

Request for Decision City Council



Type of Decision

Meeting Date	October 27, 2005				Report Date	October 19, 2005			
Decision Requested	<input checked="" type="checkbox"/>	Yes		No	Priority	<input checked="" type="checkbox"/>	High		Low
	Direction Only				Type of Meeting	<input checked="" type="checkbox"/>	Open		Closed

Report Title

Contract CPS05-11
Request for Proposal for Insurance Brokerage and Related Services

Policy Implication + Budget Impact

☒ This report and recommendation(s) have been reviewed by the Finance Division and the funding source has been identified.

The annual funding for this service is provided in the operating budget.

This certifies that this future commitment is within the Annual Repayment Limit for the City of Greater Sudbury as re-calculated

L. Hayes
Chief Financial Officer/Treasurer

☒ Background Attached

Recommendation

THAT Council authorize the execution of an agreement with Canada Brokerlink for the provision of Insurance Broker Services for the City of Greater Sudbury from January 1, 2006 for a three-year period up to and including December 31, 2008, subject to a satisfactory annual performance appraisal and service audit, and execution of a Broker Services Agreement in the amount of \$250,625 for the three year period (exclusive of applicable taxes); and

THAT the Treasurer be authorized to negotiate an extension of the agreement for a fourth or fifth year, subject to a satisfactory annual performance appraisal and service audit, and satisfactory negotiation of fees for services.

Recommendation Continued

Recommended by the Department Head

Lorella Hayes
Chief Financial Officer / Treasurer

Recommended by the C.A.O.

Mark Mieto
Chief Administrative Officer

Date: October 19, 2005

Report Prepared By

Dion Dumontelle
Acting Co-Ordinator of Capital Budget & Risk Management

Division Review

John Van de Rydt
Acting Co-Ordinator of General Accounting

BACKGROUND

The City of Greater Sudbury needs an insurance broker to:

- provide advice and guidance with respect to corporate insurance requirements;
- provide specific recommendations on policies and coverage;
- provide marketing and placement of insurance policies; and
- provide risk management services as required

The insurance broker firm acts for the City to market and place municipal and commercial insurance and assist the City with related risk management services.

The City has retained the services of Canada Brokerlink in a similar capacity since 2001 with excellent service having been provided.

Request for Proposals

Through Supplies and Services Division, a Request for Proposals (RFP) for Insurance Broker Services was issued early in September of 2005. The RFP included an extensive listing of Mandatory Eligibility Criteria as well as a detailed scope of work.

In order to open up this RFP process to as many local parties as possible, staff met with the local Sudbury Brokers Association prior to its issuance. Information was shared at these meetings and input from attending Association members was used in the development of the RFP. RFP material from other municipalities was also reviewed for consideration.

In addition, an Evaluation Weighting System was also developed, as follows:

- | | |
|--|-----------|
| • Experience of Firm | 20 points |
| • Experience of Lead Broker | 25 points |
| • Experience of Personnel | 10 points |
| • Proponent's suggested approach to task | 20 points |
| • Cost of Services | 25 points |

After the RFP was issued and sent to local insurance brokers, an open meeting was called to review the RFP content. The intent was to clearly answer questions and explain the scope of work as well as the evaluation process.

Date: October 19, 2005

Evaluation of Proposals

The two firms who submitted proposals were Canada Brokerlink Inc. and Nexus Canada Inc. The proposals were scored and ranked, based on the Evaluation Weighting System described earlier. The scoring was relatively close in all but one area, as both firms are well respected in their profession and have demonstrated their abilities and experience. However there was a substantial difference in pricing, with the recommended firm being almost fifty percent (50%) less than the other.

Summary

The recommendation is that an agreement be executed with Canada Brokerlink for the following amounts:

2006 - \$79,500

2007 - \$83,475

2008 - \$87,650

(exclusive of applicable taxes) for a total of \$250,625 for the three year period.

There is every confidence that Canada Brokerlink will provide the City of Greater Sudbury and its citizens with excellent service in a cost effective manner.