

# THE CORPORATION OF THE TOWN OF GEORGINA

## COUNCIL AGENDA ADDENDUM

Wednesday, November 27, 2019  
7:00 PM

### 12. REPORTS

#### (2) REPORTS REQUIRING SEPARATE DISCUSSION

Report from the Office of the Deputy CAO:  
Pages 1-9

(A) N6 Initiative - Insurance Coverage and Risk Management Services

Report No. CAO-2019-0052

**Recommendation(s):**

1. That Report No. CAO-2019-0052 prepared by the Clerk's Division, Office of the Deputy CAO, dated November 27, 2019, respecting the N6 initiative for Insurance Coverage and Risk Management Services be received.
2. That the Town enter into an agreement with BFL Canada Risk and Insurance Inc. (BFL) for insurance brokerage and risk management services, for a one (1) year term commencing January 1, 2020, based on a total annual insurance premium of \$563,002 plus taxes, annual adjustments, and the addition of new assets and operations during the term.
3. That Council authorize the Manager of Procurement Services to award the contract for Insurance Coverage and Risk Management Services for the Town and execute all other necessary documents, subject to satisfactory performance of the contract.
4. That Council authorize the Director of Corporate Services / Treasurer to fund the excess insurance claims through the Tax Rate Stabilization Reserve, if the Town's insurance claims exceeds the approved Budget for 2020.

### 13. DISPOSITIONS/PROCLAMATIONS, GENERAL INFORMATION ITEMS AND COMMITTEE OF ADJUSTMENT

#### (2) General Information Items

(B) Briefing Notes

**Pages 10-11**

(I) Electrical Upgrades – Decorative Seasonal Lighting

18. CLOSED SESSION

(1) Motion to move into closed session of Council

**(A) LABOUR RELATIONS OR EMPLOYEE NEGOTIATIONS,  
SECTION 239(2)(d), MA;**

- Verbal Update, Collective Bargaining C.U.P.E. 905.03

(2) Motion to reconvene into open session of Council and report on matters discussed in closed session.

**THE CORPORATION OF THE TOWN OF GEORGINA**

**REPORT NO.CAO-2019-0052**

**FOR THE CONSIDERATION OF  
COUNCIL  
NOVEMBER 27, 2019**

**SUBJECT: N6 INITIATIVE- INSURANCE COVERAGE AND RISK MANAGEMENT SERVICES**

---

**1. RECOMMENDATIONS:**

- 1. That Report No. CAO-2019-0052 prepared by the Clerk's Division, Office of the Deputy CAO, dated November 27, 2019, respecting the N6 initiative for Insurance Coverage and Risk Management Services be received.**
- 2. That the Town enter into an agreement with BFL Canada Risk and Insurance Inc. (BFL) for insurance brokerage and risk management services, for a one (1) year term commencing January 1, 2020, based on a total annual insurance premium of \$563,002 plus taxes, annual adjustments, and the addition of new assets and operations during the term.**
- 3. That Council authorize the Manager of Procurement Services to award the contract for Insurance Coverage and Risk Management Services for the Town and execute all other necessary documents, subject to satisfactory performance of the contract.**
- 4. That Council authorize the Director of Corporate Services / Treasurer to fund the excess insurance claims through the Tax Rate Stabilization Reserve, if the Town's insurance claims exceeds the approved Budget for 2020.**

**2. PURPOSE:**

The purpose of this report is to seek Council's authorization to enter into a contract with BFL Canada Risk and Insurance Services Inc. (BFL) for the provision of Insurance and Risk Management services for a period of one (1) year (January 1, 2020 to December 31, 2020).

**3. BACKGROUND:**

The Northern Six (N6) York Region municipalities namely Town of Aurora, Town of East Gwillimbury, Town of Georgina, Town of Newmarket, Town of Whitchurch-Stouffville and the Township of King have been working together since 2010 on

municipal insurance options. The group jointly retained the services of Cameron & Associates Insurance Consultants, to assist the N6 Insurance working group to prepare a Request for Proposals (RFP) for Insurance and Risk Management Services and to assist in the evaluation proposals.

