resources from the transformation effort.
- Specific activities that can be “accelerants” to the transformation process.

Note: Deliverables created in Phase 1 will be used to develop materials in Phase 2.

Phase 2: Cascade the Strategy and Engage the Broader Organization in the Vision for the Future

Engaging the entire workforce in the strategy and vision by capturing their hearts and their heads.

The APG approach will provide Authority employees and stakeholders with a common, consistent framework for discussing cultural transformation and other organizational issues. As a communication tool, a Root Learning Map® module is an enabler and integrator of various strategic and cultural transformation themes. It helps people to see “the whole” in order to better understand their role in the success of the organization. APG will also develop opportunities for employees to practice and reinforce their newly learned behaviors and skills.

Module 1: Gateways to the World Learning Map® module: Understanding the Business Realities Driving Our Strategy

This module will provide an overview of the fundamental changes in the Authority's marketplace and its realities. This exercise will allow employees to explore the external forces of change and the changing expectations of our stakeholders. Additionally, it will frame the marketplace threats and opportunities that are creating not only a need to change but also presenting opportunities for growth.

Preliminary learning content areas may include:

- "Yesterday's world"
- Changing demands of stakeholders
- Globalization and other external factors that have changed the landscape
- The Authority's opportunity in the evolving marketplace and the possible consequences of not expanding
- Exploring the positions of various stakeholders



Learning Map® Example 1

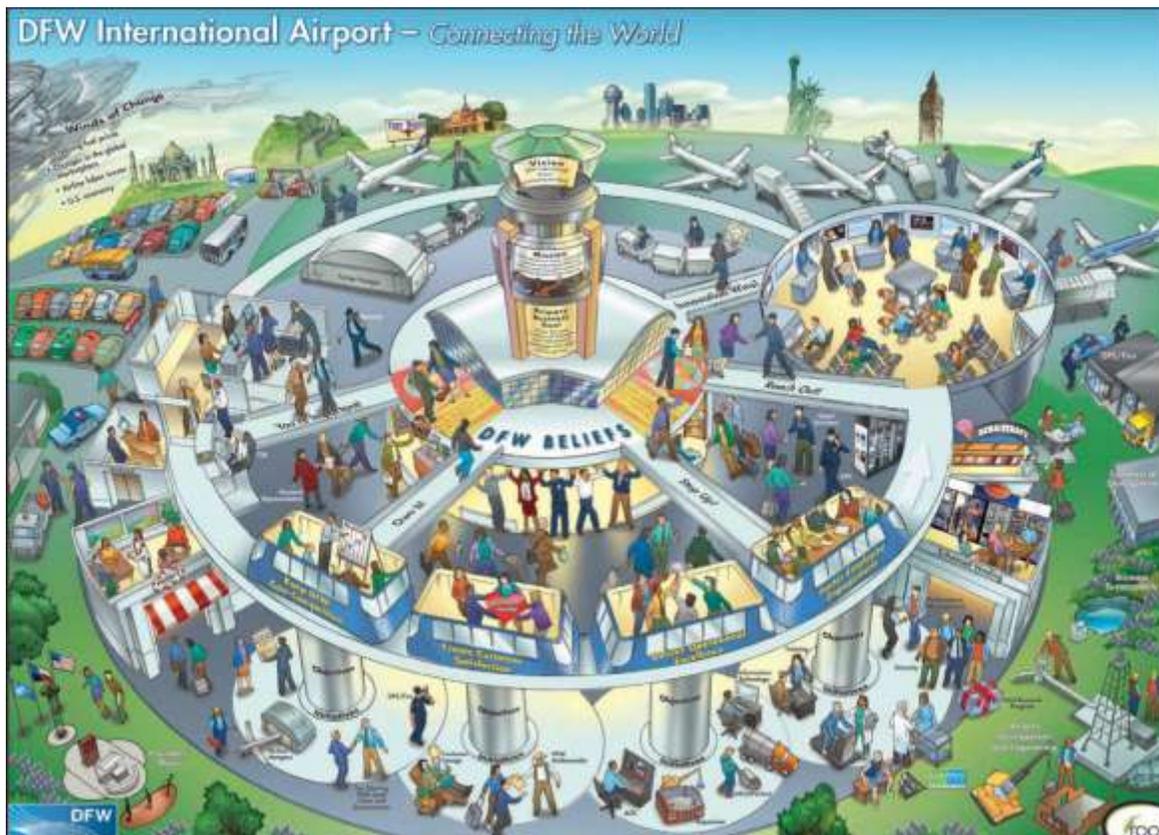
Module 2: Welcome World: The Authority's Vision for the Future and Strategic Response Learning Map® Module

Having set the context of the industry and the changing marketplace in the first Learning Map® module, APG will further engage employees in thinking more holistically so they can see how the Authority's vision aligns and integrates with strategic goals as a public agency for growth and leadership within the community, as well as "cultural awareness" as they identify changes in how we work together. It will be designed to help employees understand where and how they can impact and support the key initiatives and targets.

