



Government Procurement
Service

FURTHER COMPETITION

FOR

INSURANCE SERVICES

CONTRACT

Further Competition Invitation
GPS Insurance Services framework agreement (RM958) for the Police & Crime Commissioner for
Lancashire

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Further Competition Invitation
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1. INTRODUCTION

- 1.1 This Further Competition Invitation relates to the Further Competition to award an Insurance Services Contract to several Suppliers.
- 1.2 This Further Competition Invitation contains the information and instructions the Potential Provider needs to submit a Tender.
- 1.3 Gallagher Heath are the sole appointed insurance broker retained by the Police & Crime Commissioner for Lancashire (PCC) under Lot 2 of GPS Insurance Services framework agreement (RM958), to conduct a tender for insurance services under Lot 1.

2. OVERVIEW OF INVITATION TO TENDER

- 2.1 The following appendices accompany this ITT:

- 2.1.1 **Appendix A – Terms of the Further Competition**

Sets out rights and obligations which apply to the Potential Provider(s) and the Police and Crime Commissioner for Lancashire (PCC) during this Further Competition.

- 2.1.2 **Appendix B – Lot 1 Service Description**

A detailed description of the services that the Supplier will be required to supply to the PCC.

- 2.1.3 **Appendix C – Tender Questionnaire**

A template containing questions which the Potential Provider is required to respond to and the applicable award criteria and weightings.

- 2.1.4 In addition to this GPS Framework document is the Gallagher Heath technical specification along with the Supporting Information ,which include claims information including Triangulations (where available), Risk Management information, Health and Safety and all other useful information for use in underwriting the risk.

3. FURTHER COMPETITION TIMETABLE

- 3.1 The timetable for this Further Competition is set out in the table below.
- 3.2 This timetable may be changed by the PCC at any time. The Potential Provider will be informed if changes to this timetable are necessary.

| DATE | ACTIVITY |
|----------|--|
| 13/08/13 | Publication of the Further Competition Invitation |
| 13/08/13 | Clarification period starts |
| 30/08/13 | Clarification period closes (“ Tender Clarifications Deadline ”) |
| 06/09/13 | Deadline for the publication of responses to Tender Clarification questions |
| 11/09/13 | Deadline for submission of a Tender to the PCC (“ Tender Submission Deadline ”) |

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| DATE | ACTIVITY |
|----------|---|
| 01/11/13 | Expected commencement date for the Contract |

4. QUESTIONS AND CLARIFICATIONS

- 4.1 Potential Providers may raise questions or seek clarification regarding any aspect of this Further Competition at any time prior to the Tender Clarification Deadline. Requests for additional information after this date will not be considered.
- 4.2 Provider(s) wishing to ask questions in the allocated time frame can do so by emailing all of the contacts shown below:
Mark.Sangster@ajg.com
Peter.Hale@lancashire.gov.uk
PSUManchester@ajg.com
- 4.3 Questions can only be raised via email and no other communication method will be accepted.
- 4.3 The PCC will not enter into exclusive discussions regarding the requirements of this Further Competition with Potential Providers.
- 4.4 To ensure that all Potential Providers have equal access to information regarding this Further Competition, the PCC will publish all its responses to questions raised by Potential Providers on an anonymous basis.
- 4.5 Responses will be published in a Questions and Answers spreadsheet to all companies who are appointed under lot 1 of the GPS framework unless any companies withdraw from the Further Competition.
- 4.6 At times the PCC may issue communications to the email address for the tender contact provided in Appendix C (Tender Questionnaire), therefore please ensure that this mailbox is reviewed on a regular basis.

5. PRICE

- 5.1 Cover will be awarded on the basis of the most economically advantageous terms to the PCC, however in relation to price this will incorporate LTA discount; premium amount; and profit sharing linked to loss ratio.
- 5.2 Details of the contract award criteria are given in appendix C of this document.
- 5.3 All premiums are to be quoted net of commission and all discounts. Quotations should be provided to include BISC (Broker Insurance Service Commission) to your standard Gallagher Heath agreement level, where appropriate.

6. SUBMITTING A TENDER

- 6.1 You must issue three copies of your tender documents (2 paper copies and 1 on CD in a format compatible with Microsoft Word and Excel). Specimen policy wordings must be included.