The N6 Insurance working group jointly issued an RFP for Insurance and Risk Management Services on October 01, 2019. This RFP and the related consulting services were coordinated by staff at the Township of King on behalf of the N6 Insurance working group.

As the number of possible proponents was very small, the N6 municipalities were advised to expect no more than four (4) submissions. One proponent indicated early in the process they would not be submitting and another did not submit their proposal on time.

N6 municipalities, through the RFP process, received only two (2) proposals from the following providers:

- i. BFL CANADA Risk and Insurance Inc. (BFL); and,
- ii. Marsh Canada Limited (MARSH)

#### 4. **ANALYSIS:**

##### 4.1 **Evaluation of Insurance Proposals**

Proposals from both proponents were evaluated by each member of the N6 Insurance working group based on insurance requirements of their respective municipalities in relation to the provided coverage and the associated premiums. Based on the Town of Georgina evaluation, the total percentage score obtained by MARSH was 80.53% and by BFL 87.89%.

Table 1, as follows, provides quotes from BFL and MARSH, based on \$10,000 (current limit), \$25,000 and \$50,000 deductibles per claim.

Table 1- Premium Quotations received from proponents:

<b>Proponent Company Name</b>	<b>Quotation 1 \$10,000 Deductible</b>	<b>Quotation 2 \$25,000 Deductible</b>	<b>Quotation 3 \$50,000 Deductible</b>
<b>BFL</b> (Total Premiums Quoted excluding Tax)	\$788,167	\$684,092	\$563,002
<b>MARSH</b> (Total Premiums Quoted excluding Tax)	\$984,352	\$877,283	\$735,731

Although, the evaluation score for "premium quotations" was only 20% of the total evaluation scores, BFL Canada Risk and Insurance Inc. in comparison to MARSH,

did propose comparatively lower annual premiums, including brokerage commissions.

In consideration that both proponents (MARSH and BFL) received comparable evaluation scores on an average throughout the N6 municipalities, the N6 Insurance working group elected to interview both proponents. The interviews were held at the Town of Aurora on November 12, 2019. However, the N6 municipalities collectively were unable to come to a preferred single proponent based on their individual evaluation scoring, as three (3) of the N6 municipalities scored BFL higher and three (3) scored MARSH higher.

#### **4.2 Municipal Insurance Premium**

Municipal insurance premiums throughout the province have continued to rise. In 2011, AMO completed the first ever comprehensive survey of municipal insurance costs across Ontario which revealed that since 2007, liability premiums have increased by 22.2% and are among the fastest growing municipal costs. Factors that may influence premiums include improvements and construction of new facilities and infrastructure, purchase of new equipment, increase in population, loss record and state of current insurance market.

#### **4.3 Recommended Proponent- BFL Canada Risk and Insurance Inc.**

BFL CANADA Risk and Insurance Inc. (BFL) was founded in 1987 in Montreal, Quebec. BFL's dedicated Public Sector team specializing in insuring Ontario municipalities has operated out of the Toronto office since August 2005. As noted in their proposal, BFL has recently expanded their Public Sector Claims Team which will positively impact their ability to serve Municipal clients from a claims perspective. Services provided to the Town of Georgina would be coordinated through BFL's office in Toronto.

BFL is the Town's current insurance provider. The Town has been working with BFL staff since January 2012. BFL is familiar with the municipality's day-to-day operations and variety of service requirements. Overall, service provided by BFL has been satisfactory and there have been no problems or concerns expressed by Town staff in dealing with them. Since BFL is the incumbent broker there is virtually no "transition" needing to take place. Additionally, BFL is proposing improved risk management services. They have a dedicated risk management team who offers a variety of services including contract and tender reviews, best practice assistance and guidance, risk management seminars for municipal staff, and engaging guest speakers who specialize in municipal litigation and risk management at no additional cost to the Town.

