



CITY OF NORMAN, OK STAFF REPORT

MEETING DATE: 9/26/2023

REQUESTER: Jeanne Snider

PRESENTER: Jeanne Snider, Assistant City Attorney

ITEM TITLE: CONSIDERATION OF APPROVAL, ACCEPTANCE, REJECTION, AMENDMENT, AND/OR POSTPONEMENT OF CONTRACT K-2324-81: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND ALTERNATIVE CLAIMS MANAGEMENT FOR SETTLING ACCIDENT CLAIMS FOR VEHICLES.

BACKGROUND:

Alternative Claims Management (ACM) is a national expert damage recovery firm, specializing in settling accident claims directly with the at-fault party's insurance carrier. Fleet operators are often under-compensated for damages, in addition to the resulting downtime and loss in vehicle value from these not-at-fault accidents. ACM handles recovery for ambulance/EMS vehicles, municipalities (police, fire, Sheriffs), construction, trucking, limo, delivery, paratransit/wheelchair vans, street sweepers, trade services, dealership loaner cars, and rental car agencies.

DISCUSSION:

ACM provides full claims recovery on both current and past accidents, with zero out-of-pocket cost to the city. They aggressively pursue the maximum settlements. ACM does not impose a processing fee for file handling. In addition, ACM does not earn a commission on damage claims. Instead, ACM exclusively receives a 50% commission on recovered funding for loss of use and loss of value. The remaining 50% of the recovered funds for loss of use and value will be returned to the general fund. ACM will provide an adjustor to assess damage that is more than a dent or scrape.

When a city vehicle is damaged (at the fault of the other driver with insurance coverage), the Legal Department receives the damage amount Fleet obtains from a body shop and we provide the information to the insurance carrier. There are times insurance companies dispute the amount. ACM's expertise will collect more recovery proceeds in various types of claims and recovery such as physical damage, loss of use, loss of revenue, inherent diminution of value, repair related diminution of value, total loss and other property damage.

Sole Source

ACM is a sole source provider of risk management tools and claims processing of not at-fault accidents for municipalities at no cost to the municipality or taxpayers. Their performance-based

model does not have an hourly, per file or per month fee and works diligently to pursue loss of use/revenue and loss of market value. Their explanation for sole source award is as follows:

“As hundreds of other municipal and private sector subscribers have determined through their review and due diligence, no other law firm or claims management processor provides the products and Services available through ACM. Our comprehensive program not only recovers damages or replacement costs with no out of pocket expense, it also provides additional revenue from proceeds not currently being collected, free access to a claims management system and subject matter expertise to assist with identifying and evaluating liability claims all while reducing claims processing costs and insurance premiums. Others may provide individual claims processing services, but none offer to recover damage proceeds while also providing the subject matter expertise to identify all financial injuries sustained from an accident, and a web-based system that offers compliance, transparency and the customized management tools and reports to assist in tracking ongoing personnel compliance and assist with risk management. Alternatively, a subscriber would have to retain the services of several vendors at a cost to equal the services that is provided by Alternative Claims Management making it the sole source your municipality needs.”

RECOMMENDATION:

Staff recommends approval of the Vehicle Damage Recovery Services Agreement with Alternative Claims Management to settle and recover directly with the at-fault party’s insurance carrier for physical and other damage to City fleet vehicles.