SUMMARY STATEMENT

ITEM NO.: DRPA-13-059  SUBJECT: Additional Hours Loss Control and Safety Service Hours to be provided by Aon

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: May 1, 2013

BOARD ACTION DATE: May 15, 2013

PROPOSAL: That the Board authorizes staff to increase the annual bank of loss control and safety services hours to be provided by Aon Risk Services Central’s (Aon) for the Authority’s construction projects, in an amount not-to-exceed 370 hours, at an hourly rate of $125. If approved, the value of the 370 hours shall not exceed $46,250.

PURPOSE: To increase the existing bank of hours for the loss control and safety services to be provided by Aon during the 2013 contract term.

BACKGROUND: On August 1, 2012, the Board authorized staff to appoint a vendor to provide Loss Control and Safety Services for the Authority’s construction projects. The Board further authorized staff to enter into an agreement with Aon.

Pursuant to DRPA-12-065, the DRPA entered into a two-year agreement with Aon, effective August 16, 2012. The agreement provides an option for a third year, unilaterally exercisable by the DRPA at its sole discretion. The agreement provides for an annual bank of hours not-to-exceed 1,400, at a rate of $125 per hour. The annual fixed service fee per year was not to exceed $175,000 per year, and $250,000 for the two-year contract term.

The Agreement also provides that all work product and deliverables developed by Aon shall become the sole property of the Authority.

As of March 31, 2013, the number of hours expended by Aon for the loss control safety services is 965.89. During the Agreement term, Aon has conducted numerous site visits, reviewed safety plans, investigated incidents, attended pre-bid- pre-proposal, pre-construction, kick-off, progress meetings, safety meetings and a Quarterly Claims Review meeting. This leaves a balance of 431.11 hours left until the expiration date of the initial term of the agreement, which is August 16, 2014.
Aon and DRPA engineering have requested that Aon progress and safety meetings on a regular basis, which will consume additional hours. In addition, staff expects increased site inspection activity on various projects including, but not limited to, the WWB Redecking and Dehumidification Projects, ongoing BFB inspection repairs, and the PATCO Radio System Upgrade, among other projects.

Staff recommends that the annual bank of hours for contract term August 16, 2012-August 16, 2013 be increased by an amount not to exceed 370 hours ($46,250).

SUMMARY: Amount: n-t-e 370 hours for Agreement term 8/16/2012-8/16/2013, in a n-t-e amount of $46,250 for 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: N/A
Other Parties Involved: Aon Risk Services Central
RESOLUTION

RESOLVED: That the Board authorizes staff to increase the hourly Loss Control and Safety Services under the agreement with Aon for an amount not-to-exceed 370 hours, at an hourly rate of $125 (n-t-e $46,250) for the 8/16/2012-8/16/2013; 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: n-t-e additional 370 hours for Agreement term 012-8/16/2013, in a n-t-e amount of $46,250 for 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: N/A
Other Parties Involved: Aon Risk Services Central