Out of the three (3) premium quotations from BFL, the Town has an opportunity to adjust the deductible as low as \$10,000 per claim with a higher premium cost of

\$788,167 and deductible as high as \$50,000 per claim with a lower premium cost of \$563,002. If the Town had a \$25,000 or \$50,000 deductible for the period of 2012-2019, claims per year would have increased on average by 1.375 or 3.375 respectively, for each of the 8 years. After analyzing the premium cost under each category of deductibles together with Town's loss history and its risk environment for the period of 2012-2019, staff are proposing that \$50,000 deductible per claim is the optimum option for Town's insurance requirement. Staff will monitor claims throughout 2020 to ensure that the increase in deductible continues to make a positive financial impact at the time of next award/renewal of Insurance Coverage and Risk Management services for the Town.

#### **5. RELATIONSHIP TO STRATEGIC PLAN**

This Report supports the following Strategic Goal:

"Deliver exceptional service"

This report provides information to Council for awarding the Town's Insurance policy contract for the year 2020 and allows the Town to manage finances and assets proactively through improved risk management services.

#### **6. FINANCIAL & BUDGETARY IMPACT:**

The total amount of insurance premiums which include the broker fees, are allocated in the operating budget each year and is based on the actual insurance policy costs. The Town also estimates and budgets for the impact of paying deductibles which is based on previous experience. Currently, the Town's 2020 Draft Budget has insurance premiums estimated at \$690,600, and claims estimated at \$70,000, which represents a 13% increase from the budgeted amount for 2019. With a new \$50,000 deductible limit the new premiums will be \$608,042, which includes 8% Ontario Sales Tax, and the new claims budget will be \$150,000 which represents a total increase of 13% from the budgeted amount for 2019 and directly aligns to the budget estimate in the 2020 Draft Budget when combining the budgets for premiums and claims. There is also a recommendation to fund any deductibles from the Tax Rate Stabilization Reserve if the operating budget for claims is used up, since the budget is based on historical experience, which will vary year by year.

#### **7. PUBLIC CONSULTATION AND NOTICE:**

There are no public consultation or notice requirements with respect to this matter.

**8. CONCLUSION:**

Staff recommend that Council approve the award to engage BFL CANADA Risk and Insurance Inc. (BFL) as the Town's Insurance and Risk Management Service provider for one (1) year, from January 1, 2020 to December 31, 2020.

Prepared by:



---

Mamata Baykar  
Deputy Clerk

Recommended by:



---

Rachel Dillabough  
Town Clerk

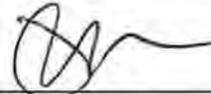
Approved by:



---

Ryan Cronsberry  
Deputy Chief Administrative Officer

Approved by:



---

David Reddon  
Chief Administrative Officer

*Attachment 1: 2019 RFP Insurance and Risk Management Services Summary Report from Cameron & Associates Insurance Consultants.*



55 York Street, Suite 400  
 Toronto, Ontario M5J 1R7  
 Tel: 416 350 5822  
 Fax: 416 362 0278  
[www.cameronassociates.com](http://www.cameronassociates.com)  
[info@cameronassociates.com](mailto:info@cameronassociates.com)

November 18, 2019

Completed for the following:

The Township of King

The Town of Aurora

The Town of East Gwillimbury

The Town of Georgina

The Town of Newmarket

The Town of Whitchurch-Stouffville

The following is a summary report of the outcome of the Request for Proposal (RFP) for Insurance and Risk Management Services conducted on behalf of the Municipalities listed, collectively identified as the "N6".

### **1. Background for 2019 RFP**

In 2011 to take advantage of its group purchasing power, the N6 participated in an RFP for Insurance and Risk Management Services. This resulted in the selection BFL Canada ("BFL"), as the mutually agreeable Proponent and achieving premium savings overall. The BFL Insurance Program has been in force since January 1, 2012, and will expire at 12:01 a.m. January 1, 2020.

### **2. Objective for 2020 Insurance Program**

For the upcoming 2020 insurance renewal, BFL informed the N6 that the insurance industry was entering a hard market cycle and that the 2020 premium would be increasing. As a consequence of this information the group determined that an RFP would be appropriate. While premium savings was an objective, the N6 was also interesting in what coverage other programs offered and to increase the level of risk management services received, for the furtherance of risk management practices within municipal operations.

