



Suspension of Competition Acquisition Request

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1. Fully describe the product(s) and/or service(s) being requested.

A third-party administrator is needed for the full administration of the County's third-party liability claims, including investigations, recorded statements, and securing reports (included but not limited to law enforcement reports, medical reports and records, and legal reports) to determine liability and damages, to negotiate settlements within specified authority, and recommend claims for rejection.

2. Identify the selected vendor and contact person; include the address, phone number and e-mail address for each.

George Hills Company
Attn: John Chaquica
P.O. Box 278
Rancho Cordova, CA 95741
916-859-4800
John.chaquica@georgehills.com

3. What is the total cost of the acquisition? If an agreement, state the total cost of the initial term and the amounts for potential renewal terms.

The maximum compensation payable to the Contractor under this Agreement is \$934,658 over the three-year base period. If the term of the Agreement is extended for the two optional one-year renewal periods, the maximum compensation payable to the Contractor under the Agreement for the fourth and fifth years shall not exceed \$314,674 and \$316,247 respectively, and the maximum payable to the Contractor under the agreement over the term of the three-year agreement and two one-year renewal periods will not exceed \$1,565,579.

4. Identify the unique qualities and/or capabilities of the service(s) and/or product(s) that qualify this as a Suspension of Competition acquisition.

The County has the need to provide timely administration of general liability tort claims, first party property claims, and subrogation services. George Hills was brought on as the County's Third Party Administrator for liability claims on September 13, 2021, and continues to administer the County's liability claims. In order to fill the experience gaps as a result of the County not directly employing experienced claims adjusters and due to the ongoing administration and knowledge of County claims, George Hills Company, Inc. has demonstrated the ability to meet the requirements of the requested services and has the ability to provide the additional requested services immediately.

5. Identify from Administrative Policy #34 what circumstances constitute a Suspension of Competition.

- ☐ In an emergency when goods or services are immediately necessary for the preservation of the public health, welfare, or safety, or for the protection of County property.
- ☐ When the contract is with a federal, state, or local governmental agency.
- ☐ When the department head, with the concurrence of the Purchasing Agent, finds that the cost of preparing and administering a competitive bidding process in a particular case will equal or exceed the estimated contract amount or \$5,000 whichever is more.
- ☐ When a contract provides only for payment of per diem and travel expenses and there is to be no payment for services rendered.
- ☐ When obtaining the services of expert witnesses for litigation or special counsel to assist the County.
- ☒ When in unusual or extraordinary circumstances, the Board of Supervisors or the Purchasing Agent/Purchasing Manager determines that the best interests of the County would be served by not securing competitive bids or issuing a request for proposal.

6. Explain why the unique qualities and/or capabilities described above are essential to your department.

The Division of Risk Management has historically self-administered their General Liability Program. However, with the increased number of claims overall, increased number of litigated claims, increased complexity of claims, and lack of a classification for claims adjusters, the program has been difficult to maintain as such. The County currently has approximately 200 general liability tort claims, with roughly 40% of claims litigated. Litigated claims are, by nature, much more complex and present far higher liability to the County, and require specialized expertise to handle properly. The County is in need of experienced adjusters that have decades of experience in the administration of public entity tort claims to help to reduce liability incurred as a result of claims filed against the County. Full administration of the County's liability claims from receipt to resolution will allow the County to leverage the demonstrated expertise of George Hills to ensure the timely handling of claims, which reduces exposure to litigation and increased costs to the County. In addition to the lack of a classification for claims adjusters, this type of experience has been difficult to find in the local employment pool.

7. Provide a comprehensive explanation of the research done to verify that the recommended vendor is the only vendor with the unique qualities and/or capabilities stated above. Include a list of all other vendors contacted, what they were asked, and their responses.

George Hills was initially selected based on their 30 plus years of handling public entity liability claims, which are of particularly concerning exposure to the County. George Hills was brought in as the third-party administrator for the County's general liability program in September 2021. Since then, the County's excess insurer, PRISM, has conducted two audits of the County's claim files, and the results have demonstrated that George Hills' administration of the program has resulted in significant improvement in the handling of the claims. Besides having institutional knowledge of the County's most complex and complicated claims, George Hills has established relationships with defense counsel, County departments, and all other necessary stakeholders.

jmthompson 5/7/2025 11:20:23 AM

Requested By:

Risk Manager

Title

[\[✕ Sign\]](#) Double click!

I approve this request to suspend competition for the service(s) and/or product(s) identified herein.

hmagill 5/9/2025 4:02:44 PM

Department Head Signature

[\[✕ Sign\]](#) Double click!

rblackburn 5/13/2025 8:15:12 AM

Purchasing Manager Signature

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