



STEERING COMMITTEE

Agenda Report

Administration Building
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File #: 2024-3854

Agenda Date: 9/25/2024

Agenda Item No: 3.

FROM: Ryan Gallagher, Board Chairman
Originator: Laura Maravilla, Director of Human Resources

SUBJECT:

LABOR CONTRACT NEGOTIATIONS - CHIEF NEGOTIATOR

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION: Recommend to the Board of Directors to:

Authorize the Board Chairman to execute an agreement for special services with Liebert Cassidy Whitmore and approve Laura Drottz Kalty to serve as Chief Negotiator for labor contract negotiations for an amount not to exceed \$100,000.

BACKGROUND

The Orange County Sanitation District (OC San) is preparing for labor contract negotiations with all three recognized employee organizations which include the Supervisor and Professional Management Group (SPMG) comprised of two bargaining units, the Orange County Employees Association (OCEA) comprised of three bargaining units, and the International Union of Operating Engineers Local 501 (Local 501).

In October 2023, the Board of Directors approved a professional services agreement with Liebert Cassidy Whitmore (LCW) for Human Resources legal services for the period of November 1, 2023 through October 31, 2026 with renewal options. The selection was made following a Request for Qualifications (RFQ) process, through which OC San sought qualified employment legal firms to serve as OC San's outside counsel for legal advice and defense on human resources matters. Contract labor negotiations was not included as part of the RFQ process based on the nature and scope of the work requiring specialized knowledge and experience in public sector labor contract negotiations.

In accordance with OC San's Purchasing Ordinance No. OC SAN-61, professional services agreements are subject to a specified procurement process such as an RFQ or Request for Proposal process, except for firms or individuals that are selected by and report directly to the Board. For such contracts, the Board shall determine the method of selection, consistent with the requirements of applicable law. Based on this ordinance exception, staff is recommending an agreement for special services with LCW and specifically Laura Drottz Kalty, to serve as Chief Negotiator for OC San in the upcoming labor negotiations. Ms. Drottz Kalty has extensive experience with public sector labor contract negotiations and possesses the institutional knowledge with OC San as she successfully

negotiated three-year agreements with all three bargaining groups in 2016, 2019, and more recently in 2022.

Once a Chief Negotiator is approved, the OC San labor negotiations team will seek authority and direction from the Steering Committee on negotiation parameters ahead of the expiration of the current MOUs.

RELEVANT STANDARDS

- Ensure the public's money is wisely spent
- Cultivate a highly qualified, well-trained, and diverse workforce
- Offer competitive compensation and benefits
- Negotiate fair and equitable labor agreements
- Maintain positive employer-employee relations

PROBLEM

The MOUs for all bargaining groups expire on June 30, 2025. Preparations for contract negotiations are anticipated to begin October 2024 to ensure successor agreements are in place prior to the expiration of the contracts.

PROPOSED SOLUTION

Authorize staff to execute an agreement for special services with LCW/Laura Drottz Kalty to serve as Chief Negotiator in accordance with OC San's Purchasing Ordinance No. OC SAN-61.

TIMING CONCERNS

On June 30, 2025, the MOUs with all bargaining groups will expire with demand letters from the bargaining groups generally received by OC San six months prior to contract expiration. The approval of a Chief Negotiator at the September 2024 meeting will allow time to identify Board priorities and negotiating parameters.

RAMIFICATIONS OF NOT TAKING ACTION

Delays in the appointment of a Chief Negotiator would delay preparations for labor contract negotiations and may impact OC San's ability to finalize successor agreements before the expiration of the current MOUs.

PRIOR COMMITTEE/BOARD ACTIONS

October 2021 - Board authorized the Board Chair to execute an agreement with Liebert Cassidy Whitmore, for Laura Drottz Kalty to serve as the external Chief Negotiator for labor contract negotiations and related items, for an amount not to exceed \$150,000.

December 2018 - Board authorized the Board Chair to execute an agreement with Liebert Cassidy Whitmore, the external Chief Negotiator selected by the Ad Hoc Committee for an amount not to exceed \$120,000.

February 2016 - Board approved the execution of an agreement with Liebert, Cassidy & Whitmore, at a cost not to exceed \$100,000, to serve as OCSD's Chief Negotiator as selected by the Ad Hoc Committee.

ADDITIONAL INFORMATION

OCEA represents 100 OC San employees, who perform para-professional, technical, and administrative jobs. Local 501 represents 193 OC San employees, who perform operations, maintenance, and other trade-related jobs. SPMG is affiliated with American Federation of State, County and Municipal Employees (AFSCME). SPMT/AFSCME represent 64 OC San employees that are responsible for supervisory duties across all divisions. In addition, SPMT/AFSCME represents 227 OC San employees holding professional, exempt-level positions who perform analytical work.

CEQA

N/A

FINANCIAL CONSIDERATIONS

This request complies with authority levels of OC San's Purchasing Ordinance. This item has been budgeted and the budget is sufficient for this action.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Agreement for Special Services - Liebert Cassidy Whitmore