



City of Nedlands

Minutes

Special Council Meeting

13 September 2016

Attention

These Minutes are subject to confirmation

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Meeting of Council following this meeting to ensure that there has not been a correction made to any resolution.

Table of Contents

Declaration of Opening	3
Present and Apologies and Leave Of Absence (Previously Approved)	3
1. Public Question Time	4
2. Addresses by Members of the Public.....	4
3. Disclosures of Financial Interest	4
4. Disclosures of Interests Affecting Impartiality.....	4
5. Declarations by Members That They Have Not Given Due Consideration to Papers.....	5
6. Insurance Tenders	5
Declaration of Closure	8

City of Nedlands

Minutes of a special meeting of Council held in the Council chambers, Nedlands on Tuesday 13 September 2016 at 6.45 pm for the purpose of considering approval of the tenders for the City's Insurance Services.

Declaration of Opening

The Presiding Member declared the meeting open at 6.45 pm and drew attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

Present and Apologies and Leave Of Absence (Previously Approved)

Councillors	Deputy Mayor W R B Hassell	(Presiding Member)
	Councillor G A R Hay	Melvista Ward
	Councillor T P James	Melvista Ward
	Councillor N W Shaw	Melvista Ward
	Councillor K A Smyth	Coastal Districts Ward
	Councillor I S Argyle	Dalkeith Ward
	Councillor R M Binks	Hollywood Ward
	Councillor J D Wetherall	Hollywood Ward
	Councillor L J McManus	Coastal Districts Ward

Staff	Mr G K Trevaskis	Chief Executive Officer
	Mrs L M Driscoll	Director Corporate & Strategy
	Mr P L Mickleson	Director Planning & Development
	Mr A C Dickson	Acting Director Technical Services
	Mrs N M Ceric	Executive Assistant to CEO & Mayor

Public There were 4 members of the public present.

Press The Post Newspaper representative.

Leave of Absence (Previously Approved) His Worship the Mayor, R M C Hipkins
Councillor S J Porter, Dalkeith Ward

Apologies Councillor N B J Horley Coastal Districts Ward

Absent Councillor B G Hodsdon Hollywood Ward

Disclaimer

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.

1. Public Question Time

A member of the public wishing to ask a question should register that interest by notification in writing to the CEO in advance, setting out the text or substance of the question.

Nil.

2. Addresses by Members of the Public

Addresses by members of the public who have completed Public Address Session Forms to be made at this point.

Nil.

3. Disclosures of Financial Interest

The Presiding Member reminded Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

There were no disclosures of financial interest.

4. Disclosures of Interests Affecting Impartiality

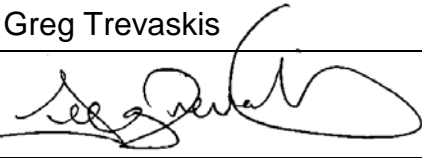
The Presiding Member reminded Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

There were no disclosures affecting impartiality.

5. Declarations by Members That They Have Not Given Due Consideration to Papers

Nil.

6. Insurance Tenders

Committee	13 September 2016
Council	27 September 2016
Applicant	City of Nedlands
Officer	Lorraine Driscoll – Director Corporate & Strategy
CEO	Greg Trevaskis
CEO Signature	
Document ID	CS-PRO-00001
Previous Item(s)	N/A

Regulation 11(da) – Not Applicable – Recommendation Adopted.

Moved – Councillor Shaw
 Seconded – Councillor James

That the Recommendation to Council be adopted.
 (Printed below for ease of reference)

CARRIED UNANIMOUSLY 9/-

Council Resolution / Recommendation to Council

Council agrees to award Insurance Broking and Risk Management Services to Marsh Pty Ltd (RFP Tender/Contract 0618/0626) for a Contract Term of 1 year with 1 + 1 options.

Executive Summary

This purpose of this report is to recommend appointment of the successful tenderer to provide Insurance Broking and Risk Management Services

Strategic Plan

KFA: Governance and Civic Leadership

The provision of Insurance Broking and Risk Management Services is a key focus area of the Strategic Plan and authorisation of this tender by Council provides compliant governance.

Background

Up until 2013/14 the City managed its insurances through the Local Government Insurance Scheme (LGIS) – an industry based self-insurance offering.

