



**Purchasing Service Agreement  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 24  
AGENDA DATE: Thu 08/25/2005  
PAGE: 1 of 2**

**SUBJECT:** Authorize negotiation and execution of a 12-month service agreement with SAFETY SOLUTIONS, INC.(WBE/FR), Austin, TX for safety program management services in the Rolling Owner Controlled Insurance Program in an amount not to exceed \$83,000, with four 12-month extension options in the amounts not to exceed \$75,000 for the first extension option, \$65,000 for the second extension option, \$61,000 for the third extension option, and \$30,000 for the fourth extension option, for a total agreement amount not to exceed \$314,000.

**AMOUNT & SOURCE OF FUNDING:** Funding in the amount of \$83,000 is included in the various Fiscal Year 2005-2006 Proposed Capital Budgets of the Austin Water Utility, Parks and Recreation Department, Public Works Department, and Library Department. Funding for the extension options is *contingent upon available funding in future budgets.*

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

<b>REQUESTING</b> Purchasing	<b>DIRECTOR'S</b>
<b>DEPARTMENT:</b> for Library; Parks and	<b>AUTHORIZATION:</b>
Recreation; Austin Water	
Utility; Human	
Resources; Public Works;	

**FOR MORE INFORMATION CONTACT:** Rosemary Ledesma, Supervising Sr. Buyer/974-2011

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** N/A

**PURCHASING:** Only proposal received.

**MBE / WBE:** This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

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This contract is for safety program management services for \$250 million in construction projects anticipated to be included in the Rolling Owner Controlled Insurance Program (ROCIP IV). The ROCIP assures availability of insurance for small contractors and offers the economy of volume insurance buying at reduced costs through a strong safety program while avoiding the contingency/profit mark-up normally added by contractors for construction projects participating in the program. The City has implemented OCIP/ROCIP programs since 1990 beginning with the Convention Center OCIP. Our first ROCIP began in 1992. ROCIP IV is a continuation of the City's efforts to utilize the benefits offered by these types of programs.

The safety program management services provided under this contract include revising the ROCIP Construction Safety Manual and Master Bid Document specifications, conducting assessments of each General Contractors' safety program for all projects included in the ROCIP, providing consulting services in order to rectify deficiencies found within safety programs' assessed, and collecting safety related statistics and information from each project included in the program which is necessary for the



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successful management of the safety program. Additionally, the selected firm will be provided with \$50,000 over the total five year contract term in order to design and administer a safety incentive program for all projects included in the program. The safety incentive costs under the program are included in the funding amounts listed above for approval.

The City has identified 55 potential projects totaling approximately \$250 million in construction values as initial candidates for inclusion in the program. It is mandatory that any construction project eligible for inclusion in this program (by meeting certain defined program parameters) be included in the program. The administrative services for the ROCIP are being procured through a separate Request For Proposal solicitation.

The net savings (cost avoidance) for \$250 million in anticipated construction values is estimated at \$1.1 million at an expected loss ratio of 32%.

The proposal was evaluated based on program concept and proposed program, experience, reasonable fees, and statistical reporting and computer capabilities. Safety Solutions, Inc. is the existing Safety Program Manager for these services. City staff has been satisfied with the previous services provided by Safety Solutions, Inc.

MBE/WBE Solicited: 13/3

MBE/WBE Bid: 0/1

**PROPOSAL ANALYSIS**  
**(RFP # RL05300044)**

- a. Only proposal.
- b. Eighty-seven notices were sent including 13 MBEs/three WBEs. Six solicitations were issued including no MBEs/one WBE. One proposal was received from the WBE. Two "No Offer" replies were received.
- c. The pricing offered represents a 29% decrease from the contract awarded May 2002.

**APPROVAL JUSTIFICATION**

- a. Only proposal received.
- b. Risk Management Division, Human Resources Department, concurs with the recommended award.
- c. Advertised in the Austin American-Statesman and Internet.