

	<b>Officer Key Decision</b>
	<b>Report to the Corporate Director of Finance and Resources</b>
	<b>Lead Cabinet Member for Finance, Resource and Reform</b>
<b>AUTHORITY TO AWARD CONTRACTS FOR GENERAL INSURANCE</b>	

<b>Wards Affected:</b>	All Wards
<b>Key or Non-Key Decision:</b>	Key Decision
<b>Open or Part/Fully Exempt:</b> <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Appendix 1 is exempt from publication in that it contains exempt information as specified in Paragraph 3, Schedule 12A of the Local Government Act 1972, namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information
<b>List of Appendices:</b>	Appendix 1 – Names of Tenderers (exempt) Appendix 2 – Evaluation Scorecard
<b>Background Papers:</b>	None
<b>Contact Officer(s):</b> <small>(Name, Title, Contact Details)</small>	Name: Esther Abe Job Title: Insurance Manager Email: <a href="mailto:Esther.abe@brent.gov.uk">Esther.abe@brent.gov.uk</a>

## 1.0 Executive Summary

1.1. This report concerns the future provision of General Insurance. This report requests authority to award contracts as required by Contract Standing Order 88. This report summarises the process undertaken in tendering a contract and, following the completion of the evaluation of the tenders, recommends to whom the contracts should be awarded.

## 2.0 Recommendation(s)

2.1 That the Corporate Director of Finance and Resources in consultation with the Lead Member for Finance, Resource and Reform

2.1.1 Approves the award of contracts for General Insurances for the duration of three years plus two years to the following organisations and for the following sums (1st years' premium)

Type of Insurance Cover	Recommended Supplier	1 <sup>st</sup> Years' Premium
Property Insurance	Zurich Municipal	£323,689.15

Liability Insurance, Liability Claims handling and Fidelity	Maven Public Sector	£453,180.00
Motor Fleet Insurance	Maven Public Sector	£50,400.00
Personal Accident, Travel and School Journey Insurance	Zurich Municipal	£9,449.15
Terrorism Insurance	Charles Taylor Services Limited	£62,775.00
Engineering Inspection Insurance	Zurich Municipal	£46,930.00

### 3.0 Detail

#### Contribution to Borough Plan Priorities and Strategic Context

- Prosperity and Stability in Brent

3.1 The tendered contracts will provide comprehensive insurance cover for the Council for the following risk classes:

- Motor
- Claims handling
- Property
- Casualty (including Fidelity Guarantee, Employer's and Public Liability)
- Engineering and Inspection
- Terrorism
- Business Travel
- Property All Risks

However, First Wave Housing has been removed from the main insurance programme and will have a standalone policy.

#### The Tender Process

3.2 The contracts for General Insurance (the Contracts) will be let using the appointed suppliers standard policy wording & policy schedule as well as the Council's own Terms & Conditions for an initial term of three years with a single extension option of two years.

3.3 Advertisements were placed on the London Tenders Portal on 8<sup>th</sup> June 2023 to seek initial expressions of interest, which elicited 23 initial enquires. Contractors were provided with an outline specification and details of the tender approach and were invited to complete a selection questionnaire using the Council's Electronic Tendering Facility. 6 contractors subsequently completed the questionnaire.

3.4 The tender process used was the Open Procedure as there are limited suppliers in the market. There was no shortlisting of providers, but all providers were required to complete a Selection Questionnaire demonstrating that they meet

the Council's financial standing requirements, technical capacity, technical expertise, as well as industry and regulatory compliance.

- 3.5 The tendering instructions stated that the Contracts would be awarded on the basis of the most economically advantageous tender to the Council and that in evaluating tenders, the Council would have regard to the following:

**Property Insurance**

<b>Criteria</b>	<b>Weighting (%)</b>
Price	60
Quality	40
Quality Sub-Criteria	
Policy Cover	20
Social Vlaue	10
Claims Handling	5
Added Value and Innovation	5

**Liability Insurance, Liability Claims handling and Fidelity**

<b>Criteria</b>	<b>Weighting (%)</b>
Price	50
Quality	50
Quality Sub-Criteria	
Policy Cover	30
Social Vlaue	10
Claims Handling	5
Added Value and Innovation	5

**Motor Fleet Insurance**

<b>Criteria</b>	<b>Weighting (%)</b>
Price	60
Quality	40
Quality Sub-Criteria	
Policy Cover	20
Social Vlaue	10
Claims Handling	5
Added Value and Innovation	5

**Personal Accident, Travel and School Journey Insurance**

<b>Criteria</b>	<b>Weighting (%)</b>
Price	60
Quality	40
Quality Sub-Criteria	
Policy Cover	20
Social Vlaue	10
Claims Handling	5
Added Value and Innovation	5

**Terrorism Insurance**

<b>Criteria</b>	<b>Weighting (%)</b>
Price	60
Quality	40
Quality Sub-Criteria	
Policy Cover	20
Social Value	10
Claims Handling	5
Added Value and Innovation	5

### **Engineering Inspection Insurance**

<b>Criteria</b>	<b>Weighting (%)</b>
Price	60
Quality	40
Quality Sub-Criteria	
Inspection Requirements	25
Social Value	10
Added Value and Innovation	5

- 3.6 Tenderers were also required to submit full copies of their policy documentation as part of their bids.

