

REPORT TO: Cabinet Member Corporate Services

DATE: 9th December 2009

SUBJECT: Insurance Broker Contract

**WARDS
AFFECTED:** All

REPORT OF: Lynton Green
Senior Assistant Finance & Information Services Director

**CONTACT
OFFICER:** J Farrell V Swale
0151 934 4339 0151 934 4058

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To inform the Cabinet Member of expressions of interest from organisations who wish to be invited to tender for the provision of insurance broking services. To approve that the organisations which satisfy the qualification criteria will be invited to tender.

REASON WHY DECISION REQUIRED:

The Council's current Insurance Broker Contract expires on 31st March 2010. This report forms part of the process to ensure that a new facility is in place from 1st April 2010 which will allow the successfully appointed Brokers to ensure that Sefton's insurance portfolio is successfully renewed by 29th September 2010 when the current policies expire.

RECOMMENDATION(S):

It is recommended that all of the organisations who meet the criteria laid down in the Pre Qualification Questionnaire be invited to tender for the provision of insurance broking services to the Council with effect from 1st April 2010.

KEY DECISION: No

FORWARD PLAN: Not appropriate

IMPLEMENTATION DATE: Immediate

ALTERNATIVE OPTIONS:

There are no alternative options. The current contract expires on 31st March 2010 and there would be serious operational implications if a replacement broker contract was not in place.

IMPLICATIONS:

Budget/Policy Framework: None

Financial: There are no financial implications arising directly from this report. The tender process should ensure that the Council secures the most economically advantageous solution for these services

<u>CAPITAL EXPENDITURE</u>	2008/ 2009 £	2009/ 2010 £	2010/ 2011 £	2011/ 2012 £
Gross Increase in Capital Expenditure				
Funded by:				
Sefton Capital Resources				
Specific Capital Resources				
<u>REVENUE IMPLICATIONS</u>				
Gross Increase in Revenue Expenditure				
Funded by:				
Sefton funded Resources				
Funded from External Resources				
Does the External Funding have an expiry date? Y/N	When?			
How will the service be funded post expiry?				

Legal: None

Risk Assessment:

The tender process will ensure that the organisation appointed is of sufficient financial standing and with extensive technical expertise to safeguard the Council's interests.

Asset Management:

CONSULTATION UNDERTAKEN/VIEWS

None

CORPORATE OBJECTIVE MONITORING:

<u>Corporate Objective</u>		<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community		√	
2	Creating Safe Communities	√		
3	Jobs and Prosperity		√	
4	Improving Health and Well-Being		√	
5	Environmental Sustainability		√	
6	Creating Inclusive Communities		√	
7	Improving the Quality of Council Services and Strengthening local Democracy	√		
8	Children and Young People		√	

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

None

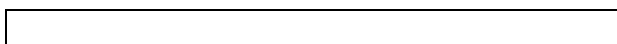
--

1. **Background**

- 1.1 The Council currently receives insurance broking services from Aon Limited under a contract which is due to expire on 31st March 2010.
- 1.2 Members are informed that expressions of interest have been received from organisations wishing to formally be invited to tender for the provision of the service when the current contract expires.
- 1.3 Advertisements were placed in appropriate publications, including the European Journal (OJEU) with a closing date of 11th December 2009.
- 1.4 In view of the limited number of companies capable of delivering the services and as all of the companies who qualify will be invited to tender, a request for “call in” to be waived (under Rule 17) has been submitted to the Chair of Overview and Scrutiny Committee (Performance and Corporate Services).

2. **Expressions of Interest**

- 2.1 A total of 9 organisations have expressed interest to date:-
 - Aon Limited
 - Marsh Limited
 - Jardine Lloyd Thompson
 - Heath Lambert
 - Griffiths & Armour Insurance Brokers
 - Berns Brett Limited
 - ACUMUS
 - Aldium
 - Tendering Authority 400
- 2.2 In submitting the requests, the organisations were informed that they must provide information by way of a Pre Qualification Questionnaire (PQQ). The information requested includes:-
 - a) A copy of their latest Statement of Accounts and Balance sheet
 - b) A list of local authorities for which they provide Broking Services
 - c) Confirmation that they are authorised by the Financial Services Authority within the UK or equivalent member state regulatory body.
 - d) Confirmation that they were members of BIBA (British Insurance Brokers Association) or equivalent member state regulatory body.
- 2.3 One of the larger organisations (Jardine Lloyd Thompson) has stated that they are unable to provide the services required by the Council and as such they will proceed no further.
- 2.4 It is anticipated that at least 4 of the other organisations will continue with their interest and will meet the necessary criteria.



3. Recommendation

- 3.1 It is recommended that all of the organisations who meet the criteria laid down in the PQQ be invited to tender for the provision of insurance broking services to the Council with effect from 1st April 2010.

