

EXHIBIT I

CITY OF PORTLAND LOSS PREVENTION POLICY INCLUDING HUMAN RESOURCES, EQUIPMENT AND INFRASTRUCTURE

I. INTRODUCTION

The City of Portland has significant assets in the areas of human resources, equipment and infrastructure. The City Council, Bureau Managers and City employees are stewards of the City's assets. Preserving these resources is critical to the City's financial stability and livability, as well as compliance with federal and state requirements.

This Policy provides a framework for developing a safety and loss prevention culture within the City. The commitment, involvement and accountability of Council, Bureau Managers and City Employees is key to minimizing the City's exposure to loss. Exhibit I provides guidelines for bureaus' use in preparing Bureau Loss Prevention Plans.

II. BUREAU LOSS PREVENTION PLANS

Bureau Managers shall be accountable to their Commissioner and the City Council for development, implementation, monitoring and reporting on a five-year Bureau Loss Prevention Plan. The Plan shall be incorporated into the bureau's work plan. The Plan shall be directed toward achieving a safe and healthy workplace for City employees and for delivery of safe, efficient and affordable service. The Loss Prevention Activity Guidelines, attached hereto as Exhibit I, provide a framework for bureaus in developing a Plan to address the following:

- ◆ Job-related injuries and illnesses;
- ◆ Damage to City vehicles, equipment, buildings and contents;
- ◆ Third party liability claims for bodily injury or property damage due to alleged negligence by City employees, and
- ◆ Employee and/or citizen civil rights claims for alleged Civil Rights Act violations.

The Bureau Loss Prevention Plan shall incorporate and supplement City-wide policies affecting loss prevention (e.g. Vehicle Use Policy, Personal Protective Equipment, etc.).

III. MEASUREMENTS

The Five-Year Bureau Loss Prevention Plan shall establish goals for the reduction of claims in the areas of workers' compensation, fleet liability, and general liability. Bureau activities and progress in attaining established goals will be monitored as follows:

Annual Report to Council

The Annual Loss Prevention Report, prepared by the Division of Risk Management in collaboration with Safety Net, shall be presented to and discussed annually with the Council and bureau managers. The Annual Report shall include:

- ◆ *Bureau accomplishments in safety and loss prevention.*
- ◆ *Historical analysis of number and value of claims by cause, frequency and severity (costs incurred).*
- ◆ *Historical analysis of fleet incidents and costs.*
- ◆ *Summary of significant trends.*

Trimester Updates

In addition, the City Council will review bureau progress toward achieving established goals on a trimester basis, as part of the Budget Monitoring Process. Bureaus shall annually submit goals for the fiscal year. The trimester reports shall provide a status report on the bureau's safety and loss prevention activities including the following:

- ◆ Major loss prevention activities and progress toward achieving established goals.
- ◆ A summary (fiscal year cumulative) of bureau claims by cause, frequency and severity (costs incurred and paid) compared to last year.
- ◆ A summary (fiscal year cumulative) of fleet incidents and costs.
- ◆ Summary of significant trends.

IV. ROLES AND RESPONSIBILITIES

City Council

- Provide vision and direction through adoption of a City Loss Prevention Policy.
- Provide visible leadership by promoting a culture within the City valuing health, safety and loss prevention.
- Empower managers to develop and implement plans, monitor and report on loss prevention activities and results.
- Hold managers accountable for their Bureau's performance in safety and loss prevention.
 - ◆ Review progress toward achieving established goals.
 - ◆ Identify and proactively address areas of concern.
 - ◆ Provide reward/recognition when appropriate.
- Place a high priority on funding for implementation of City-Aide and bureau specific loss prevention activities that move the City toward its goal of reducing claims.
- Celebrate accomplishments.

Bureau Managers

- Provide vision and direction through adoption of a Bureau Loss Prevention Plan.
- Provide visible leadership in developing a safety and loss prevention culture in the bureau.
- Ensure employee awareness and familiarity of City and bureau expectations with regard to safety and loss prevention by effectively explaining and providing appropriate City and bureau policies, goals and objectives.
- Empower managers to develop, implement, monitor and report on Bureau Loss Prevention Plan.
- Ensure employees are provided adequate safety, and loss prevention training and education as necessary for their work responsibilities and duties.

