

STAFF REPORT

Date: January 11, 2023

To: Mayor and City Council

Thru: Doug Thornley, City Manager

Subject: **Staff Report (For Possible Action):** Approval to retain Total Safety Compliance to assist the City in performing a full occupational safety and health assessment in an amount not to exceed \$204,000. (Risk Fund)

From: Adria White, Risk Manager

Department: City Manager's Office – HR

Summary:

In August 2022, the City released a Request for Qualifications (RFQ) for a consultant to conduct a city-wide occupational safety and health assessment. Two firms responded. A panel comprised of City staff from Reno Fire Department, Reno Police Department, Public Works, Parks and Recreation, and Risk Management interviewed both firms. The panel unanimously recommends Council approve the attached contract with Total Safety Compliance to conduct a city-wide occupational safety and health assessment in accordance with the deliverables outlined in the RFQ and authorize the City Manager and/or the City Manager's designee(s) to take all measures to execute and act upon the contract.

Alignment with Strategic Plan:

Fiscal Sustainability

Public Safety

Previous Council Action:

There is no recent Council action relevant to this item.

Background:

The City of Reno has experienced a significant increase in workers' compensation costs over the past three years. This has resulted from an increase in claim severity and the cost of services related to care. From July 1, 2019 to June 30, 2022, the City of Reno paid \$5,520,225.79 in workers' compensation claims. This three-year total accounts for 26.41 percent of the total payment history from FY 1990-2022. The average number of claims from FY 1990 – 2018 was 235.3 claims per year, compared to 201 from FY 2019 – 2022. The

average cost per claim was \$2,334.26 for FY 1990 – 2018, compared to FY 2019 – 2022 where the average cost increased to \$9,154.60 per claim.

Additionally, the City of Reno carries excess workers' compensation insurance. Excess workers' compensation premiums rose from \$379,896 in 2021-2022, to \$503,215 in 2022-2023. This accounts for a 32.46 percent increase in a single year.

The occupational health and safety assessment, as defined by the RFQ, is a holistic analysis of employee exposure to unmitigated and/or uncontrolled risks within the work environment. The review considers conformance to federal and state standards pertaining to worker safety, and will identify programmatic and training deficiencies. The review also considers the potential implementation of best practices, and opportunities for improvement consistent with industry standards and generally accepted criteria. The assessment includes review of existing infrastructure, health and safety management system (HSMS) framework, operational procedures, and internal risk quantification. This assessment is intended to identify and recommend mitigating efforts for uncontrolled and/or inadequately controlled liabilities to diminish workers' compensation claim severity and frequency.

Discussion:

The firms were evaluated in the following areas: professional standing, experience, qualifications, understanding of requested scope of services, conformance to terms and conditions of RFQ, fees to be paid by the City, and project support for implementing corrective actions. Of the two respondents, the staff evaluation identified only Total Safety Compliance as meeting the full intent of the scope of services. Additionally, Total Safety Compliance was ranked highest in professional standing, experience, qualifications, and project support.

Overall, the RFQ review panel unanimously chose to move forward with Total Safety Compliance. Total Safety Compliance has assured staff that the full assessment and report will be delivered 12 months from the start of the project. The work to be performed by Total Safety Compliance will include planning and kickoff meetings, ongoing communications with employees, a complete hazard assessment review utilizing recognized industry standards, interviews, and a final report addressing uncontrolled hazards and opportunities for improvement. The final report shall include potential financial liabilities related to workers' compensation costs and regulatory penalties, in addition to providing actionable recommendations for abatement or reduction of hazards. Additionally, Total Safety Compliance will provide ongoing support for hazard control implementation during the project period.

Financial Implications:

Funds are available in the Risk Fund from fund balance for this contract. Should Council

approve the contract with Total Safety Compliance, the total cost through June 2023 would not exceed \$85,000. Total cost from July 2023 through June 2024 would not exceed \$119,000.

Legal Implications:

Legal review completed for compliance with City procedures and Nevada law.

Recommendation:

Staff recommends Council approve the attached contract with Total Safety Compliance to conduct a City-wide occupational safety and health assessment in accordance with the deliverables in the RFQ, and authorize the City Manager and/or the City Manager's designee(s) to take all measures necessary to execute and act upon the contract.

Proposed Motion:

I move to approve staff recommendation.

Attachments:

Request for Qualifications

Proposal from Total Safety Compliance

Contract with Total Safety Compliance