

FORM 1

NOTICE OF DELEGATION OF DECISION TO CABINET MEMBER BY STRONG LEADER

Section 15(4) of the Local Government Act 2000, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1st December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

I, Cllr Marcus Hart, as Strong Leader, delegate the decision regarding recommissioning Insurance coverage and associated services using the Midlands District Council Insurance Consortium to the Cabinet Member detailed below:

Cabinet Member for Finance and Capital Portfolio

Dated: 17th April 2024

Signed: *M. J. Hart*

Leader of the Council

FORM 2

NOTICE OF DECISION OF CABINET MEMBER

Pursuant Section 15(4) of the Local Government Act 2000, as amended by section 63 of the Local Government and Public Involvement in Health Act 2007, the senior executive member may discharge any of the functions that are the responsibility of the Cabinet or may arrange for them to be discharged by another member of the Cabinet or Officer. On 1st December 2010, the Council adopted the Strong Leader Model for Corporate Governance 2011 as required under Part 3 of The Local Government and Public Involvement in Health Act 2007 (The 2007 Act).

In accordance with the authority delegated to me by the Leader, I have made the following decision:

Subject	Decision	Reason for decision	Date for Decision to be taken
Provision of Insurance Services to the Council	To approve the recommissioning of Insurance coverage and associated services using the Midlands District Council Insurance Consortium including the evaluation model and to delegates authority to the Head of Resources, in consultation with the Solicitor to the Council and the Cabinet Member for Finance and Capital Portfolio to agree the appointment of a new contractor to deliver Insurance coverage and associated services and to award the contract to the successful provider(s) for Insurance across the Consortium	To provide formal agreement to the consortium-based procurement process for the Council's Insurance coverage and associated services, to grant delegated authority to the Head of Resources in consultation with the Cabinet Member for Finance and Capital Portfolio to progress the detail of this exercise including making decisions on and the final award of the Insurance Services contracts, and to comply with contract procedure rules.	17 th April 2024

I confirm that the appropriate statutory officer consultation has taken place with regard to this decision.

FORM 2

Dated: 17th April 2024

A handwritten signature in black ink that reads "D. Ross". The signature is written in a cursive style with a large, stylized 'D' and 'R'.

Signed:

Councillor: David Ross
Cabinet Member for Finance and Capital Portfolio

WYRE FOREST DISTRICT COUNCIL

STRONG LEADER APPROVAL

17TH APRIL 2024

Provision of Insurance Services to the Council

Open	
CABINET MEMBER:	Cllr David Ross, Cabinet Member for Finance and Capital Portfolio
RESPONSIBLE OFFICER	Head of Resources and s151 Officer
CONTACT OFFICER:	Helen Ogram helen.ogram@wyreforestdc.gov.uk
APPENDICES:	Appendix 1 – Award Criteria and Tender evaluation

1. PURPOSE OF REPORT

- 1.1 Approval of the Cabinet is required by the Contract Procedure Rules to enter into a procurement exercise where the value of the purchase is over £175,000.
- 1.2 The purpose of this report is to seek formal agreement to the consortium-based procurement process for the Council's Insurance coverage and associated services (excluding insurance broker services) and to grant delegated authority to the Head of Resources in consultation with the Cabinet Member for Finance and Capital Portfolio to progress the detail of this exercise including making decisions on and the final award of the Insurance Services contracts.

2. RECOMMENDATION

- 2.1 That the Leader:
 - 2.1 **Gives approval to the recommissioning of Insurance coverage and associated services using the Midlands District Council Insurance Consortium including the evaluation model in appendix 1;**
 - 2.2. **delegates authority to the Head of Resources, in consultation with the Solicitor to the Council and the Cabinet Member for Finance and Capital Portfolio to agree the appointment of a new contractor to deliver Insurance coverage and associated Services and to award the contract to the successful provider(s) for Insurance across the Consortium.**

3. BACKGROUND

- 3.1 The Council's current Insurance services provider is the Zurich Municipal plc. The initial contract for these services was awarded following a collaborative competition process involving a number of neighbouring District Councils. The current contract

commenced on the 1st July 2019, for an initial period of 3 years, but was extended by 2 years to a 5 year contract period that is due to expire at the end of June 2024.

