

CHIEF ADMINISTRATIVE OFFICE
Procurement and Contracts Division

Date Received
7/29/24

NON-COMPETITIVE PURCHASE REQUEST JUSTIFICATION

Required for all (non-emergency) sole source acquisitions in excess of \$5,000.00 and sole source service requests in excess of \$100,000.00.

This justification document consists of three (3) pages. All information must be provided and all questions must be answered. **Department Head approval is required.**

Requesting Department Information

Department: 09-Risk Management	Org Code: 0910000	
Contact Name: Joseph Carruesco	Subobject: 	User Code:
Telephone: x 5617	Fax: 	


Required Supplier / Vendor Information

Vendor / Supplier Name: George Hills Company, Inc.	Vendor / Supplier Address: PO Box 278
Contact Name: Randy Rendig	Rancho Cordova, CA 95741
Estimated Purchase Price/Contract Amount: \$2,231,044.64	Vendor / Supplier Email Address: Randy.Rendig@georgehills.com
Telephone: 	Fax:

Provide a brief description of the request, including all goods and/or services the vendor/supplier will provide and supporting exemption reference from Board Policy C-17 - Procurement Policy:

George Hills Company, Inc. has been providing claims administration services for the general liability program for the Risk Management Division under Agreement 536 since January 2016. The Risk Management Division is requesting exemption from competitive bidding per Procurement Policy C-17, Section 3.4.5. It is in the best interest of the County to extend the contract award from the previous contract period for additional contract terms since George Hills Company, Inc. has confirmed they will continue to provide services at the same annual rate increase for the 3-year renewal period. This will allow for continuity of business operations with the same fee structure as our current agreement with George Hills Company, Inc.

Department Head: **Joseph Carruesco** Digitally signed by Joseph Carruesco
Date: 2024.07.29 10:28:51 -07'00'
Signature

Purchasing Agent: 
Signature

Board of Supervisors:
Date:
Item:

P&C Assignment:
Assigned To:
Date:

A. The good/service requested is restricted to one supplier for the reason stated below:

1. Why is the acquisition restricted to this goods/services supplier? (Explain why the acquisition cannot be competitively sourced. Explain how the supplier is the only source for the acquisition.)

George Hills Company, Inc. has historical knowledge and skills to provide claims administration services for the general liability program. It is necessary to continue services with this vendor in order to avoid interruption of County business.

2. Provide the background of events leading to this acquisition.

George Hills Company, LLC has been providing third-party claims administration services to the County for the general liability program since 1982 and has established an excellent working relationship with Risk Management and County Counsel over the years. George Hills Company, LLC provides complete administration services on each liability claim and consults with County Counsel with respect to facts, liability, and disposition of claims, including notices as required by Federal and State regulations to claim recipients. Duties include investigation, evaluation, management, and resolution of bodily injury, personal injury, and property damage claims and potential claims for money damages asserted by third-parties against the County.

3. Describe the uniqueness of the acquisition. (Why was the goods/services supplier chosen?)

Due to the historical knowledge and skills George Hills Company, LLC possess on the current litigations and cases, as well as their existing working relationship with Risk Management and County Counsel, it would be extremely difficult for a new vendor to get up to speed and efficiently provide these services to the County.

4. What are the consequences of not purchasing the goods/services or contracting with the proposed supplier?

George Hills Company, LLC is involved in all aspects of the current litigations. If the County were to obtain services from another, there would be a disruption to County business and County staff would need to take time to help set up a new vendor and catch them up on the current litigations and cases, which would take a significant amount of time.

5. What market research was conducted to substantiate no competition, including the evaluation of other items or service providers? (Provide a narrative of your efforts to identify other similar or appropriate goods/services, including a summary of how the department concluded that such alternatives are either inappropriate or unavailable. The name and addresses of suppliers contacted and the reasons for not considering them must be included OR an explanation of why the survey or effort to identify other goods/services was not performed.)

Continuing services with George Hills Company, LLC is necessary in order to maintain continuity of business operations for the County. George Hills Company, LLC has agreed to the same fee structure as the current agreement, allowing the County to save time and money that would occur if a different vendor were to provide these services.

B. Price Analysis:

1. How was the price offered determined to be fair and reasonable? (Explain what basis was used for comparison and include cost analysis as applicable.)

Our current Agreement 536 reflects an average 2.75% annual increase year over year. George Hills Company, Inc. has agreed to keep the current fee structure for the 3-year renewal period. The costs associated with securing a new vendor and having County staff bring them up to speed on the claims administration services for the general liability program would produce no economic benefit to the County. Continuing services will also allow the County to avoid the interruption of County business.

2. Describe any cost savings or avoidance realized (one-time or ongoing) by acquiring the goods/services from this supplier.

By continuing services with George Hills Company, Inc., the department will have continuity of business operations with the same fee structure outlined in the current agreement. With continuing services with our current provider, County staff's time and resources will not be spent on getting a new vendor up to speed on the general liability program and claims administration process.