



**THE PORT  
OF LOS ANGELES**  
Executive Director's  
Report to the

Board of Harbor Commissioners

**DATE: JANUARY 24, 2012**

**FROM: RISK MANAGEMENT**

**SUBJECT: RESOLUTION NO. \_\_\_\_\_ - AGREEMENTS WITH HEALTH AND SAFETY CONSULTANTS TO PROVIDE ON-SITE SUPPLEMENTARY HEALTH AND SAFETY SERVICES AND TRAINING FOR HARBOR DEPARTMENT EMPLOYEES**

**SUMMARY:**

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into Agreements with Global Environmental Network, Inc. (GENI), located in Fountain Valley, California and URS Corporation (URS), located in El Segundo, California to provide on-site supplementary health and safety services and training to Harbor Department employees as part of the adherence to the policy of the City of Los Angeles (City) to maintain a safe and healthy work environment. Staff is recommending the Board of Harbor Commissioners (Board) approve the Agreements. The recommendation is based on a competitive Request for Proposal (RFP) process performed by the Harbor Department. The term of each proposed Agreement is three years at an amount not-to-exceed \$150,000 per Agreement, or \$50,000 per year for both Agreements for a total of \$300,000 over three years in total. This is GENI's first Agreement with the Harbor Department and URS' second.

**RECOMMENDATION:**

It is recommended that the Board of Harbor Commissioners:

1. Find that in accordance with the Los Angeles City Charter Section 1022, the services required can be performed more feasibly by an outside contractor than by City employees;
2. Approve the Agreement with GENI for a term of three years at an amount not-to-exceed \$150,000;
3. Approve the Agreement with URS for a term of three years at an amount not-to-exceed \$150,000;
4. Authorize the Executive Director to execute and the Board Secretary to attest to both Agreements; and
5. Adopt Resolution No. \_\_\_\_\_.

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**DISCUSSION:**

Background – The Risk Management section of the Finance Division provides health and safety training to over 900 employees at the Harbor Department. Services include supporting all the divisions with proper safety training to protect each employee, providing personal protective equipment, conducting accident investigations, and coordinating the handling of workers' compensation claims with the Personnel Department's Workers' Compensation staff and City Attorney.

Cal/OSHA requires that employers provide their employees relevant health and safety training and conduct specific health and safety services. The Harbor Department provides its employees supplementary health and safety training and related occupational health and safety services to comply with Cal/OSHA requirements, to enhance the Harbor Department's existing safety program with the goal of reducing our workers' compensation claims, and to abide by the City's policy to maintain a safe and healthy work environment.

The Harbor Department's Risk Management safety staff has utilized consultants since its inception in the early 1980s to assist with specialized training required for its employees. The types of training required are determined by the work of the employees, Cal/OSHA requirements, proactive measures, workplace incidents, changes in work process, and/or job duties. A list of required Cal/OSHA training is submitted as Transmittal No. 3.

Previously, the Harbor Department maintained agreements with two companies, Pacific EH&S and URS Corporation, each for three years, with maximum compensation of \$150,000 for each agreement. The agreements provided for training required by Cal/OSHA (Transmittal 3) including Hazard Communication, First-Aid/CPR/AED, Lockout/Tag-out, Respiratory Protection, Railroad Worker Safety, Asbestos Awareness, Confined Space Entry, Traffic Control, Bloodborne Pathogens, Fall Protection, Scaffolding, Trenching/Shoring, Heat Illness Prevention Training, Aerial Lift Training, Hot Work, and Ergonomics and were utilized to facilitate training to employees at various locations and shifts. Pacific EH&S' agreement expired on June 8, 2011 and URS' agreement expired on October 6, 2011. Since the expiration of both agreements, the Harbor Department's safety staff has assisted with providing health and safety training and services to Harbor Department employees where applicable. The proposed agreements with GENI and URS will replace the previous agreements.

Effect of Training – In addition to meeting mandated levels of health and safety training, the Harbor Department seeks to reduce the amount of workers' compensation claims through these programs. Nevertheless, workers' compensation claims have risen slightly over the last three years. Workers' compensation claims data for new claims are as follows:

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<u>Fiscal Year</u>	<u>New Claims</u>
2008-2009	94
2009-2010	97
2010-2011	99

Our plan of action to reduce new claims is to not only continue to provide safety training, but to proactively address potential safety hazards by reviewing our job processes through a OHSAS (Occupational Health and Safety Assessment Series) 18001 certification program, holding supervisors and employees accountable for their actions and the training provided, and expanding our wellness program. In addition, employees will be surveyed following the completion of each training session, which has not been done in the past. Feedback from surveys will be used to assist safety staff in gauging training effectiveness.

Selection Process – A Request for Proposal (RFP) was released on July 6, 2010 and a pre-proposal teleconference was held on August 6, 2010. Thirty-one contractors participated in the teleconference. Following the teleconference, 14 responses to the RFP were received by the deadline date of August 26, 2010 (Transmittal 4).

A selection committee was comprised of staff from the Harbor Department's Risk Management, Construction & Maintenance, and Port Police Divisions. At the time the interviews were conducted, the Harbor Department was in the process of streamlining the contracting process and outside representation on the panel was not required. The selection committee evaluated the proposals and selected the top three companies to participate in interviews.

