

Recruitment Strategic Aspiration Services Contract Modification



Executive Management Committee
November 21, 2024



Staff Recommendation

AUTHORIZE the Chief Executive Officer (CEO) to:

- A. EXECUTE Modification No. 1 to Contract No. PS108564000 with McKinsey & Company, Inc. (McKinsey) to provide consultant support services for hiring process improvements, continued job classification analysis, and execution of strategies to reduce vacancy rates and retain talent, in an amount Not-to-Exceed (NTE) \$3,477,500, increasing the contract value from \$497,500 to \$3,975,000 and extend the period of performance from June 30, 2025, to December 31, 2025, and;
- B. AMEND the FY25 budget in the amount of \$3,477,500 to fund the contract modification.

Background

- In July 2024, McKinsey began work to evaluate Metro's hiring process and provided preliminary recommendations to:
 - ✓ Decrease the average time-to-hire
 - ✓ Decrease the overall non-contract vacancy rate
 - ✓ Accelerate timeline for promotions
- Metro anticipates more than 1,000+ recruitments will need to take place over the next three years to support major expansion projects, the Transit Ambassador transition, and the implementation of the Transit Community Public Safety Department, as well as managing for normal attrition
- The current process for filling vacancies ranges between 12-31 weeks per hire, depending on complexity of the recruitment
- Metro acknowledges that talent needs must be addressed with the following principals: process innovation, streamlining of resource planning, stakeholder engagement and buy-in, and prioritization of critical roles, resources and timelines

Recruitment Strategic Aspiration Services – Contract Mod

- This request will allow McKinsey to advance efforts with staff to optimize processes, innovate, track, and organize recruitment services into an implementation phase
- With McKinsey's support, Metro will:
 1. Establish an internal tactical team whose primary responsibility will be to implement a sustainable approach to address and mitigate the backlog of vacancies, significantly shortening the time to hire by more than 50% and lowering the vacancy rate to under 10% within the next two years
 2. Develop and implement a robust, dynamic planning tool to track, budget and forecast for attrition and vacancies, inclusive of hard-to-fill and high-turnover positions, layered with major project milestones, openings of rail lines, and new services and/or initiatives such as the Transit Community Public Safety Department and the Transit Ambassador transition
 3. Develop a promotion process that accelerates the administration of internal promotions up to 4x's faster