



**THE PORT
OF LOS ANGELES**
Executive Director's
Report to the
Board of Harbor Commissioners

DATE: MARCH 19, 2015

FROM: RISK MANAGEMENT

SUBJECT: RESOLUTION NO. _____ - ON-SITE SUPPLEMENTARY HEALTH & SAFETY TRAINING AND SERVICES AGREEMENTS WITH AECOM, NATEC, AND SAFETY DYNAMICS GROUP

SUMMARY:

The City of Los Angeles Harbor Department (Harbor Department) is proposing to enter into Agreements with AECOM Technical Services, Inc. (AECOM), located in Long Beach, California, NATEC International, Inc. (NATEC), located in Anaheim, California and Safety Dynamics Group (SDG), located in Long Beach, 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 \$100,000 per Agreement. The Harbor Department is financially responsible for payment under the proposed Agreements.

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 under the proposed Agreements can be performed more feasibly by independent consultants than by City employees;
2. Approve the proposed Agreements with AECOM, NATEC and SDG for a term of three years at an amount not-to-exceed \$100,000 per Agreement;
3. Authorize the Executive Director to execute and the Board Secretary to attest each Agreement; and
4. Adopt Resolution No. _____.

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DISCUSSION:

Background/Context – The Risk Management Division provides health and safety training to over 900 employees at the Harbor Department. Services include supporting all the divisions with specific safety training to providing personal protective equipment, conducting accident investigations, workstation evaluations, workplace inspections, maintaining and inspecting life-saving equipment, and coordinating the handling of workers' compensation claims with the Personnel Department's Workers' Compensation staff and City Attorney.

The California Occupational Safety and Health Administration (Cal/OSHA) requires that employers provide their employees relevant health and safety training as well as specific health and safety services. The Harbor Department provides its employees supplementary health and safety training and occupational health and safety services to comply with Cal/OSHA requirements, to enhance the Harbor Department's existing safety program to aid in the reduction of our workers' compensation claims, and to abide by the City's policy to maintain a safe and healthy work environment.

Risk Management's safety staff has utilized consultants since its inception in the early 1980's 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. 4.

Currently, the Harbor Department maintains agreements with two companies. They are Global Environmental Network, Inc. (GENI) and URS Corporation (URS), each for three years, with a maximum compensation authority of \$150,000 for each agreement. The agreements provide training required by Cal/OSHA (Transmittal No. 4) including but not limited to 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. In 2012, URS was retained to conduct an extensive electrical safety audit which depleted their compensation authority. The audit was presented at the April 4, 2013 Board meeting. To replenish the compensation authority and allow URS to resume providing health and safety training and services, the agreement was amended and approved at the November 7, 2013 Board meeting to increase the compensation amount by another \$150,000 for a new maximum compensation amount of \$300,000. The agreement with GENI expired on March 29, 2015 and the agreement with URS Corporation expired on

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March 28, 2015. To date, the Harbor Department has spent \$112,450 and \$179,864 on occupational health and safety training and services from GENI and URS respectively.

Effect of Training – In addition to meeting mandated levels of health and safety training, the Harbor Department seeks to reduce the number of workers' compensation claims through these programs, thereby reducing workers' compensation related expenses. Workers' compensation claims data for new claims over the past five fiscal years are as follows:

NEW CLAIMS				
FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15*
98	87	101	102	68
*as of February 2015				

Our plan of action to reduce new claims is to continue to provide safety training, focusing on the most frequent injuries, their causes, mitigation measures, and improving safety awareness. In addition, employees will be surveyed following the completion of each training session. Feedback from surveys will be used to assist safety staff in gauging training effectiveness.

Selection Process – A Request for Proposal (RFP) was released on December 17, 2014. Seven responses to the RFP were received by the deadline date of January 15, 2015 (Transmittal No. 5).

A selection committee was comprised of staff from the Harbor Department's Risk Management and Port Police Divisions, and the Department of Public Works Bureau of Engineering. The selection committee comprised of four individuals evaluated the proposals and selected the top three companies to participate in the 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, all three companies were selected: AECOM, NATEC and SDG (Transmittal No. 5). Three consultants are beneficial to the Harbor Department so that the strengths and resources of each can be fully utilized. This allows for a more flexible training schedule. Experience has shown that no one consultant meets the Department's wide range of safety training service needs.