### **3. State of Insurance Markets for the 2019 RFP**

Our initial meeting with the N6 was held August 8, 2019. We advised that although the hard market had not yet fully materialized across all insurance lines, significant changes with respect to Municipal Insurance had taken place. Whereas in prior years there were potentially six (6) competing programs, BFL, Jardines Lloyd Thompson (JLT), the Frank Cowan Company (FCC), Aon Reed Stenhouse (Aon), Marsh Canada and OMEX, this

number was now reduced to four (4) following the OMEX withdrawal from the market in 2016 and in 2019, Marsh Canada acquiring JLT and Intact Insurance Company acquiring one of FCC's municipal insurers.

While we were certain that the remaining potential Proponents, being BFL, Marsh/JLT, Aon and FCC would offer increased services and possibly broader coverage, we could provide no assurance that there would be a group award based on a premium reduction similar to the 2011 RFP outcome.

#### **4. RFP Process**

Deliverables were determined for the RFP, with individual underwriting profiles for each of the N6 forming part of the RFP attachments. Proponents were required to complete qualitative content directed to the N6 as a whole, and quantitative content being the premium quotation, directed to each of the N6 individually.

For their qualitative submission, Proponents answered a series of questions pertaining to: A - Company Team and Experience, B - Broker Services, C - Claims Services, D - Risk Management Services and E - Scope of Coverage.

For the quantitative submission, Proponents were required to provide three (3) premium quotations based on specified deductibles. The \$10,000 deductible was one that all but one of the N6 currently carry, with the second and third deductibles options being \$25,000 and \$50,000 respectively.

The RFP was released October 1, 2019 and closed November 5, 2019 at 2:00 p.m. Two Proponents submitted Proposals: the incumbent BFL and Marsh/JLT. We were advised shortly following release of the RFP that FCC would not be participating and Aon began the process of completing a Proposal but did not submit.

#### **5. Proposals' Evaluation**

The N6 Evaluators met on November 7, 2019 at the Town of Whitchurch-Stouffville. For the first phase of evaluation each Town or Township of the N6 to score the qualitative content of the Proposals individually, followed by a group evaluation. No Proponent emerged as a clear frontrunner following this process.

Quantitative scoring followed a mathematical formula, with the lowest premium receiving 100% of all available points and the higher premium score reduced by the percentage difference between the two.

Once the quantitative score was added to the qualitative score, BFL and Marsh/JLT achieved the higher score three (3) times each. As a result it was evident that there could be no group award for this RFP, as the selection of one Proponent over the other would be financially detrimental based upon the premium quoted.

## **6. Proponent's Interviews**

The Proponents' Interviews were held at the Town of Aurora on November 12, 2019. While these were informative, particularly as Marsh/JLT was unknown to the N6, at the conclusion it was agreed that the interviews did not alter the Proponents' Evaluation Score awarded November 7, 2019

## **7. RFP Results**

### **a) 2020 Insurance Services**

BFL and Marsh Canada committed to increasing risk management services from current levels. This would include educational seminars and workshops, as well as property and equipment loss control inspections.

### **b) 2020 Scope of Coverage**

BFL offers its current insurance program. The Marsh/JLT insurance program does contain differences to that of BFL, however the scope of coverage is similarly broad, with high liability and property limits provided by both programs.

As was required by the RFP, Marsh/JLT identified the coverage differences between the Marsh/JLT and BFL's program. Separately we identified some key differences between the liability and property policies.

### **c) 2020 Policy Term**

The insurance policies expiring January 1, 2020 were for an 18-month term whereas the replacement policies are for a 12-month term. BFL advised that it could not offer an 18-month term at this time but indicated that should market circumstances change, a mid-term policy extension may be possible, or at renewal. Marsh/JLT indicated that an extended term is available currently at 1.5 times the quoted premium. The policy term made no difference to the final selection of Proponent.

### **d) 2020 Premium**

The spread between quotations was unusual in its consistency. Either BFL's premium or that of Marsh/JLT was lowest by a substantial amount and for none of the N6, were the two quotations competitive. Some of the N6 achieved premium savings, for others the premium increased or remained similar to expiring. Each of the N6 could reduce the total premium by selecting a higher deductible option, but the saving for some was negligible.

