

FRC Confidential

Invitation to Tender (ITT)

Insurance Brokerage Service

Tender Reference:

FRC2021-083 Insurance Brokerage Service

Tender Closing Date & Time:

Thursday 23 December 2021 at 04:00 pm

Table of Content

1. Background	Page 3
2. Statement of Requirements	Page 3
3. Your Tender Response	Page 4
4. Timetable	Page 5
5. Evaluation Criteria	Page 5
6. Cost/Financials	Page 6
7. Use of ITT & Publication	Page 7
8. Questions & Clarifications	Page 7
9. Conduct	Page 7
10. Due Diligence	Page 8
11. Submitting a Tender	Page 8
12. Acceptance of Tender & Notification of Award	Page 8
13. Contract Duration	Page 9
14. General Information	Page 9
Schedule A – FRC Insurance Portfolio	Page 10
Schedule B – Terms & Conditions	Page 11
Schedule C – Form of Tender	Page 12

1. Background

The Financial Reporting Council sets the UK accounting, audit and actuarial standards and administers the Corporate Governance and Stewardship Codes. As the competent authority for audit in the UK the FRC sets auditing and ethical standards and monitors and enforces audit quality. The FRC works in the public interest. Our work is aimed at investors and others who rely on company reports, audit, and high-quality risk management.

The Financial Reporting Council is committed to

- supporting the creation of a new regulator, the Audit, Reporting and Governance Authority (ARGA), which will be a strong and fit for-purpose regulator and provide increased confidence in the UK market.
- Protecting and improving audit and reporting quality.
- Making company reporting fit for the future.
- Supporting the creation of the audit of the future
- Ensuring that the world-leading UK Corporate Governance and Stewardship Codes make the UK a great place to do business, helping support Covid-19 recovery and UK prosperity.

We also monitor and take action to promote the quality of corporate reporting and operate independent enforcement arrangements for accountants and actuaries. Further information about our role can be found at www.frc.org.uk.

2. Statement of Requirements

2.1 The FRC intends to appoint a registered insurance broker/broker firm to procure competitive insurance covers and premiums, net of broking commission. Schedule A contains details of the wide portfolio of insurances maintained by the FRC. The appointed broker will be required to provide the following services: -

- 2.1.1 advice and assistance as required on all aspects of the FRC's insurance needs.
- 2.1.2 act as an independent insurance advisor to the FRC and proactively provide ongoing unbiased professional advice and recommendations that benefit the FRC during the course of this agreement.
- 2.1.3 advice on, and negotiation of, renewal terms and premiums for the policies detailed in Schedule A.
- 2.1.4 Perform all review and data gathering from FRC's existing Insurance portfolio to prepare underwriting submissions to the insurance markets. Provide submission materials to FRC's Financial Controller for review and approval prior to distribution to underwriters.
- 2.1.5 Identify and present to qualified insurance markets underwriting submissions including specifications for coverages.
- 2.1.6 Receive and evaluate insurer proposals and prepare and submit a written analysis to the FRC's Financial Controller. Identify the best insurance solutions, including appropriate coverage, policy limits and risk financing structure. Provide copies of all quotations and declinations.
- 2.1.7 Develop appropriate specifications for General Liability and excess liability coverage providing the broadest available protection and appropriate extensions of coverage.
- 2.1.8 Undertake market security review of the credit ratings of proposed insurers and Standard & Poor security rating.
- 2.1.9 advice on the levels of cover held and/or indemnities to be maintained under these policies.
- 2.1.10 advice and assistance on the processing of claims.
- 2.1.11 negotiate with underwriters on terms and conditions to obtain the most beneficial and cost-effective coverages available to the FRC.
- 2.1.12 Receive and promptly review policies when provided by insurers. Verify the accuracy of rates and premiums. Verify wording on new policies, binders, certificates, endorsements, or other documents when they are received. Confirm that all

negotiated coverage enhancements are provided and obtain revisions in such documents as necessary. Provide proof of such review and confirmations. For example, the Financial Controller may require reviewers' initials on each page of coverage documents as evidence of review.