- 3.2 Wyre Forest DC is leading this procurement exercise on behalf of all 6 Councils (see section 3.4 below). Gallaghers have been engaged to act on behalf of the Midlands District Council Insurance Consortium at a total cost of £9,995 for procurement support to be split between the participating Councils.
- 3.3 Gallagher's have been engaged on behalf of the 6 District Councils working in collaboration in an exercise designed to minimise their respective insurance premiums whilst providing appropriate cover for the risks encountered by each member council.
- 3.4 The insurance arrangements for WFDC and up to five more District Councils have been set out and benchmarked to ascertain their target premium. It is against this target that the returns will be evaluated.

The participating Councils are:

- High Peak DC
- Malvern Hills DC
- Staffordshire Moorlands DC
- Worcester City
- Wychavon DC
- Wyre Forest DC

- 3.5 The Consortium first tendered insurance in 2009. The collaboration produced premium savings through a joint procurement exercise. This was repeated in 2014, which also produced premium savings, however at that point the relationships within the group had become more established to the point where more fundamental collaboration options could be considered. For the tender in 2019, the Consortium decided to explore, alongside traditional local authority insurance placement, a "risk pooling" approach. For the 2024 procurement, the Consortium is looking only for a market led programme. Confirmation of the membership of the Consortium is now confirmed, allowing formal authorisation for the procurement to be sought.
- 3.6 Delegated authority is sought to progress the detail of this exercise including making decisions on and the final award of the Insurance Services contracts, as this needs to be done promptly to provide sufficient timeframe from award to inception of the new contract.

4. KEY ISSUES

- 4.1 The appointment will be by way of competitive Tender via the YPO Insurance Placement 978 framework, based on the requirements and Specification within the tender documents and is being conducted using e-procurement portal, ProContract Due-North.
- 4.2 Insurer quotations are to be provided on the basis of the expiring covers for each authority, adjusted following pre-tender discussions with Gallaghers, where appropriate, to result in financial savings and operational efficiency, with a limited range of additional and optional quotations.

- 4.3 The procurement will ensure that the tender evaluation process (see Appendix 1) assesses tenders against the contract award criteria on the basis of the best option for the consortium as a whole.
- 4.4 The estimated annual value of the contract for the WFDC insurance is in the region of £340,000 per annum and therefore the overall value of the contract over the maximum 7 year period exceeds the public procurement threshold and requires that the contract is subject to a full procurement process under UK regulations governing public contracts.
- 4.5 The new contract will be for 3 years with the option to extend for two further two year periods, maximum term of 7 years.
- 4.6 The Insurance tender will be produced incorporating all 6 District/Borough Councils within the Group. The Timetable is shown in paragraph 4.7.

The Specification and Tender is broken down into the following 7 Lots:

- Lot 1 – Property (general and housing)
- Lot 2 – Industrial and Commercial
- Lot 3 – Leasehold Housing
- Lot 4 – Casualty & Crime
- Lot 5 – Motor Fleet
- Lot 6 – Personal Accident
- Lot 7 – Engineering Inspection and Insurance

4.7 The tender timetable is as follows:

Tender to be made available to Tenderers by the Contracting Authority	14 th March 2024
Deadline for receipt of tenderer enquiries	17 th April 2024
Deadline for Contracting Authority responses to tenderer enquiries	24 th April 2024
Closing date and time for receipt by the Contracting Authority of Tenderer Responses	10 th May 2024
Completion of Evaluation of Tender Responses and /clarification as appropriate	27 th May 2024
Intention to Award Letters issued to all Tenderers	By 10 th June 2024
Expiry of standstill period	By 19 th June 2024
Contract award to successful Provider. Notification to unsuccessful Tenderers	By 20 th June 2024

- 4.8 The detailed award criteria and evaluation model have been agreed by the Consortium and is set out in Appendix 1.
- 4.9 A change in Insurers could in itself create an extra workload for the Finance section at the point of transfer. This extra workload may have to be resourced in order that new systems and working practices are put into practice.

