



ADMINISTRATION COMMITTEE

Agenda Report

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File #: 2021-1925

Agenda Date: 11/10/2021

Agenda Item No: 2.

FROM: James D. Herberg, General Manager
Originator: Lorenzo Tyner, Assistant General Manager

SUBJECT:

PROFESSIONAL RISK MANAGEMENT CONSULTANT AGREEMENT

GENERAL MANAGER'S RECOMMENDATION

RECOMMENDATION:

Approve a sole source Professional Consultant Services Agreement with John J. Preston, Specification No. SSJ 2468, to perform professional risk management consulting services for the Orange County Sanitation District, which includes overseeing property and general liability loss control and setting loss control requirements on public bids and contracts, risk transfer, loss prevention, and risk reduction in an amount not to exceed \$150,000 per year, for a term of one year beginning December 1, 2021 through November 30, 2022; with up to two (2) one-year renewal options.

BACKGROUND

The Orange County Sanitation District (OC San) entered into an agreement with John J. Preston in December 2019 to provide risk management consulting services. Previously, OC San had contracted with Keenan and Associates (Keenan) to provide these services. OC San had an existing relationship with John J. Preston through Keenan providing risk management consulting services.

RELEVANT STANDARDS

- Commitment to safety & reducing risk in all operations

PROBLEM

The current agreement with John J. Preston ends on November 30, 2021. OC San will be without professional risk management personnel during the evaluation of the program and its management as of this date. This scenario will expose OC San to greater risk and potential liability.

PROPOSED SOLUTION

Approve a sole source Professional Consultant Services Agreement with John J. Preston in accordance with Purchasing Ordinance No. OC SAN-56.

TIMING CONCERNS

The existing agreement ends November 30, 2021.

RAMIFICATIONS OF NOT TAKING ACTION

Potentially exposing OC San to risk and liability.

PRIOR COMMITTEE/BOARD ACTIONS

November 2019 - Approved a sole source Professional Consultant Services Agreement with John J. Preston.

ADDITIONAL INFORMATION

Entering into a separate agreement with John J. Preston has provided a cost savings compared to the contract with Keenan and allowed OC San to have greater direction and control of the services provided. Mr. Preston is familiar with OC San, has exhibited a clear understanding of OC San processes, and is well-versed in OC San operations. It would be in the best interest of OC San to retain John J. Preston's services for risk management consulting needs to ensure business continuity. Staff previously contacted risk management firms including Bickmore Risk Management Consulting (Bickmore) and Marsh Risk Consulting (Marsh) to inquire about their risk management services; however, Bickmore was unresponsive and Marsh does not provide the requested services.

CEQA

N/A

FINANCIAL CONSIDERATIONS

It is estimated that the cost for professional risk management consulting services will not exceed \$150,000. This request complies with authority levels of the OC San's Purchasing Ordinance. This item has been budgeted in Division 220 Financial Management Professional Services.

ATTACHMENT

The following attachment(s) may be viewed on-line at the OC San website (www.ocsan.gov) with the complete agenda package:

- Professional Consultant Services Agreement