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**MEMORANDUM**

**CL-C 25-2020**

**Subject:** Update regarding RFP for Insurance and Risk Management Services

**Date:** Thursday, June 4, 2020

**To:** Regional Council

**From:** Donna Pasto, Risk Management Program Manager

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The purpose of this Memo is to update Council regarding the insurance RFP further to CSD 16-2020 dated March 11, 2020 - Procurement Process for Insurance and Risk Management Services RFP Report (attached as Appendix 1).

Since the Report in March, Staff conducted a competitive procurement process for the services of an insurance Subject Matter Expert to assist with the RFP process and retained Susan Saksida of Cameron & Associates (SME). The RFP is in the process of being finalized and is on track to be issued June 11, 2020.

With regard to the evaluation approach for the financial component of the RFP, in accordance with advice from the SME, the award of the three year contract term will be based on an evaluation of the proposed first year premium price only. Bidders will not be requested to provide fixed pricing for years two and three. Based on advice from the SME, seeking fixed pricing for all 3 years in advance is not feasible in the current market and may result in no bids being received. Consistent with this advice, in CSD 16-2020, at page 2, Staff previously noted a number of factors affecting the current condition of the municipal insurance market and now there is the added impact of the COVID-19 pandemic which is still unknown.

Proceeding on this basis, following award, the premium price for years two and three will be provided by the Successful Proponent prior to the commencement of each year as part of the annual process of renewing insurance coverage based upon the factors of experience, updated underwriting data (eg. property and auto schedules) as well as the market conditions at that time.

At the end of the three year contract term, the approach for the additional term of up to two years will be similar to the above except that it will be optional in favour of Niagara Region to determine whether to proceed with the extension.

Respectfully submitted and signed by

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Donna Pasto

Risk Management Program Manager

Attached as **Appendix 1** to this Memo is CSD 16-2020- March 11, 2020 - Proposed Procurement Process for Insurance and Risk Management Services RFP