

EMT / Policy and Resources Committee	
Meeting Date	12 July 2023
Report Title	Procurement of Insurance coverage and associated service (excluding broker services)
EMT Lead	Lisa Fillery, Director of Resources
Head of Service	Claire Stanbury, Head of Finance and Procurement
Lead Officer	Claire Stanbury, Head of Finance and Procurement
Classification	Open
Recommendations	<ol style="list-style-type: none"> 1. That lots 1, 3 and 5 are awarded as a package through lot 8, being the most advantageous option. 2. That the Committee approves the appointment of Company A as provider of the Council's insurance services for lots 2 and 8 from 31 July 2023 for an initial period of three years at a value of £907,328. 3. That the Committee approves the appointment of Company C as provider of the Council's insurance services for lots 4, 6 and 7 from 31 July 2023 for an initial period of three years at a value of £58,913.

1 Purpose of Report and Executive Summary

1.1 The current Contract expires on 30 July 2023. A one stage tender process was carried out based on the most economically advantageous tender (MEAT). The Contracts are to provide insurance coverage and associated services (excluding broker services). External consultants, Gallagher were appointed to support the Authority as technical advisor throughout the process. The tender was broken into 8 Lots:

- Lot 1: Property including Computers, Contract Works, Business Interruption, Special (all) risks and Money
- Lot 2: Commercial & Industrial properties let to tenants
- Lot 3: Casualty insurance including Employers/Public/Products Liability, Officials Indemnity, Professional Negligence, Hirers Liability.
- Lot 4: Fidelity Guarantee
- Lot 5: Motor Fleet insurance
- Lot 6: Personal Accident
- Lot 7: Engineering services (Inspection and Insurance)
- Lot 8: Package encompassing Lot 1 – Property, Lot 3 – Casualty and Lot 5 – Motor Fleet.

1.2 The majority of the Lots were evaluated on 58% price, 35% quality and 7% social value with the exception of Lot 4 – Fidelity Guarantee and Lot 6 – Personal Accident & Travel which did not include social value.

1.3 This report summarises the procurement process and its results, and seeks Committee approval to contract with the recommended tenderers.

2 Background

2.1 The opportunity was advertised in accordance with current contract standing orders and the Public Contracts Regulations 2015, with interested parties asked to complete an Invitation to Tender. Three submissions were received and scores were allocated according to the criteria explained in the tender document.

2.2 The main evaluation panel consisted of Gallagher, the Insurance Shared Services Officer and the Insurance Shared Service Assistant. The social value section was evaluated by the Commissioning Manager, Principal Accountant and the Senior Accountant. Each panel member scored individually and then came together to discuss and moderate to collectively agree the scoring of the tender submissions. The scores were as follows:

Lot 1:

Company	Price Score	Quality Score	Social Value	Total
A	58	32	3.5	93.5
B	39.06	26	1.4	66.46
C	43.75	21	4.9	69.65

Lot 2:

Company	Price Score	Quality Score	Social Value	Total
A	58	32	3.5	93.5
B	30.62	23	1.4	55.02
C	38.86	20	4.9	63.76

Lot 3:

Company	Price Score	Quality Score	Social Value	Total
A	58	26	3.5	87.5
B	42.64	23	1.4	67.04
C	52.18	31	4.9	88.08

Lot 4:

Company	Price Score	Quality Score	Total
A	No bid	No bid	No bid
B	No bid	No bid	No bid

C	65	28	93
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Lot 5:

Company	Price Score	Quality Score	Social Value	Total
A	48.25	32	3.5	83.75
B	37.47	25	1.4	63.87
C	58	31	4.9	93.9

Lot 6:

Company	Price Score	Quality Score	Total
A	No bid	No bid	No bid
B	No bid	No bid	No bid
C	65	23	88

Lot 7:

Company	Price Score	Quality Score	Social Value	Total
A	No bid	No bid	No bid	No bid
B	No bid	No bid	No bid	No bid
C	58	23	4.9	85.9

Lot 8:

Company	Price Score	Quality Score	Social Value	Total
A	58	19.08	3.5	80.58
B	No bid	No bid	No bid	No bid
C	51.47	20.62	4.9	76.99

3 Proposals

- 3.1 The Committee is requested to approve the proposal to enter into contracts with Companies A and C for an initial period of three with the option to extend by two further periods of one year.

4 Alternative Options Considered and Rejected

- 4.1 The current insurance contract is due to expire on 30 July 2023 with no further extension options. If we do nothing, then the Council will not be insured and will have to face the full financial impact of any damages.

- 4.2 The full contract could be awarded to one company. Only Company C tendered for all lots, and so would be awarded the full contract, resulting in higher fees, so this is not advisable.
- 4.3 Lots 1, 3 and 5 could be awarded individually. This would change the balance of awards between Companies A and C, but when reviewed side by side, the option to award as a package through Lot 8 is more economically advantageous.
- 4.4 Company C also provided a tender submission giving a package price for all lots. A review was carried out to compare this against the individual awards as recommended, and the letting of individual lots is still the most economically advantageous option.

5 Consultation Undertaken or Proposed

- 5.1 The Finance and Procurement team worked with Gallagher Insurance Brokers to ensure that the insurance market was engaged with, and to advise on the tenders received.
- 5.2 A full report has been provided by Gallagher, along with the moderated scoring results. The full report provides full analysis and can be used to evidence the scores assigned.
- 5.3 The scoring matrix is attached at appendix I.

6 Implications

Issue	Implications
Corporate Plan	Appointing a provider that provides a good quality service and good value for money contributes towards all the corporate priorities as it ensures that the Council hold sufficient insurance cover at a cost that is within the budget framework.
Financial, Resource and Property	<p>Anticipated annual spend on the Insurance contracts is £322,080. The total contract value if both extension options are utilised is therefore estimated as £1,610,402.</p> <p>The Transfer of Undertakings (Protection of Employment) Regulations 2006 as amended ("TUPE") do not apply to this contract and the implications of this have been addressed in the procurement process.</p>
Legal, Statutory and Procurement	The contract will be drawn up using terms and conditions which have been approved by Mid Kent Legal Services and Finance.

	Public Services (Social Value) Act 2012 – Company A will engage with the local community through volunteering support, and will raise awareness of the industry through attending school career events.
Crime and Disorder	None identified at this stage.
Environment and Climate/Ecological Emergency	None identified at this stage.
Health and Wellbeing	None identified at this stage.
Safeguarding of Children, Young People and Vulnerable Adults	None identified at this stage.
Risk Management and Health and Safety	Part of the procurement process ensures that tenderers are fully competent to provide the required level of service.
Equality and Diversity	None identified at this stage.
Privacy and Data Protection	None identified at this stage.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

Appendix I: Award Criteria Scoring

8 Background Documents

None