SUMMARY STATEMENT

ITEM NO.: DRPA-12-065   SUBJECT: Vendor for Loss Control and Safety Services

COMMITTEE: Finance

COMMITTEE MEETING DATE: July 31, 2012

BOARD ACTION DATE: August 1, 2012

PROPOSAL: That the Board authorizes staff to appoint a vendor to provide Loss Control and Safety Services for the Authority’s construction projects.

PURPOSE: To appoint a vendor to provide Loss Control and Safety Services for the Authority’s construction projects and to create an agreement with a vendor that specializes in providing comprehensive and professional Loss Control and Safety Services. The vendor appointment will be validated upon the following: (1) the expiration of the New Jersey Governor’s Veto Period; and (2) a fully executed Vendor Agreement between the Delaware River Port Authority and Aon Risk Solutions.

BACKGROUND: At the Board’s direction, a formal Request for Proposal was issued. All steps of the process for review of the submission are in compliance with Resolution DRPA-10-044.

The Authority publicly advertised on June 25, 2012 its intent to retain a Vendor to provide Loss Control and Safety Services and invited interested vendors to submit Technical and Cost Proposals. The RFP was advertised on DRPA’s website and in the Business Insurance Periodical. Responses were due on July 25, 2012, by 3 pm.

Each proposer submitted sealed and clearly marked envelopes: (1) Technical Proposal and (2) Cost Proposal. The Cost Proposals remained sealed throughout the Technical Proposal review process.

The following six (6) firms submitted proposal responses:

Total Safety, LLC
Alliant Insurance Services
Insurance Office of America, Inc.
Willis of NJ, Inc.
Aon Risk Solutions
The Graham Company
The review committee consisted of John J. Matheussen, CEO, Michael Conallen, Deputy CEO, Danielle L. McNichol, General Counsel, Toni P. Brown, Chief Administrative Officer, and John T. Hanson, Chief Financial Officer. The evaluation team was reviewed and screened for conflicts, in compliance with Resolution 10-044. On July 26 and 27, 2012, the committee met to discuss and evaluate the proposals on the basis of Technical merit.

Aon Risk Solutions was the highest overall ranked firm. The evaluation team felt that Aon Risk Solutions with its global, direct marketing capabilities and experience in public sector (including bridge, transit, environmental and marine focus) was best able to meet the DRPA’s needs, and was the recommendation of staff and the Finance Committee. The Committee also noted that the service team was regionally based, with a presence in both Philadelphia and New Jersey.

The Authority’s Inspector General has confirmed that Aon Risk Solutions agrees to comply with the Authority’s prohibition against fee-sharing, fee-splitting or receipts of any funds or consideration not earned by any Loss Control or Safety Consultant on behalf of the DRPA. To ensure transparency of costs, the Authority will require the disclosure of all payments made by or to any vendors as compensation for services provided under the terms of the Vendor contract. The Office of Inspector General will have the right to request, review and audit all records and documentation of the vendor for compliance.

It is recommended that an Agreement be negotiated with the Aon Risk Solutions for the annual fixed service fee not to exceed $250,000 annually.
<table>
<thead>
<tr>
<th>Summary:</th>
<th>Amount:</th>
<th>Total: Not to exceed $250,000 annually For two years, with one year option NTE $250,000</th>
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<tbody>
<tr>
<td>Source of Funds:</td>
<td>Revenue Fund and General Fund (PATCO portion)</td>
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<tr>
<td>Capital Project #:</td>
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<tr>
<td>Operating Budget:</td>
<td>DRPA Risk Mgt. C/E #8 PATCO Admin. C/E Insurance &amp; Claims</td>
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<td>Master Plan Status:</td>
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<td>Other Fund Sources:</td>
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<td>Duration of Contract:</td>
<td>2 years, with an option for a third year, unilaterally exercisable by the DRPA at its sole discretion</td>
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<td>Other Parties Involved:</td>
<td>N/A</td>
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RESOLUTION

RESOLVED: That the Board authorizes staff to appoint a vendor for the Delaware River Port Authority’s Loss Control and Safety Services, for a period of two years, with an option for a third year, unilaterally exercisable by the DRPA at its sole discretion; for the annual fixed service fee not to exceed $250,000 annually; and be it further

RESOLVED: That the Board authorizes that the appointment shall be validated upon the following: (1) the expiration of the New Jersey Governor’s Veto Period; (2) a fully executed Agreement between the Delaware River Port Authority and the Aon Risk Solutions; and be it further

RESOLVED: The Chair, Vice Chair and the Chief Executive Officer must approve and are hereby authorized to approve and execute all necessary agreements, contracts, or other documents on behalf of the DRPA. If such agreements, contracts, or other documents have been approved by the Chair, Vice Chair and Chief Executive Officer and if thereafter either the Chair or Vice Chair is absent or unavailable, the remaining Officer may execute the said document(s) on behalf of DRPA along with the Chief Executive Officer. If both the Chair and Vice Chair are absent or unavailable and if it is necessary to execute the said document(s) while they are absent or unavailable, then the Chief Executive Officer shall execute such documents on behalf of DRPA.

SUMMARY: Amount: Total: Not to exceed $250,000 annually, with
a one year NTE $250,000
Loss Control and Safety Services

Source of Funds: Revenue Fund and General Fund
(PATCO portion)
Capital Project #: N/A
Operating Budget: DRPA Risk Mgt. C/E #8
                  PATCO Admin. C/E Insurance & Claims
Master Plan Status: N/A
Other Fund Sources: N/A
Duration of Contract: 2 years, with an option for a third year,
                      unilaterally exercisable by the DRPA at
                      its sole discretion
Other Parties Involved: N/A