

STAFF REPORT: Finance & IT Services



REPORT TO: Council
MEETING DATE: December 16, 2013
REPORT NO.: FIT.13.64
SUBJECT: Award of Request for Proposal for 2014 General Insurance Program – 2013-34-P-FIT
PREPARED BY: Serena Wilgress, Manager of Purchasing & Risk Management

A. Recommendations

THAT Council receive Staff Report FIT.13.64, “Award of Request for Proposal for 2014 General Insurance Program – 2013-34-P-FIT”, and;

THAT Council appoint Jardine Lloyd Thompson Limited as the Town’s Broker of Record for the 2014 Insurance year at an estimated cost of \$240,214; and,

THAT Council authorize staff to proceed with an Insurance Program with liability coverage of \$50,000,000 at an additional cost of \$1,835; and,

THAT Council authorize the Mayor and Clerk to execute a Service Agreement with Jardine Lloyd Thompson Limited subject to the satisfaction of the Treasurer, CAO and Town Solicitor.

B. Background

In May 2013, the Town hired a consultant to assist in the review of its Insurance Program, develop coverage specifications, review and analyze the proposals and make a recommendation to the Town regarding a provider of choice.

The RFP document was released on October 9, 2013 and in total, 10 bidders requested the documents. Upon the closing date of November 7, 2013, four proposals were received.

1.	Jardine Lloyd Thompson Canada Inc	November 5, 2013
2.	Frank Cowan Company	November 7, 2013
3.	BFL Canada Risk and Insurance Services	November 6, 2013
4.	Aon Risk Solutions	November 7, 2013

The RFP document requested proponents to provide the following coverages:

- Property
- Boiler & Machinery
- Municipal Liability
- Municipal Conflict of Interest
- Legal Expense
- Errors and Omissions Liability
- Non-Owned Automobile
- Environmental Liability
- Crime
- Automobile Fleet
- Garage Automobile (optional)
- Councillor & Board Members Accident
- Volunteer Firefighter Accident
- Municipal User Group

All proponents can meet the Town's needs and provide the essential services and coverages as required in the RFP.

The Proposal asked proponents to provide a limit of liability protection of \$20,000,000 with optional limits of \$25M and \$50M. The deductibles are the same as our current insurance program however we also asked for optional pricing should the Town wish to increase any deductibles.

The Town's deductibles are as follows:

Municipal Liability	\$50,000
Errors & Omissions	\$50,000
Environmental	\$25,000
Wrongful Dismissal	\$5,000
Money & Securities	NIL
Building, Contents & Equipment	\$10,000
Machinery Breakdown	\$10,000
Fleet Physical Damage	NIL
Fleet Third Party	NIL
Fleet Direct Compensation	NIL

Town staff along with our consultant reviewed and evaluated the proposals and Jardine Lloyd Thompson (JLT) received the highest overall score based on Product, Services, Qualifications and Price. JLT's proposal submission offers the Town a significant savings over the 2013 premium along with increased coverage.

The premiums for 2014 would be \$240,214 for \$25,000,000 in Liability Coverage, a savings of over \$300,000 from 2013. Should the Town wish to increase the Liability Coverage to \$50M, there would be additional cost of \$1,835, for a final premium of \$242,049.

The term of the agreement as identified within the proposal is for an initial one year term, January 1, 2014 to January 1, 2015, with the option to renew for three (3) one year terms, each subsequent year based on satisfactory performance and service. Jardine Lloyd Thompson indicated in their proposal that they would hold their premium for 2015. On the Town's behalf, our consultant has been corresponding with JLT, which has resulted in us having confidence and assurance of policies being issued correctly and with coverage concerns resolved.

Following the approval of Council, Staff will meet with the awarded proponent to begin the transition to the new provider.

C. The Blue Mountains' Strategic Plan

Ensuring long-term financial sustainability

D. Environmental Impacts

n/a

E. Financial Impact

The reduced premium will provide estimated savings of \$304,495 over our 2013 premium, is broken down as follows:

2013 Premium			2014 Premium (25M)		Savings	2014 Premium (50M)		Savings
\$544,709	Taxation	\$ 354,061	\$ 240,214	\$ 156,139	\$ 197,922	\$ 242,049	\$ 157,332	\$ 196,729
	User Rates	\$ 87,153		\$ 38,434	\$ 48,719		\$ 38,728	\$ 48,426
	User Fees	\$ 103,495		\$ 45,641	\$ 57,854		\$ 45,989	\$ 57,505

F. In Consultation With

Robert Cummings, Director of Finance & IT Services
Troy Speck, CAO
David Finbow, Director, Planning & Building Services

G. Attached

none

Respectfully submitted,

Serena Wilgress

Serena Wilgress
Manager of Purchasing and Risk Management

Robert Cummings

Robert Cummings, CMA
Director of Finance & IT Services

For more information, please contact:

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By signing below, we (TPAC) approve of the recommendation as shown above.

Signed: **Troy Speck**
Troy Speck, CAO

Date: Dec 11/13

Signed: **Robert Cummings**
Robert Cummings,
Director Finance & IT Services

Date: Dec 9/13

Signed: **Serena Wilgress**
Serena Wilgress,
Manager of Purchasing & Risk Management

Date: Dec 9/13