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- 6.2 All tenders shall be returned in a plain envelope with no identifying reference to the sender. It should be clearly marked: INSURANCE TENDER and addressed to:
The Office of the Police & Crime Commissioner for Lancashire:
PO Box 653
Number 10 Lockside Office Park
Off Lockside Road
Preston
PR2 2YS
- 6.3 **and shall arrive there by Midday, Wednesday 11th September 2013. Tenders can be posted, couriered or dropped off by hand – if using a courier please ensure they do not specify the identity of the sender in their packaging.**
- 6.4 **For tenders dropped off by hand or courier a receipt is available on request.**
- 6.5 Failure to comply with the above may disqualify the tender. Tenders shall not be sent and will not be accepted by fax or email. **Tenders received after this time and date will not be considered.**
- 6.6 The bid needs to be submitted by the organisation which is proposed will enter into a formal contract with the PCC if awarded the contract. It should be signed by persons authorised to submit tenders and make contracts for the tenderer.
- 6.7 Please detail any deviation of coverage provided by your policy wording against that requested in the ITT. If no deviation is detailed then the policy requirements will be deemed to apply to your policy, irrespective of any reference to standard policy wordings to apply.
- 6.8 To enable the evaluators to complete this assessment please ensure you complete the attached policy difference form found in appendix 1.
- 6.9 **ALL PROVIDER(S) SHOULD COMPLETE THE PREMIUM SPREADSHEETS IN APPENDIX 2. THE PCC WOULD PREFER PROVIDER(S) TO QUOTE FOR BOTH OF THE CONTRACT PERIODS AVAILABLE – HOWEVER THIS IS NOT MANDATORY. IF A BID IS SUBMITTED THE CORRESPONDING SPREADSHEET SHOULD BE COMPLETED.**
7. **TENDER EVALUATION**
- 7.1 Tenders will be evaluated in line with the Marking Scheme set out in Appendix C (Tender Questionnaire).
- 7.2 The assessment will be based on 50% price and 50% quality as explained in the weightings section with appropriate sub criteria.
- 7.3 The insurance provision has been divided into Lots. Participant(s) should note that the PCC reserves the right to group the Lots for the purposes of requesting insurance proposals and in evaluating Tenders. In particular the PCC will allow proposals for all Lots grouped together if that would provide a more economically advantageous solution. This is lot 9. It is therefore essential that all provider(s) confirm that their individual lot premiums are on a stand alone basis and not subject to any “bulk discount”. Where any provider(s) wish to quote for all applicable lots then any discounts should be applied to your bid under lot 9.
-

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| QUESTION NUMBER | QUESTION | TOTAL SCORE AVAILABLE |
|-----------------|--|-----------------------|
| [1] | Company Information | Information Only |
| [2] | Tender Contact | Information Only |
| [3] | Mandatory Questions (not applicable on this tender) | Pass / Fail |
| [4] | Quality criteria see appendix C for further details | [50%] |
| [5] | Price criteria see appendix C for further details | [50%] |
| Total | | 100 |

8. CONTRACT AWARD

- 8.1 The Potential Provider that achieves the highest total score will be awarded the Contract.
- 8.2 If the PCC receives only one Tender in relation to this Further Competition (for each available lot), the Potential Provider will be awarded the Contract provided that they meet the Minimum Total Score of a Minimum Pass Mark of 70%.

9. GLOSSARY

- 9.1 In this ITT the following words and phrases have the following meanings:

“**Authority**” means the Police and Crime Commissioner for Lancashire;

“**Contract**” has the meaning set out in Framework Agreement Schedule 4;

“**Further Competition**” means the process used to establish a Contract that facilitates the provision of insurance services.

“**Further Competition Invitation**” means this document and all related documents published by the Authority in relation to this Further Competition;

“**Marking Scheme**” means the range of marks that may be given to a Potential Provider depending on the quality of its response to a question which is located in the boxes below the applicable question;

“**Minimum Total Score**” means the minimum score that the Potential Provider must obtain in order to be awarded the Contract;

“**Total Score Available**” means the maximum potential score that can be awarded for a response to a question;

“**Potential Provider**” means a company that submits a Tender in response to the Further Competition Invitation;

“**Supplier**” means the Potential Provider with whom the Authority has concluded the Contract;

“**SME**” means an organisation or entity:

- (a) having less than 250 employees; and
- (b) having an annual turnover of less than forty million pounds (£40,000,000); or
- (c) having a balance sheet of less than thirty five million pounds (£35,000,000); and

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- (d) is totally independent of other enterprises; or
- (e) holds less than 25% of the capital or voting rights in one or more other enterprises and other enterprises do not each own more than 25% of its capital or voting rights;

“Tender Clarifications Deadline” means the time and date set out in paragraph 4 for the latest submission of clarification questions;

“Tender Submission Deadline” means the time and date set out in paragraph 4 for the latest uploading of Tenders; and

“Tender” means the Potential Provider’s formal offer in response to the Invitation to Tender.

10.0 CLAIMS HANDLING

Liability Claims

10.1 IT IS ESSENTIAL THAT THE CURRENT ARRANGEMENT IS CONTINUED WHEREBY LEGAL LIABILITY CLAIMS AS COVERED BY THE INSURANCE IN LOT 2 ARE HANDLED BY THE LANCASHIRE CONSTABULARY’S IN-HOUSE LEGAL DEPARTMENT. IT IS, HOWEVER, ACKNOWLEDGED THAT THE APPOINTED INSURERS WILL HAVE REQUIREMENTS RELATING TO, FOR EXAMPLE, THE RECEIPT OF DETAILED CLAIMS REPORTS (WHETHER INDIVIDUALLY OR COLLECTIVELY), AND THE RIGHT TO CONDUCT PERIODIC AUDITS. WHEN SUBMITTING A TENDER FOR LOT 2 BIDDERS MUST CONFIRM THAT THEY AGREE TO IN-HOUSE CLAIMS HANDLING, AND CLEARLY STATE WHAT REQUIREMENTS THEY HAVE IN AGREEING TO THIS.