## **8. Conclusion**

To make its recommendations for selection of Proponent, the N6 has been provided with their qualitative and quantitative evaluation score for each Proponent. Should there be any questions about the process engaged we would be pleased to answer these.

Thank you for selecting Cameron & Associates, it was our pleasure to assist the N6 for this RFP.

Yours truly,  
CAMERON & ASSOCIATES

A handwritten signature in black ink, appearing to read "Saksida", with a stylized flourish above the name.

Susan Saksida,  
Risk Management and Insurance Consultant  
Direct Line: 416-350-2774  
Email: [susan@cameronassociates.com](mailto:susan@cameronassociates.com)



**GEORGINA**

## External Briefing Note

**Subject:** Electrical Upgrades – Decorative Seasonal Lighting

**To:** Mayor and Council

**From:** Rob Flindall, Director of Operation & Infrastructure  
Operations and Infrastructure Department

**Date:** November 27, 2019

**Briefing:** Staff have estimated that the total cost to complete the electrical upgrades for the outdoor seasonal decorative lighting will be approximately \$90,000.000. Staff request that Council authorize the funding for all of the remaining work to be provided from the Corporate Capital Reserve, and that Council authorize staff to extend the sole-source procurement of the electrical contracting work to the two contractors already engaged, on a Time and Material basis, until all of the 54 locations are completed.

---

At the Council Meeting of October 2, 2019 Council authorized staff to proceed with the electrical connection upgrades for 54 outdoor seasonal decorative lighting fixtures with an estimated cost of \$30,000.00 to be funded from the Corporate Capital Reserve. The original \$30,000.00 cost estimate was based on verbal estimates of approximately \$500 per pole location received from one local contractor.

**Moved by Councillor Harding, Seconded by Councillor Sebo**

**RESOLUTION NO. C-2019-0528**

**That Council receive the briefing note from staff respecting Ontario Main Street Revitalization Funding for Seasonal Decorations, authorize staff to proceed with sole sourcing of electrical GFI breaker boxes in the amount of \$30,000 to be funded from the Corporate Capital Reserve, investigate seasonal banners and/or wreaths as a contingency plan, explore the solar power option for seasonal decorations in the RFP document, and report back to Council on the progress in a couple of weeks.**

**Carried.**

Subsequently, it has been found that the work is tracking between \$1,200 and \$1,400.00 per pole location plus additional charges from Hydro-One to complete engineering design and electrical layout for each location. The cause of this increase is attributed to the cost to complete the required site restoration works, permitting fees to work on Regional roads, additional time to complete the work due to individual site constraints, the cost for inspection by the Electrical Safety Authority (ESA), and contractor over-head costs.

The cost for the Hydro-One design work is estimated to be \$13,000.00 once all of the locations are completed, including the final energization of the connection. Adding this figure to the estimated \$75,600 for the electrical upgrade work (\$1,200- 1,400.00 per pole, and 54 locations) indicates the total expense will be \$88,600.00. The total cost including the 1.76% non-refundable HST is \$90,159.00.

Staff request that Council authorize the funding for all of the remaining work to be provided from the Corporate Capital Reserve and that Council authorize staff to extend the sole-source award of the electrical contracting work to the two contractors already engaged, on a Time and Material basis, until all of the 54 locations are completed.

**Current Project Status:**

The Purchase Order has been issued for the decorative lighting supply and installation contract. This contract will provide for the installation of 54 new light fixtures. Installation can commence once the electrical upgrades are complete in each BIA.

The original scope of work of this project included 35 pole locations to be upgraded in priority locations within the BIAs. Of these 35 locations, 26 are completed as of Monday November 25, 2019. Staff expect that 6 of the remaining 9 locations will be completed by end of the day on Monday. The Electrical Safety Authority (ESA) will inspect each location prior to energization; this inspection is in process. Following inspection and ESA approval, there is a five day lead time for Hydro-One to connect the service. After the energization is complete, the lighting decorations will be installed.

The remaining 19 upgrade locations will be completed once Hydro-One has completed the electrical design, and pending approval of this funding request. The additional installation work will be completed through out the month of December.