



# STAFF REPORT

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**Meeting Type:** Board of Directors  
**Title:** Contract with Acclamation Insurance Management Services (AIMS) for Third-Party Liability Claims Administration Services  
**From:** Molly MacLean, General Counsel  
**Through:** Ben Horenstein, General Manager  
**Meeting Date:** July 1, 2025

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**TYPE OF ITEM:**        X        Action                    Information

**RECOMMENDATION:** Authorize the General Manager to negotiate and execute a three (3) year contract with Acclamation Insurance Management Services (AIMS) for Third-Party Liability Claims Administration Services in an amount not to exceed \$200,000

**SUMMARY:** On May 22, 2025, the District issued a Request for Proposals (RFP) to six (6) firms for third-party liability claims administration services. In response the District received two (2) proposals. Following a review of the proposals, District staff determined that Acclamation Insurance Management Services' (AIMS') proposal presented the best value to the District. The Finance & Administration Committee reviewed this item on June 26, 2025. Staff is recommending that the Board of Directors authorize the General Manager to negotiate and execute a three (3) year contract, with a District option to extend for up two (2) additional years, with AIMS for these services in an amount not to exceed \$200,000.

**DISCUSSION:** AIMS has provided the District liability claims administrative services and tracking of employment practices matters for many years. During that time AIMS' claims adjusters have been very responsive to the needs of the District and claimants, who are often District customers. AIMS staff provides excellent claims management services, including investigating claims, communicating with claimants and working with District staff and the District's Risk Management Committee to quickly adjust and resolve claims in a timely, reasonable and cost effective manner for the District.

Due to the existing long-term relationship between the District and AIMS for these services, District staff wanted to conduct a competitive process for these services to ensure the District continues to receive high quality services at a reasonable price. On May 22, 2025, the District issued a Request for Proposals (RFP) to six (6) firms for third-party liability claims administration services. The District received two (2) proposals, one from both AIMS and George Hills, in response. Following review of the two proposals, District staff determined that it was in the best interest of District ratepayers to


interview AIMS. This was due to AIMS' proposed costs for providing the services, which were substantially lower than those provided by the other proposer.

Given the positive experience that the District has historically had with AIMS and their low cost delivery model, District staff is recommending a new three (3) year agreement with AIMS for these services. The services will be billed on a time spent basis at a rate of \$103 per hour during the first year of the agreement. This hourly rate will increase to \$106 per hour during year 2 and \$109 per hour during year 3. The agreement will also include a District option to further extend the contract for an additional 2 years, if desired. If such option is exercised by the District in the future, the parties will negotiate pricing at that time based on current economic conditions.

**ENVIRONMENTAL REVIEW:** Not applicable.

**FISCAL IMPACT:** While the number of liability claims varies by year, the District typically spends an average of about \$50,000 annually for AIMS' services. Due to the modest price increases proposed by AIMS, District staff anticipate that this annual average expenditure will increase slightly. Since the services are billed on an hourly basis, with no minimums, District staff propose a not to exceed amount of \$200,000 over the proposed three (3) year term. This will ensure sufficient funds during the initial three (3) year term of the proposed agreement.

**ATTACHMENT(S):** None.

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