

Report for: Cabinet

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| Date of Meeting: | 4 March 2025 |
| Subject: | Insurance Contracts Award |
| Cabinet Member: | James Buczkowski – Cabinet Member for Governance, Finance & Risk |
| Responsible Officer: | Andrew Jarrett – Deputy Chief Executive (S151) |
| Exempt: | ANNEX A: PART II |
| Wards Affected: | All |
| Enclosures: | ANNEX A: PART II - Confidential |

Section 1 – Summary and Recommendation(s)

To advise Members on the results for the insurance contract tender for the whole Council from 1 April 2025 – 31 March 2028 (3 years) with the option to extend for a further 2 years and request approval to award of the contract.

Recommendation(s):

1. Cabinet is recommended to approve the new insurance contracts for the period 1 April 2025 – 31 March 2028 be awarded to:
 - Insurer 3 – Lot 1 – General Properties
 - Insurer 3 – Lot 2 – Industrial and Commercial Property
 - Insurer 4 – Lot 3 – Casualty and Crime
 - Insurer 5 – Lot 4 – Motor Fleet
 - Insurer 4 – Lot 5 – Personal Accident and Travel
 - Insurer 4 – Lot 6 – Engineering Insurance and Inspection
 - Insurer 3 – Lot 7 – Leasehold Right to Buy

Section 2 – Report

1. Introduction

1.1. The expiry of the current long-term agreement on 31 March 2025 necessitated a Public tender for new insurance cover. Overall, the Tender has been a success for the following reasons:-

- Increased competition for the tender opportunity;
- A fully compliant procurement process; and
- Expanded range of risk management support now available on the key insurance risks

1.2. AJ Gallaghers were appointed on 1 November 2024 via a direct award under YPO framework 001160 to support the Council in the tender for Insurance Services and on-going brokerage support. The role of AJ Gallaghers is to:

- Provide advice and support throughout the tender process;
- Work closely with MDDC Insurance Officers to prepare the tender documents for each Lot stated above;
- Support MDDC Insurance Officers to answer tender clarification questions;
- Carry out the quality evaluations from Insurance tender bids received; and
- Produce an evaluation report to MDDC showing the scoring achieved for each tender submission in consultation with MDDC Insurance Officers.

2. Procurement Process

2.1. The insurance tender documents were published on the Proactis portal on 19 December 2024 with the deadline of 3 February 2025 for completed submissions from interested insurance providers.

2.2. The insurance portfolio was split into seven distinct Lots. Appropriate and bespoke Award Criteria were agreed and designed to ensure that Suppliers demonstrated within their bids how they were able to deliver the required level of cover and service.

2.3. Each Lot has been evaluated on a standalone basis. The Evaluation is in terms of each bid meeting all aspects of the Award Criteria for that Lot.

2.4. The Criteria were structured along Price: Non-Price weighting percentages as detailed below.

| Lot | | Price % | Specification % | Standard Service % | Claims Service % | Range of Services % |
|-----|--------------------------------------|---------|-----------------|--------------------|------------------|---------------------|
| 1 | General Property | 40 | 25 | 5 | 15 | 15 |
| 2 | Industrial and Commercial | 40 | 25 | 25 | 10 | |
| 3 | Casualty and Crime | 40 | 25 | 5 | 15 | 15 |
| 4 | Motor Fleet | 60 | 15 | 5 | 15 | 5 |
| 5 | Personal Accident and Travel | 60 | 15 | 5 | 15 | 5 |
| 6 | Engineering Insurance and Inspection | 60 | 10 | 25 | | 5 |
| 7 | Leasehold Right to Buy | 60 | 10 | 10 | 20 | |

2.5. Scoring Analysis for the Tenders received, and how the scoring under the Award Criteria was applied are shown below.