Preliminary learning content areas may include:

- The Authority's vision for the future
- Strategic initiatives to move the Authority to its desired state and vision
- Potential barriers to our success
- Key measures of success and performance indicators
- Cultural shifts that must occur within the organization
- Individual employees' contributions to the success of the strategy

Deliverables: Two Custom Root Learning Map® modules; dialogue questions; card exercises; a standard facilitator's guide; journals or workbooks, if applicable; and, Facilitator Training for up to 20 individuals.



Learning Map® Example 2

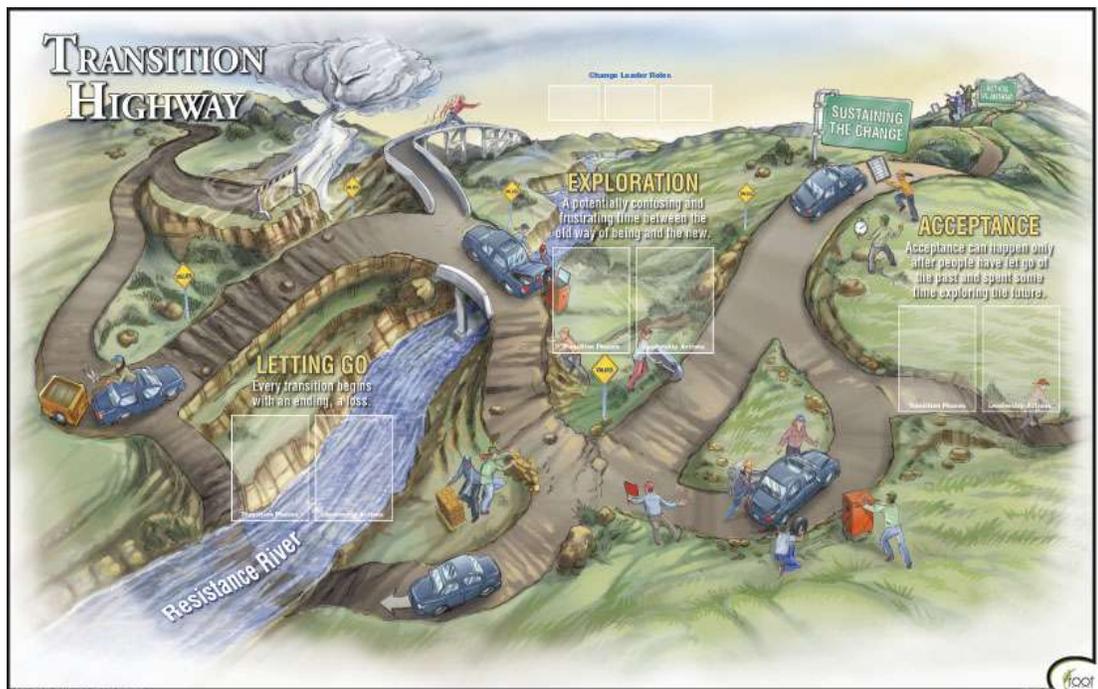
Phase 3: Help Managers to Lead the Change to Make the Strategy and Vision a Reality

Providing managers with necessary training, skills, and tools to lead the strategy within their teams.

The role of the Authority's managers is critical to the success of our strategy. They are the conduit between leaders and individual contributors. Their influence extends to their team members as well as all the people their team members touch – travellers, businesses partners, and community members. More than any group, managers must be well equipped to articulate a consistent vision to teams and individuals, both in scheduled meetings and in the moment. This phase of the project very much focuses on skills and tools necessary to help managers successfully execute the strategy through their people.