6. FINANCIAL IMPLICATIONS

- 6.1 The Council's current combined annual budget for Insurance Services is circa £340,000 per annum. For the proposed maximum 7 year contract this gives an estimated value of £2.3m over the potential period of the contract.
- 6.2 It is expected that the cost of engaging Gallagher's to assist with this procurement process (see section 3.2) will be covered by minimising the insurance increases that the Council would otherwise have to carry if it were to tender as an individual Council.
- 6.3 Gallagher's has advised that in 2019 the market was soft and the group benefited from reduced premiums and made significant savings overall. Since then, premiums and rates have inched up. Their analysis suggests that the current hard market is coming to an end, so the timing of the procurement is optimal and they are anticipating a competitive tender exercise. The final decision will be subject to normal Contract Procedure rules and reported to Members.

7. LEGAL AND POLICY IMPLICATIONS

- 7.1 As stated in the Council's Contracts Procedure Rules Cabinet Approval is sought for procurements where the value of the purchase is estimated to be in excess of £175,000.
- 7.3 The successful tender submission will be required to enter into a formal contract prepared by the Solicitor to the Council. WFDC will reserve its right to act independently to the Consortium, contracting separately from the other members of the Consortium in order that it may optimise its own position.

8. RISK MANAGEMENT

- 8.1 The Council must fully evaluate tender submissions to ensure that they are capable of delivering upon the contract; the joint approach to this tender process should mitigate risk.
- 8.2 The choice of the Council's Insurers is intrinsically linked to the Risk Management Policy and risk must be mitigated to ensure this process is properly managed.

- 8.3 The time-frame for this tender is quite tight and must be carefully managed to ensure that revised insurances are in place for July 2024.

9. IMPACT ASSESSMENTS

- 9.1 This is a financial report and there is no requirement to consider an Equality, Climate Change or Health and Wellbeing Impact Assessment.

10. CONCLUSION

- 10.1 The Council is required to tender for the provision of Insurance coverage and associated services. The tender is for a period of up to 7 years up until 31/06/2031 comprising an initial 3 year agreement with scope to extend for two further periods of 2 years.
- 10.2 Given the value of the contract a full procurement exercise in accordance with UK Public Contract Procurement Regulations is being undertaken using the expertise of Gallagher's in close liaison with Council officers.

11. CONSULTEES

- 11.1 Cabinet Member for Finance and Capital Portfolio
11.2 CLT
11.5 Procurement Officer
11.6 The Midlands District Council Consortium

12. BACKGROUND PAPERS

- 12.1 None

Section 3 Paragraph 5 of Invitation to Tender - Award Criteria

All Lots will have a generic performance criterion, as set out below. Some lots will have a specific performance criteria requirement as detailed in **5.1, 5.3, 5.5 and 5.7** below. The generic performance criteria will be evaluated once and applied to all the Lots that the Tenderer is bidding for as per the weighting set out in **5.2, 5.4 and 5.6 (where applicable)**.

Tenderers will also be required to respond to any specific Lot requirements. These will also be evaluated as per the weightings set out in Section 5.

5.1 Sub-Criteria 1.1 – Compliance with the Insurance Specification

The Consortium has detailed within **Part 1 – Section 3** for each Lot, the Technical Cover Specification which is required by the group. Tenderers are expected to provide for all limits, perils, deductibles, extensions, and terms requested in this tender and specifically whether they are unable provide the extensions required or have alternative limits.

5.2 Sub Criteria 2.1 – Standard Service Delivery (Applies to ALL Lots)

The Consortium expects a high level of performance from the provider for each Lot and Tenderers are required to work with the Consortium to maintain a high quality, professional and efficient service for all aspects of the services and products requested in this Tender.

The Insurance provider is asked to provide a proposal on how Service is to be delivered, providing a detailed response to each point and sub-point as below.

- a) Insurance providers are required to provide the Consortium with written confirmation that the tenderer will indicate whether the long-term Agreement (LTA) will be broken at least 90 days prior to each renewal date, together with authenticated loss experience, in a format required by the Consortium.
- b) Insurance providers are required to,
 - (i) Issue policy documentation to the Consortium members within 30 days of the inception date.
 - (ii) Respond to written enquiries within five working days. If a comprehensive reply cannot be made, then a holding response must be provided giving a timescale by which the insurance provider expects to respond fully.
 - (iii) Respond to telephone enquiries within 24 hours.
 - (iv) All schedules, documentation, and communication to be performed by electronic means only.
- c) A suitably qualified and experienced team is to be put in place to provide the service specific to this LOT, which will be evidenced by their Qualifications, Experience of the District and Borough Councils that they currently work upon.
- d) The Provider will be expected to attend regular review monitoring meetings with the Consortium members to discuss matters such as service, performance, claims and risk management and anything that may be relevant from time to time. The Provider will be expected to minute the meeting and issue those minutes within five working days.

