



MEMORANDUM

Date: May 6, 2021
 To: Village Manager
 From: Michael Hall, Director of Engineering & Public Works
 Subject: Agenda Item Safety/Training Consultant
 For: Engineering & Public Works Committee

Introduction

The Village entered into a contract with Alliance Risk Control Services in 2012, prior to this contract it was managed by a Village employee. The major advantage of outsourcing this work is that a consultant generally provides industry standard training that maintains current safety requirements and changes based on new regulations, with access to a variety of expertise, which may not necessarily be present with in-house resources. The Village selected Alliance Risk Control Services, LLC as they maintained a direct relationship with our workers’ compensation third party administrator that allows for loss information to be fed directly to the consultant to assist the department in planning changes needed to the safety program. This relationship is critical to assess needs and create a culture where the safety program is intimately tied with the issues/gaps identified out in the field.

Discussion

Staff has been satisfied with the level of service and relationship we have built with our safety program administrator from Alliance Risk Control Services (Alliance), however it had been 9 years since the Village has solicited proposals for this service, and therefore a request for proposal was issued in April. Five proposals were received and evaluated and a shortlist was created of the top two firms. Staff reached out to PMA to obtain further information and request a more comparable proposal that included a level of service the Department demands.

RFP Ranking Matrix											
Criteria	Weighting	Alliance		Fehr Graham		PMA		Sheffield		The Horton Group	
		Rating	Total	Rating	Total	Rating	Total	Rating	Total	Rating	Total
Scope Understanding	20%	10	2	5	1	10	2	9	1.8	9	1.8
Company Experience & Capabilities	30%	9	2.7	7	2.1	8	2.4	8	2.4	9	2.7
Municipal Experience	20%	10	2	7	1.4	9	1.8	8	1.6	9	1.8
Value	30%	9	2.7	5	1.5	9	2.7	7	2.1	5	1.5
Grand Total			9.4		6		8.9		7.9		7.8

After reviewing the additional information, and internal discussion with the Village's risk manager, it is our recommendation to continue our services with Alliance. Over the contract period, the Village's relationship with Alliance Risk Control Services (Alliance) has continued to prosper. With the assistance of Alliance, all public works divisions have held weekly safety training which has increased OSHA / IDOL compliance across the board on all regulatory requirements. Alliance also provides expert advice on industry best practices to eliminate hazards cost effectively and timely. Employees now actively participate in identifying and eliminating hazards. The monthly safety inspection program continues to identify at risk / unsafe activities such as non-compliance with excavation shoring and lockout tagout procedures. Exposures are communicated and corrected immediately to prevent catastrophic injury / death and financial loss. Perhaps the most beneficial has been the unbiased opinions and recommendations that are communicated to management on operations.

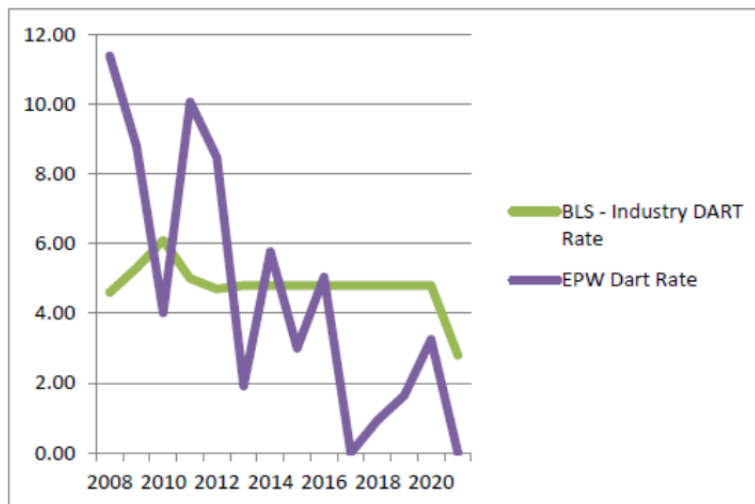
Specific programs that Alliance has helped drive compliance and increased safety are: (Please note this is a summary and does not include every activity.)