AECOM provides a full spectrum of occupational health and safety training and services to a variety of private sector and governmental clients. One of two of our current contracts is with URS Corporation. Now merged with URS Corporation, AECOM has

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collectively acquired a wealth of health and safety knowledge and experience. Their Southern California based resources include 15 offices housing over 1,400 employees. In 2014, AECOM effectively developed and delivered a customized 8-hour training course for Port Police to cover annual health and safety training requirements. Current and previous clients include the United States Air Force, Baxter, and Northrup Grumman.

NATEC is an environmental health and safety training, engineering, and consulting firm with offices in Southern and Northern California comprised of various specialists in environmental, civil engineering, safety, industrial hygiene and asbestos consulting. NATEC's sister company and team subcontractor GENI, is one of two firms currently contracted with the Department. The current contract expired and subsequently GENI will provide their services under NATEC's direction. Their expert knowledge of training and consulting services in the occupational health and safety industry combined is 50 years' experience.

SDG is a full-service, woman-owned, small business enterprise providing occupational safety and health compliance assistance and behavior-based training services since 1980. SDG has provided over 35 years of experience in achieving organizational objectives and establishing onsite occupational worker-training policies to thousands of industrial former and current clients.

Proposed Agreements – The proposed Agreements with AECOM (Transmittal No. 1), NATEC (Transmittal No. 2), and SDG (Transmittal No. 3) are for a term of three years each and for an amount not-to-exceed \$100,000, or \$33,333 per year. Compensation is based on their individual rate schedules for specific health and safety services.

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, which would take several years and require significant amount of time away from the workplace. Additional expertise is needed in occupational health, hazardous materials, chemical agents, biostatistics, ergonomics, epidemiology, environmental health, forklift training, aerial lift training, crane training, job hazard analysis, 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 fines and penalties. Risk Management will oversee the proposed Agreements. The training provided under these

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Agreements will supplement the Harbor Department's current health and safety training program.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of Agreements with AECOM, NATEC, and SDG for on-site supplementary health and safety services and training for Harbor Department employees. 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) in accordance with Article II Section 2(f) of the Los Angeles City CEQA Guidelines.

ECONOMIC BENEFITS:

Approval of the proposed Agreements will support 2 direct and 2 secondary one-year equivalent jobs for the five-county region.

FINANCIAL IMPACT:

Approval of the proposed Agreements would authorize the Harbor Department to expend up to \$100,000 per Agreement over a three-year period. For fiscal year 2014/2015, funding in the amount of \$16,665 is available in Account No. 54290, Center No. 0550, Project No. 000. Funding for future fiscal years will be requested as part of the annual budget adoption process and subject to Board approval. A funding out clause has been included in the Agreements. It is anticipated that funds for these Agreements will be expended as follows:

FISCAL YEAR	AECOM	NATEC	SDG	TOTAL
2014-2015	\$5,555	\$5,555	\$5,555	\$16,665
2015-2016	\$33,333	\$33,333	\$33,333	\$99,999
2016-2017	\$33,334	\$33,334	\$33,334	\$100,002
2017-2018	\$27,778	\$27,778	\$27,778	\$83,334
TOTAL	\$100,000	\$100,000	\$100,000	\$300,000

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 can range from \$500 per Regulatory Violation, \$7,000 for each Serious Violation, and up to \$70,000 for each Willful or Repeat Violation. It is difficult to quantify the financial impact of a preventative program such as this; however, prior consultants have provided assistance to the Harbor Department on issues brought to Cal/OSHA's attention. Employees have also

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benefitted from the consultants' training which could have otherwise resulted in a greater number of claims and/or employee injuries.

The proposed Agreements will not require Harbor Department office space commitments for the consultants. Staff will not be displaced.

CITY ATTORNEY:

The Office of the City Attorney has prepared and approved these Agreements as to form and legality.

TRANSMITTALS:

1. Proposed Agreement with AECOM
2. Proposed Agreement with NATEC International, Inc.
3. Proposed Agreement with Safety Dynamics Group
4. Required Cal/OSHA Training – Port of Los Angeles
5. Evaluation Scores

FIS Approval: MB (initials)

CA Approval: MB (initials)



KATHY MERKOVSKY
Risk Manager III



MARLA BLEAVINS
Chief Financial Officer

APPROVED:



GENE SEROKA
Executive Director

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