Motor Claims

- 10.2 It is the preference of the PCC that a 24/7 motor claims service is provided by the insurer. Whether this is provided by the insurer, or supported by a specialist third party claims administrator selected by the insurer, is left to the insurer to determine. The service should include:
- 10.3 handling of claims through the whole life cycle from first advice to final settlement, and without the need for a completed claim form;
- 10.4 Insurers are required to confirm whether or not they are to provide claims handling services and that the full cost of such services is contained within the premium quoted. The PCC’s specific requirements from service providers are set out in the following paragraphs.
- 10.5 If insurers are to charge separately for claims handling or if the proposal is for claims handling services to be provided by a third party, then a full method statement for the claims handling process must be provided.
- 10.6 In the event the service provider is proposing any charge for claims handling services in addition to the premium for insurance cover, then quotations must be provided on the following basis:-
- 10.7 All quotations must be submitted in respect of handling each claim arising from incidents occurring during the insurance year, Whenever the claim maybe received until final settlement.

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- 10.8 Prices can either be submitted as a fixed fee for all claims arising from the insurance year, or as a unit price per claim. In either case quotations must indicate whether they include or exclude elements such as disbursements, VAT etc.
- 10.9 If quotations are subject to annual adjustment then full details of the method of adjustment must be provided with the quotation, together with confirmation of the number of claims anticipated when calculating the quotation.
- 10.10 The PPC will require the successful service providers to provide regular and comprehensive claims information:-
- 10.11 Authenticated loss experience in agreed market form, at least 90 days prior to each renewal date.
- 10.12 A full list of all claims/losses submitted to the insurer will be provided to the PCC at quarterly intervals, by risk and policy year. Data will be provided in Excel spreadsheet. The list will show as a minimum the following information where relevant:-
- insurer and PCC references
 - vehicle registration number
 - name of own driver
 - date of incident
 - indicator for geographical location of the loss
 - brief description of claim
 - name of third party claimant
 - Amount paid to the PCC and/or third party
 - Date of Payment
 - Reserve/estimate on each outstanding claim
 - Date of reserve/estimate
- 10.13 Service providers are required to respond to written enquiries from the PCC and claimants within 3 working days. If a comprehensive reply cannot be despatched within this time due to the need for further enquiries, then a holding response must be despatched giving a timescale by which the claims handler expects to be able to respond fully.
- 10.14 Service providers are required to respond to telephone enquiries within 24 hours. If a response cannot be given within this timescale then an anticipated timescale for responding should be given to the enquirer.
- 10.15 Correspondence repudiating claims must be sent as soon as possible together with an explanation for doing so. Copies of all such letters must be sent to the PCC for information.
- 10.16 All requests for additional information in connection with claims must be directed to the PCC and contact details will be provided upon the award of contracts.
- 10.17 Where possible and appropriate the service providers will be required to pursue recoveries from third parties. This will be in the form of a full Uninsured Loss Recovery Service , if a separate charge is to be made this should be included in the premium spreadsheet in

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appendix 2. Underwriting information is included in Lot 8 for Motor Uninsured Loss Recovery.

- 10.18 The service providers must provide the following supporting documentation when submitting tenders:-
- 10.19 Details of the names, qualifications and experience of the team of employees who will be responsible for the delivery of services to the PCC.
- 10.20 Outline of the service provider's philosophy for claims handling, including specific description of the claims handling service(s) offered, including details of out of hour's access.
- 10.21 Measures for ensuring quality of service, performance standards and for the monitoring and containment of the cost of claims/claims handling.

All service providers will:

- 10.22 Provide regular information concerning changes in reserves.
- 10.23 Undertake a regular, at least quarterly, update on all open claims and their reserves including those where there has been no action during the preceding quarter. All inactive claims will be closed off where appropriate to ensure that these do not distort the claims statistics.
- 10.24 Enable the PCC to have an input into the decision making process on liability. Agreement should be reached on liability and quantum before the claimant is contacted.
- 10.25 Assist the PCC to reduce future losses by discussing what measures need to be implemented to prevent a recurrence and provide written feedback on each claim paid concerning why the defence failed.
- 10.26 No service provider may allocate a new claims handler to the PCC without the prior agreement of the member concerned. Such agreement will not be unreasonably withheld but the PCC reserve the right to approve the replacement nominated by the service provider.
- 10.27 With regard to the Claims Handling requirements of covert incidents. These are, for obvious reasons, treated as 'confidential' and under the Government Protective Marking Scheme invokes specific document handling requirements. The contractor will need to supply details of the proposed named handlers who deal specifically with this type of claim. These handlers will be subjected to an enhanced level of vetting.
- 10.28 There will be a requirement of the claims handlers or its agents to submit total loss details via MIAFTR / HPI and this will be made an explicit responsibility of any independent assessors employed by the claims handlers. Provider(s) need to specify if this service can be provided or not.

