

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2018-004

Date: January 30, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier:

Subject: Request for Proposal 2017-99-OP Claims Adjusting Services

Author Name and Title: Ashley Wykes, Buyer
Jolene Ramsay, Insurance Risk Management Officer

Recommendation(s):

RESOLVED THAT Report PUR2018-004 for Request for Proposal 2017-99-OP Claims Adjusting Services be received;

THAT Cunningham Lindsey Canada Claims Services Ltd. of Mississauga being the highest scoring proponent be selected for the award of Request for Proposal 2017-99-OP Claims Adjusting Services for a three (3) year term;

THAT the options to renew this contract for an additional two (2), one (1) year terms be approved pending vendor performance and in accordance with the Purchasing Policy; and

THAT subject to receipt of the required documents, the Mayor and Clerk be authorized to execute an agreement for award.

Department Head:_____

Financial/Legal/HR/Other:_____

Chief Administrative Officer:_____

Background:

The City utilizes a full service claims adjusting firm to act on behalf of the City with respect to liability, automobile and property damage claims. The City requires the expertise of a qualified claims adjusting firm to assist with claims investigations, scene/site investigations, damage evaluation, assessment of liability, negotiation and settlement of claims, detailed reporting including recommendations and advice to the City with respect to claims matters. The adjusting firm is required to be available 24 hours a day, 365 days a year to deal with any after-hours emergency response or inquiries. Annually the City outsources approximately 110 claims to an independent adjusting firm with the majority of those claims falling below the City's deductible of \$100,000.00.

The City first issued a Request for Proposal for claims adjusting services in 2013, prompted by the retirement of the former long standing service provider. At that time Proposal 2013-109-OP Claims Adjusting Services was awarded to Cunningham Lindsey Claims Services Ltd. serviced by the Peterborough Branch Office. The service provided and the performance of the adjusting firm and lead adjuster adequately met the requirements of the City leading to the extension of the contract to December 31, 2017.

Request for Proposal 2017-99-OP Claims Adjusting Services was advertised and released in accordance with the Purchasing Policy. The proposal closed on November 16, 2017 and was opened in public by Andy Letham, Mayor and Launa Lewis, Financial Services Supervisor. Three proposals were submitted as outlined in the chart below:

Proposal Submitted by:
DSB Claims
Cunningham Lindsey Canada Claims Services Ltd.
ClaimsPro

Each proposal was reviewed and evaluated based on the criteria set out in the proposal document. Interviews were conducted and references were checked for the highest ranking proponent with no issues identified.

Rationale:

Staff recommends Cunningham Lindsey Canada Claims Services Ltd. of Mississauga be selected for the award of Request for Proposal 2017-99-OP Claims Adjusting Services for a three (3) year term, with an option to renew for two (2) additional one year terms. The optional renewal terms will be utilized based on a satisfactory annual performance and service review.

Other Alternatives Considered:

No other alternatives are being considered, as the highest scoring proponent is being recommended.

Financial/Operation Impacts:

The financing for this service is approved yearly in the Insurance & Risk Management operating budget and is monitored by staff. Historical spending is approximately \$55,000.00 annually for this service. The City pays for only those services required and requested.

Relationship of Recommendation(s) to the 2016-2019 Strategic Plan:

This report aligns with the Strategic Enablers of Fiscal Resource Management and Municipal Service Excellence.

Consultations:

Business Development Manager, Stewart Morrison Insurance Brokers Ltd.

Claims Manager, Frank Cowan Company

Department Head E-Mail: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson, City Solicitor

Department File: 2017-99-OP