- Hold managers and employees accountable for their performance in safety and loss prevention.
 - ◆ Identify and proactively address areas of concern.
 - ◆ Provide reward/recognition where appropriate.
- Advocate for sufficient resources to implement the Bureau Loss Prevention Plan.
- Celebrate accomplishments.

Bureau Managers and Supervisors

- Provide visible leadership in developing a safety and loss prevention culture within crew, division, work-team or unit.
- Ensure employee awareness and familiarity of City and bureau expectations with regard to safety and loss prevention by effectively explaining and providing appropriate City and bureau policies, goals and objectives.
- Ensure employees are provided adequate safety and loss prevention training and education as necessary for their work responsibilities and duties.
- Foster open lines of communication by encouraging employee contribution of ideas, observations, and recommendations for safety and loss prevention improvement opportunities.
- Advocate for sufficient resources to implement the Bureau Loss Prevention Plan.
- Celebrate accomplishments.

All Employees

- Actively support the City's Loss Prevention Policy and the Bureau Loss Prevention Plan.
- Accept empowerment and be accountable in safety issues.
- Contribute ideas, observations and recommendations for safety and loss prevention improvement opportunities.
- Make safety an integral part of job performance.
- Celebrate accomplishments.

Management

- *Serve as safety and loss prevention consultant and provide liaison between Council, Bureaus, and Safety Net.*
- *Provide consultation to bureaus in the development and implementation of Loss Prevention Plans.*
- *Provide technical assistance for federal and state mandates with regard to worker safety and environmental issues.*
- *Provide statistical information and share latest safety and loss prevention technologies with Safety Net and Bureaus.*
- *Prepare an Annual Report, in collaboration with bureaus and Safety Net, which communicates activities and results, highlights accomplishments, and recommends areas for improvement.*
- *Establish City-wide loss prevention benchmarks in collaboration with Safety Net.*

Bureau Loss Prevention Managers

- Actively support the City's Loss Prevention Policy and the Bureau Loss Prevention Plan.
- Serve as safety and loss prevention consultant for the bureau.
- Represent Bureau on Safety Net team.
- Provide consultation to bureau managers/supervisors/Safety Committee in the development and implementation of Loss Prevention Plans.
- Ensure bureau management awareness and familiarity of City and bureau expectations with regard to safety and loss prevention by effectively explaining and providing appropriate City and bureau policies, goals and objectives.
- Provide technical assistance to bureau for federal and state mandates with regard to worker safety and environmental issues.
- Regularly report to bureau management the status of the Bureau Loss Prevention Plan and progress toward established goals.
- Contribute to City's Annual Loss Prevention Report.

- Advocate for sufficient resources to implement the Bureau Loss Prevention Plan.
- Celebrate accomplishments.

Safety Net Team

- Promote a culture within the City which values health, safety and loss prevention.
- *In collaboration with Risk Management, develop and implement policies and procedures, and with regard to loss prevention.*
- *In collaboration with Risk Management, monitor and report on loss prevention activities to the City Council and bureau managers.*
- Be willing to network and share with members of Safety Net.
- Review City trend data and Bureau Loss Prevention Plans and offer recommendations as appropriate.

Bureau Safety Committee

- Review and make recommendations to implement, monitor and report on Bureau Loss Prevention Plans.
- Fulfill Safety Committee responsibilities as required by OR-OSHA OAR 437.

V. ACCOUNTABILITY

Safety and loss prevention is the responsibility of each City employee - City Council, bureau managers, supervisors and employees - as outlined in Section IV above. Our success in preserving the City's human, financial, equipment and infrastructure resources requires the commitment and cooperation of each employee from the elected official to the line worker.

All employees are expected to:

- Comply with City and bureau loss prevention policies and procedures.
- Practices safety as an integral part of daily job performance.

Managers and supervisors are expected to:

- Recognize employees/teams/crews demonstrating superior commitment and results in accordance with the Council-adopted Loss Prevention Recognition Program.
- Include in all performance reviews a component for evaluating behaviors relating to on-the- job safety and loss prevention.

Employees not performing in a manner consistent with City and bureau policies and procedures with regard to safety shall be immediately advised by their supervisor. The manager/supervisor shall discuss with the employee his/her concerns and provide specific examples where performance is deficient. The manager/supervisor and employee shall mutually develop and agree to an action plan for correction of identified issues.