- 2.1.13 Promptly submit originals of all policies and endorsements to the FRC.
- 2.1.14 Coordinate services provided by insurers, including safety, claims adjusting, management information reporting and claims management.
- 2.1.15 Assure that all coverages are placed with financially responsible insurers.
- 2.1.16 Assist in and facilitate the adjustment and settlement of claims and losses. Advise on coverage application to specific loss situations and advocate for coverage on behalf of the FRC.
- 2.1.17 Meet with the FRC's designated representatives at least on a half yearly basis or as reasonably requested to discuss insurance issues, claims, loss trends, and other matters affecting the FRC's Insurance.
- 2.1.18 Attendance and management of all claims meetings.
- 2.1.19 Attendance of all Insurer Surveys.
- 2.1.20 Use best endeavours to submit renewal terms to FRC no later than 30 days prior to the expiry of the policies concerned in the form of a clear and concise renewal report, subject to the prevailing insurance market conditions.
- 2.1.21 Keep FRC advised on changes in insurance market practice or legislation that could significantly lead FRC to risk exposure of their insurance programme.
- 2.1.22 Regularly review opportunities for risk avoidance or reduction. This will include liaising with insurers to understand what resource is available to FRC or to assist where possible in financial contribution for areas such as Building Valuation, H&S Training etc.

2.2 In the provision of the service required, the FRC will expect the appointed broker/broker firm to ensure a continuity of staff so that the personnel involved in performing the service can develop a suitable knowledge and understanding of the FRC's insurance portfolio.

3. Your Tender Response

3.1 The tender documentation enclosed is as follows: -

Schedule A: FRC Insurance Portfolio	- for information only
Schedule B: Order from and Terms & Conditions	- for completion, signature, and return (if awarded)
Schedule C: Form of Tender	- for information, completion, signature, and return

Note: - All documentation must be completed in in the specified format. The FRC do not intend to accept any amendments to the contract terms & conditions.

3.2 Attention is drawn to the Conditions of Contract, enclosed as Schedule B, which should be signed to indicate agreement. The tenderer should ensure that nothing submitted as part of the application contains terms and conditions or general restrictions which conflict with the requirements prescribed in the Conditions of Contract.

3.3 The tenderer's attention is drawn to the Form of Tender, enclosed as Schedule C, on which the required format for the tender proposal is detailed.

3.4 To receive the copies of the Tender queries & answers you must submit an **expression of interest** by sending an email to procurement@frc.org.uk by no later than **Thursday 09 December 2021**.

3.4 The tender submission should be sent via email to procurement@frc.org.uk no later than **4:00 pm Thursday, 23 December 2021**.

4. Timetable

This procurement is intended to follow the timeline below:

DATE/TIME	ACTIVITY
02/12/2021	Publication of this ITT
09/12/2021	Expression of Interest (via email to procurement@frc.org.uk)
14/12/2021	Deadline to submit clarification questions
17/12/2021	The FRC to publish responses to clarification questions
23/12/2021 by 04:00 pm	Deadline for tender submission to the FRC.
By 12/01/2022	Tender Outcome
Around 24/01/2022	Contract Start (the contract will initially be for a period of 1 year with possibility of three renewals each for a further period of 12 months)

Please note the following are indicative timescales for planning purposes only. The FRC reserves the rights to amend this timetable and steps following the submission of tender.

