



CITY OF POMONA

COUNCIL REPORT

August 3, 2026

To: Honorable Mayor and Members of the City Council

From: Anita D. Scott, City Manager

Submitted By: René Anderson, Human Resources/Risk Management Director

**SUBJECT: AWARD OF CONTRACT TO GEORGE HILLS FOR THIRD PARTY
LIABILITY CLAIMS ADMINISTRATION SERVICES**

RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Approve the award of contract to George Hills to provide third-party liability claims administration services for an initial three-year term, with two one-year extension options, at a cost of \$203,300 for the first year, with annual compensation adjustments based on the Consumer Price Index (CPI), not to exceed 4% per year; and
2. Authorize the City Manager to execute a contract with George Hills and any extensions thereto, subject to review by the City Attorney.

EXECUTIVE SUMMARY:

The City issued a formal Request for Proposals (RFP) on March 19, 2026, for third-party liability claims administration services. Following review and evaluation of the proposals received, George Hills was determined to be the most qualified proposer. Approval of this item will authorize the City to enter into a three-year agreement with George Hills, with two optional one-year extensions.

SB1439/GOVERNMENT CODE §84308 APPLICABILITY:

☐ When this box is checked, it indicates the agenda item is subject to the Levine Act SB1439 requirements. Councilmembers are reminded to check their campaign contributions and determine whether they have received a campaign contribution of \$500 or more that would require disclosure and/or recusal from discussing or acting on this agenda item. Campaign contributions of \$500 or more made 1) by any person or entity who is identified in the agenda report as the applicant or proposer or 2) on behalf of the applicant or participant, including a parent, subsidiary or otherwise related business entity, or 3) by any person who has a financial interest in the agenda item requires a councilmember to comply with SB1439.

FISCAL IMPACT:

The estimated cost to the Self-Insurance Fund for Fiscal Year 2026-27 is \$203,300. Compensation for subsequent years will be subject to annual adjustments based on the Consumer Price Index (CPI), not to exceed 4% per year.

Funding in the amount of \$203,300 is available in the FY 2026-27 Self-Insurance Administration Fund FD668 | Cost Center 1352 – Insurance Services Liability | General Ledger Account 52000 – Contract Third Party Administrator, which has an adopted budget of \$247,710.

PREVIOUS RELATED ACTION:

On June 7, 2021, the City Council approved an agreement with AdminSure, Inc. for third-party liability claims administration services for an initial five-year term, with first-year compensation not to exceed \$99,000, annual increases of 3 percent thereafter, and an additional fee of \$100 per month for each litigated claim. AdminSure has served as the City's third-party liability claims administrator since 2015.

DISCUSSION:

On March 19, 2026, the City issued Request for Proposals (RFP) No. 2026-27 for Third Party Liability Claims Administration Services through the City's electronic bidding platform. The solicitation resulted in the receipt of seven proposals. Of those, six proposals met the minimum qualifications and were deemed responsive: AdminSure, Tri-Star Risk Management, Copper Claims Services, Crawford & Company, Choice Solutions Services, and George Hills.

Responsive proposals were evaluated by a panel consisting of one City staff member and two outside evaluators using the criteria set forth in the RFP, including experience, organizational capacity, technical qualifications, project approach and methodology, and the proposer's background and prior experience in providing similar services. Each evaluator scored the proposals on a 70-point scale, for a maximum total score of 210 points.

The final evaluation results were as follows:

George Hills – 207 points
AdminSure – 195 points
Tri-Star Risk Management – 195 points
Crawford & Company – 165 points
Choice Solutions Services – 161 points
Copper Claims Services – 153 points

Based on the evaluation results, George Hills received the highest overall score and was identified as the top-ranked proposer.

The City has utilized AdminSure as its third-party liability claims administrator since 2015. As part of the competitive procurement process, staff evaluated whether the City's existing claims administration structure continued to provide the best overall value and service approach for the City's current needs. Based on the proposals received and the evaluation of qualifications,

experience, claims handling approach, and service capabilities, it was determined that George Hills is best positioned to provide liability claims administration services moving forward.

George Hills demonstrated strong public agency claims administration experience, a comprehensive approach to liability claims investigation and resolution, and the organizational capacity to support the City's current claims volume. As of April 30, 2026, the City had approximately 200 open liability claims, including 70 litigated matters. Given the size and complexity of the City's liability program, staff believe it is important to retain a third-party administrator with the resources and expertise necessary to manage claims efficiently, coordinate with defense counsel and City staff, and provide timely reporting and claims analysis to support risk management and litigation strategy.

The terms and conditions of the engagement as well as the scope of services are set forth in the Professional Services Agreement (Attachment 1). The proposed compensation for services is set forth in George Hills' fee proposal (Attachment 2).

As part of its claims administration services, George Hills may engage outside vendors, such as investigators, plumbers, and automobile damage appraisers, when necessary to assist in the investigation and adjustment of claims. George Hills will pay those subcontractor invoices from a designated claims account funded by the City, and those costs will be charged directly to the applicable claim files as claims expenses. These costs are separate from the administrative fees paid under the agreement.

Because this recommendation involves a transition to a new third-party administrator, staff will work with the current administrator and George Hills to facilitate an orderly transfer of open claim files, related records, and claims administration responsibilities to minimize disruption in service and ensure continuity in the handling of the City's claims.

Based on the results of the competitive solicitation process and George Hills demonstrated qualifications, staff recommends that the City Council award the contract to George Hills for Third Party Liability Claims Administration Services as described herein.

Prepared by:

Naela Cansino
Risk Manager

ATTACHMENT(S):

- Attachment No. 1 City of Pomona Professional Services Agreement (including Exhibit A – Scope of Services)
- Attachment No. 2 George Hills Fee Proposal