



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

# Record of Member Decision



<b>Decision made by:</b>	Councillor Kelham Cooke
<b>Decision:</b>	To approve the award of the Council's insurance contract to the bidder with the highest score (further details in exempt Appendix 1 to the decision report) for the initial period of three years (with an option to extend for a further two years plus two years) commencing from 1 July 2020.
<b>Date:</b>	27 May 2020
<b>Publication date:</b>	27 May 2020
<b>Date decision effective:</b>	Thursday 4 June 2020 (subject to the decision not being called in by 5 members of the Council or the Chairman of the relevant Overview and Scrutiny Committee)
<b>Public or Exempt:</b>	The decision notice is a public document. The report related to this decision is public with an exempt appendix
<b>Reasons for exemption:</b>	Appendix 1 is exempt under paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) because of the likelihood that information relating to the financial or business affairs of an individual or organisation would be disclosed. In this instance the exempt information relates to bids submitted as part of the procurement process and the evaluation of those bids.
<b>Conflicts of interest:</b>	None
<b>Dispensations:</b>	None

## 1. Delegated authority for this decision

- 1.1 As set out in Article 8 of the Council's Constitution the Leader will allocate decision-making power to Cabinet and individual Cabinet Members. The Leader has determined that during the Covid-19 response period, he will take responsibility for the making of all Key Decisions in consultation with the Council's Chief Executive.

## **2. Preferred Option**

- 2.1 To award a contract to the bidder with the highest evaluation score. Details of the evaluation and bidder can be found in exempt Appendix 1 to the decision report.

## **3. Reasons for decision**

- 3.1 A procurement exercise has been undertaken, in accordance with the Council's Contract Procedure Rules, in preparation for the new insurance contract which commences on 1 July 2020. The contract is for a period of three years with the option to extend for two periods, each for a duration of two years. The Council appointed a broker in December 2019 to assist with the procurement which was undertaken via the YPO Insurance Dynamic Purchasing System (DPS). This was deemed the most effective and efficient route to market. The DPS contains 21 suppliers and all were invited to submit a bid.
- 3.2 With the support of the broker and YPO, a mini competition was issued through the DPS on 5 March 2020 with a closing date of 8 April 2020 to all 21 suppliers. The mini competition contained the following Lots:

- Lot 1: Material Damage
- Lot 2: Combined Liability
- Lot 3: Motor
- Lot 4: Crime
- Lot 5: Engineering
- Lot 6: Personal Accident and Travel

- 3.3 The procurement leaves the Council with two choices, either to award to the bidder with the highest evaluation score or not to award a contract at all. The second option is not realistic (the Council would be left without insurance) and therefore awarding a contract to the bidder with the highest evaluation score is recommended as the way forward.
- 3.4 As a result of the procurement exercise five insurers responded to the invitation to tender.
- 3.5 Bids were evaluated using the criteria stipulated in the invitation to tender which was based on 60% price and 40% quality with the quality criteria being broken down into Core Cover Requirements (20%), Claims Handling (15%) and Added Value (5%)
- 3.6 Further information about the results of the evaluation can be found in exempt Appendix 1 to the decision report.

## **4. Consultation**

- 4.1 The procurement approach was agreed with the Interim Director of Finance.
- 4.2 The Cabinet Member for Finance and Resources has been consulted in the preparation of this report.
- 4.3 This report is being taken under general exception arrangements set out in the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012. It is therefore necessary to give notice in writing to the Chairman of the relevant Overview and Scrutiny Committee, setting out why the decision cannot wait for the publication of the next Forward Plan and the passing of 28 days.
- 4.4 The purpose of the report is to award a contract for the provision of insurance cover for South Kesteven District Council. To wait until the next Forward Plan is published and the passing of 28 days means that there would be a period during which the Council would not

have insurance cover if any of the bidders challenged the selection of the appointed provider.

**5. Approval**



**Signed:**

**Leader of the Council**

27 May 2020

**Dated:**

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