5. Evaluation Criteria

Evaluation criteria to be used for evaluating this ITT will be as follows:

Award Criteria	Weighting
<u>Professional Expertise & Innovation</u> <ol style="list-style-type: none"> Please provide examples of any insurance related Risk Management work which you have delivered in the public/regulatory sector. Has the tenderer identified any new risk areas applicable to, or specific to the FRC? Please describe any specific initiatives undertaken by your firm in the provision of enhanced services to your clients. 	30%
<u>Service Offering</u> <ol style="list-style-type: none"> Please detail your experience of providing insurance brokerage services to the public/regulatory sector. Please confirm the names, professional qualification, and roles in your proposed Servicing Team, along with confirmation of their length of service in the industry. Please also state whether this is a dedicated public sector team or practice. Please describe your claims administration process. 	30%
<u>Negotiating strength in the insurance markets</u> <ol style="list-style-type: none"> Please provide an example demonstrated by a non-committal insurer quote based on our existing insurance portfolio. Please confirm your procedures for: <ol style="list-style-type: none"> Insurer's selection Insurer's security Clarity and transparency of fee/commission and payment arrangements 	20%
Total Quality	80%

Commercial/Price	20%
Total Price	20%
Total	100%

Quality Evaluation and Scoring

Score	Criteria for awarding score
0	Unacceptable Failed to provide confidence that the proposal will meet the requirements. An unacceptable response with serious reservations.
25	Poor A poor response with reservations. The response lacks convincing detail with risk that the proposal will not be successful in meeting all the requirements.
50	Fair Meets the requirements – the response generally meets the requirements but lacks sufficient detail to warrant a higher mark.
75	Good A good response that meets the requirements with good supporting evidence. Demonstrates good understanding.
100	Excellent An excellent (well detailed) response that fully meets the requirements and business needs. Provided a clear & comprehensive response and evidence of expertise, experience and/or capabilities to the benefit of the FRC resulting in a high level of confidence.

Tenderers are required to submit a Tender strictly in accordance with the requirements set out in this document, to ensure FRC has the correct information to make the evaluation. Evasive, unclear, or hedged Tenders may be discounted in evaluation and may, at FRC's discretion, be taken as a rejection by the Tenderer of the terms set out in the framework agreement.

FRC will award the contract on the basis of the tender which best meets the evaluation criteria aligned to the requirements.

References

The FRC reserves the right to take up references. You will be required to provide references within the Tender Response Document. References must be relevant to the FRC requirement and within the last five years.

6. Cost/Financials

6.1 The tenderer should provide a fixed fee for the work exclusive of VAT however inclusive of all expenses and disbursement costs. Tenderers should detail their cost in the Tender Response Documents in the format specified. No other costs should be charged on top of the fixed fee, unless and except if the scope has materially changed from what is set out / agreed. Changes to the scope / cost must be mutually agreed.

6.2 The FRC does not anticipate tender bids over £60,000 excluding VAT across 4 years, which is estimated at circa £15,000 per year.

7. Use of ITT & Publication

Tenderers must not undertake any publicity activity regarding the procurement within any section of the media.

8. Questions & Clarifications

8.1 Tenderers may raise questions or seek clarification regarding any aspect of this further competition at any time prior to the tender clarification deadline.

8.2 Tenderers may raise questions or seek clarification within the timeframe by sending questions to procurement@frc.org.uk in the following format.

Nature of query / clarification	Query / Clarification

8.3 FRC will not enter into exclusive discussions regarding the requirements of this ITT with tenderers.

8.4 To ensure that all tenderers have equal access to information regarding this tender opportunity, FRC will publish all its responses to questions raised by Tenderers on an anonymous basis.

8.5 Responses will be published in a questions and answers document to all Tenderers who have indicated that they wish to participate.

9. Conduct

9.1 The tenderer must not communicate to any person the tender price, even approximately, before the date of the contract award other than to obtain, in strict confidence, a price for insurance required to submit the tender.

9.2 The tenderer must not try to obtain any information about any other person's tender or proposed tender before the date of the contract award.

9.3 The tenderer must not make any arrangements with any other person about whether or not they should tender, or about their tender price.

9.4 The tenderer must not offer any incentive to any member of FRC's staff for doing or refraining from doing any act in relation to the tender.

9.5 If the tenderer engages in any of the activities set out in this paragraph or if FRC considers the tenderer's behaviour is in any way unethical FRC reserves the right to disqualify the tenderer from the procurement.

9.6 The tenderer represents and warrants that a conflicts of interest check has been carried out, and that check revealed no conflicts of interest.

