ID 5138934

DoF – COLLABORATIVE ARRANGEMENT

PROVISION OF INSURANCE BROKERAGE SERVICES FOR NI PUBLIC SERVICES FLEET

SPECIFICATION OF REQUIREMENTS

1. Background

This contract is for the provision of Insurance Brokerage Services for the Northern Ireland Public Services Fleet. The contract period is five years. The fleet is comprised of various public bodies ranging from Central Government to Health Trusts.

Details of the current fleet are provided in the separate excel document entitled "Annex 4 Vehicle Numbers, Types and Security". They will form the basis of the contract at the commencement date. The table below lists the public sector organisations that are currently utilising this arrangement.

CURRENT PARTIPICATING ORGANISATIONS
Department of Agriculture Environment and Rural Affairs (DAERA)
DAERA - Agri-Food and Biosciences Institute (AFBI)
Department for Communities (DfC)
DfC - Libraries NI
DfC - Public Record Office NI (PRONI)
Department of Education (DE)
DE - Council for the Curriculum Examinations and Assessment (CCEA)
Department for the Economy (DfE)
DfE – Health and Safety Executive for Northern Ireland (HSENI)
Department for Infrastructure (DfI)
DfI – Roads
DfI - Rivers
DfI - Driver Vehicle Agency (DVA)
Department of Finance (DoF)
DoF – Construction & Procurement Delivery
DoF - Properties Division (Supplies & Store Vehicles)
DoF – DSS IT Assist
DoF – Stormont Estate Management
DoF – Land & Property Services
Department of Health (DoH)
Department of Justice (DoJ)
DoJ – Forensic Science Northern Ireland (FSNI)
DoJ – Northern Ireland Prison Service (NIPS)
DoJ – Probation Board for Northern Ireland (PBNI)
DoJ – Police Ombudsman

DoJ – Youth Justice Agency
The Executive Office (TEO)
Education Authority NI (EA)
Police Service Northern Ireland (PSNI)
Northern Ireland Office
Health and Social Care NI (HSCNI)
Belfast Health and Social Care Trust (BHSCT)
Western Health and Social Care Trust (WHSCT)
Northern Health and Social Care Trust (NHSCT)
Southern Health and Social Care Trust (SHSCT)
South Eastern Health and Social Care Trust (SEHSCT)
Northern Ireland Ambulance Service (NIAS)
Northern Ireland Fire and Rescue Service (NIFRS)
Business Services Organisation (BSO)
Northern Ireland Blood Transfusion Service

The above list may change at any time throughout the life time of this Contract as Organisations fleet needs may change. This may result in some Organisations being removed if they no longer require fleet or in some cases new organisations may join if they require fleet.

DoF Construction & Procurement Delivery (CPD) will remain the lead participating client who will engage directly with the broker on behalf of any participating bodies.

The contract may be varied during its term. Variations may include, but not limited to:

- Changing the duration of the contracts placed by the Contractor with insurers; and
- Changing or improving the insurance programme

2. Brokerage Services

The Contractor will be required, during the contract (see Annex 5 - Timetable), to secure for the Client the most economically advantageous third party insurance cover in respect of those areas covered in list of insurances below:

i. Motor Fleet – In respect of vehicles returned by individual Clients annually (presently approximately **7,683** vehicles) on a Third Party Only basis.

ii. Motor Contingent Liability - Third Party

Contingent Liability covers for: -

- Employees' vehicles
- Vehicles hired in
- Vehicles in temporary custody of certain Authorities (**none at present**)
- Fire, Theft and Accidental Damage
- Cover on specified vehicles used for recreational purposes, approximately 12 events per annum.

In advance of securing insurance the Contractor must engage with the Clients to review the contract performance to date and design the insurance programme for the relevant year and subsequent years.

The Contractor will be required to source the insurance contract in full compliance with all relevant European Procurement Directives taking into account any changes in legislation that may arise from the United Kingdom exiting the European Union and any other legislation or regulations that are applicable during the life of this contract. The Contractor will be required to liaise with CPD to ensure compliance with the Procurement Act 2023 and any changes in legislation that may arise from the United Kingdom exiting European Union.

The Contractor must appoint a dedicated Account Manager who is qualified to ACII or equivalent.

The Contractor must only appoint an insurer who is registered with the Financial Conduct Authority (FCA) and is financially solvent.

The Contractor will be required to seek competitive offers, nett of broking commission or volume discount at year end, for the insurance covers in Annex 4.

The Contractor's fee for the delivery of the Services shall be nett of all commissions generated by placing the insurance contracts.

The Contractor shall declare any commissions to CPD which shall be netted off against the amounts payable by the Clients.

The Contractor must generate a procurement process report detailing the tendering procedure, recommending an insurer who is capable of handling a fleet of this scale and complexity and which offers the most economically advantageous cover. This report must be submitted to the CPD before the 1st Monday in February each year for its approval prior to the notification of the Intention to award.

3. Claims Handling

The Contractor will be responsible for managing;

i. Annual Claims running at approximately 800 per annum

ii. Uninsured Loss Recovery (this equates to approximately 20% of claims)

The Clients model for uninsured loss recovery differs from recovering all uninsured losses in-house, through referring disputed claims to the Contractor to assist with the resolution to referring all claims for uninsured loss recovery to the Contractor.

Upon request by the Client the Contractor shall be responsible for the pursuit for recovery from a third party on the Clients behalf, which would include cost of own repairs, hire charges for replacement vehicles, personal expenses and, where applicable, recovery of loss of market value. Full legal expenses cover which would include, recovery of uninsured losses including legal fees, legal representation for any injured employees in their pursuit of compensation, legal expenses arising from successful defence of motoring prosecutions.

