

ABERDEEN CITY COUNCIL

COMMITTEE Finance & Resources

DATE 11 May 2010

DIRECTOR Stewart Carruth

TITLE OF REPORT Procurement of Tenants Contents Insurance Provision

REPORT NUMBER: CG/10/071

1. PURPOSE OF REPORT

This report seeks approval to retender the contract for The Tenants Household Contents Insurance Scheme which provides home contents insurance cover for Aberdeen City Council Tenants. It is proposed to re-tender to allow continuation of the Scheme after the current contract expires on 31 December 2010.

2. RECOMMENDATION(S)

The Committee is asked to approve:

- 1 that the Council proceed to a formal EU compliant tender for the provision of Tenants Household Contents Insurance from the expiry of the current contract;

and

- 2 that an award be made to the bidder submitting the most economically advantageous tender.

3. FINANCIAL IMPLICATIONS

There are no financial cost implications as the Scheme is offered as an extra service to tenants. All administration and publicity costs are met by the successful bidder.

It is proposed that a new contract would begin on 1 January 2011 and end on 5 April 2014 with an option to extend for 2 further 12 month periods at the discretion of the Council. The estimated value of this contract to the successful bidder over a five-year period would be between £800,000 to £900,000.

4. SERVICE & COMMUNITY IMPACT

Section 5.17 of the Council's Scottish Secure Tenancy Agreement states:

"You are strongly recommended to insure your personal possessions against loss or damage caused by fire, flood, theft, accident etc. We operate such a scheme. Ask us for details."

The Council's Scottish Secure Tenancy Agreement would therefore have to be amended if the insurance scheme was withdrawn.

By withdrawing this service it would impact on 3597 tenants.

5. OTHER IMPLICATIONS

None identified.

6. REPORT

Since August 1995 the Council has been committed to provide a low premium pay as you go contents insurance scheme for all tenants. As part of the scheme special premiums are available for pensioners. Tenants also have the option to choose standard or accidental damage cover. Premiums can be paid at any cash office and by direct debit or standing order.

7. REPORT AUTHOR DETAILS

Gary Phillips

Income Management Officer, 01224 522774

gphillips@aberdeencity.gov.uk

8. BACKGROUND PAPERS

Data sourced from insurance premium declaration 5 April 2010.