11.0 DOWNGRADE TRIGGER CLAUSE

- 11.1 It is expected that Tenderers will include the following Clause within their Policy Wording:
- 11.2 Cancellation of this policy is amended by adding the following paragraph:
- 11.3 "Notwithstanding the foregoing, in the event that a financial strength rating for the Company is issued below A- by Standard & Poor's Ratings services (hereinafter referred to as ("Credit Rating Downgrade")) this policy may be cancelled by the Insured by mailing written

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prior notice to the Company. If such written notice is provided within 30 days of such Credit Rating Downgrade the Company shall be entitled to retain only the pro rata proportion of the premium hereon up to the date of cancellation.”

APPENDIX A – TERMS OF THE FURTHER COMPETITION

12.0 INTRODUCTION

These Terms of the Further Competition regulate the conduct of the Potential Provider and the PCC throughout the Further Competition. These terms also grant the Government Procurement Service specific rights and limit its liability.

In these Terms of the Further Competition any reference to 'person' includes, but is not limited to, any person, firm, body or association, corporate or incorporate.

13.0 CONDUCT

The Potential Provider agrees to abide by these Terms of the Further Competition and any instructions given in the Further Competition Invitation and agrees to ensure that any of its staff, contractors, subcontractors, consortium members and advisers involved or connected with the Further Competition abide by the same.

13.1 Contact during the Further Competition exercise and canvassing

The Potential Provider must not directly or indirectly canvass the elected PCC or any Member of his office, public sector employee or agent regarding this Further Competition or attempt to procure any information from the same regarding the Further Competition (except where permitted by the Further Competition Invitation). Any attempt to do so may result in the Potential Provider's disqualification from this Further Competition.

13.2 Collusive Behaviour

13.2.1 The Potential Provider must not (and shall ensure that its subcontractors, consortium members, advisors or companies within its Group do not):

- 13.2.1.1 fix or adjust any element of the Tender by agreement or arrangement with any other person;
- 13.2.1.2 communicate with any person other than the PCC the value, price or rates set out in the Tender or information which would enable the precise or approximate value, price or rates to be calculated by any other person;
- 13.2.1.3 enter into any agreement or arrangement with any other person, so that person refrains from submitting a Tender;
- 13.2.1.4 share, permit or disclose to another person, access any information relating to the Tender (or another Tender to which it is party) with any other person; or
- 13.2.1.5 offer or agree to pay or give or does pay or give any sum or sums of money, inducement or valuable consideration directly or indirectly to any other person for doing or having done or causing or having caused

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to be done in relation to the Tender any other Tender or proposed Tender, any act or omission,

except where such prohibited acts are undertaken with persons who are also participants in the Potential Provider's Tender, such as subcontractors, consortium members, advisors or companies within its group, or where disclosure to such person is made in confidence in order to obtain quotations necessary for the preparation of the Tender or obtain any necessary security.

13.2.2 If the Potential Provider(s) breaches paragraph 13.2.1, the PCC may (without prejudice to any other criminal or civil remedies available to it) disqualify the Potential Provider from further participation in the Further Competition.

13.2.3 The PCC may require the Potential Provider(s) to put in place any procedures or undertake any such action(s) that the PCC in its sole discretion considers necessary to prevent or curtail any collusive behaviour.

14.0 COMPLIANCE

The Potential Provider(s) agrees that in cases where their Tender is deemed non-compliant when compared with the requirements set out within the Invitation to Tender (e.g. budget, terms and conditions) they will be excluded from the Further Competition.

15.0 RIGHT TO CANCEL OR VARY THE FURTHER COMPETITION

15.1 The PCC reserves the right:

15.1.1 amend, clarify, add to or withdraw all or any part of the Further Competition Invitation at any time during the Further Competition;

15.1.2 to vary any timetable or deadlines set out in the Further Competition Invitation;

15.1.3 not to conclude a contract for some or all of the goods and/or services (as applicable) for which Tenders are invited; and

15.1.4 cancel all or part of the Further Competition at any stage at any time.

15.1.5 The Potential Provider(s) accepts and acknowledges that by issuing the Further Competition Invitation, the PCC is not bound to accept a Tender or obliged to conclude a contract with the Potential Provider at all.

APPENDIX B – LOT 1 SERVICE DESCRIPTION

16.0 INTRODUCTION

Background to Lancashire Constabulary

16.1 The county of Lancashire covers an area of 2,000 square miles with 125 miles of coastline. There is a mixture of rural and urban communities including four major conurbations:

- Blackpool
- Preston
- Blackburn
- Burnley

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There are two university cities, Lancaster and Preston; the latter is the seventh largest in the UK. There are 14 local authorities, 2 of which are unitary authorities and 12 are districts of Lancashire County Council. The county has a significant transportation network, with five major motorway links, a busy seaport at Heysham, the main West Coast railway line and increasing air traffic using Blackpool Airport.