| Lot | SCORING | | | | | | | | |
|-------|-----------|--------|--------|-----------|--------|--------|-----------|--------|---------------|
| | Insurer 1 | | Total | Insurer 2 | | Total | Insurer 3 | | Total |
| | Quality | Price | | Quality | Price | | Quality | Price | |
| Lot 1 | | | | | | | 41.00% | 40.00% | 81.00% |
| Lot 2 | | | | | | | 41.00% | 40.00% | 81.00% |
| Lot 3 | | | | 41.00% | 29.23% | 70.23% | 41.00% | 30.81% | 71.81% |
| Lot 4 | | | | 27.00% | 53.45% | 80.45% | 27.00% | 59.32% | 86.32% |
| Lot 5 | | | | 30.00% | 46.21% | 76.21% | | | |
| Lot 6 | 37.00% | 50.48% | 87.48% | | | | | | |
| Lot 7 | | | | | | | 26.00% | 60.00% | 86.00% |

| Lot | SCORING | | | | | | | | |
|-------|-----------|--------|---------------|-----------|--------|---------------|-----------|--------|--------|
| | Insurer 4 | | Total | Insurer 5 | | Total | Insurer 6 | | Total |
| | Quality | Price | | Quality | Price | | Quality | Price | |
| Lot 1 | | | | | | | 39.00% | 31.21% | 70.21% |
| Lot 2 | | | | | | | 41.00% | 19.74% | 60.74% |
| Lot 3 | 50.00% | 40.00% | 90.00% | 51.00% | 35.21% | 86.21% | 47.00% | 33.66% | 80.66% |
| Lot 4 | 34.00% | 49.23% | 83.23% | 32.00% | 60.00% | 92.00% | 28.00% | 55.35% | 83.35% |
| Lot 5 | 35.00% | 60.00% | 95.00% | | | | 26.00% | 27.18% | 53.18% |
| Lot 6 | 38.00% | 60.00% | 98.00% | | | | | | |
| Lot 7 | | | | | | | 26.00% | 28.62% | 54.62% |

3. Conclusion

3.1. The outcome from the tender evaluation process shows the successful insurer for each lot as follows:

Lot 1 – Insurer 3

Lot 2 – Insurer 3

Lot 3 – Insurer 4

Lot 4 – Insurer 5

Lot 5 – Insurer 4

Lot 6 – Insurer 4

Lot 7 – Insurer 3

3.2. Approval is required from Cabinet for these contracts to be formally awarded.

3.3. Following the decision to award these contracts there will be a compulsory 10 day standstill period after which the insurance contracts will be awarded.

3.4. The awarded insurance contracts will come into effect from 1 April 2025.

Financial Implications

The award of this contract will realise a pressure of £78,314.08 against existing insurance premium and a £23,828.04 pressure against 2025/26 budget. This contract award protects the Council and its services from the financial risk of liability claims.

Legal Implications

The insurance tender terms and conditions have already been agreed as part of the YPO framework. This provides a robust framework for managing and controlling the performance of the insurance providers to ensure our legal obligations are met.

Risk Assessment

With multiple insurance providers covering a range of the Council's insurance requirements careful management of these contracts will be needed. Working closely with our appointed insurance broker, carrying out risk assessments, staying up-to-date with the Council's needs will help reduce the insurance risk.

Impact on Climate Change

As the Council implements its climate change action plan to reduce carbon footprint through vehicles, property and equipment the right insurance will be required to protect the assets for the future.

Equalities Impact Assessment

There are no Equalities Impact implications relating to the content of this report.

Relationship to Corporate Plan

Ensuring appropriate levels of insurance cover are in place minimises the financial risk associated with liability claims and protects the property portfolio to enable the Council to finance the delivery of its Corporate Plan objectives.

Section 3 – Statutory Officer sign-off/mandatory checks

Statutory Officer: Andrew Jarrett

Agreed by or on behalf of the Section 151

Date: 24.02.2025

Statutory Officer: Maria De Lieburne

Agreed on behalf of the Monitoring Officer

Date: 24.02.2025

Chief Officer: Stephen Walford

Agreed by or on behalf of the Chief Executive

Date: 24.02.2025

Cabinet member notified: Yes

Section 4 - Contact Details and Background Papers

Contact: Andrew Jarrett – Deputy Chief Executive (S151)

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Contact: Paul Deal –Head of Service for Finance, Property and Climate Resilience

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Background papers:

ANNEX A: PART II - Confidential