

**Board Report**

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**File #:** 2018-0019, **File Type:** Contract

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**OPERATIONS, SAFETY AND CUSTOMER EXPERIENCE COMMITTEE  
FEBRUARY 21, 2019**

**SUBJECT: SAFETY ENGAGEMENT AND RECOGNITION PROGRAM**

**ACTION: AWARD CONTRACTS**

**RECOMMENDATION**

AUTHORIZE the Chief Executive Officer to:

- A. AWARD Contract No. PS52341001 to CASCO International, Inc. (C.A. Short Company) for the implementation of a safety engagement and recognition program in an amount not to exceed \$300,000 for the two-year pilot program effective March 1, 2019, and for the agency-wide program implementation, if selected, in the amount of \$6,750,000 for the first three-year option, and \$4,500,000 for the second two-year option, for a combined total amount of \$11,550,000, inclusive of sales tax, subject to resolution of protest(s), if any;
- B. AWARD Contract No. PS52341002 to MTM Recognition Corporation for the implementation of a safety engagement and recognition program in an amount not to exceed \$287,188 for the two-year pilot program effective March 1, 2019, and for the agency-wide program implementation, if selected, in the amount of \$7,033,164 for the first three-year option, and \$4,688,776 for the second two-year option, for a combined total amount of \$12,009,128, inclusive of sales tax, subject to resolution of protest(s), if any; and
- C. AWARD Contract No. PS52341003 to The Peavey Corporation for the implementation of a safety engagement and recognition program in an amount not to exceed \$300,000 for the two-year pilot program effective March 1, 2019, and for the agency-wide program implementation, if selected, in the amount of \$6,570,000 for the first three-year option, and \$3,622,500 for the second two-year option, for a combined total amount of \$10,492,500, inclusive of sales tax, subject to resolution of protest(s), if any.

After the initial two-year pilot program, depending on the results of the pilot, staff will return to the Board for approval to exercise the options with a selected firm to implement the agency-wide safety engagement and recognition program.

**ISSUE**

In July 2018, the FTA adopted new safety regulations requiring grantees to implement Safety

Management Systems (SMS) including the adoption of an Agency Safety Plan as well as other elements. One of these elements, or core principles of SMS, is Safety Promotion which includes regular safety communication to build a strong safety culture. The goal of the Safety Engagement and Recognition Program is to build a positive narrative about the importance of safety, improving Metro's safety culture and serving as an important counterbalance to safety related discipline that occurs in our operation.

Safety awards and recognition can be useful tools for reinforcing desired behaviors. In terms of safety programs, organizations use awards and recognition to help engage employees, maintain enthusiasm, and increase participation in safety efforts, and show appreciation to individuals or groups for their contributions to safety. Such programs can also help in reducing costs associated with employee and third-party injuries. The safety culture in every organization contributes positively or negatively to the safety and health of its employees, and a safety awards and recognition program is one component of a comprehensive safety and health program.

## **BACKGROUND**

Currently, Metro's safety awards and recognition programs are in need of revitalization. Divisions develop site-specific local safety awards programs, which vary by location and department. This pilot Safety Engagement and Recognition Program will help identify new approaches in safety recognition, and if deployed agency-wide, will centralize this program, standardize recognition criteria and elevate safe work expectations. The recommended pilot program is an innovative approach to improving Metro's safety and recognition programs.

## **DISCUSSION**

The primary objectives of the recommended Safety Engagement and Recognition Program pilot are to reduce industrial injuries, injuries to third parties, general liability claims, workers compensation claims, and unsafe behaviors by promoting and recognizing safe work practices and safe behaviors.

According to a 2010 OSHA memo related to safety incentive programs, "A positive safety incentive program encourages or rewards workers for reporting injuries, illnesses, near-misses, or hazards; and/or recognizes, rewards, and thereby encourages worker involvement in the safety and health management system. Such an incentive program can be a good thing and an acceptable part of a quality safety and health system."

Employee safety is important in every organization. Good safety practices affect all aspects of an organization including expenses, productivity and employee retention. Employees must be engaged in safe work habits, report hazardous conditions/near-miss incidents and suggest improvements in safety and health standards at work to keep Metro a safe organization. The Safety Engagement and Recognition Program pilot will recognize employee contributions and help continuously improve safety practices at Metro.