The Contractor must provide and maintain an electronic method that allows the Client to notify the Contractor of incidents on a 24 hour basis. Annex 6 contains the

minimum dataset of information required at the time of initial incident notification. The Contractor must retain claims records of all such incidents.

The Contractor will be required to communicate with the Police Service of Northern Ireland (PSNI) via the PSNI secure email network. The procedures required for accessing this network will be provided to the Contractor following contract award.

The Contractor must provide Clients with access to the **Motor Insurance Database** (MID) to enable Clients to update vehicle changes and communicate with Clients to ensure vehicles within their fleet are updated on the MID.

The Contractor shall develop and manage projects which have the objective of reducing the Client's future liability.

4. Annual Apportionment

The Contractor will be responsible for calculating the apportionment of the annual premium for each of the Clients in Annex 4. The method of apportionment is likely to be a ratio of Claims Experience (over previous 4 years) and the number of vehicles insured. The Contractor will be required to agree the most equitable method of apportionment with the Client and the CPD.

The annual apportionments will subsequently be issued by the Contractor.

The Contractor must manage the billing process and credit control function directly with the Clients.

5. Contract Management

Contract Management and Reports will be taken forward in three tiers:-

- **Daily** Operational Management with the Client;

- **Monthly / Quarterly** Reports depending on the Clients requirements; and
- **Annual Contract** Reports to individual clients and review meeting with the CPD Contract Manager.

Daily Operational Management

The Contractor shall:

- Establish management information systems to capture and record information to be included in the monthly / quarterly reports.

The Contractor should note that the contract will be managed by individual departments / clients and shall be required to implement contract management review meetings as requested by the individual departments / clients.

Monthly / Quarterly Reports

Monthly / Quarterly review meetings will be scheduled with the Client and the Contractor. It is anticipated that these meetings shall be held at least quarterly, however they may be requested at more regular intervals in the event of poor performance. The meeting will review the performance across the previous three months and will look at the summarised management information for this period. The meetings will also be used to investigate the potential for savings or to improve efficiency or performance.

Prior to the quarterly review meetings, the Contractor must provide management information reports to the Client.

The Contractor shall provide monthly / quarterly Reports to include the client's requirements as stated at section 5 (Performance Management).

Annual Contract review with the Contract Manager of CPD / Annual Reports

CPD will monitor the contract on an annually basis via CM01 form (see Annex 2 – Short Form) however CPD may request more regular contract review meetings if required. The meeting will review the performance across the previous twelve months and will look at the summarised management information for this period.

The meetings will also be used to investigate the potential for savings or to improve efficiency or performance.

The contractor will produce annual individual reports for each client as detailed in the specification.

Escalation Procedures

In the event that complaints cannot be resolved between the Client and the Contractor, the Client will escalate this to a Client's Departmental Representative / Authorised Officer to resolve. The Contractor shall meet the Client's Departmental Representative / Authorised Officer and provide a report on the compliant and provide a detailed plan on the appropriate action required to resolve issues to ensure compliance with the specification schedule. If the issue remains unresolved the Client's Departmental Representative / Authorised Officer shall contact CPD who will review the complaint and advise how the matter is progressed.

6. Performance Measurement

The Contractor must meet the Client representatives at least quarterly to manage claims and performance of the Contract.

The Contractor must have in place a Claims and Risk management system to produce reports including but not limited to: -

i. A quarterly report for each Client of all claims which must include details of;

- Client (i.e. Dept. Body etc)
- No of Claims
- Claim Type
- Claim Value
- Amount Paid
- Amount Outstanding
- Total

As well as:

- A quarterly report that shows all current / open claims per client
- A list of claims that have been dealt with / closed during the last quarter
- Benchmarking figures of other similar operating Authorities and
- Year on year comparisons which should indicate the Client's effectiveness in managing their fleets.

  - A summary report of above;

  - Each Client's individual claims performance by operating group.

ii. On an annual basis the Contractor must supply the Clients with a full years figures as detailed above. In addition the Contractor shall produce for each Client a report that will indicate the top six causes of accidents during the year.

All of the above reports will be produced in colour and distributed to the Client (full contact details will be provided on the award of contract). They will also be produced both figuratively and graphically. Distribution of reports must be by electronic means.

7. Timescales for Advertising Insurance Requirement

It is anticipated the broker contract will be awarded in October 2024. The current Fleet Insurance cover commenced 01 April 2024 for two years until 31 March 2026. There is provision for the brokerage contract to run up to 31 March 2030 therefore the Contractor shall be responsible for dealing with any insurance issues on the final year's policy. The new Contractor would pick-up all historic claims that remain in progress.

In order to progress work on the insurance tender process the Contractor must liaise directly with the Client representatives (names to be confirmed upon award of contract) to ensure the management information on their fleet is accurate and sufficient to enable the Contractor to source the insurance contract. The Contractor

will discuss provisional renewal terms with the Client representatives before 1 November each year and the final renewal terms shall be submitted to the Client representatives not later than 1st Monday in March.

8. Contract Transition / Handover / Exit

Upon contract expiry the incumbent Contractor shall co-operate fully with the CPD and the newly appointed Contractor and must provide details of any insurance that is in place, any outstanding claims and any other relevant information to the new Contractor to ensure a seamless transition. The new contractor will take over responsibility for all historic claims that remain in progress.

9. Price

Prices submitted will remain fixed for the contract period and price reviews will not be permitted.

Annex 4 – Vehicle Numbers, Types and Security

Annex 5 – Timetable

Annex 6 – Accident Notification Form