



Agenda Report Details (With Text)

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Title: PROFESSIONAL RISK MANAGEMENT CONSULTANT AGREEMENT

Sponsors: Lorenzo Tyner

Indexes:

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Attachments: 1. Agenda Report, 2. Professional Consultant Services Agreement

Date	Ver.	Action By	Action	Result
11/13/2019	2	ADMINISTRATION COMMITTEE		

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 2174, 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, 2019 - November 30, 2020; with a one-year renewal option.

BACKGROUND

The Orange County Sanitation District (Sanitation District) entered into an agreement with Keenan and Associates (Keenan) in August 2019 to provide risk management consulting services through December 31, 2019. The Sanitation District has an existing relationship with John J. Preston through Keenan providing risk management consulting services. Entering into a separate agreement with John J. Preston will provide a cost savings compared to the contract with Keenan and allow the Sanitation District to have greater direction and control of the services provided. Mr. Preston is familiar with the Sanitation District, has exhibited a clear understanding of Sanitation District processes, and is well-versed in Sanitation District operations. It would be in the best interest of the Sanitation District to retain John J. Preston's services for immediate risk management consulting needs to ensure business continuity while giving the Sanitation District the opportunity to evaluate the

program and its management. 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.

RELEVANT STANDARDS

- Commitment to safety & reducing risk in all operations

PROBLEM

The agreement with Keenan ends on December 31, 2019. The Sanitation District will be without professional risk management personnel during the evaluation of the program and its management as of this date. This scenario will expose the Sanitation District 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. OCSD-52, Section 107 A (Sole Source Procurement).

TIMING CONCERNS

The existing agreement ends on December 31, 2019.

RAMIFICATIONS OF NOT TAKING ACTION

Potentially exposing the Sanitation District to risk and liability.

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 Sanitation District's Purchasing Ordinance. Funding for this agreement is available from an open budgeted risk management position. This position is currently vacant following the retirement of a long-term employee and attempts to find a permanent replacement.

ATTACHMENT

The following attachment(s) are included in hard copy and may also be viewed on-line at the OCSD website (www.ocsd.com) with the complete agenda package:

- Professional Consultant Services Agreement