



Agenda Item No. (7)

To: Finance-Auditing Committee/Committee of the Whole
Meeting of June 26, 2025

From: Kelli L. Vitale, Director Risk Management and Safety
Kellee J. Hopper, Deputy General Manager, Administration and Development
Jennifer H. Menucci, Auditor Controller
Denis J. Mulligan, General Manager

Subject: **AUTHORIZE EXECUTION OF A PROFESSIONAL SERVICES AGREEMENT RELATIVE TO REQUEST FOR PROPOSALS NO. 2025-D-031, THIRD PARTY ADMINISTRATOR FOR PUBLIC LIABILITY, FLEET CLAIMS INVESTIGATION AND ADJUSTMENT SERVICES, WITH GEORGE HILLS COMPANY**

Recommendation

The Finance-Auditing Committee recommends that the Board of Directors authorize execution of a Professional Services Agreement relative to Request for Proposals (RFP) No. 2025-D-031, *Third Party Administrator for Public Liability, Fleet Claims Investigation, and Adjustment Services*, with George Hills Company, Inc. (George Hills Company-incumbent) located in Rancho Cordova, California, to provide third party administration services for all liability, property and fleet claims which will include, investigations, cost containment, litigation management and resolution of said claims for a three-year term, with two additional one-year option terms, to be exercised at the General Manager's discretion for a total not-to-exceed amount of \$1,141,452. The requisite funds for Year 1 of the Agreement are included in the FY 25/26 Operating Budget and funds for future years will be budgeted accordingly.

This matter will be presented to the Board of Directors at its June 27, 2025, meeting for appropriate action.

Summary

The Golden Gate Bridge, Highway and Transportation District (District) is self-insured for liability up to \$2 million and has used a third-party administrator to adjust bus and public liability claims on its behalf for many years. The scope of these services includes reviewing, investigating, adjusting, defending and settling claims made against the District. These services are critical to the District ensuring the District is properly defended and maintains positive relationships with the public and its customers.

On March 19, 2025, the District issued RFP No. 2025-D-031, Third Party Administrator for Public Liability, Fleet Claims Investigation, and Adjustment Services. By the proposal due date, the District received proposals from three firms, two of which were found to be responsive and

responsible as follows:

Carl Warren & Company
George Hills Company

A Selection Committee comprised of District staff reviewed and evaluated each proposal based upon the following criteria that was specified in the RFP:

- | | |
|--|-------------|
| • Approach to Scope of Services | 0-35 Points |
| • Proposer's Qualifications and Experience | 0-35 Points |
| • Social Equity | 0-10 Points |
| • Cost Proposal | 0-20 Points |

After considering the written proposals and references, the Selection Committee determined that George Hills Company meets all the needs of the District and is best qualified to perform the services as requested. In accordance with the evaluation criteria set forth in the RFP, George Hills Company was ranked highest in all categories based on a combination of factors, which included:

- Strong transit and public agency experience
- Strong Bay Area presence
- Strong data analytics and reporting tools
- No “up charges” for litigation management or subrogation recover
- Thorough knowledge of the District and its operations as they were the prior incumbent
- Sophisticated Risk Management System for tracking and reporting

The Selection Committee determined George Hills Company's price is fair and reasonable based on past market experience and expectations.

District Staff, the District's Attorney, and the Small Business Enterprise (SBE) Compliance Office reviewed the proposals and found the selected firm submitted all required documents, and its proposal is technically responsive to the specifications.

Although no contract-specific Disadvantaged Business Enterprise (DBE) or SBE goal was established for this contract, proposers were encouraged to obtain DBE/SBE participation where possible. George Hills Company is not a certified small business and does not propose the use of subconsultants to perform services under this contract.

Fiscal Impact

The total cost of the contract, including the option terms, is \$1,141,152. George Hills Company's annual fees are as follows: \$215,000 for Year 1; \$221,450 for Year 2; \$228,090 for Year 3; \$234,932 for Option Year 4; and, \$241,980 for Option Year 5. The requisite funds for Year 1 are included in the Fiscal Year 2025/26 Operating Budget and funds for future years will be budgeted accordingly in each subsequent fiscal year.

In addition to the annual fees set forth above, there are indirect costs associated with claims handling. These costs include defense costs, such as attorney and expert witness fees. These fees are not billed under this agreement.