9.7 Where a conflict of interest exists or arises or may exist or arise during the procurement process or following contract award the tenderer must inform the FRC and submit proposals to avoid such conflicts.

9.8 Tenderers must obtain for themselves at their own responsibility and expense all information necessary for the preparation of tenders. The FRC is not liable for any costs incurred by the tenderer as a result of the tendering procedure. Any work undertaken by the tenderer prior to the award of contract is a matter solely for the tenderer's own commercial judgement.

10. Due Diligence

10.1 While reasonable care has been taken in preparing the information in this ITT and any supporting documents, the information within the documents does not purport to be exhaustive nor has it been independently verified.

10.2 Neither FRC, nor its representatives, employees, agents, or advisers:

- makes any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the ITT and supporting documents; or
- Accepts any responsibility for the adequacy, accuracy or completeness of the information contained in the ITT and supporting documents nor shall any of them be liable for any loss or damage, other than in respect of fraudulent misrepresentation, arising as a result of reliance on such information or any subsequent communication.

10.3 It is the tenderer's sole responsibility to undertake such investigations and take such advice, including professional advice, as it considers appropriate in order to make decisions regarding the content of its tenders and in order to verify any information provided to it during the procurement process and to query any ambiguity, whether actual or potential.

10.4 It is a requirement that the successful supplier (i) comply with all applicable laws and regulations including, without limitation, the Bribery Act 2010, the Equality Act 2010 and the Modern Slavery Act 2015; and (ii) in addition to any contractual requirement(s), inform the FRC immediately upon becoming aware of any event (including actual or threatened court proceedings) which may impact upon the reputation of the FRC, whether or not connected with the Supplies and/or Services.

11. Submitting a Tender

11.1 Tenderers must submit their tender response within the deadline to procurement@frc.org.uk.

11.2 Where a Tender Response Template is provided, potential providers must align their tender response with that format.

11.3 A Tender must remain valid and capable of acceptance by the Authority for a period of 90 days following the Tender Submission Deadline. A Tender with a shorter validity period may be rejected.

12. Acceptance of Tender & Notification of Award

13.1 FRC reserves the right to amend, add to or withdraw all or any part of this ITT at any time during the procurement.

13.2 FRC shall not be under any obligation to accept the lowest price tender or any tender and reserves the right to accept such portion or portions as it may decide, unless the tenderer includes a formal statement to the contrary in the tender. FRC also reserves the right to award more than one contract to fulfil the requirement.

13.3 The tenderer will be notified of the outcome of the tender submission at the earliest possible time.

13.4 Where the procurement process is subject to EU public procurement directives, a minimum standstill period of 10 calendar days will apply between communicating the award decision electronically to tenderers and awarding the contract.

13.5 Nothing in the documentation provided by FRC to the tenderer during this procurement or any communication between the tenderer and FRC or FRC's representatives, employees, agents or advisers shall be taken as constituting an offer to contract or a contract. No tender will be deemed to have been formally accepted until the successful tenderer has received a formal contract award letter from FRC.

13. Contract Duration

The FRC intends to appoint one broker/broker firm, however, depending on the tender response and outcome the FRC reserves the rights to appoint more than one broker/broker firm if necessary. The contract will initially be for a period of 1 year with possibility of three renewals each for a further period of 12 months on a year-to-year basis at the mutual agreement of both parties. It is the FRC's intent to select the best qualified company or companies to provide these services.

14. General Information

FRC are committed to achieving value for money. Your pricing proposal must clearly breakdown all the key costing elements that reflects your total costing proposal and must be the full and exclusive remuneration for supplying the Services/ Goods or Works. Your costing proposal breakdown should reflect the total cost and show VAT at the prevailing rate.

The selected insurance broker or brokers will submit all required documentation on behalf of the FRC in order to obtain coverage and premium quotes. The insurance broker agrees to submit the FRC's information to all insurers for which the broker is designated the FRC's agent of record.