16.2 Lancashire's resident population is approximately 1.5 million with an estimated 40,000 people travelling into Lancashire each day to work and approximately 1 million visitors per year. Of the population, 6.6% is minority ethnic. Asian heritages predominate and concentrate in the east of the county; Blackburn with Darwen has one of the highest minority ethnic populations (22.1%) outside London. In addition, there has been a marked increase in the number of migrant workers, students and asylum seekers, most of whom are not included in the population statistics. In general, the economy of the county is strong but there are areas of chronic deprivation.

A copy of the Constabulary's current structure in Lancashire and the OPCC Structure chart is attached as appendix 3 and appendix 4 respectively.

16.3 The Chief Constable of Lancashire is responsible for all operational matters concerning the policing of Lancashire. The Constabulary deal with approximately 1,700 incidents per day.

16.4 Lancashire Constabulary's HQ is at Hutton on the outskirts of Preston. Currently, two Policing Divisions, namely G Division – Crime and H Division – Operations, are also based at HQ in Hutton. In addition, the Constabulary currently has six Operational Divisions, with Divisional Headquarters based at Lancaster (Northern), Blackpool (Western), Preston (Central), Blackburn (Eastern), Burnley (Pennine) and Leyland (Southern).

16.5 It should be noted though that there are firm plans to restructure the Constabulary before April 2014 in response to budget pressures. This would lead to the following changes :-

1) A reduction in the number of regional divisions from six to three, with the new divisions being Western and Northern, Southern and Central and Eastern and Pennine.

2) The force's G Division, which includes the Force Major Investigation Team and the Serious and Organised Crime Unit, being reviewed with a view to cutting costs.

3) The H Division, which includes the operational side such as the road policing units and armed response, will have some resources split across the divisions.

16.6 It is likely that the restructure will lead to a reduction in staff numbers. There is also the likelihood of the transfer of some civilian staff from the Lancashire Constabulary to the Office of the Police & Crime Commissioner for Lancashire before 1st April 2014 under ' Stage 2 ' transfers.

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16.7 All the insurance cover for which quotes are requested in this tender specification is to indemnify both the Police & Crime Commissioner for Lancashire and the Chief Constable of Lancashire.

More detailed information relating to the PCC and the Constabulary, and to the services that they provide, is available on their websites, as follows:-

[Police & Crime Commissioner : www.lancashire-pcc.gov.uk](http://www.lancashire-pcc.gov.uk)

[Lancashire Constabulary : www.lancashire.police.uk](http://www.lancashire.police.uk)

17.0 PURPOSE

The PCC wishes to arrange insurance protection which offers the best value for money.

18.0 BACKGROUND TO THE PCC

This is included in the Police and Crime Plan which is attached in appendix 5.

18.1 The County Treasurer's Directorate of Lancashire County Council provides an insurance service to the PCC and the Chief Constable of Lancashire, and so all matters relating to their insurance arrangements are dealt with in the first instance by the County Treasurer's Insurance Team.

19.0 BACKGROUND TO REQUIREMENT/OVERVIEW OF REQUIREMENT

19.1 Providers should quote for a 17 month contract, as the PCC would like to retain the option to migrate to a potential regional collaborative contract for insurance services on 1st April 2015.

19.2 In addition the PCC requires quotations for a 3+1+1 LTA arrangement.

20.0 UNDERWRITING SERVICE LEVELS AND PERFORMANCE

The PCC will measure the quality of the Supplier's delivery by:

20.1 Insurers are required to provide the PCC with written confirmation that the insurer will indicate whether or not the long term agreement will be broken at least 120 days prior to each renewal date, together with authenticated loss experience, in a format required by the PCC.

20.2 Where the responding bidder is a direct insurer, during the currency of the insurances, all correspondence and enquiries must be directed to the PCC. The intention is to allow direct contact between the insurer and the PCC but the successful insurer will be required to recognise the appointment of Gallagher Heath as the appointed insurance brokers to the PCC and to respond fully to any queries they raise and to attend meetings with them to resolve any issues with service provided to the PCC as required.

20.3 Insurers are required to issue draft policy documentation either to the PCC or to the appointed insurance brokers within 30 days of the inception date.

20.4 Insurers are required to respond to written enquiries within 5 working days. If a comprehensive reply cannot be despatched within this time due to the need for further enquiries, then a holding response must be despatched giving a timescale by which the insurer expects to be able to respond fully.

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- 20.5 Insurers are required to respond to telephone enquiries within 24 hours. If a response cannot be given within this timescale then an anticipated timescale for responding should be given to the enquirer.
- 20.6 Should the PCC suffer a failure of service from the successful insurer and this cannot be resolved within a reasonable amount of time, the PCC can terminate the contract with the insurer with no penalty clause to apply.
- 20.7 A named underwriting contact will be provided by the insurer to the PCC. No insurer may allocate a new underwriting contact to the PCC without the prior agreement of the PCC. Such agreement will not be unreasonably withheld but the PCC will reserve the right to approve the replacement nominated by the insurer.

