

**SUMMARY STATEMENT**

**ITEM NO.: DRPA-17-040**

**SUBJECT: Vendor for Loss Control and Safety Services for the Authority's Construction Projects**

**COMMITTEE:**

**Operations & Maintenance**

**COMMITTEE MEETING DATE:**

**June 6, 2017**

**BOARD ACTION DATE:**

**June 21, 2017**

**PROPOSAL:** That the Board authorizes staff to appoint Aon Risk Consultants, Inc. d/b/a Aon Global Risk Consulting ("Aon") as the vendor for the Loss Control and Safety Services for the Authority's construction projects.

Year 1	\$420,000.00
Year 2	\$428,400.00
Year 3	\$436,968.00
Year 4 (Option Year 1)	\$445,707.00
Year 5 (Option Year 2)	\$454,622.00

**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 Consultants Inc.

**BACKGROUND:** On August 1, 2012, the Board approved DRPA-12-065 authorizing 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 a two-year Agreement with Aon. The initial two-year term of the Agreement was effective 8/16/2012-8/16/2014.

Although the original Agreement provided for a third-year option unilaterally exercisable by the DRPA, staff advised the O&M Committee that it intended to issue a formal Request for Proposal for a vendor to provide the Loss Control and Safety Services for the Authority. Staff encouraged the existing vendor, Aon, to submit a proposal for consideration. On July 16, 2014, the Board approved DRPA-14-091

authorizing staff to appoint Aon, as the vendor to provide Loss Control and Safety Services for the Authority's construction projects. The Board further authorized staff to enter into a two-year Agreement with Aon. The initial two-year term of the Agreement was effective 8/17/2014-8/16/2016. The Agreement provided for a third-year option unilaterally exercisable by the DRPA, at its sole discretion. Staff exercised the third-year option, extending the Agreement to 8/16/2017.

The annual fixed fee for the services to be provided pursuant to the Agreement is \$390,000 (payable in quarterly installments of \$97,500 each). The Agreement also provides that all work product and deliverables developed by Aon shall become the sole property of the Authority.

The current Agreement requires two (2) full-time consultants and an alternate to the Authority's construction projects, and provides for a bank of hours not-to-exceed 2,000 annually, per consultant. The alternate consultant is required to be cross-trained in all duties and responsibilities related to DRPA bridge and PATCO transit facilities. The safety oversight includes night and weekends, as necessary. Safety services are interchangeable on either DRPA or PATCO construction projects, based on operational needs.

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.

The Authority publicly advertised its intent to retain a vendor to provide Loss Control and Safety Services and invited interested vendors to submit Technical and Cost Proposals. The Request for Proposal (RFP) was advertised on DRPA's website beginning on March 10, 2017. The Authority also publicly advertised the RFP in the April edition of the *Business Insurance Periodical* (which also included a 30-day posting on the website) and the April edition of the *Engineering News-Record Periodical* (which included a 12-day posting on the website). Responses were due on May 8, 2017.

Each proposer submitted two (2) sealed and clearly marked envelopes: (1) Technical Proposal; and (2) Cost Proposal.

**We received proposals from the following five (5) firms:**

- **Aon Risk Consultants, Inc. d/b/a Aon Global Risk Consulting (“Aon”) - *Incumbent, based in Philadelphia***
  - **Year 1 - \$420,000**
  - **Year 2 - \$428,400**
  - **Year 3 - \$436,968**
  - **Option Year 4 - \$445,707**
  - **Option Year 5 - \$454,622**

*Note: Years 2, 3, 4 and 5 include a 2% Cost of Living Adjustment.*
- **Bureau Veritas North America, Inc. - *Based in Edison, New Jersey***
  - **Year 1 - \$927,500**
  - **Year 2 - \$927,500**
  - **Year 3 - \$927,500**
  - **Option Year 4 – 927,500**
  - **Option Year 5 - \$927,500**
- **ESIS, Inc. Health Safety and Environmental -*Based in Philadelphia, PA***
  - **Year 1 - \$477,866**
  - **Year 2 - \$477,866**
  - **Year 3 - \$477,866**
  - **Option Year 4 – *Not provided***
  - **Option Year 5 – *Not provided***
- **Med-Tex Services - *Based in Penns Park, PA***
  - **Year 1 - \$956,800**
  - **Year 2 - \$956,800**
  - **Year 3 - \$956,800**
  - **Option Year 4 – *Not provided***
  - **Option Year 5 – *Not provided***
- **PHASE Associates, LLC - *Based in Livingston, New Jersey***
  - **Year 1 - \$494,000**
  - **Year 2 - \$508,820**
  - **Year 3 - \$524,084.60**

- **Option Year 4 – \$539,807.14**
- **Option Year 5 – \$556,001.35**

**The Evaluation Committee consisted of:**

**Toni P. Brown, Chief Administrative Officer;  
Michael P. Venuto, Chief Engineer;  
John D. Rink, PATCO General Manager and;  
Marianne Staszewski, Director, Risk Management & Safety.**