Counseling, discipline and/or termination, in accordance with City Code and Personnel Rules, may be pursued where a problem exists and/or recurs.

ATTACHMENT I

LOSS PREVENTION ACTIVITY GUIDELINES

INTRODUCTION

The purpose of this document is to provide a foundation that will enable strategic planning directed at controlling and/or eliminating the City of Portland's loss exposures. The need for revision of the existing Loss Control Plan was identified by an audit conducted in October 1994 by Oregon OSHA at the request of the City's Auditor's office.

LOSS PREVENTION

Loss Prevention is the effort to control organizational operating expenses by reducing or eliminating incidents that could be detrimental to the organization. Specific attention is given to three (3) parts: *occupational safety and health, fleet exposures and general liability exposures.*

Loss Prevention emphasizes the protection of human resources, property and infrastructure. Bureau plans will be submitted to Risk Management for review and filing. Exposure considerations and manager accountability will be targeted.

This guide follows the requirements for a safety and health program as outlined in the Oregon Administrative Rules, OAR 437-01-1060 pertaining to "self-insured" employers.

- Occupational Safety & Health/Worker Safety
- Fleet
 - City owned vehicles
 - Damages to third party
- General Liability

LOSS PREVENTION PLANS

A five year plan will be developed and implemented by every City of Portland bureau with exposure to loss in each of three areas: occupational safety and health, fleet, and general liability.

Occupational Safety and Health

This portion of the plan shall address each of the following areas:

1. Management Commitment to Health and Safety
2. An accountability system for employer and employees
3. Training practices and follow-up
4. A system for hazard assessment and control
5. A system for investigating all work-related accidents that includes corrective action and written findings
6. A system for evaluating, obtaining and maintaining personal protective equipment
7. On site routine industrial hygiene and safety evaluations to detect physical and chemical hazards of the workplace, and the implementation of engineering or administrative controls
8. Evaluation of workplace design, layout and operation and assistance with job site modifications utilizing an ergonomic approach;
9. Employee involvement in the health and safety effort; and
10. An annual evaluation of the employer's loss prevention activities based on the location's current needs.

The following is a brief description of each component and items to include in the program.

1. **Management commitment to safety and health.** A written policy statement documents safety as a value within the organization. Thus, management can be supportive of safety through:
 - A clearly understood policy statement
 - Written responses to safety committee recommendations.
 - Involvement/visibility/participation/support
 - Management participation in an annual review.
 - Personal acknowledgment of safety efforts

2. **Accountability for safety.** Accountability is a critical element in a successful safety program. Standards need to be established along with defining respective consequences (positive and negative) to be assessed. Executive management is appropriately held accountable for the results, middle management and line workers for activities that lead to those results.

- Safety measurement standards as part of the performance evaluation process
- Establish a system to change behavior (i.e., coaching, behavior sampling, progressive discipline)

3. **Training practices and follow up.** Training is an essential factor in safety and health programs. Most safety and health regulations have performance-based standards. This means that emphasis is placed on workers' understanding of the work they do and the means to identify, control and/or eliminate that hazards associated with their work.

- Training needs assessment (i.e., training matrix)
 - Regulatory compliance based on the operations of the bureau.
 - Prevention as dictated by frequency and severity
 - System for documenting training
- Method to monitor effectiveness of training (i.e., field audits, evaluations).

4. **Hazard assessment and abatement.** This process involves identifying, evaluating and controlling and/or eliminating occupational hazards. This denotes the need for a system to be in place to document findings and recommendations. From this, a plan can be developed for implementing corrective actions.

- **Identifying:** Inspections, observations
- **Evaluating:** Audits, behavior sampling
- **Controlling or eliminating:** Engineering controls, administrative controls, transfer risk

5. **Accident Investigations.** The purpose of accident investigations is to uncover the root causes of accidents and generate recommendations to prevent recurrence.

