



# Board Agenda Item 47

DATE: June 30, 2026

TO: Board of Supervisors

SUBMITTED BY: Hollis Magill, Director of Human Resources

SUBJECT: Amendment No. 1 to Agreement with George Hills Company

RECOMMENDED ACTION(S):

**Approve and authorize the Chairman to execute Amendment No. 1 to Agreement A-25-236 with George Hills Company, for General Liability Third-Party Administration services, increasing the maximum compensation by \$147,367 to a total of \$1,712,946, with no change to the term.**

There is no additional Net County Cost associated with the recommended action. Approval of the recommended action will increase the maximum compensation from \$1,565,579 to \$1,712,946 to account for a mathematical error in the calculation of the 5% escalator provision in Exhibit B, Section B of the Agreement.

ALTERNATIVE ACTION(S):

There is no viable alternative action. The 5% escalator is a binding term of the Agreement, and the County is obligated to honor the contractual pricing structure. The proposed action does not alter the negotiated terms and solely corrects a mathematical error to ensure the Agreement accurately reflects the cost adjustments required under the contract.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Sufficient appropriations for the Agreement have been included with the Human Resources Risk Management Org 8925 FY 26-27 Recommended Budget and will be included in subsequent budgets. The cost of the Agreement is included in program costs recovered through Risk Management Internal Services Fund (ISF) general liability rates.

DISCUSSION:

On June 10, 2025, the Board approved an Agreement with George Hills Company to provide third-party administration services for the County's General Liability Program. These services include claims administration from initial receipt to resolution, access to the claims management system, litigation support, accounting, and subrogation services.

As part of its pricing structure, George Hills Company includes an annual 3-5% escalator beginning in the second year of the Agreement. This adjustment is based on the year-over-year change in the Consumer Price Index for Urban Consumers (CPI-U) for the Fresno region. When Agreement A-25-236 was drafted, the escalator calculation was incorrect and does not adequately account for the increased costs beginning in FY 26-27.

Approval of the recommended action will ensure that the Agreement, as amended, accurately reflects the

intended terms and pricing structure. The Department has added an additional review process to ensure this kind of incident does not occur again.

REFERENCE MATERIAL:

BAI #50, June 10, 2025

ATTACHMENTS INCLUDED AND/OR ON FILE:

On file with Clerk - Amendment No. 1 to Agreement with George Hills Company

CAO ANALYST:

Sevag Tateosian