Without a robust awards and recognition program, injuries and accidents may increase. Areas of concern include:

- Low safety engagement
- Increased vehicle accidents
- Increased worker's compensation claims
- Increased public liability claims
- Increased claims payouts

The Safety Engagement and Recognition Program contracts entail the services of qualified firms to develop, implement, and manage a quality and effective corporate Safety Engagement and Recognition Program. Metro will align with firms who can deliver exceptional customer service and provide turnkey programs that meet the needs of Metro's diverse workforce and present it in such a way as to excite and motivate Metro's valued employees towards safer work practices.

Contracting this function to safety engagement, awards and recognition firms allows for the application of many years of industry knowledge, and the integration of related technologies. This will help Metro to identify safety recognition programs requiring modification, and to design plans that directly impact safety. These firms can guide Metro in assessing our safety awards programs, identifying areas for increased success, and strategizing implementation of a well-structured awards and recognition program.

The project includes three selected firms to implement pilot programs at Metro Divisions 1, 2, and 13 for a period of two years; each firm will randomly be assigned a specific Division. This competition between firms will afford Metro to evaluate different strategies that each firm proposes and select the most advantageous and effective solution that meets the objectives of the program.

At the end of two years, the firms who participated in the pilot will be reviewed and evaluated against a pre-determined formula included in the RFP. The formula will compare changes in claims rates for workers' compensation and general liability claims over the two-year pilot period for each participating Division to the change in the claims rates for the non-participating Divisions.

Ultimately, the firm, if any, whose program proves to be effective and most advantageous to Metro, will be recommended to implement their program agency-wide.

### **DETERMINATION OF SAFETY IMPACT**

Awarding the contracts for piloting a Safety Engagement and Recognition Program is expected to further engage frontline employees, improve recognition for working safely, reduce accidents and injuries, thus, improving safety for Metro's customers, staff, and the community.

### **FINANCIAL IMPACT**

The funding for six months of \$220,000 for this action is included in the FY19 budget in cost center 6810, Corporate Safety, under project 306006 (System wide Bus Ops Mgmt. & Admin). Since these are multi-year contracts, the Project Manager and the Chief Risk, Safety, and Asset Management Officer will be accountable for budgeting the cost in future years.

### Impact to Budget

Approval of this action is included in the FY19 budget. The sources of funds for this action are bus operations eligible and include fares and sales tax revenues. No other sources of funds were considered for this activity because the services exclusively support bus operations.

If this pilot is deemed successful, staff will return to the Board for a full implementation plan of the program at Metro.

### **IMPLEMENTATION OF STRATEGIC PLAN GOALS**

Strategic Plan Goal #5 is to, "Provide responsive, accountable governance within the Metro organization." Initiative 5.6 states, "Metro will foster and maintain a strong safety culture." Preventing accidents and reducing injuries helps Metro mitigate worker's compensation and public liability claims. Through investment in the pilot Safety Engagement and Recognition Program, Metro will be further elevating its strong safety culture.

Strategic Plan Goal #2 is to, "Deliver outstanding trip experience for all users of the transportation system." Further elevating Metro employee safety engagement and added recognition for safe work behaviors through this program should improve employees' outlook on daily work and elevate safety. Recognizing employees for safe behaviors reinforces the message that at Metro, "Safety is Priority #1," which translates into caring more about their job performance, their passengers and ultimately elevating safety.

### **ALTERNATIVES CONSIDERED**

The Board may choose not to award these Contracts and to not provide a Safety Engagement and Recognition Program. This choice is not recommended due to the potential for significantly improving safety engagement and recognition of employees through this pilot program.

### **NEXT STEPS**

Upon approval by the Board, staff will execute Contract No. PS52341001 to CASCO International, Inc. (C.A. Short Company), Contract No. PS52341002 to MTM Recognition Corporation, and Contract No. PS52341003 to The Peavey Corporation for the development, implementation, and management of the two-year pilot safety engagement and recognition program. At the end of the pilot term, no earlier than 2020, staff will report to the Board with the results of the pilot program and depending on the pilot results, seek approval to exercise the first three-year option with the best performing firm for the agency-wide safety engagement and recognition program implementation.

### **ATTACHMENTS**

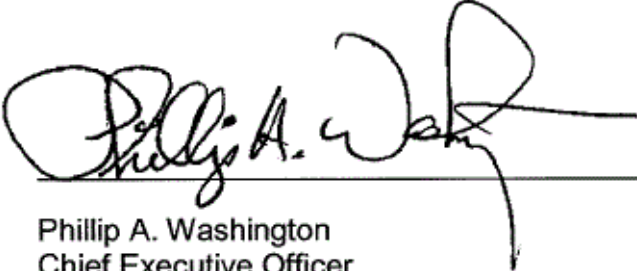
Attachment A - Procurement Summary

Attachment B - DEOD Summary

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