- Revised the Safe Team Awareness Recognition System (STARS) to focus on proactive employee safety behaviors that drive safety performance.
- Worked with the Engineering and Public Works team to develop and implement COVID 19 safe work procedures and policies.
- Consulted on OSHA requirements through limitations on training opportunities through the pandemic. Identified cost cutting measures and deferrals for training as well as alternate training solutions to maintain compliance.
- American Public Works Association (AWPA) Accreditation – Alliance helps the Department obtain reaccreditation and safety training was identified as a “model” practice, which represents something innovative and extraordinary when compared with other public works operations.
- Revised the Village's Excavation and Safety Training program to include Hydro Excavation as well as safety procedures to safety work around underground electrical exposures.
- Improved Accident Investigation process
- Facilitating Electrical Safety compliance and training
- Provide new Safety talks monthly
- Complete annual respirator fit testing, medical evaluations, training and flow testing of respirators and regulators
- Implemented 1st Aid, CPR and AED training program
- Helped increase effectiveness of Drive Cam program to identify at risk drivers and eliminate at risk behaviors in real time.
- Implemented Near Miss / Safety Concern reporting program to proactively identify and eliminate hazards.
- Revised Safety Committee program to increase effectiveness.
- Increasing Electrical Safety compliance by following up with the Arc Flash study, Electrical training and revision of Electrical Safe Work Practices.
- Weekly OSHA / IDOL training drives regulatory compliance and reduction in hazards and unsafe behaviors.
- Monthly Safety Report highlights safety concerns and drives accountability to efficiently eliminate hazards and improve safety.
- Implemented Leading Indicator Report (LIM) to track each Supervisor's performance to drive a safe work environment.
- Assisted in implementing improvements identified in the last Roof Safety Assessment.

The following chart documents the Village of Schaumburg’s Workers Compensation Costs by Fiscal Year (May 1st to April 30th) from 2009 to 2021. To note, since utilizing Alliance in 2012, the cost of workers compensation per labor hour has trended lower.

Fiscal Year	Hours Worked	Total Workers Compensation Losses	Workers Compensation Cost per Labor-Hour	Number of Claims	Average Claim Cost
2009	193,218	\$149,305.16	0.77	11.00	\$13,573.20
2010	204,541	\$488,195.17	2.39	14.00	\$34,871.08
2011	198,912	\$592,429.89	2.98	12.00	\$49,369.16
2012	198,733	\$49,168.13	0.25	12.00	\$4,097.34
2013	207,866	\$251,147.21	1.21	19.00	\$13,218.27
2014	210,218	\$315,744.46	1.50	14.00	\$22,553.18
2015	210,629	\$221,633.67	1.05	11.00	\$20,148.52
2016	204,144	\$143,371.66	0.70	10.00	\$14,337.17
2017	207,252	\$189,899.50	0.92	12.00	\$15,824.96
2018	217,622	\$193,152.24	0.89	16.00	\$12,072.02
2019	210,631	\$6,882.92	0.03	5.00	\$1,376.58
2020	240,762	\$248,926.64	1.03	9.00	\$27,658.52
2021	210,576	\$6,200.70	0.03	5.00	\$1,240.14

The following graph documents the Village’s OSHA DART Rate (Severity Rate) compared to the Bureau of Labor Statistics NAICS (23) Local Government Construction Industry Average OSHA DART Rate which is also trending lower providing an indication of success.



The services that Alliance would perform are described in detail on the attached proposal, with the following major items included:

- Safety Committee participation
- Review of all accidents
- Staff safety training
- Safety inspections of job sites and facilities
- Record keeping and reporting
- Administration of the Drive Cam program
- Administration of the STARS safety incentive program
- Continued improvement of the Public Works Safety and Risk Management Program

Alliance will provide an onsite Safety Consultant for a one (1) year contract, to be renewed by mutual consent and approval by the Village Board for each additional year, for a maximum total of three (3) years. The cost of these consulting services would be \$96,000 per year which marks a reduction from the 2018 contract. This reduction in cost to the core services are due to a proposed reduction in on-site hours from 20 hours a week to 15 hours a week. This reduction in hours was mutually agreed to and represents the effort necessary to maintain the current safety program. Staff will evaluate the level of service with the reduced hours and recommend modification if the success of the program were to diminish.

Please note that some safety training is specialized and is outside of the expertise of this consultant, so some of the training would continue to be outsourced and performed by alternative training organizations. This specialized training would include electrical safety training relating to the national electrical code and arc flash training, as well as excavation, confined space and portable fire extinguisher safety training.

The cost of these consulting services would be \$96,000 for the services as listed above, plus \$68,977.86 for the specialty training services. The proposed FY 2021-22 budget includes a total of \$180,872.28 for this program, split between the general fund and the water and sewer fund, with additional training funds being budgeted by the various EPW divisions.

Recommendation

Staff recommends that the Engineering & Public Works Committee recommend to the Village Board to waive competitive bidding and award the Safety Consulting Services Agreement to Alliance Risk Control Services, LLC of Lombard, IL in the amount of \$164,977.86 and approve the required Resolution.

Attachment: Resolution
Agreement
Proposal