21.0 Escalation Process

- 21.1 The following section specifies the service standards required from each insurer, but in the event that any standards are not achieved, an escalation process will be instigated, as follows:-
- 21.2 Escalation Point 1: If no response or no holding response are received within 5 working days, the enquiry will be forwarded to the Underwriting Manager, who will be a named person.
- 21.3 Escalation Point 2: If no response or no holding response is received within a further 3 working days, then a copy of the enquiry will be sent to the Regional Business Manager, Account Manager or equivalent. Resolution should then occur within a further 3 working days.

22.0 Penalties for Non-performance

- 22.1 In the event that any insurer fails to meet the general conditions stated or the service specifications listed below having expressly or implicitly agreed to do so and provided that such non-performance cannot be rectified by the insurer within a period of 90 days the PCC reserves the right to:-
- 22.1.1 terminate the contract at the next renewal without any penalty or reimbursement of discounts allowed for a longer contract period, and
- 22.1.2 the insurer shall pay to the PCC upon demand a sum to reimburse the PCC for any costs, actions, demands and claims arising from such non-performance together with the cost of re-tendering for the service in question if the PCC is required to do so.

23.0 Long Term Agreement

- 23.1 Any increase in premium rate, terms or conditions within the period of the long term agreement will, subject to the following exclusions, be a breach of the long term agreement and will enable the PCC to invite tenders for the risk for which the increase is sought.

Exclusions:-

- Market wide alterations to terms and conditions

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- Increases in indemnity limits requested by the insured
- The inclusion of new risks or perils under an existing policy
- The index linking of deductibles, aggregate loss limits, sums insured or premiums provided that the proposals for such index linking are clearly stated in writing with the insurer's quotations.
- Any proposal to gear premiums to loss ratios or other benchmarks, provided that the proposals for renewal premium formulae are clearly stated in writing with the insurer's quotations.

24.0 ADDITIONAL REQUIREMENTS

VETTING

- 24.1 The provisions of Sections 4 (2) and 4 (3) (b) of the Rehabilitation of Offenders Act 1974 do not apply to persons employed on police premises, or those persons whom assist constables of a police force.
- 24.2 Therefore, the Contractor must abide by the Association of Chief Police Officer's Vetting Policy and Lancashire Non-Police Personnel Vetting Procedures. This requires the Contractor to identify all his members of staff or agents who have or will have access to the Constabulary's premises, equipment and/or information. The Contractor is duty bound to: -
- Gain the consent of the employee or proposed employee to be vetted.
 - Ensure that adequate, accurate and up to date information is supplied on the vetting form.
 - Ensure that vetting applications are received in good time for processing and prior to offers of employment being made.
 - Ensure that the employee or proposed employee has signed the form once the details have been completed.
 - Employees or proposed employees who refuse to give their consent to be vetted or do not provide the information required in the clause below or refuse to sign the vetting form will be ineligible for employment in and about the provision of the Services.
- 24.3 The following information is required for each person to be employed or seeking to be employed by the Contractor in the provision of the Services and, if when requested by the PCC, all other persons who may be at any time concerned with the Contract or any part of it, specifying in each case the capacities in which they are so concerned. This information is mandatory and the vetting process will not be undertaken until they are made available:
- Full name and details of any other name known by (either currently or previously)
 - Maiden name or any previous surnames used.
 - Date and place of birth.
 - Current address.
 - Details of any previous addresses in the last 5 years.
 - Gender.
 - Details of spouse/partner, co residents and close family members

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- Details of any previous convictions/cautions and other sanctions (as detailed in Section 2 of the vetting form)
- Details of current financial position and specifically any current or previous Bankruptcy Orders, County Court judgements (CCJs), Individual Voluntary Agreements (IVAs) or defaulted accounts.
- Details of any known criminal associates.

24.4 The Contractor shall not employ any person in and about the provision of the Services who has not been vetted, and prior confirmation of vetting clearance having been granted has been received from the Authorised Officer. The Contractor must ensure that his list of security cleared personnel is kept up to date and available for inspection by the PCC's personnel and must ensure that the Constabulary is updated with regard to personnel who leave.

24.5 The PCC is not permitted to give the Contractor any reason for the rejection of an employee or proposed employee.

24.6 Vetting clearances will ordinarily be valid for a period of five years during which time they may be subject to a periodic appraisal and, at the end of which they become subject to renewal.

25.0 SECURITY REQUIREMENTS

25.1 The information disclosed in the tender documents is confidential and should not be shared with any other party unless approved by the client in writing.

26.0 BUDGET

26.1 The Police Service generally has been subject to a number of budgetary restraints over the last few years and will continue to experience additional cuts in funding for the foreseeable future.

Therefore, it is important that the further competition will represent value for money for the PCC.

Contained in the appendix is the PCC's current budget for 2013/2014 this is appendix 6.

APPENDIX C – FURTHER COMPETITION QUESTIONNAIRE

27.1 INTRODUCTION

27.2 This Appendix C sets out the questions that will be evaluated as part of this Further Competition.

The following information has been provided in relation to each question (where applicable):

27.2.1 Weighting – highlights the relative importance of the question

27.2.2 Guidance – sets out information for the Potential Provider to consider when

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preparing a response

27.2.3 Marking Scheme – details the marks available to evaluators during evaluation

28 DOCUMENT COMPLETION

- 28.1 You **must** provide a response to every question. Please provide your response in the blue shaded boxes.
- 28.2 You **must** complete this document in its current form, therefore you **must not** alter / amend the document in any way.
- 28.3 You **must not** submit any additional information with your Tender other than that specifically requested in this document or Appendix B – Service Description.