5.3 Sub Criteria 2.2 – Lot Specific Service Delivery (Lot 7 Only)

- a) A suitably qualified and experienced team is to be put in place to provide the service specific to this LOT including assurance of a competent and capable workforce with relevant industry accreditation.

- b) The provider is expected to provide information in relation to this Lot for the delivery of the inspection service as follows,
 - (i) Provision of a portal or e-system for the handling and processing of inspection reports and management information, to include training and support for relevant staff.
 - (ii) Provide a robust process for following up missing items/items not available at time of inspection.
 - (iii) Provide a robust process for dealing with items that fail an inspection marked up accordingly as not to be used and communicated to appropriate staff without delay.
 - (iv) reporting of the above (ii and iii) (i.e., electronic/paper and to whom),
 - (v) All reports should be electronic, and Provider's listings should then be provided electronically on request to allow records to be maintained by the Consortium.
- c) The provider is expected to provide evidence of competence and a robust quality audit programme.
- d) The provider is expected to provide evidence of a continued staff development programme.
- e) The provider is expected to provide evidence of the policies and procedures which underpin both the quality of the work and the safety and wellbeing of their Employees and customers.

5.4 Sub Criteria 3.1 – Standard Claims Service (Applies to ALL Lots)

The insurance provider is asked to provide information on how claims will be managed.

- a) The Consortium expects its insurance Provider to manage claims effectively including.
 - (i) Information about how claims will be managed, and the methodology used in reserving and proactively managing each loss from beginning to settlement.
 - (ii) clear referral lines according to complexity of claim
 - (iii) a reserving strategy supported by a communication process for the Consortium member.
 - (iv) an effective Diary management system ensuring all claims are reviewed regularly and closed at the appropriate time.
- b) The Consortium expects the Provider to be able to provide comprehensive and detailed Management information to support the claims and risk management process. Please detail your management information capabilities in respect of claims for this Lot including any systems that are used to assist the Consortium in managing claims such as web-based reporting systems.

5.5 Sub Criteria 3.2 – Lot Specific Claim Requirements

For Lot 1 – Property (General and Housing) and Lot 2 – Industrial and Commercial

- a) It is required that these LOTS will have access to major loss capability in the event of such an incident. Please provide details of your major loss capabilities and how the Consortium member will be supported in the event of such an incident.
- b) Please provide a recent relevant example of how your major loss capability has enhanced and supported your client of a similar type through the journey.

For Lot 3 – Leasehold Housing

- a) It is a requirement of this Lot that claims will be reported and managed directly with the leaseholders. You are required to provide your service details in relation to how direct deal claims handling is implemented with the Consortium member and how this managed with the leaseholders.

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- b) For this Lot, please provide details of how regular claims monitoring will be undertaken with the Consortium member given they will not be dealing directly with leaseholders claims.
- c) It is required that this Lot will have access to major loss capability in the event of such an incident. Please provide an example of your major loss capability and how the Leaseholder and the Consortium member was supported during the and after the incident.
- d) Please provide evidence of the network of partners (Heating and Ventilation Building, Glass Replacement and Electrical) that are required to provide the 24/7 service; including how the quality of their work is monitored, reviewed and where necessary made subject to an improvement plan.

For Lot 4 – Casualty & Crime

- a) It is required that this LOT will have access to a specialised catastrophic injury team in the event of such an incident to either employees or other potential claimants. Please provide details of your capabilities in this area and how the Consortium member will be supported in these circumstances.
- b) The Consortium members rarely have large Casualty losses. However, in the event this may occur, you are required to provide an example of how you will support a claimant in the event of a catastrophic injury loss ensuring that the loss is managed in a fair, robust yet proactive manner whilst mitigating the potential loss.

For Lot 5 – Motor Fleet

- a) The Consortium members do not have large fleets, however you are required to demonstrate how you pro-actively manage third party losses, what interaction is required from the Consortium member and how third party communication will be managed, how you will mitigate the potential for increased third party claim costs, such as damage repair, alternative vehicle use and low level soft tissue injury, such as whiplash.
- b) The Consortium members are increasing their reliance on Battery Electric Vehicles (BEV's). Please detail how a Battery Electric Vehicle damage claim will be managed using an example for a similar client, which ensures repairs are conducted effectively whilst reducing vehicle downtime and damage repair costs along with limiting the likelihood of beyond economical repair.
- c) How can you support the Consortium members using their own local repairers for specific vehicles due to the nature of the vehicles instead of approved repairers?

