

QLDC Council

27 June 2024

Report for Agenda Item | Rīpoata moto e Rāraki take [8]

Department: Chief Executive

Title | Taitara : Chief Executive's Report

Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to report on items of general interest that do not require a full officer report, summarise meetings of Standing Committees and to seek approval for the Chief Executive to enter into a contract for insurance brokerage services.

Recommendation | Kā Tūtohu

That the Council:

1. **Note** the contents of this report;
2. **Delegate** to the Chief Executive the power to enter into a contract with Aon for insurance brokerage services which includes the provision of associated insurance policies (for a maximum term of 5 years);
3. **Note** that officers will provide an insurance renewal report to the Assurance, Finance & Risk Committee, prior to renewing insurance policies (currently renewal periods are April and November each year) and

Prepared by:



Name: Mike Theelen

Title: Chief Executive

5 June 2024

Context | Horopaki

Contract for Insurance Brokerage Services

1. The Queenstown Lakes District Council (QLDC) is required to procure insurance brokerage services following the expiry of the existing insurance brokerage contract. While the cost of brokerage services is within officer delegation, the cost of insurance for the proposed term of brokerage services (3+1+1 years) is anticipated to exceed the Chief Executive's financial delegations: the combined cost of insurance 2020-24 is about \$12M.
2. In accordance with QLDC's Procurement Policy, procurement must consider both the cost of brokerage services and the cost of insurance for the term of the contract (it is assumed for procurement purposes to be the maximum term, 5 years).
3. An open market request for proposals was released on 17 April 2024 via the Government Electronic Tender Service (GETs) and closed on 10 May 2024. Three proposals were received. The tender evaluation team met on 10 May 2024 and confirmed its preferred supplier, Aon (the incumbent) based on non-price attributes, which was confirmed once price was also considered.
4. At the time of writing, a contract is currently being prepared based on the standard 'All of Government' (AoG) Contract Form. Although the total cost of insurance will be determined at the time of renewals, the cost of brokerage under the contract (and as per Aon's proposal) is within officer delegation.
5. Prior to insurance policy renewal, which currently happens in April and November (depending on policy type), it is proposed that officers will provide an insurance renewal report to the Assurance, Finance and Risk Committee.
6. The Council is asked to delegate authority to the Chief Executive the power to enter into a contract with Aon for insurance brokerage services which includes the provision of associated insurance policies.

Committee Meetings of the Previous Round

Audit, Finance & Risk Committee – Mr Stuart McLauchlan (Chair) (11 June 2024)

Information:

1. Risk and Compliance Update June 2024
2. June 2024 Year-to-date Financial Overview
3. June 2024 Year-to-date Sensitive Expenditure
4. Update on Resource Consent Appeals
5. Organisational Health, Safety and Wellbeing Report
6. Lakeview Update
7. Annual Privacy Update
8. Alliance Lessons Learnt Report
9. Internal Audit May 2024
10. Audit Opinion of Long Term Plan
11. Legal Update
12. Treasury Update

Items 10-12 were considered with the public excluded.