

To Extend Agreements for the External Legal Firms Retained For Insurance Claim Defence

Date:	July 9, 2010
To:	Government Management Committee
From:	Deputy City Manager and Chief Financial Officer
Wards:	All
Reference Number:	P:\2010\Internal Services\Cf\Gm10036 (AFS #11011)

SUMMARY

The City's agreements with external legal firms to supplement the work of the City's Legal Services for the defence of insurance claims expire on December 31, 2010. This report recommends that Council authorize extending the agreements until March 31, 2011 to allow sufficient time for staff to conduct a formal Request for Proposals and report the results to Council following the October 25, 2010 municipal election.

RECOMMENDATIONS

The Deputy City Manager and Chief Financial Officer recommends that:

1. City Council authority be granted to staff to extend the agreements with eight external legal firms to provide insurance claim defence for a further 3 month period, from December 31, 2010 to expire on March 31, 2011.
2. City Council authority be granted to staff to amend each of the existing eight agreements with external legal firms to extend the same terms, conditions and fee structures for a further 3 month period, from December 31, 2010 to expire on March 31, 2011.

Financial Impact

There are no immediate funding implications relating to this report. Costs of insurance claim defences are ultimately reflected in corporate insurance charges to divisions and applicable agencies, boards and commissions.

DECISION HISTORY

City Council at its January 31, February 1 and 2, 2006 meeting, adopted Clause 3 in Administrative Committee Report No. 1, entitled "External Legal Firms Retained for Insurance Claim Defence – Request for Proposal 9134-05-7098" recommending that the City of Toronto enter into a retention agreement with the selected legal firms for the period ending December 31, 2010.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060131/cofa.pdf>

The approved legal firms are:

- Borden Ladner Gervais
- Forbes Chochla
- Gowlings Lafleur Henderson LLP
- Loopstra Nixon
- McCague Borlack
- Miller Thomson
- Paterson MacDougall
- Shibley Righton

COMMENTS

The City's Legal Services Division currently provides insurance defence work. The intent of the use of external legal resources is to ensure that adequate supplementary legal services are available to the City when it cannot be provided by members of the City's Legal Services. Utilization of external legal firms is directly related to:

- City's Legal Services' capacity to perform claims defence work;
- Specific expertise needed not found within the City's Legal Services Division;
- Complexities of the claims;
- Severity and Frequency of claims; and
- Conflict of Interest matters as they relate to insurance defence activities.

Insurance & Risk Management staff will publicly tender for one or more provider(s) of the service following which report the results for City Council approval. An extension of the existing agreement for a further 3 months period, from December 31, 2010 to March 31, 2011 is recommended. Due to the upcoming Municipal Election on October 25, 2010, the RFP results will be reported in early 2011.

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SIGNATURE

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