For Lot 6 – Personal Accident

- a) The Consortium requires the Provider to provide details regarding access to specific claims services abroad ensuring the Consortium employees can access expert assistance in the event of a claim.
- b) The Consortium requires the Provider to detail how it can support them whilst planning and travelling abroad, such as emergency services for medical, security and other facilities, ensuring the safe travel and management of staff.

5.6 Sub Criteria 4.1 – Standard Added Value and Risk Management Requirements (Applies to Lots 1 - 5)

The Consortium recognises that Providers can offer additional services to assist in the performance of this contract and the overall management of risk.

- a) Please detail how you can support the Consortium with Risk Management support, this may include access to risk information, bulletins, customer forums and learning opportunities as examples.

5.7 Sub Criteria 4.2 – Lot Specific Added Value and Risk Management Requirements

For Lot 1 – Property (General and Housing) and Lot 2 – Industrial and Commercial

- a) Please detail how you would propose to support the Consortium members in protecting its assets and reduce the likelihood and severity of potential that may affect them.

- b) You are asked to demonstrate your risk management capabilities relevant to clients of this type and size and detail services that can be provided that will provide a tangible improvement to their risks.

For Lot 4 – Casualty & Crime

- a) Please demonstrate how you would propose to support the Consortium members in managing its liability risks. Your response should demonstrate how you can help the Consortium member identify the primary liability risks for a client of this type and what services and support may be available to them.
- b) You are asked to demonstrate your risk management capabilities relevant to clients of this type and size and detail services that can be provided that will provide a tangible improvement to their risks.

For Lot 5 – Motor Fleet

- a) Please demonstrate how you would propose to support the Consortium members in managing its motor fleet risks, tailoring your response to a client of this type and size. Your response should provide an example of how you can support the Consortium member identify the primary motor fleet risks, which may include driver related risks, document, and compliance management, along with vehicle management and monitoring.

Section 5 – Evaluation

Section 5 – Evaluation

1 Results of Tendering

An evaluation team will consider all Tenders correctly submitted and will select one with a view to reaching a contractual agreement subject to clarification of any outstanding matters. When the final decision on the results of the Invitation to Tender has been taken all Tenderers will be informed in writing via the ProContract Due North portal whether they have been successful. No other information shall be given on the progress of the Tender.

The Contracting Authority will award the contract(s) based on the Most Economically Advantageous Tender.

The Contracting Authority reserves the right to not award the contract.

Evaluation Process

Stage 1: Initial screening

Each bid will be subject to an initial screening assessment to confirm that the response has been submitted on time, completed correctly and is materially complete. Responses that are not complete or which are non-compliant with the requirements may be rejected at this stage.

At this stage, the mandatory Selection Questionnaire (**Section 3 of Part 2**) submitted as part of the Tender Response will be reviewed. Responses that are not complete or which are non-compliant with the requirements may be rejected at this stage. Responses which do not meet requirements in terms of the criteria set may also be rejected at this stage.

Stage 2: Quality evaluation:

Responses that are successful following the initial screening assessment will be subject to a detailed evaluation in accordance with the award criteria and the evaluation methodology set out in this Part of the ITT.

Quality evaluation will represent % of the final evaluation mark as detailed in the tables following this **Section**.

Stage 3: Cost evaluation

The Cost to be used will be the total Premium over the first three-year period of the contract. If rates under your bid increase automatically at each or any renewal within this period, your bid price will be inflated to account for the impact of indexation. The Retail Price Index at the time the tender is published will be used as the inflationary index.

For the avoidance of doubt Premium will include Insurance Premium (including Commission of any type), Insurance Premium Tax, Claims Handling charges and Risk Management bursaries payable by or to the Contracting Authority or Councils as part of your offering.

Cost evaluation will represent the proportion stated as a % of the final evaluation mark as detailed in the tables following this **Section**.

Evaluation of Tenders

All Tenders will be evaluated against weighted criteria. See below Table 1 showing the detailed evaluation criteria and weighting.

