

# State Property Damage Recovery Update

## Property Utilization Committee

### March 18, 2015

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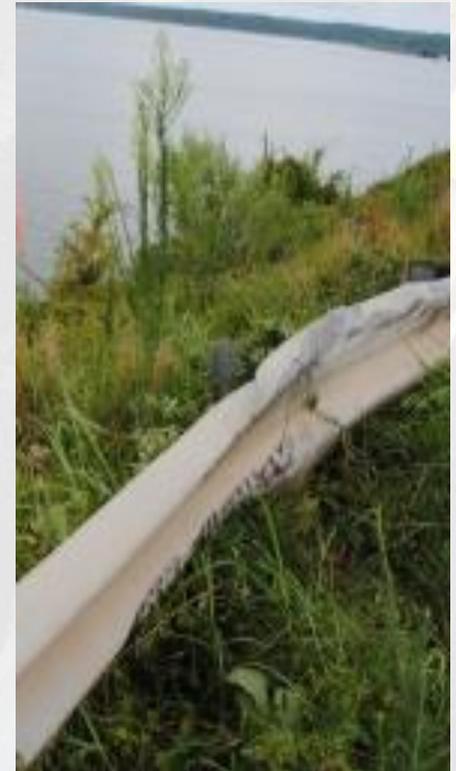
O.C.G.A. § 32-6-1

(b) Any person who unlawfully obstructs, encroaches upon, or injures said public road shall be responsible....for the costs of removal ...and the costs of repairs to the public road....

# Repairs are expensive



\$175



\$1365

\$19,200



\$9,600

## September 2012

- Motorists cause approximately \$10million in insured damage to State owned roads every year that must be repaired from Department funds
- Using existing in-house resources, recovery averaged \$1,000,000 per year
- Goal to increase recovery amount, put recovered funds back into infrastructure maintenance, reduce unplanned for expenses
- Department put out an RFP to find an external resource to improve recovery so Department cost of repairs could be reduced

- RFP issued January 2013
  - 5 Proposals received
  - Best Value evaluation-
    - Technical proposal- highest expected recovery
    - Financial proposal- lowest cost to Department
  - Contract awarded to Claims Management Resources, Inc.
  - Significant recovery beginning September 2013

## Process:

- Contractor reviews ALL crash reports statewide for damage to state property
  - Average 7500 reports reviewed and 530 causing state property damage discovered monthly
  - Claims range from \$200 to \$500,000
    - Department does not pursue claims under \$100 or claims where recovery is not feasible

- When adequate information is available on the crash report, contractor uses GDOT internal charges and contractor billing to calculate and directly bill Damager and Insurance without GDOT staff involvement
- When adequate information is not available, affected offices are contacted for damages and repair costs

- Contractor deals directly with Insurer to make the best possible recovery for the State
- Settlements are reviewed and approved by GDOT
- Insured claims not resolved are referred to the Law Department for appropriate legal action
- In 2014 claims 6757 were invoiced and 5093 paid
  - 4350 guardrail and cable barrier
  - 2130 signs and light poles
- Anyone with questions or concerns about the program or a specific claim speaks directly to a GDOT employee who has the authority to deal with their issue



Questions?