



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

## Key Decision

18 June 2020

Councillor Kelham Cooke

The Leader of the Council



## Award of Insurance Contract

The Council's current insurance contract is due to expire on 30 June 2020. A procurement exercise has been undertaken in preparation for the new contract which commences on 1 July 2020.

### Report Author

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<b>Cabinet Member consulted</b>	Councillor Adam Stokes, Cabinet Member for Finance and Resources	12 May 2020
<b>Approved for circulation</b>	Councillor Kelham Cooke, the Leader of the Council	18 May 2020
<b>Public or Exempt</b>	Public	
<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	

### Recommendation to decision-maker

1. Approve the award of the Council's insurance contract to the bidder with the highest score (further details in exempt Appendix 1) 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.

## **1 The Purpose of the Report**

- 1.1 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.
- 1.2 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

## **2 Consultation and Feedback Received, Including Overview and Scrutiny**

- 2.1 The procurement approach was agreed with the Interim Director of Finance.
- 2.2 The Cabinet Member for Finance and Resources has been consulted in the preparation of this report.
- 2.3 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.
- 2.4 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.

## **3 Available Options Considered**

- 3.1 As a result of the procurement exercise five insurers responded to the invitation to tender.
- 3.2 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%).
- 3.3 Further information about the results of the evaluation can be found in exempt Appendix 1.

## **4 Preferred Option**

- 4.1 Upon completion of the evaluation, the Council is able to award a contract to the bidder with the highest evaluation score. Further details of the evaluation and the bidder can be found in exempt Appendix 1.

## **5 Reason for the Recommendation**

- 5.1 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.

## **6 Next Steps – Communication and Implementation of the Decision**

- 6.1 If the award is approved, the Council will send out notification of award letters to all bidders offering feedback and detailing the standstill period. Once the standstill period is ended the award can take place.

## **7 Financial Implications**

- 7.1 The Council's insurance contract has been tendered in accordance with the Contract Procedure Rules and the tenders have been evaluated by the Council's broker and officers involved in the procurement. Further information about the value of the bids can be found in exempt Appendix 1.

**Financial Implications reviewed by: Richard Wyles, Interim Director of Finance**

## **8 Legal and Governance Implications**

- 8.1 The contract is being let in accordance with the Council's own Contract Procedure Rules and with the legal requirements of the Public Contract Regulations 2015.

**Legal Implications reviewed by: Shelley Hardy, Legal Services**

## **9 Equality and Safeguarding implications**

- 9.1 None identified

## **10 Risk and mitigation**

- 10.1 The risk of the Council not having in place adequate insurance has been mitigated by the timely completion of a compliant procurement process.

## **11 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?**

- 11.1 This decision has no climate impact.

## **12 Appendices**

- 12.1 Appendix 1: Commercially confidential information regarding the bids and evaluation. This appendix 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.

Report Timeline:	Call-in deadline	3 June 2020
	Date decision effective (subject to call-in)	4 June 2020

<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 this 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>Decision made by:</b>	<i>Councillor Kelham Cooke, the Leader of the Council</i>
<b>In consultation with:</b>	<i>Karen Bradford, Chief Executive</i>