

WIRRAL COUNCIL

CABINET

14 MARCH 2013

SUBJECT	PROPERTY AND PERSONAL ACCIDENT INSURANCE TENDER
WARD/S AFFECTED	ALL
REPORT OF	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the key dates for this procurement exercise and seeks Members permission to delegate authority for the award of these contracts to the Portfolio holder.

2. BACKGROUND AND KEY ISSUES

- 2.1. The Council's Property and Personal Accident Insurance contracts expire on 29 June 2013. Their value is such that the procurement of the new contracts must comply with public sector procurement legislation as well as the Council's standing orders.
- 2.2. The Invitation to Tender was issued on 26 February 2013. The final date for responses is 12 April 2013.
- 2.3. The intention being to evaluate the tender submissions during April and to submit a report to Cabinet in May 2013 with recommendations. However as the next Cabinet meeting will not now take place until 13 June 2013 it would be unwise to leave the award decision to then as the rules relating to the Alcatel standstill and internal call-in periods mean that it might not be possible to award the new contracts before the existing contracts expire. Furthermore it would leave no time for contract implementation or the issue of contract documentation.
- 2.4. Under the Council's Contract Procedure Rules the responsible Chief Officer is permitted to accept tenders and quotations up to £500,000 provided that this action is reported to the next meeting of the relevant Council Committee. The current annual expenditure on these contracts is approximately £413,000. However the new contract will be for a minimum of 3 years so the total value of the tender could be significantly above the threshold of my delegated authority.

- 2.5. To ensure that the new contracts can be awarded in time I am seeking Members agreement to a variation of the Contract Procedure Rules for these contracts and grant the Portfolio Lead the authority to accept the tenders. The outcome of the tender and the award of the contracts would be reported to the next Cabinet meeting.

3.0 RELEVANT RISKS

- 3.1 If authority is not delegated to the Portfolio lead and the decision is left to the Cabinet meeting on 13 June 2013 it might not be possible to award the new contracts until after the existing contracts had expired. In the interim period the Council would be uninsured.
- 3.2 If authority is delegated to the Portfolio Lead he might not have sufficient information on which to make an informed decision. This risk would be mitigated by producing a detailed report on the evaluation of the tenders with clear recommendations.
- 3.3 There is also a risk that the annual value of the tenders could be even greater than current expenditure. However this risk is low given the Council's good loss history and the fact that prices in the UK insurance market remain broadly stable.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 The possibility of extending the existing contracts was considered. However it has been established that this will not be possible.

5.0 CONSULTATION

- 5.1 No other consultation has been undertaken in respect of this matter.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are no direct implications for these groups

7.0 RESOURCE IMPLICATIONS

- 7.1. The value of the existing contracts is approximately £413,000 per year. The tender includes options for amending to cover to reduce future premium expenditure.
- 7.2. There are no direct staffing, IT or asset implications.

8.0 LEGAL IMPLICATIONS

- 8.1 There are no direct implications arising from this report

9.0 EQUALITIES IMPLICATIONS

9.1 There are no direct implications arising from this report

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no direct implications arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no direct implications arising from this report

12. RECOMMENDATION

12.1 That the Portfolio Lead is granted the authority to accept the tenders.

13. REASONS FOR RECOMMENDATION

13.1 To mitigate the risk that the Council might be unable to award the new contracts before the existing contracts expire.

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SUBJECT HISTORY

Council Meeting	Date