



Council Report

Report Number: PUR2022-039
Meeting Date: December 13, 2022
Title: 2022-110-OP Claims Adjusting Services
Author and Title: Ashley Wykes, Buyer
Jolene Ingribelli, Insurance Risk Management Officer

Recommendation(s):

That Report PUR2022-039, **2022-110-OP Claims Adjusting Services**, be received;

That Sedgwick Canada Inc. being the highest scoring proponent, be selected for the award of 2022-110-OP Claims Adjusting Services;

That four (4) additional, one (1) year optional terms be awarded based on satisfactory performance, mutual agreement and successful completion of the original term; and

That subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the agreement.

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 150 claims to an independent adjusting firm with the majority of those claims falling below the City's \$500,000 liability self-insured retention (SIR) and \$100,000 property and automobile SIR.

Request for Proposal 2022-110-OP Claims Adjusting Services was advertised and released in accordance with the Purchasing Policy. The proposal was opened by Launa Macey, Supervisor of Procurement. Two submissions were received as outlined in the chart below:

Company Name
ClaimsPro
Sedgwick Canada Inc.

Each proposal was reviewed and evaluated based on the criteria set out in the proposal document with no issues identified.

Sedgwick Canada Inc. was found to be the highest scoring proponent. References were checked and found to be favorable.

Rationale:

The City requires the expertise of an independent adjusting firm to handle liability, automobile and property damage claims. Without this service, the City would not be able to keep up with the number of claims investigations submitted.

As a result, staff are recommending Sedgwick Canada Inc. be selected for the award of 2022-110-OP Claims Adjusting Services. The City shall have the option to renew the Contract for four (4) additional one (1) year terms. Renewals shall be based on satisfactory performance, annual City of Kawartha Lakes Council budget approvals, mutual agreement and the same terms and conditions of the original contract.

Other Alternatives Considered:

No other alternative is being considered as a competitive process was conducted and the highest scoring proponent is being recommended.

Alignment to Strategic Priorities:

This report aligns with the City's strategic priority of Good Government. Retaining the expertise of an independent adjusting firm ensures that the City is investigating and responding to claims in a timely and professional manner while meeting the requirements of the City's general insurance program.

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. Staff will ensure that the funds required for this service are included in all future operating budgets.

Consultations:

Supervisor, Procurement

Department Head email: rcarlson@kawarthalakes.ca

Department Head: Robyn Carlson

Department File: 2022-110-OP