

## **Award of Request for Proposal No. Doc 3029410232 to The Personal Insurance Company for a Group Home and Auto Insurance Program**

**Date:** August 25, 2021

**To:** General Government and Licensing Committee

**From:** Chief Financial Officer and Treasurer and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to advise on the results of Request for Proposals (RFP) No. Doc 3029410232 for the provision of a Group Home and Auto Insurance Program to interested City employees, Council Members, employees of the City's agencies and corporations, and retirees on a voluntary basis. This report also requests authority to negotiate and enter into an agreement with the recommended supplier, The Personal Insurance Company, for a four and a half (4.5) year term. The agreement will provide revenues to the City to offset the costs of administering the program.

### **RECOMMENDATIONS**

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The Chief Financial Officer and Treasurer and the Chief Procurement Officer recommend that:

1. City Council grant authority to the Chief Financial Officer and Treasurer to negotiate and enter into an agreement with The Personal Insurance Company, being the highest scoring supplier meeting the requirements of Request for Proposal No. Doc 3029410232 for the provision of a Group Home and Auto Insurance Program to interested City employees, Council Members, employees of the City's agencies and corporations, and retirees on a voluntary basis, for a period of four and a half (4.5) years from October 4, 2021 to March 31, 2026 based on the terms and conditions set out in the RFP and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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There is no direct cost to the City for these services.

The RFP required suppliers to submit a financial plan providing the City with a guaranteed annual revenue to offset the City's administrative fees associated with managing the program.

Table 1 shows the breakdown of guaranteed revenue to the City by year.

Table 1 - Financial Plan

Year 1	Year 2	Year 3	Year 4	Year 5 (6 months)
\$450,000	\$450,000	\$450,000	\$450,000	\$225,000
Total for 4.5 years: \$2,025,000				

Insurance and Risk Management is responsible for arranging the availability of the program for the benefit of all City employees and Council Members; therefore, revenue from the new financial plan will be deposited to Cost Centre NP2530, Cost Element 9450.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

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City Council on June 14, 2011 adopted Government Management Committee Report number GM4.7, thereby approving the results of a Request for Proposal 9105-11-7026. City Council authorized the City to enter into an agreement with The Personal as the provider of a Group Personal Lines Insurance program to interested City employees and Council Members for a three year period, with two individual annual extensions which expired on September 30, 2016. Following is a link to the report and decision document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM4.7>

City Council at its December 13, 2016 meeting, adopted the Government Management Committee report number GM16.9 thereby approving the award of RFP 9105-16-7219 to The Personal Insurance Company as the provider of a Group Home and Auto Insurance Program for a three (3) year term with two (2) individual annual extensions which expires on September 30, 2021. The Government Management Committee report can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM16.9>

## COMMENTS

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The group home and auto insurance program provides Council Member, employees of the City, and its agencies, boards, commissions, and corporations and retirees with the opportunity to voluntarily obtain confidential quotations for various types of personal insurance policies. Examples of these policies include: homeowners, condominium owners, tenant packages, seasonal residences, automobiles, recreational vehicles, and boats. The group program provides lower rates and broader coverage than what is usually available to individuals in the marketplace. Individuals are always welcome to compare group insurance rates from alternative providers. There is no obligation to proceed with purchasing the policy(s) once a quote is obtained.

The City provides administrative support to the program through qualifying and recommending the supplier as well as reviewing and approving the supplier's communication strategies to raise awareness of the program's availability, ensuring it is in compliance with the City's corporate policies. The City also monitors the program through quarterly updates, key performance indicators, arranging multiple on-site facility visits and regular oversight of the program. The proposed financial plan from The Personal Insurance Company is intended to provide revenues to the City to offset the administrative expenses.

### **Request for Proposal No. Doc 3029410232 Procurement Process**

Request for Proposal No. Doc 3029410232 for the Provision of a Group Home and Auto Insurance Program was issued by Purchasing and Materials Management Division (PMMD) on June 30, 2021 using Ariba Online Procurement System. When the RFP closed on July 23, 2021, a total six (6) proposals were received from the following suppliers:

1. Aon
2. The Co-operators
3. Cowan Insurance Group Ltd.
4. Hub International Limited
5. NFP
6. The Personal Insurance Company

### **Evaluation for the Request for Proposal No. Doc 3029410232 Submissions**

A formal selection committee was comprised of three staff members from Insurance & Risk Management with ongoing support from PMMD. All staff involved in the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement, under the supervision of PMMD, and evaluated the technical proposals in compliance with the criteria set out in the RFP as follows:

- Stage 1: Mandatory Submission Requirements
- Stage 2: Mandatory Technical Requirements and Rated Criteria
- Stage 3: Financial Plan

## **Stage 1: Mandatory Submission Requirements**

All submissions satisfied the mandatory requirements of Stage 1 and advanced to Stage 2.

## **Stage 2: Mandatory Technical Requirements and Rated Evaluations**

### **Stage 2A: Mandatory Technical Requirements**

In compliance with the RFP, a list of mandatory technical requirements had to be met in order to advance to Stage 2B: Rated Criteria. All suppliers satisfied Stage 2A Mandatory Technical Requirements advanced to Stage 2B of the evaluation process.

### **Stage 2B: Rated Criteria**

In Stage 2B, suppliers were evaluated on their technical proposal content and a minimum threshold score of 75% (or 52.5 points out of 70) had to be met in order to advance to the Financial Plan section. Out of the six (6) suppliers that were evaluated, four (4) suppliers met the minimum threshold and advanced to Stage 3 of the evaluation process.

## **Stage 3: Financial Plan**

In Stage 3, the Financial Plan component was worth 30 points. The Personal Insurance Company received the highest overall score out of the four (4) proposals that were reviewed in Stage 3. The submissions were reviewed and the calculations of the total scores were validated by PMMD.

Suppliers scores and staff analysis of the evaluation results can be provided to the General Government and Licensing Committee in an in-camera presentation, if required.

The Fair Wage Office has reported that the recommended supplier has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trade requirements and has agreed to comply fully.

## **CONTACT**

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Melissa Ferreira, Director, Insurance and Risk Management, Telephone: 416-392-6301, Email: [melissa.ferreira@toronto.ca](mailto:melissa.ferreira@toronto.ca)

Jackson Sychingho, Manager, Purchasing Client Services, Community & Social Services and City Manager's Office, Purchasing and Materials Management Division  
Tel: 416-392-1492, Email: [Jackson.Sychingho@toronto.ca](mailto:Jackson.Sychingho@toronto.ca)

## **SIGNATURE**

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Heather Taylor  
Chief Financial Officer and Treasurer

Michael Pacholok  
Chief Procurement Officer