SUMMARY STATEMENT

ITEM NO.: DRPA-14-036    SUBJECT: Additional Hours Loss Control and Safety Service Hours to be Provided by Aon

COMMITTEE: Operations & Maintenance

COMMITTEE MEETING DATE: March 5, 2014

BOARD ACTION DATE: March 19, 2014

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 (Aon) for the Authority’s construction projects, in an amount not to exceed 400 hours, at an hourly rate of $125. If approved, the value of the 400 hours shall not exceed $50,000.

PURPOSE: To increase the existing bank of hours (1,400 annually) for the loss control and safety services to be provided by Aon during balance of the 8/16/2013-8/16/2014 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 February 4, 2014, the number of hours expended by Aon for contract year 8/16/2013-8/16/2014 for the loss control safety services is 797.50. 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 and
safety meetings. This activity has left Aon with a balance of 602.50 hours until the expiration date of the second year of the agreement, which is August 16, 2014.

Staff expects increased site inspection activity on various projects including, the BF-21-E PATCO Track Rehabilitation and PATCO-48-2011 Escalator Replacement, among other projects.

Staff recommends that the annual bank of hours for the agreement term August 16, 2013-August 16, 2014 will need to be increased by an amount not to exceed 400 hours, at $125/hour, for an amount not to exceed $50,000.

| SUMMARY: | Amount: | n-t-e 400 hours, at $125/hour, for Agreement term 8/16/2013-8/16/2014, in a n-t-e amount of $50,000 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 annual Loss Control and Safety Services hourly bank by 400 hours, increasing the total annual hours from 1,400 to 1,800 hours for the agreement term from 8/16/2013-8/16/2014; and be it further

RESOLVED: That the Board approves the hourly rate of $125 (n-t-e $50,000) for agreement term the 8/16/2013-8/16/2014; 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 400 hours, at $125/hour, for Agreement term 8/16/2013-8/16/2014, in an n-t-e amount of $50,000 for Loss Control and Safety Services

Source of Funds: Revenue Fund and General Fund (PATCO portion)

Capital Project #: N/A

Operating Budget: DRPA Risk Mgmt. 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