29 RESPONSE TEMPLATE

| [1] COMPANY INFORMATION | |
|--------------------------------|--|
| [1.1] | Please state your full company name. |
| [1.2] | Please state your registered office address. |
| [1.3] | Please state whether your company is a SME. |

| [2] TENDER CONTACT | |
|---------------------------|--|
| [2.1] | Please state the contact's name. |
| [2.2] | Please state the contact's address. |
| [2.3] | Please state the contact's telephone number. |
| [2.4] | Please state the contact's e-mail address. |

| [3] PASS/FAIL QUESTIONS | | Pass/Fail |
|---|----------------|------------------|
| <p>Please Note: The following question is a Pass / Fail question, therefore if a Potential Provider cannot or is unwilling to answer 'Yes', their Tender will be deemed non-compliant and they will be unable to be considered for this requirement. The Potential Provider should confirm by deleting the inappropriate answer.</p> | | |
| [3.1] | Not Applicable | Yes No |

| [4] Quality Question – this template can be used for as many quality questions you require | | Weighting 50% |
|--|--|----------------------|
| Guidance: | | |
| The marking criteria to be utilized in this tender is shown on pages 18-19 below, providers should | | |

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familiarise themselves with this criteria.

Question:

Not applicable as separate quality criteria is to be used.

30 EVALUATION CRITERIA

Tenders will be assessed on the following evaluation criteria and maximum weighting:

INSURANCE SERVICES (All lots with the exception of Lots 8 and 10 which relate to claims handling.)

30.1 The Award Criteria and sub-criteria and relevant weightings are detailed in the Evaluation Scoring Matrix which shows information that will be taken into consideration.

Insurance Lots - Evaluation Criteria

| | EVALUATION CRITERIA | Weighting |
|-----------|--|-----------------------------------|
| 1. | Compliance with Specification | 30% |
| 1.1 | The following information will be considered: <ul style="list-style-type: none"> The extent that cover matches the requirements of the specification. The principal exclusions and effects of exclusions or conditions and application of deductibles. Extent that the terms are provided are based on the limits and deductible levels requested in the tender. Confirmation that changes to policy cover mid-term will be allowed. | All four sub-criteria attract 25% |
| 2. | Services | 10% |
| 2.1 | Explain your approach to customer service/ account management including contact points, named contacts and regular review meetings. | 30% |
| 2.2 | Provide details of the provision of underwriting support and technical advice. | 30% |
| 2.3 | Provide details of the provision of insurance policy documentation (standards for turnaround of policy, renewal, endorsements and other documentation). | 20% |
| 2.4 | Provide details of the provision of relevant insurance news, legal case updates, topical issues, website content etc. | 10% |
| 2.5 | Provide details of the provision of training and education/ conferences, | 10% |

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| | | |
|-----------|--|------------|
| | seminars etc. | |
| 3. | Risk Management & Innovation | 10% |
| 3.1 | Provide details of the provision of risk management support. | 20% |
| 3.2 | Explain your approach to dealing with risk areas causing concerns. | 20% |
| 3.3 | Provide details of the provision of any low claims rebate and qualifying criteria. | 30% |
| 3.4 | Provide details of any other innovations considered appropriate. | 30% |

The following scoring system will be applied to the above criteria with the exclusion of Price

| SCORE | CLASSIFICATION | DEFINITION |
|-------|----------------|---|
| 0 | Unacceptable | No response or totally unacceptable response not meeting the PCC's requirements or ITT specification in any way. |
| 1 | Inadequate | Substantially unacceptable and does not meet the PCC's expectations in some significant areas. Considerable reservations of the organisations relevant ability, understanding, experience, skills, resources and quality measures to provide the service required. |
| 2 | Weak | Weak response that does not fully meet the PCC's requirements. Minimal response with little or no detail or evidence demonstrating adequate compliance. Some limited concerns about the organisation's relevant ability, understanding, experience, skills, resources and quality measures to provide the service required. |
| 3 | Satisfactory | Response largely covers the PCC's requirements but with limited evidence given to support the answers. |
| 4 | Good | Criteria in the ITT are met with evidence provided to support answers. Answers demonstrate full compliance and relevant experience. |
| 5 | Excellent | Comprehensive and detailed response demonstrating full requirements of all aspects of ITT with clear examples of added value of relevance and benefit to the PCC. Enhancements above the minimum ITT requirements provided are deemed relevant and add value also. |

| | |
|---|-----------------------|
| [5] PRICE | Weighting 50 % |
| Guidance: | |
| <p>Maximum points will be awarded to the lowest price taking into account any Long Term Agreement discounts, package discounts and any other price adjustments to identify a whole contract price for the period of the agreement. Please complete the Pricing Schedule in Appendix 2.</p> <p>The lowest price will score maximum (50%) and other participants will score a percentage of the marks available in proportion to their proximity to the lowest score.</p> <p>EXAMPLE</p> <p>Lowest Price Submitted</p> <p>-----</p> | |

