



City of
Peterborough

To: Members of the Committee of the Whole

From: Sandra Clancy, Director of Corporate Services

Meeting Date: May 11, 2015

**Subject: Report CPFS15-012
Contract Extension for Insurance Broker Services**

Purpose

A report to recommend a four year extension to P-37-11 for an Insurance Broker.

Recommendation

That Council approve the recommendation outlined in Report CPFS15-012 dated May 11, 2015, of the Director of Corporate Services as follows:

That the agreement with BFL CANADA Risk and Insurance Services Inc., 181 University Avenue, Toronto, Ontario, M5H 3M7, for Insurance Broker services, be extended for the four year period October 1, 2015 to September 30, 2019 at a cost of \$206,250 plus PST of \$16,500 for a total of \$221,750.

Budget and Financial Implications

The annual cost for the current four year term is \$62,500 plus PST. The fees for the next four year term are \$56,250 for the first year and \$50,000 for the following three years for a total of \$206,250 plus PST. The reduction is due to work the City has done in the risk management area, mostly the hiring of an Insurance and Risk Management Coordinator. Having a dedicated resource in this area has changed the level of assistance required from the Insurance Broker.

Sufficient funds are included in the 2015 budget for the 2015 portion of the costs and will be budgeted in the annual operating budgets for 2016-2019.

Background

City Council, through Report CPFS11-034, dated September 26, 2011, approved the award of Request for Proposals (RFP), P-37-11, for a four-year period, to BFL CANADA Risk and Insurance Services Inc. to be the Professional Insurance Broker for the City of Peterborough. The contract is due to expire October 16, 2015. The RFP included an option to extend for four additional years, based on satisfactory performance, budget availability, changing requirements and negotiated pricing for the optional period.

Staff are very satisfied with the performance of BFL since October 2011. They have provided training to staff, they are available regularly to provide advice and do so in a timely manner, keep staff up-to-date on new trends in the insurance and risk management areas and, most significantly from a financial standpoint, have consistently acquired annual insurance coverage at a reasonable cost for the past four years.

Section 17.6.1 a) of Purchasing Bylaw 14-127 states that Options to renew an agreement that will cost more than \$100,000 must be authorized by Council or Administrative Staff Committee, depending on who originally approved the award. As Council approved the original award in September 2011, Council must authorize this Agreement Extension.

Submitted by,

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Director of Corporate Services

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