### **Evaluation process**

- 3.7 Tender evaluations were carried out by a panel of officers from the Council's Insurance Team as well as an insurance consultant from Marsh Limited.
- 3.8 All tenders had to be submitted electronically by no later than the 19<sup>th</sup> July 2023 at 12.00 hours. Tenders were opened on 19<sup>th</sup> July 2023 and in total six valid tenders were received. Each member of the evaluation panel independently read the tenders and carried out an initial evaluation of how well they considered each of the award criteria was addressed in the tender.
- 3.9 The panel met on 11/08/2023 to undertake consensus / moderation scoring and each submission was marked by the whole panel against the award criteria.

The meeting generated clarification questions for some of the bidders and these questions were issued on the 17/08/2023 to the relevant bidders with a deadline for responses of the 24/08/2023.

Following the receipt of responses to the clarification questions asked by the Council the panel reconvened on the 04/09/2023 to decide if any of the responses received materially affected the scores previously awarded on the 11/08/2023.

- 3.10 The names of the tenderers for each type of insurance cover are contained in Appendix 1. The scores received by the tenderers for each type of insurance cover are included in Appendix 2. It will be noted that the Contractors identified in section 2.1 of this report were the highest scoring tenderers. Officers therefore recommend the award of Contracts to these Contractors.

- 3.11 The Contracts will commence on 01/10/2023 subject to the Council's observation of the requirements of the mandatory standstill period noted in paragraph 5.4 below.

#### **4.0 Financial Considerations**

- 4.1 The total estimated value of the Insurance contract is £5.5m over 5 years or £1.1m on average per annum, at today's prices. Contract costs will be adjusted accordingly to reflect ever changing property portfolio numbers and annual indexations to the contract.
- 4.2 The annual cost of the contract is covered by the general fund budget allocation for Insurance.

#### **5.0 Legal Considerations**

- 5.1 The estimated value of the Contract over its lifetime is in excess of the Public Contracts Regulations 2015 (the "PCR 2015") threshold for Services and the award of the Contract is therefore governed by the PCR 2015. Section 3 of the report outlines how the Contract was procured in accordance with the PCR 2015.
- 5.2 The award of the Contract is subject to the Council's own Standing Orders and Financial Regulations in respect of High Value Contracts given the estimated valued at £5.5m over the term of the Contract.
- 5.3 The Council must observe a mandatory minimum 10 calendar day standstill period under the PCR 2015 before the Contract can be awarded. Therefore once the Corporate Director has determined which tenderer should be awarded the Contract, all tenderers will be issued with written notification of the Contract award decision. A minimum 10 calendar day standstill period will then be observed before the Contract is concluded – this period will begin the day after all Tenderers are sent notification of the award decision – and additional debrief information will be provided to unsuccessful tenderers in accordance with the PCR 2015. The standstill period will run concurrently with the Council's usual call-in process. Subject to there being no call-in, after the standstill period ends, the successful tenderer will be issued with a letter of acceptance and the Contract can commence.
- 5.4 Any other legal implications relevant to this Contract to include TUPE - The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE 2006) are unlikely to apply to the proposed Contract.

#### **6.0 Background**

- 6.1 The Council's current insurance policies expire on the 30/09/2023 and therefore new policies are required to protect the Council from unforeseen events leading to potential loss. There are no other alternatives to having suitable insurance cover in place.

## **7.0 Stakeholder and ward member consultation and engagement**

7.1 Cabinet Member for Finance, Resource and Reform will be consulted. The Insurance Manager for the contracts is the main stakeholder and is involved in the tender process and award requirements.

## **8.0 Equality, Diversity & Inclusion (EDI) Considerations**

8.1 Pursuant to s149 Equality Act 2010 (the “Public Sector Equality Duty”), the Council must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment and victimisation and other conduct prohibited under the Act
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

8.2 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

8.3 Having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

8.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary.

8.5 The proposals in this report have been subject to screening and officers believe that there are no adverse equality implications.

8.6 There are no negative equalities implications considered. However, as detailed in the Equality Analysis steps will be taken to ensure the service provider, provision and the tendering process aligns with our responsibilities within the public sector equality duty. For example the councils terms and conditions state:

‘The Service Provider shall not unlawfully discriminate within the meaning and scope of the Equality Act 2010 (“the 2010 Act”) in relation to any of the protected characteristics set out in the 2010 Act in connection with its employment practices. The Service Provider shall adopt policies in relation to its statutory obligations in respect of these matters and shall supply copies to the Council on request’.

## **9.0 Climate Change and Environmental Considerations**

9.1 Suppliers as part of their tender responses were asked to provide responses to three separate questions as part of the Council's Social Value commitments. Each as implications with regards to climate change and environmental considerations such as supporting litter picking events and sponsoring gardening workshops.

## **10.0 Communication Considerations**

10.1 Not applicable with regards to this requirement.

### **Relevant Documents:**

March 2023 Cabinet Paper seeking authority to tender

**Report sign off:**

***Minesh Patel***

Corporate Director of Finance and Resources