Assessment of Financial Standing

In line with the Contracting Authority's Contract Procedure Rules, the Contracting Authority reserves the right to assess the Financial Standing on the successful bidder prior to awarding the contract. Should the Contracting Authority not be satisfied that the financial standing of the bidder is sufficient to meet the risks of the contract, the bidder may be rejected.

Evaluation of Quality Criteria

All Tenders will be evaluated against the sub-quality criteria noted in the Tables below, with full details available in **Part 2 – Section 2**. Tenderers are required to submit their quality submissions by completing the relevant sections in **Part 2 – Section 2 - Response to Quality Criteria**.

The following Tables below illustrate how responses to the specification and quality criteria will be assessed for each sub-criteria in the performance requirement.

For Compliance with the Specification

Assessment	Score	Interpretation
Excellent	5	The bid provides cover to all the requirements laid out in the core cover part of the Invitation to Tender. Exclusions or conditions do not limit coverage.
Good	4	The bid provides cover to most of the requirements laid out in the core cover part of the Invitation to Tender. Exclusions or conditions are market norm but have minimal impact on coverage
Adequate	3	The bid provides cover to some of the requirements laid out in the core cover part of the Invitation to Tender. Exclusions or conditions have limited impact on coverage above market norm
Minor Reservations	2	The bid provides cover too few of the requirements laid out in the core cover part of the Invitation to Tender. Exclusions or conditions limit the cover applied. Such Exclusions or Conditions are not market norm and have a significant impact on coverage.
Serious Reservations	1	The bid provides cover to a minor requirement laid out in the core cover part of the Invitation to Tender. Exclusions or conditions limit the cover applied. Such Exclusions or Conditions are not market norm, and they render cover ineffective.
Unacceptable	0	The bid does not meet the requirements laid out in the core cover part of the Invitation to Tender. Exclusions or conditions significantly limit the cover applied to a degree that is unacceptable to the Contracting Authority.

For Service Delivery, Claims Handling and Added Value

Assessment	Score	Interpretation
Excellent	5	An excellent demonstration by the bidder of a relevant understanding of the Contracting Authority's requirements and has proposed resourcing and/or quality measures that will lead to the services being provided to a standard that exceeds expectations. Response identifies factors that will offer an excellent service.
Good	4	A good demonstration by the bidder of a relevant understanding of the Contracting Authority's requirements and has proposed resourcing and/or quality measures that will lead to the services being provided to a good standard. Response identifies factors that will offer a good service.
Adequate	3	An adequate demonstration by the bidder of a relevant understanding of the Contracting Authority's requirements and has proposed resourcing and/or quality measures that will lead to the services being provided to an adequate standard. Response identifies factors that will offer an adequate service.
Minor Reservations	2	Some minor reservations, in that the bidder fails to demonstrate in some areas either a relevant understanding of the Contracting Authority's requirements, or that the proposed resourcing and/or quality measures will lead to the services not being provided to an adequate standard.
Serious Reservations	1	Considerable reservations, in that the bidder fails to demonstrate in most areas either a relevant understanding of the Contracting Authority's requirements, or that the proposed resourcing and/or quality measures will lead to the services not being provided to an adequate standard.
Unacceptable	0	No evidence provided by the bidder and/or insufficient information to demonstrate that the Bidder has relevant understanding of the Contracting Authority's requirements, or that the proposed resourcing and/or quality measures will lead to the services not being provided to an adequate standard.

The evaluation process will consider all relevant submitted evidence and written information provided by each Tenderer, in relation to the specific requirements as set out within this ITT and the supporting documentation.

Each question for quality will be assessed by an Evaluation Panel. The Panel will agree a single overall score out of five. This score will be multiplied by the weighting for that question (as set out in Tables below) to give a weighted score. The following formula will be used to calculate weighted scores:

$$\text{Weighted Quality Score} = \frac{\text{Awarded Score}}{\text{Maximum Score}} \times \text{Weighting}$$

At the sole discretion of the Consortium, Tenderer's may be invited to present their proposals at a clarification meeting and demonstrate details of their submission. The meeting may be used to validate the provisional scores for the Tenderer's written submissions in relation to quality and technical merit. The Consortium's tender Evaluation Panel may therefore reduce a Tenderer's provisional score for their written submissions in relation to

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quality and technical merit where the meeting indicates that a Tenderer's provisional score based on their written submission cannot be justified. Conversely, the Evaluation Panel may increase a Tenderer's provisional score where it considers their written submissions in relation to quality and technical merit did not sufficiently reflect the quality and/or technical merit of their actual delivery proposals for the Contract.