The top three companies were evaluated on their overall management, technical competencies, training experience, use of subcontractors, operational experience, costs, and standard contract compliance requirements. Based on the evaluation scores two companies were selected: GENI and URS (Transmittal 5). Two consultants are beneficial to the Harbor Department so that the strengths of each can be fully utilized. This allows for a more flexible training schedule. Experience has shown that no one consultant meets the Harbor Department's wide range of needs.

GENI is an environmental health and safety training, engineering, and consulting company with offices in Southern and Northern California. GENI has been providing health and safety training since 1992 and is experienced in providing health and safety consulting services to a wide spectrum of clients including those in local governmental agencies. Current and previous clients include the Los Angeles Department of Water and Power, the County of Los Angeles' Department of Public Works, the City of Los Angeles' Department of Recreation and Parks, and the City of Long Beach Water Department.

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URS provides a full spectrum of occupational health and safety services to a variety of private sector and governmental clients. Their Southern California based resources include five offices housing over 700 employees. URS has conducted over 1,000 training courses to date in over 100 locations worldwide with a total of over 10,000 attendees. Current and previous clients include the U.S. Postal Services, Mercedes Benz USA, and Mobile Oil Corporation.

The contract negotiations and lapse of administrative requirements have caused the delay in bringing these Agreements to the Board for approval. These issues have since been remedied.

Proposed Agreements –The proposed agreement with GENI (Transmittal 1) and URS (Transmittal 2) are for a term of three years each and for an amount not-to-exceed \$150,000, or \$50,000 per year. Compensation for both is based upon their individual rate schedules for specific health and safety services. The compensation paid to our previous contractors for the past three years is as follows: 2008/09 \$90,578; 2009/10 \$48,356; and 2010/2011 \$66,990 totaling \$205,924.

Without the proposed Agreements, it is anticipated that the Harbor Department would be unable to meet Cal/OSHA requirements in a timely manner without first obtaining specialized certifications of the current staff of one, which would take several years and require a significant amount of time away from the workplace. Expertise is needed in occupational health, occupational safety, hazardous materials, chemical agents, biostatistics, ergonomics, epidemiology, environmental health, air contaminants, radiation protection and noise/sound and hearing conservation. Current City classifications do not meet all of these duty requirements and other City Departments also contract for this work.

The proposed Agreements are more efficient because they allow the Harbor Department to utilize highly qualified experts immediately or as-needed and thereby meeting Cal/OSHA requirements as well as avoiding penalization and related fees. Risk Management will oversee the proposed Agreements. The training provided under these agreements will supplement the Harbor Department's current health and safety training program. GENI is a certified Small Business Enterprise (SBE), therefore one hundred percent (100%) of their Agreement will apply towards the Harbor Department's SBE objective.

**ENVIRONMENTAL ASSESSMENT:**

The proposed action is approval of Agreements with GENI and URS for on-site supplementary health and safety services and employee training. As an administrative activity, the Director of Environmental Management has determined that the proposed action is exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

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**ECONOMIC BENEFITS:**

Spending under the proposed Agreements will support two direct and two secondary one-year equivalent jobs in the five-county region.

**FINANCIAL IMPACT:**

Approval of the proposed Agreements authorizes expenditure of up to \$300,000 over a three-year period. For fiscal year 2011/2012, the authorized expenditure of \$100,000 due under this contract is fully funded by the approved budget (Account # 54290, Center # 0550, Project # 000). For fiscal years 2012/2013 and 2013/2014, remaining authorized expenditures up to \$100,000 each year will be requested when budgets for these years are developed, and upon approval by the Board. Projected expenditures for current and future fiscal years are as follows:

	GENI	URS
FY 11-12	\$25,000	\$25,000
FY 12-13	\$50,000	\$50,000
FY 13-14	\$50,000	\$50,000
FY 14-15	\$25,000	\$25,000
TOTAL	\$150,000	\$150,000

The benefits of funding the Agreements are to educate employees, seek to cause a reduction in workers' compensation claims and avoidance of Cal/OSHA fines and penalties for non-compliance. Fines from Cal/OSHA range from \$500 per Regulatory Violation, and up to \$140,000 per Serious Repeated or Willful Repeated Violation of Crane Standard, Order, or Special Order Causing Death or Serious Injury. It is difficult to quantify the financial impact of a preventative program such as this; however, the Harbor Department has not been assessed fines since implementation of the supplementary training. Prior consultants have provided assistance to the Harbor Department on issues brought to Cal/OSHA's attention. Employees have also benefitted from the consultants' training which could have otherwise resulted in a greater number of claims.

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**CITY ATTORNEY:**

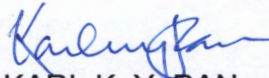
The Agreements have been reviewed by the Office of the City Attorney and approved as to form and legality.

**TRANSMITTALS:**

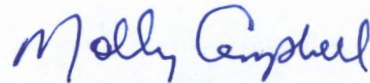
1. Agreement with Global Environmental Network, Inc.
2. Agreement with URS Corporation
3. Required Cal/OSHA Training – Port of Los Angeles
4. List of Proposers
5. Evaluation Scores

FIS Approval:   *KB*   (initials)

CA Approval:   *TR*   (initials)



KARL K. Y. PAN  
Chief Financial Officer



MOLLY CAMPBELL  
Deputy Executive Director

APPROVED:



GERALDINE KNATZ, Ph.D.  
Executive Director

KP:KM:MD  
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