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Tenderers Submitted rate x 100 (x 50% High Level Weighting)

30.2 Claims Handling Lots - Evaluation Criteria (Lots 8 and 10)

IMPORTANT NOTE

The PCC is under no obligation to accept the lowest or any tender submitted in respect of motor claims handling. Furthermore, the final selection may be dependent on the choice of motor insurers and therefore outside of the control of the PCC.

| | EVALUATION CRITERIA | Weighting |
|-----------|---|------------------|
| 1. | Skills and Technical Capability of Staff | 20% |
| 1.1 | Provide details of the identities, qualifications and experience of the individual case handlers and management team who will be involved in providing the Claims Handling service. | 50% |
| 1.2 | State management/individual case handlers' authority limits, case review systems and frequencies and detail internal control systems and mechanisms, and escalation arrangements. | 30% |
| 1.3 | Supply a training matrix indicating courses attended by case handling staff and detail procedures for training staff to ensure their knowledge is kept fully up to date. | 10% |
| 1.4 | Supply a training matrix indicating courses attended by case handling staff and detail procedures for training staff to ensure their knowledge is kept fully up to date. | 10% |
| 2. | Methodology | 25% |
| 2.1 | Provide details of your proposals for handling `sensitive` claims that may occur e.g covert VEHICLES. | 4% |
| 2.2 | Submit a method statement outlining how the claims handling service will be provided and provide details of any established timescales for claims processing. | 16% |
| 2.3 | Explain the company's reserving philosophy and approach to the closure of claims and subrogation procedures. | 4% |
| 2.4 | Provide details of your proposals for undertaking on-site investigations of claims. | 8% |
| 2.5 | Explain contingency measures, procedures for responding to out of business hours and major incidents or series of incidents and to media enquiries and attention. | 4% |
| 2.6 | Explain the procedures in place for checking/challenging claimant's legal costs and disbursements. | 8% |
| 2.7 | Provide details of measures in place to ensure compliance with | 12% |

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| | | |
|-----------|--|-------------|
| | applicable legal protocols e.g. pre-action protocols. | |
| 2.8 | Provide information regarding your complaints procedures. | 4% |
| 2.9 | Provide details of how your company has prepared for management of the MoJ Portal insofar as it applies to Motor claims only and how you envisage its impact on the claims of the PCC. | 4% |
| 2.10 | Provide details of how you assess/monitor the quality of any consultants or experts instructed to act. Do you have a directory of experts detailing costs, performance, turn around and court performance? | 8% |
| 2.11 | Give details of your company's use of information technology to improve the efficiency and effectiveness of claims processing procedures and of any planned investment in IT to eliminate legacy systems. | 4% |
| 2.12 | Specify procedures to ensure the security and integrity of data relating to the claims handling service which will be stored on your computerised systems. | 4% |
| 2.13 | Describe your systems and procedures for identifying and responding to suspicious/fraudulent claims and inaccurate data including specific reference to all databases and services to which claims are input and searched. | 16% |
| 2.14 | Describe your Business Continuity Plan and any disaster recovery plan that you have in place. | 4% |
| 3. | Innovation | 5% |
| 3.1 | Describe how you will provide the PCC with risk management information arising from the claims handling process e.g. mapping trends, identifying potential problem areas, identifying risk improvement measures, producing risk analysis reports, and evaluation of large loss/complex claims. | 100% |
| 4. | Price | 50% |
| 4.1 | <p>Please provide full details on price as requested in the Pricing Schedule including the completion of the Pricing Schedule as set out in Appendix 2.</p> <p>The maximum score available for price will be awarded to the lowest priced Tenderer. Remaining Tenderers will be awarded marks based on the following formula:</p> <p>EXAMPLE</p> <p>Lowest Price Submitted</p> <p>-----</p> <p>Tenderers Submitted rate x 100 (x 50% High Level Weighting)</p> | 100% |
| | Total | 100% |

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The following scoring system will be applied to the above criteria with the exclusion of Price

| SCORE | CLASSIFICATION | DEFINITION |
|-------|----------------|---|
| 0 | Unacceptable | No response or totally unacceptable response not meeting PCC's requirements or ITT specification in any way. |
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| 2 | Weak | Weak response that does not fully meet the PCC's requirements. Minimal response with little or no detail or evidence demonstrating adequate compliance. Some limited concerns about the organisation's relevant ability, understanding, experience, skills, resources and quality measures to provide the service required. |
| 3 | Satisfactory | Response largely covers the PCC's requirements but with limited evidence given to support the answers. |
| 4 | Good | Criteria in the ITT are met with evidence provided to support answers. Answers demonstrate full compliance and relevant experience. |
| 5 | Excellent | Comprehensive and detailed response demonstrating full requirements of all aspects of ITT with clear examples of added value of relevance and benefit to the PCC. Enhancements above the minimum ITT requirements provided are deemed relevant and add value also. |