NB: The Contracting Authority reserves the right to disqualify a bid where the evaluated score for Compliance with Specification is a 0 or 1. If a score of 0 or 1 is achieved in this section the Contracting Authority may not evaluate the remainder of the bid for that Lot.

The Providers bids for other Lots will continue to be evaluated in accordance with the rules of this document.

Evaluation of Pricing

The Contracting Authority will consider the cost of premium, IPT, (the cost of losses within deductibles and aggregate stop limits (where applicable), cost of claims handling (if priced separately), and terms for payment when selecting insurers.

Pricing is evaluated using the Standard Differential Model. For example, the Tenderer with the lowest tender price will score the maximum score **defined in each lot weighting below**. The other tenders will be scored pro rata as a percentage of their tender sum compared with the lowest tender.

$$\text{Weighted Price Score} = \frac{\text{Lowest Submitted Total Price}}{\text{Tenderer's Submitted Total Price}} \times \text{Weighting}$$

Tenderers are required to submit their pricing submission(s) by completing the relevant sections in **Part 3 – Pricing Schedule**.

Lot 1 - Property: Evaluation Criteria and Weightings

Section	Weighting
Price	40%
Quality, in the following sections,	60%
- 1.1 Compliance with Specification	- 25%
- 2.1 Service Delivery	- 10%
- 3.1 Claims Service	- 5%
- 3.2 Lot Specific Claim Service	- 10%
- 4.1 Risk Management	- 5%
- 4.2 Lot Specific Risk Management	- 5%

Lot 2 – Industrial and Commercial: Evaluation Criteria and Weightings

Section	Weighting
Price	40%
Quality, in the following sections,	60%

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- 1.1 Compliance with Specification	- 25%
- 2.1 Service Delivery	- 10%
- 3.1 Claims Service	- 5%
- 3.2 Lot Specific Claim Service	- 10%
- 4.1 Risk Management	- 5%
- 4.2 Lot Specific Risk Management	- 5%

Lot 3 – Leasehold Right to Buy: Evaluation Criteria and Weightings

Section	Weighting
Price	45%
Quality, in the following sections,	55%
- 1.1 Compliance with Specification	- 25%
- 2.1 Service Delivery	- 10%
- 3.1 Claims Service	- 5%
- 3.2 Lot Specific Claim Service	- 10%
- 4.1 Risk Management	- 5%

Lot 4 – Casualty and Crime: Evaluation Criteria and Weightings

Section	Weighting
Price	40%
Quality, in the following sections,	60%
- 1.1 Compliance with Specification	- 25%
- 2.1 Service Delivery	- 10%
- 3.1 Claims Service	- 5%
- 3.2 Lot Specific Claim Service	- 10%
- 4.1 Risk Management	- 5%
- 4.2 Lot Specific Risk Management	- 5%

Lot 5 - Motor: Evaluation Criteria and Weightings

Section	Weighting
Price	40%
Quality, in the following sections,	60%
- 1.1 Compliance with Specification	- 25%
- 2.1 Service Delivery	- 10%
- 3.1 Claims Service	- 5%
- 3.2 Lot Specific Claim Service	- 10%
- 4.1 Risk Management	- 5%
- 4.2 Lot Specific Risk Management	- 5%

Lot 6 – Personal Accident and Travel: Evaluation Criteria and Weightings

Section	Weighting
Price	50%
Quality, in the following sections,	50%
- 1.1 Compliance with Specification	- 25%
- 2.1 Service Delivery	- 10%
- 3.1 Claims Service	- 5%
- 3.2 Lot Specific Claims Service	- 10%

Lot 7 – Engineering Insurance and Inspection: Evaluation Criteria and Weightings

Section	Weighting
Price	50%
Quality, in the following sections,	50%
- 1.1 Compliance with Specification	- 10%
- 2.1 Service Delivery	- 10%
- 2.2 Lot Specific Service Delivery	- 25%
- 3.1 Claims Service	- 5%