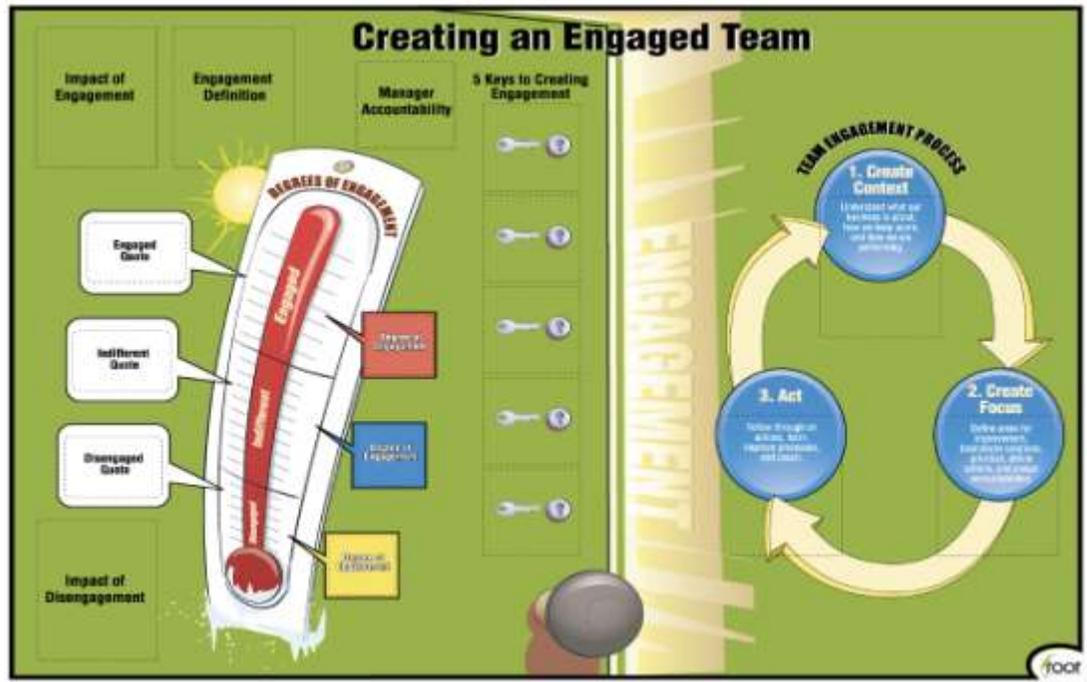
APG will conduct a Manager Workshop that will help managers understand their role as managers of people and leaders of strategic execution and cultural change. The workshop will include interactive exercises to engage learners in these areas:

- Know My Role as Manager. All managers must understand their role, and that their people are their top priority. If they focus on people, improved results will follow. To effectively do this, they will review and practice the necessary skills for engaging their team members.



- Lead through Change. Managers must be able to identify employees who accept change and those who are resistant to it, and help to guide all of them along the path to the final vision.

- Engage and Connect My Team. While the team will understand the Authority's strategy, the manager must build a shared perspective and focus within the team so all members can know what success looks like, how each person contributes to success, and how we keep score as a team.



- Manager Toolkit. Managers need to know how to use in-the moment huddles and meetings to update teams on the progress of the expansion, track key measurements, or brainstorm and implement ideas. In collaboration with managers at the Authority, APG will create a Manager Toolkit that provides the necessary agendas, questions, and tools to successfully conduct these meetings.

Deliverables: One customized 4-to-5-hour workshop, including “My Role as Manager” learning module; “Engaging and Connecting my Team” learning module; “Leading through Change” learning module; One Manager Toolkit (per participant); and, a comprehensive guide for the facilitating the entire workshop.

Implementation Timeline

Authority staff wishes to begin the engagement of APG in January 2011. With this start date, it is expected that APG will complete phases one through three, as described above, by the end of the first quarter of FY 2012. The contract will also provide for ongoing follow-up and support services.

Two additional phases, which include: 1) creative/video stakeholder outreach and engagement, and, 2) employee electronic learning modules, were proposed by APG and may be included in a future amendment to the agreement. If these additional services are desired, an amendment to the agreement will be brought to the Board for consideration and approval.

Summary

The proposed agreement with APG will allow for alignment between the Authority's leadership, employees, and stakeholders. APG and its subcontractor, Root Learning, provide innovative techniques and tools that Authority staff believe will aid the Authority in its development as a high-performing organization. Staff recommends that the Board approve the agreement at its January 6, 2011, Board meeting.

Fiscal Impact:

The amount of the proposed agreement, including all elements described above and related expenses, is \$492,000. Of this amount, approximately \$320,000 is expected to be a FY 2011 expense. This amount will be realized through savings in various line item expenses throughout the Authority budget. The remaining amount will be expended in FY 2012 and will be allocated during FY 2012 budget planning.

Environmental Review:

- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA, Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

Prepared by:

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