



Public Liability/Property Damage Third Party Claims Administration Services

Finance, Budget, and Audit Committee

September 18, 2025

File #2025-0411

Claims Administration Services

Recommendation:

- AUTHORIZE the Chief Executive Officer to execute Modification No. 1 to Contract No. PS75821000, with Carl Warren & Company, LLC (CWC), to exercise the first, two-year option in the amount of \$6,666,674, increasing the total contract value from \$12,148,152 to \$18,814,826, and to extend the period of performance from November 1, 2025, to October 31, 2027.
- Approval of this action is required to continue processing public liability and property damage claims in a timely and seamless manner.

Background

- Contract PS75821000 provides public liability and property damage third-party claims administration services. The contract consists of a four-year base period and two, two-year options for a combined total of \$25,926,720.
- The four-year base period will expire on October 31, 2025. The previously negotiated option pricing with CWC remains fair, reasonable, and consistent with industry conditions.

Claims Administration

- Metro uses the services of a Third-Party Administrator (TPA) to investigate, evaluate, and resolve the majority of third-party claims filed against Metro, which are valued under \$100K. Third-party claims generally arise out of bus and rail operations.
- Claims valued above \$100K, are handled by Metro staff in the PL/PD division under Risk, Corporate Safety, and Asset Management.
- Metro receives an average of 2,700 new public liability/property damage claims annually and has an open general liability claims inventory of 3,630 claims.

TPA Contract

- CWC provides 26 individuals who provide claims adjusting support and additional subcontractor staff.
- The subcontractor staff performs field investigations and responds to an accident scene upon notification from Metro dispatch.
- Subrogation of losses against a responsible third party is also a part of the services provided by the TPA. Over the last ten years, Metro has received total gross recoveries of \$10.4 million from subrogation or cross complaints.



Thank you.



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