The broker will negotiate with underwriters on behalf of the FRC. It will submit either a quote or a declination letter to the FRC from each insurer contacted. After insurance is obtained, the broker will issue certificates of insurance and other policy documents as required. The broker will process endorsements and other program changes as required or as requested by the FRC.

The Insurance Agent/Broker will represent the interests of the FRC, and therefore shall at all times act as a fiduciary and shall comply with all ethical requirements expected of a fiduciary, including not acting in the interest of parties other than the FRC. The Insurance Agent/Broker must not act without authorisation from the FRC or an authorised administrator.

Schedule A – FRC Existing Insurance Portfolio

Below is a summary of FRC's existing insurance cover. Full details of the cover can be provided to tenderer after submitting an expression of interest.

Insurance Cover	Insurer	Cover/Sum (m=million)	Insured
Commercial combined (inc. EL & PL)	Allianz Insurance PLC	Employers Liability = £10m Public Liability = £5m	
Excess Combined Liability	Chubb European Group SE	Employers Liability = £5m Public Liability = £5m	
Computers	Chubb European Group SE	Based on value of IT Equipment's.	
Management Liability Package (D&O Liability)	Accelerant Insurance Limited	£3m	
Primary Professional Indemnity	Royal & Sun Alliance Insurance PLC	£5m	
First Excess Professional Indemnity	Tokio Marine HCC	£5m	
Second Excess Professional Indemnity	AIG	£5m	
Business Travel & Personal Accident	Chubb European Group SE	4 x Annual Salary	
Loss Recovery	Lorega Ltd on behalf of certain underwriters at Lloyd's via a Binding Authority	Unlimited	
Legal Expenses	Markel (UK) LTD	£1m	



Schedule B – Order Form and Terms & Conditions

Please download the attachment titled as “Schedule B – Order Form and T&C’s” from the contracts finder notice – Documents sections.

Schedule C – Form of Tender

Tender proposal for

Financial Reporting Council

FRC2021-083 Insurance Broker Services

Tenderers are required to submit a tender proposal which considers and responds to the following as appropriate.

Tenderers should respond to all questions and it is important that tenderers provide full detailed answers including all supplementary information as may be required. Should you provide any additional information in support of your response such as attaching a document or policy, please ensure they are clearly cross-referenced to the appropriate question number.

Supplier Name			
Registered Address			
Registered company number			
VAT number (if applicable)			
Please state if your company is a SME or VCSE		Classification	Yes / No
	SME	Small Medium Enterprise “SME” means an enterprise falling within the category of micro, small and medium-sized enterprises defined by the Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises	
	VCSE	Voluntary, Community & Social Enterprise “VCSE” means a non-governmental organisation that is value-driven, and which principally reinvests its surpluses to further social, environmental or cultural objectives.	
Contact:			
Name			
Position			
Email			
Telephone			
Date			

This must be printed on your letterhead and signed.

Form of Tender**FRC2021-083 Insurance Broker Services**

To: Financial Reporting Council (FRC)