- Procedures assigning responsibilities for conducting, reviewing and responding to recommendations
- Provision of resources (equipment and capital) to enable a thorough investigation (i.e., accident investigation kit, professional service fees for experts)
- Specific accident investigation training
- Communication plan to notify appropriate personnel when an incident occurs to initiate the procedures

6. **Personal Protective Equipment.** This program includes a process for evaluating, obtaining, and maintaining personal protective equipment (PPE).
 - Procedures assigning responsibilities for evaluating, selecting, and purchasing PPE
 - Provision of resources to purchase appropriate PPE
 - Process for evaluating PPE on an on-going basis
7. **Industrial Hygiene.** This discipline focuses on occupational illness hazards such as dusts, vapors, atmospheric exposures, chemical exposures, etc. Routine testing for noise and air monitoring in confined spaces are covered under bureau-specific, regulated programs. Beyond these areas, historically the City has contracted with a Certified Industrial Hygienist to assess complex exposures, i.e., asbestos abatement and atmospheric hazards.
8. **Workplace design.** This program addresses cumulative trauma disorder exposures through identification of bureau needs via an ergonomic assessment of work stations, as well as a Risk recommendation of work surface specifications useful when purchasing new equipment.
9. **Employee involvement in safety and health.** Employee involvement is best achieved by developing a process for drawing current methods and determine a better way to incorporate safety into the knowledge, beliefs, and behaviors of our existing employees.

Opportunities for employee involvement include:

- Serving as a member on the safety committee
 - Participating in problem solving work groups
 - Reporting safety deficiencies and making recommendations for corrective actions
 - Providing assistance in developing and reviewing policies, programs, engineering designs
 - Offering feedback on the effectiveness of safety training
10. **Annual evaluations.** Loss prevention activities, as described above, must be reviewed annually to evaluate program effectiveness. At the same time, the needs for the upcoming year will be assessed. Strategies will be formalized and activities planned accordingly.

Bureau Managers and Safety Coordinators should participate in the review process.

Fleet

The City of Portland fleet safety program encompasses a systematic approach to prevent vehicle accidents of all types. The success of the fleet safety program is incumbent upon each bureau manager to understand the enormous potential and actual for loss due to exposures and adverse publicity that results when a City owned vehicle is involved in an accident or a citation is issued. In short, management must believe that accident prevention is a good investment.

The City of Portland owns approximately 1800 vehicles. The Vehicle Loss Control Policy, Portland City Code Chapter 3.58, October, 1994 outlines specific aspects of fleet safety. This policy serves as the official document for procedural reference due to its ordinance status.

In addition to passenger vehicles, bureaus that have mobile equipment must EVALUATE factors that contribute to injuries and property damage. This would include identification of, but not limited to:

1. Frequency of incidents
2. Root causes of incidents
3. Repeaters within operators group
4. Experience and age of operators
5. Turnover of the operator group
6. Severity of incidents
7. Specific operations of fleet
8. Location considerations (utility placement/density, traffic patterns and demographic issues)

An evaluation serves four important functions:

1. It provides an organized approach to problem identification
2. It provides the basic elements for proper evaluation of fleet exposures
3. It provides a forum for reporting the facts to Risk Management
4. It serves as a basis to report to bureau managers, council and other interested parties

Fleet incidents will be reported and analyzed in the same manner as other work-related incidents. Currently, the City does not track all pertinent information to effectively analyze root causes. We are in the process of implementing databases and training to capture the relevant information.

General Liability

Specific components to correct system deficiencies aimed at reducing or eliminating general liability claims shall be determined by each bureau. Factors to be considered shall include the following:

- An historical analysis of claims made against the bureau, to include: cause, frequency, severity, including incurred value, cost of litigation, value of settlement, whether closed/denied, whether used as a factor to calculate rates, etc.
- A comparison of claims by cause, location, programs, staff, etc.
- A comparison of claim types, by frequency and severity, with other similarly-sized and otherwise comparable cities; and
- A study of trends with regard to a bureau's targeted problem areas.

Once this analysis is complete, bureaus should be able to determine the area(s) that need short and long-term plan development. All levels of the bureau should be consulted to develop and implement this plan. Plan components should include:

- development of specific policies and procedures with regard to responsibility and accountability;
- measures to improve methods of communication, particularly with regard to work processes and information processing
- identified training needs; and
- performance measures and time lines to determine effectiveness of results obtained

Bureaus should review draft plans with the Bureau of Risk Management and the City's Safety Net group. The City Attorney's Office should be asked to review plan components to determine the City's defensive posture as a result of plan existence and/or implementation. These reviews will also provide for a discussion of additional components deemed necessary, such as possible interactions with other bureaus and their efforts to address general liability issues.