When the City elected not to renew its membership to WALGA in 2013/14, it had the opportunity to seek its insurance coverage via a competitive process. In 2014/15 Willis were appointed as the City's Brokers and provided brokering services in both 2014/15 and 2015/16.

Due to an increase in competition within the insurance industry for Local Government Authorities and evidence that savings were being realised particularly in the Eastern States –the City decided to test the market via a competitive tendering process. Procurement Australia a 'Procurement Solutions' company were engaged to assist in this process, Procurement Australia works with businesses to maximise benefit from purchasing solutions.

Procurement Australia through it insurance and risk experts managed the tendering process and invited submissions from across the industry. In addition their role included;

- Assessment of the capability of each response
- Involvement in Broker Presentations
- Ranking of each submission and recommendation of preferred supplier.

The Procurement Australia team worked very closely with the City's Director Corporate & Strategy and Finance team.

Key Relevant Previous Council Decisions

N/A

Consultation

Required by legislation: Yes No
Required by City of Nedlands policy: Yes No

The process included consultation with City Officers including the CEO, Senior Finance staff and the Manager Human Resources and Organisational Development.

The submissions were independently evaluated by the Director Corporate & Strategy, Coordinator Financial Accounting and the Manager Human

Resources and Organisational Development in accordance with the qualitative criteria specified in the tender documentation.

Legislation/Policy

Local Government (Functions and General) Regulations 1996 - Division 2
Local Government Act 1995 - Section 3.57

Budget/Financial Implications

Within current approved budget: Yes No
 Requires further budget consideration: Yes No

Detail	2015/16	2016/17
Insurance Broking and Risk Management Services	Approx \$754,000 per annum (exclusive of GST)	Approx \$494,000 per annum (exclusive of GST)

Risk Management

Risk is managed by appointing contractors through the City's procurement processes and assessing against the compliance criteria. These include checks on their financial viability, insurances and the appropriate company structures.

Appointing contractors via this process allows the City to clearly state the scope of works required and outcomes expected. It is also an opportunity to outline the responsibilities of both the City and the appointed contractors throughout the life of the contract, along with timelines and expected costs of the work requested. This process reduces the risk of the appointed contractor not fulfilling their obligations for the work required.

Discussion

The RFP process was advertised in The West Australian on 6th August 2016 with a closing date of 23rd August 2016. A further extension was provided to all respondents from 24th August to 3pm 26th August for the purposes of evaluating additional information.

Respondents were invited to submit bids and responses to the following key criteria;

- Insurance Program and its Cost
- Experience Capability and Past Performance
- Plan for Proposed Service

At the closing date for submissions, four (4) responses were received. The evaluation process was conducted in accordance with the City of Nedlands evaluation guide for tender documents.

Submissions were received from the following companies;

- Arthur J Gallagher (AJG)
- Aon Risk Services Australia Ltd
- Marsh Pty Ltd
- Willis Towers Watson

All respondents were requested to provide two tier pricing reflecting both the base and maximum premiums payable, and to include a 'certainty predication' of achieving the base premium.

Procurement Australia provided assurance to the Director Corporate & Strategy of the performance and expertise of each of the broker's performance and expertise against the criteria.

The assessment report provided by Procurement Australia identified that each broker had the ability to offer an array of insurance broking and risk advisory services; including various products tailored to address the specific needs of organisations in the public sector. The decision making process then centred on technical ability, capacity, price and client relationship and service levels.

Conclusion

This has been a very valuable experience resulting in competitive pricing for a significant operational expense area. Each of the respondents provided high quality submissions and the panel acknowledge the work completed by each company. The City also acknowledges and appreciates the service provided by Willis over the last two years.

The tender process for the provision of Insurance Broking and Risk Management Services will contribute to cost savings for the City's ratepayers. The projected savings are in excess of \$250,000 (exclusive of GST) annually.

Therefore, administration recommends that Council agrees to award the tender for Insurance Broking and Risk Management Services to Marsh Pty Ltd (RFP Tender/Contract 0618/0626) for the term of 1 year plus two 1 year options.

Attachments

1. Confidential Insurance Brief

Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 6.49 pm.