**Pursuant to DRPA-10-044, members of the evaluation team were instructed to complete the Office of the Inspector General - Conflict of Interest Questionnaire / Certification (I Form) for potential conflicts. No conflicts were noted.**

**Amy L. Ash, Manager, Contract Administration recused herself from reviewing any proposals. Her role was limited to providing oversight of the review and evaluation process.**

**On May 22, 2017, the Evaluation Committee met to discuss and evaluate the Technical proposals. Aon was the highest overall ranked firm. Aon does not expect to receive any additional compensation beyond the flat fixed service fee described in their Price Proposal.**

**Staff seeks authorization to negotiate an Agreement with Aon Risk Consultants, Inc. for a three-year term from 8/17/2017-8/16/2020. If approved, the Agreement would include two (2) separate one-year options (based on satisfactory performance). Staff may use its discretion to determine whether to exercise the fourth and fifth year options.**

**Consistent with the existing Agreement between DRPA and Aon, the annual fixed service fee will continue to be payable in quarterly installments. Aon will continue to be required to provide two (2) full-time consultants and an alternate consultant. Each full-time consultant will be expected to work no less than 2,000 hours annually. The alternate consultant will be cross-trained in their duties for both the DRPA bridge facilities and the PATCO facilities.**

**SUMMARY STATEMENT**  
**O&M Committee 6/6/17**

**Vendor for Loss Control and Safety**  
**Services for the Authority's Construction**  
**Projects**

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<b>SUMMARY:</b>	<b>Amount: Total: Not to exceed \$2,185,697</b> <b>over five-years</b> <b>Year 1 \$420,000.00</b> <b>Year 2 \$428,400.00</b> <b>Year 3 \$436,968.00</b> <b>Year 4 \$445,707.00</b> <b>Year 5 \$454,622.00</b>
<b>Source of Funds:</b>	<b>General Fund</b>
<b>Capital Project #:</b>	<b>N/A</b>
<b>Operating Budget:</b>	<b>N/A</b>
<b>Master Plan Status:</b>	<b>N/A</b>
<b>Other Fund Sources:</b>	<b>N/A</b>
<b>Duration of Contract:</b>	<b>Three (3) year term (8/17/2017-</b> <b>8/16/2020), with an option to extend the</b> <b>Agreement for two (2) additional one-year</b> <b>terms</b>
<b>Other Parties Involved:</b>	<b>Aon Risk Consultants Inc.</b>

**DRPA-17-040**  
**Operations & Maintenance Committee: June 6, 2017**  
**Board Date: June 21, 2017**  
**Vendor for Loss Control and Safety Services**  
**for the Authority's Construction Projects**

**RESOLUTION**

- RESOLVED:** That the Board authorizes staff to appoint Aon Risk Consultants Inc. (Aon) as the vendor for the Delaware River Port Authority's Loss Control and Safety Services; and be it further
- RESOLVED:** That the Board authorizes staff to enter into an Agreement with Aon for a three-year term effective 8/17/2017- 8/16/2020, for the annual fixed service fees of:
- |        |   |
|--------|---|
| Year 1 | \$420,000.00;                             |
| Year 2 | \$428,400.00 (includes 2% COLA increase); |
| Year 3 | \$436,968 (includes 2% COLA increase);    |
- and the annual fee shall remain payable on a quarterly basis; and be it further
- RESOLVED:** That the Board authorizes staff to use its discretion (based on staff's overall satisfaction with Aon's performance) whether to exercise the fourth year option. If the fourth year option is exercised, the additional one-year option, including the 2% COLA increase, shall not exceed \$445,707, and the annual fee shall remain payable on a quarterly basis; and be it further
- RESOLVED:** That the Board authorizes staff to use its discretion (based on staff's overall satisfaction with Aon's performance) whether to exercise the fifth year option. If the fifth year option is exercised, the additional one-year option, including the 2% COLA increase, shall not exceed \$454,622, and the annual fee shall remain payable on a quarterly basis; and be it further
- RESOLVED:** That for the professional service fees to be paid during the three-year term, and each successive option year, Aon will be required to provide two (2) full-time consultants and one (1) alternate consultant. Each full-time consultant will be expected to work no less than 2,000 hours annually. Aon will cross-train the alternate consultant to work on projects at the DRPA bridge facilities and PATCO facilities; 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; and (2) a fully executed Agreement between the Delaware River Port Authority and Aon Risk Consulting Inc. (Aon); 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 \$2,185,697 over five-years

	Year 1 \$420,000.00
	Year 2 \$428,400.00
	Year 3 \$436,968.00
	Year 4 \$445,707.00
	Year 5 \$454,622.00
Source of Funds:	General Fund
Capital Project #:	N/A
Operating Budget:	N/A
Master Plan Status:	N/A
Other Fund Sources:	N/A
Duration of Contract:	Three (3) year term (8/17/2017-8/16/2020), with an option to extend the Agreement for two (2) additional one-year terms
Other Parties Involved:	Aon Risk Consultants Inc.