1. I/we have read the ITT documentation (including all associated annexes) and, subject to and upon the terms and conditions contained in the said documents, I/we offer to deliver the contract, at the rates or prices quoted by me/us as shown below.
2. I/we agree that any contract that may result from my/our tender shall be based upon the ITT documentation (including all relevant associated annexes) and my/our Form of Tender inclusive of pricing information.
3. I/we agree that any other terms or conditions or any reservations that may be printed on any correspondence or document from me/us either in connection with this tender, or any contract resulting from this tender, shall not be applicable to the contract.
4. I/we have abided by the requirements set out in the ITT Notices and Instructions of the ITT.
5. The rates and prices quoted in the tender are valid for a period of 90 days from the tender closing date and the tender shall remain binding and open for acceptance at any time prior to the expiration of that period.
6. The date of my/our tender is the date of this Form of Tender.
7. I/we understand that FRC is not bound to accept any tender it may receive and that FRC has no liability to me/us in respect of any expenses incurred by me/us in preparing and submitting my/our tender.
8. I/we agree that the FRC may disclose the Contractor's information/documentation (submitted to FRC during this Procurement) more widely within Government for the purpose of ensuring effective cross-Government procurement processes, including value for money and related purposes.
9. I/we tenderer represents and warrant that a conflict-of-interest check has been carried out and that check revealed no conflicts of interest / the following conflict exists and the proposal to manage / mitigate this conflict of interest it. *(delete as appropriate)*
10. I/we confirm there are no known issues relating to our organisation's financial position and financial strength nor any specific issues that could impact on operations over the course of the proposed contract.
11. I/we confirm that our organisation is not subject to any current or impending legal action, either formal proceedings or notification of legal action, which could impact on the financial viability of our organisation to deliver of the services.
12. I/we confirm that we have observed the delivery deadline date (where applicable) and our organisation can meet this /these dates.
13. I/we confirm that this is a bona fide competitive tender, and our organisation has not communicate to a person, other than a member of FRC; entered into any agreement or arrangements with any other person, that they shall refrain from tendering, or regarding the amount of any tender to be submitted not offered to pay or give, or agree to pay or give, any sum of money or valuable consideration directly or indirectly to any person in relation to this /any tender or proposed tender.



14. I/we confirm that we do not condone any activity which constitutes modern slavery or human trafficking under the Modern Slavery Act (MSA) 2015, we expect our suppliers (and supply chain) to maintain the same approach and to have policies and procedures in place to minimise the risk of modern slavery occurring.
15. I/we understand that FRC reserves the right to take up references if our proposal is successful.

Yours sincerely

Signature

Status

Name of
Signatory

Date

Tender Response

Please refer to the requirements in the Invitation to Tender

Please ensure your response addresses how you will meet the FRC's Requirements.

Please supply relevant information only.

Please submit all documents in a Microsoft Word compatible format (or Open Document format).

SECTION A

Professional Expertise & Innovation

QUESTION 1 - Please provide examples of any insurance related Risk Management work which you/your firm have delivered in the public/regulatory sector.

Your response

QUESTION 2 - Has the tenderer identified any new risk areas applicable to, or specific to the FRC?

Your response

QUESTION 3 - Please describe any specific initiatives undertaken by you/your firm in the provision of enhanced services to your clients.

Your response

Service Offering

QUESTION 1 - Please detail you/your firm's experience of providing insurance brokerage services to the public/regulatory sector.

Your response

QUESTION 2 - Please confirm the names, professional qualification, and roles in your proposed Servicing Team, along with confirmation of their length of service in the industry. Please also state whether this is a dedicated public sector team or practice.

Your response

QUESTION 3 - Please describe your claims administration process.

Your response

Negotiating strength in the insurance markets

QUESTION 1 - Please provide an example demonstrated by a non-committal insurer quote based on our existing insurance portfolio.

Your response

QUESTION 2 - Please confirm your procedures for:

- a) Insurer's selection
- b) Insurer's security

Your response

QUESTION 3 - Clarity and transparency of fee/commission and payment arrangements (weight = 5%)

Your response

SECTION B

Terms & Conditions

Please download the attachment titled as "Schedule B – Order Form and T&C's" from the contracts finder notice – Documents sections.

Amend as appropriate

I/We confirm that we;

- accept the proposed Terms & Conditions with no changes.
- have an issue / concern with the following clause(s):

Clause No.	Concern	Proposed amendment

SECTION C – Supplier Due diligence questionnaire

Amend as appropriate (you should only need to complete the applicable questionnaire)

I/we confirm that we have completed and attach the;

Document type	Document
<ul style="list-style-type: none"> • Supplier Due Diligence questionnaire – Processor 	Please download the attachment titled as "Supplier Due Diligence Questionnaire" from the contracts finder notice – Documents sections.

SECTION D– Pricing		
Please insert Pricing & Pricing Breakdown		
YEAR	Term	PRICE £ (excluding VAT)
1	Initial Term	
2		
3	Extended Term	
4	Extended Term	

Signature		Status	
Name of Signatory		Date	
Name of the Firm/Company			