



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: OCTOBER 23, 2013

FROM: RISK MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - FIRST AMENDMENT TO AGREEMENT NO. 12-3052 WITH URS CORPORATION FOR ON-SITE SUPPLEMENTARY HEALTH AND SAFETY SERVICES AND TRAINING FOR HARBOR DEPARTMENT EMPLOYEES

SUMMARY:

Agreement No. 12-3052 (Agreement) between the City of Los Angeles Harbor Department (Harbor Department) and URS Corporation (URS) provides for on-site supplementary health and safety services and training for Harbor Department employees. The Agreement is for a three-year term, a total compensation authority amount of \$150,000, and is set to expire on March 28, 2015. Located in El Segundo, California, URS was directed to conduct an unanticipated electrical safety audit in 2012 that consumed most of the Agreement's original compensation authority amount. The proposed First Amendment (Amendment) to the Agreement would increase the compensation authority by an additional \$150,000, bringing the total amount to \$300,000, replenishing the compensation authority and allow URS to resume providing health and safety services and training. The First Amendment would also allow utilization of the updated rate schedule, which has been revised to the benefit of the Harbor Department. All other terms and conditions of the Agreement will remain the same.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Approve the First Amendment to Agreement No. 12-3052 with URS Corporation to increase the compensation authority by an additional \$150,000 for a total compensation authority amount of \$300,000 and to replace Exhibit B, Compensation, with the revised exhibit;
2. Authorize the Executive Director to execute and the Board Secretary to attest to the First Amendment to Agreement No. 12-3052; and
3. Adopt Resolution No. _____.

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 12-3052 WITH URS CORPORATION

DISCUSSION:

Background/Context – On February 2, 2012, the Board approved Agreement No. 12-3052 and 12-3053 with URS and Global Environmental Network, Inc. (GENI), located in Fountain Valley, California, for on-site supplementary health and safety services and training. Each agreement has a term of three years and compensation authority of \$150,000 per agreement for a total compensation limit of \$300,000. Projected expenditure for both agreements was originally envisioned as follows.

	URS	GENI
FY 2011-12	\$25,000	\$25,000
FY 2012-13	\$50,000	\$50,000
FY 2013-14	\$50,000	\$50,000
FY 2014-15	\$25,000	\$25,000
<u>Total</u>	<u>\$150,000</u>	<u>\$150,000</u>

URS and GENI were both selected through a competitive request for proposal process to assist the Harbor Department in complying with the state of California Department of Industrial Relations' Division of Occupational Safety and Health (better known as Cal/OSHA) regulations, to enhance the Harbor Department's existing safety program with the goal of reducing workers' compensation claims, and to abide by the City of Los Angeles' policy to maintain a safe and healthy work environment. The Harbor Department has utilized consultants since the early 1980's to assist with specialized occupational health and safety training. 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. The Agreement with URS also allows for non-training related health and safety services such as occupational noise surveys and worksite investigations and assessments to be provided to the Harbor Department. The Agreement with GENI is for health and safety training only and has no provision for other health and safety services.

In April, 2012, Management Audits was searching for a consultant to perform an electrical safety audit with a focus on the electrical safety work practices of the Port Electrical Mechanics (PEMs) and requested assistance from Risk Management in coordinating the audit. Due to their strong qualifications and the proposed audit deliverables falling within the Agreement's scope of services, URS was directed to conduct the electrical safety audit and review the processes, equipment maintenance, practices, and procedures followed by the PEMs. Although the work falls within the scope of the Agreement, it was not anticipated that this magnitude of audit would be undertaken during the contract period.

DATE: OCTOBER 23, 2013

PAGE 3 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 12-3052 WITH URS CORPORATION

Funding for the audit was made available by re-purposing a portion of the funds intended for the implementation of an Occupational Health and Safety Management System (OHSM) 18001. Similar to the International Organization for Standardization's (ISO) 14000 family of standards for environmental management that has been implemented at the Harbor Department, OHSM 18001 is a set of standards designed to assist organizations to identify and control their health and safety risks, reduce the potential for accidents, comply with legislation, and improve operational performance. Plans to move forward with the OHSM was placed on hold due to the electrical safety audit. Funds have been budgeted for fiscal year 2013-14 for the issuance of a request for proposal, pending the finalization of the OHSM scope of work.

The electrical safety audit began in May, 2012, and was presented to the Board in April, 2013. Concurrently, URS continued to provide health and safety services and training under the Harbor Department's direction to its employees, but at a lower pace than normal to accommodate the audit. Health and safety services and training was halted in the fall of 2012 to further accommodate an expansion of the audit's scope of services and deliverables. As of June 30, 2013, the Harbor Department has expended about \$95,000 for the audit, \$37,000 for health and safety services, for a total of \$132,000. Health and safety services provided to date have included forklift training, asbestos and lead awareness, and heat stress training. Because of the expanded audit scope of services and deliverables, there is an additional audit invoice in the amount of \$30,000 from URS for holding exit meetings, presentations, and providing other rendered services. The remaining \$18,000 of the Agreement's original total compensation authority amount of \$150,000 is insufficient to pay this invoice. During this same period, GENI has provided about \$25,000 in health and safety training.

The proposed First Amendment to the Agreement would increase the total compensation authority amount by an additional \$150,000, bringing the total amount to \$300,000, replenishing the compensation authority and allow URS to resume providing health and safety services and training (Transmittal 1). The compensation authority increase is intended to replace the cost of the electrical safety audit and to cover some electrical safety measures that may result from the audit where URS may be asked to assist with any such implementation.

The Amendment will also allow the Harbor Department to pay the remaining audit invoice and to utilize a revised rate sheet (Transmittal 2), which includes additional training options for less than 8 hours. The additional training may cover functions unique to the Harbor Department, changes in operations, and/or regulatory changes. The rates were revised to the benefit of the Harbor Department and, for example, accommodate specialized training that is less than 8 hours. All other terms and conditions of the Agreement will remain the same.

DATE: OCTOBER 23, 2013

PAGE 4 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 12-3052 WITH URS CORPORATION

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of an amendment to Agreement No. 12-3052 with URS to increase the contract authority by \$150,000 due to an unanticipated electrical safety audit in 2012 that consumed most of the Agreement's original compensation authority amount. 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 in accordance with Article II Section 2 (f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed Amendment to increase the contract amount will support one direct and one secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

Approval of the proposed First Amendment would increase the total compensation authority amount from \$150,000 to \$300,000. Since the execution of the Agreement, about \$132,000 has been expended.

FY 2011-12	\$6,000
FY 2012-13	\$126,000
FY 2013-14	\$87,000
FY 2014-15	\$81,000
<u>Total</u>	<u>\$300,000</u>

Funding for the current fiscal year in the amount of \$87,000 was budgeted under Account 54290, Center 0550, Program 000. Funding for the future fiscal year will be requested as part of the annual budget adoption process.

CITY ATTORNEY:

The First Amendment has been approved as to form and legality by the Office of the City Attorney.

DATE: OCTOBER 23, 2013

PAGE 5 OF 5

SUBJECT: FIRST AMENDMENT TO AGREEMENT NO. 12-3052 WITH URS CORPORATION

TRANSMITTALS:

1. First Amendment to Agreement No. 12-3052
2. Revised Exhibit B

FIS Approval:  (Initials)

CA Approval:  (Initials)



KARL K. Y. PAN
Chief Financial Officer



MOLLY CAMPBELL
Deputy Executive Director

APPROVED:


GERALDINE KNATZ, Ph.D.
Executive Director

KP:KM:ct
Author: C. Tran