



NEWPORT BEACH

City Council Staff Report

May 26, 2026
Agenda Item No. 7

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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TITLE: General Liability Third Party Administrator – Approval of Professional Services Agreement with George Hills Company, Inc.

ABSTRACT:

As a self-insured public entity, the City of Newport Beach (City) contracts with a third-party administrator for general liability claims adjusting services. These services include claims intake and administration, investigation, correspondence with claimants, and coordination related to litigation management. Following the recent organizational restructuring that transitioned the City's Risk Management function into the City Attorney's Office, the operational responsibilities associated with claims administration evolved. Accordingly, the City Attorney's Office recommends approval of a five-year professional services agreement with George Hills Company, Inc. (George Hills) to provide third-party general liability claims administration services.

RECOMMENDATIONS:

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Approve a five-year Professional Services Agreement with George Hills Company, Inc., for Third Party General Liability Claims and Administration Services at a not-to-exceed amount of \$784,025 and authorize the Mayor and City Clerk to execute the Agreement.

DISCUSSION:

The City's Risk Management division is responsible for, among other duties, administration of claims presented against the City. To assist with these responsibilities, the City contracts with a third-party administrator (TPA) to provide general liability claims administration services.

The City's current TPA is AdminSure, Inc. (AdminSure). The City initially entered into an agreement with AdminSure in July 2019 for a five-year term. When the agreement neared expiration in 2024, the City issued a request for proposals (RFP), after which AdminSure was again selected to provide TPA services under a subsequent five-year agreement. AdminSure has therefore served as the City's TPA for approximately seven consecutive years.

In December 2025, the City's Human Resources Department was reorganized into the newly formed Administrative Services Department, while the Risk Management function was transitioned to the City Attorney's Office. Because the City Attorney's Office already manages the City's litigation matters, this restructuring created opportunities to streamline operations, eliminate duplicative responsibilities, and better integrate claims administration with litigation management.

As a result of these operational changes, the City Attorney's Office evaluated various options for future claims administration services, including revising the existing agreement and exploring alternative service providers.

Following a review of available options and current market offerings, the City Attorney's Office determined that a new agreement with George Hills Company, Inc. (George Hills) would better align with the City's evolving operational structure and litigation management needs.

Pursuant to Council Policy F-14 and Administrative Policy AP-001, the City may utilize another public agency's competitive procurement process for substantially similar services completed within the previous 24 months.

In March 2025, the City of Culver City issued an RFP for TPA services and received four proposals. Following interviews conducted by a review panel consisting of representatives from Culver City's Attorney's Office, Finance Department, Risk Management Division, and Public Works Department, George Hills was recommended for award of the agreement based on its qualifications and service approach.

Based on the recent competitive solicitation conducted by Culver City and the City Attorney's Office's independent evaluation of the City's current and future claims administration needs, staff recommends approval of a five-year professional services agreement with George Hills in an amount not to exceed \$784,025.

FISCAL IMPACT:

The total not-to-exceed cost of the agreement is \$784,025 over a five-year term. Costs will be charged to the General Liability Internal Service Fund account within the City Attorney's Office, Account No. 7517510-891004. There is no additional fiscal impact associated with the proposed agreement.

ENVIRONMENTAL REVIEW:

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Division 6, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

NOTICING:

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

ATTACHMENT:

Attachment A – Professional Services Agreement with George Hills Company, Inc.