



STAFF REPORT

Meeting Type: Board of Directors
Title: Contract Amendment with Acclamation Insurance Management Services (AIMS) for Liability Claims Management
From: Molly MacLean, General Counsel
Through: Ben Horenstein, General Manager
Meeting Date: November 6, 2024

TYPE OF ACTION: X Action Information Review and Refer

RECOMMENDATION: Approve a Fifth Amendment to Miscellaneous Agreement (MA) No. 5204 with AIMS to add \$50,000 for liability claims management services through June 30, 2025

SUMMARY: AIMS has provided liability claims management services to the District for a number of years. District staff is requesting an additional \$50,000 to ensure AIMS can continue to provide liability claims management services through the current contract term ending June 30, 2025.

DISCUSSION: The District's excess liability insurance policies require that the District have a third-party administrator to oversee the District's liability claims program. The District has contracted with AIMS to provide claims management services for the last seventeen years. AIMS has also been tracking employment practices legal claims for the last ten years. During that time AIMS' claims adjusters have been very responsive to the needs of the District's Risk Management Committee, staff and District customers. AIMS staff provides quality claims management services that include: claims investigation, communications with District customers' who have potential claims against the District, including those whose properties have been impacted by water main breaks, coordination with the District's emergency remediation contractor, as well as with District staff and the Risk Management Committee to quickly and efficiently adjust and resolve claims on behalf of the District.

While MA 5204 and the first three amendments to the contract received Board approval, in June 2022, the General Manager executed a fourth amendment to the contract to extend the services for an additional three (3) years, through June 30, 2025. Given that the average annual cost of the AIMS' service are approximately \$50,000, this amendment did not provide sufficient funds to cover the services during all three (3) years of the amendment. Now entering the last year of the three (3) year amendment, additional funds are required to ensure these services continue. Therefore, staff is requesting that the Board approve a further amendment to add \$50,000 in funds for these services to ensure sufficient funding for the final year of the agreement. AIMS' services are billed on an hourly, as-

needed basis and vary depending on the number of claims received. The hourly rates will remain the same as those set forth in the fourth amendment, so no additional price increases are included.

Staff is requesting Board authorization for the General Manager to execute a fifth amendment to the AIMS' agreement to add an additional \$50,000 for services through June 30, 2025. Prior to expiration of the contract term, staff will complete a Request for Proposals process to ensure the District continues to receive the best value for these services.

ENVIRONMENTAL REVIEW: Not applicable.

FISCAL IMPACT: The funds for these services are budgeted in the District's interdepartmental claims budget.

ATTACHMENT(S):

- 1. Draft Amendment No. 5
- 2. MA – 5204 AIMS

DEPARTMENT OR DIVISION	DIVISION MANAGER	APPROVED
General Counsel's Office	 Molly MacLean General Counsel	 Ben Horenstein General Manager