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Contract

Modification of Insurance and Related Services 2019 - 2024 to June 25

Key Housing Association

F20: Modification notice

Notice identifier: 2024/S 000-005654

Procurement identifier (OCID): ocds-h6vhtk-043bc7

Published 21 February 2024, 12:24pm

Section I: Contracting authority/entity

I.1) Name and addresses

Key Housing Association

The Square, 70 Renton Street

Glasgow

G4 0HT

Contact

Asa Brooks

Email

info@keyhousing.org

Telephone

+44 1413421890

Fax

+44 1413421891

Country

United Kingdom

NUTS code

UKM - Scotland

Internet address(es)

Main address

<http://www.key.org.uk>

Buyer's address

https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA12503

Section II: Object

II.1) Scope of the procurement

II.1.1) Title

Modification of Insurance and Related Services 2019 - 2024 to June 25

II.1.2) Main CPV code

- 66510000 - Insurance services

II.1.3) Type of contract

Services

II.2) Description

II.2.2) Additional CPV code(s)

- 66510000 - Insurance services

II.2.3) Place of performance

NUTS codes

- UKM82 - Glasgow City

II.2.4) Description of the procurement at the time of conclusion of the contract:

Contract Award for the Modification of provision of general insurance and related services, including claims handling, loss control services and general programme maintenance and advice as required by Key HA and Community Lifestyles commencing 1 June 2024 to 1 June 25.

Further to the previously advertised VEAT notice, Document ID: 755297 - Title: VEAT - Insurance Provision Contract - Modification and having sought advice, to meet our statutory regulatory requirements as a Registered Social Landlord, these public contracts shall be modified and awarded under Regulation 72 (1) (c) utilising the Modification of contracts during their term "by circumstances Key Housing Association (KHA) could not have foreseen".

Key Housing Association (KHA) intends to extend the existing Insurance Provision contract due to end 1 June 24 to the 1 June 25 with Zurich Ltd who are the current insurance service Provider

II.2.7) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

12

In the case of framework agreements, provide justification for any duration exceeding 4 years

NA

II.2.13) Information about European Union Funds

The procurement is related to a project and/or programme financed by European Union funds: No

Section IV. Procedure

IV.2) Administrative information

IV.2.1) Contract award notice concerning this contract

Notice number: [2019/S 064-149127](#)

Section V. Award of contract/concession

Contract No

Modification of Insurance and Related Services to June 25

Title

Modification of Insurance and Related Services 2019 - 2024 to June 25

V.2) Award of contract/concession

V.2.1) Date of conclusion of the contract/concession award decision:

20 February 2024

V.2.2) Information about tenders

The contract/concession has been awarded to a group of economic operators: No

V.2.3) Name and address of the contractor/concessionaire

Zurich Municipal

The Eagle Building, 215 Bothwell Street

Glasgow

G2 7ED

Country

United Kingdom

NUTS code

- UKM82 - Glasgow City

The contractor/concessionaire is an SME

No

V.2.4) Information on value of the contract/lot/concession (at the time of conclusion of the contract;excluding VAT)

Total value of the procurement: £1,461,544

Section VI. Complementary information

VI.3) Additional information

(SC Ref:755296)

VI.4) Procedures for review

VI.4.1) Review body

Glasgow Sheriff Court and Justice of the Peace Court

1 Carlton Place

Glasgow

G5 9TW

Country

United Kingdom

Internet address

<http://www.key.org.uk>

Section VII: Modifications to the contract/concession

VII.1) Description of the procurement after the modifications

VII.1.1) Main CPV code

- 66510000 - Insurance services

VII.1.3) Place of performance

NUTS code

- UKM - Scotland

VII.1.4) Description of the procurement:

Key Housing Association (KHA) intends to extend the existing Insurance Provision contract due to end 1 June 24 to the 1 June 25 with Zurich Ltd who are the current insurance service Provider.

This informed decision based on; the ongoing insurance marketplace uncertainty reflective of the post-Brexit economic environment, the far-reaching impact of the war in Ukraine, recent challenges faced by RSL's relating to all services, and the current cost-of-living pressures; while concurrently seeking to ensure effective continuity of our insurance services to meet our statutory regulatory requirements. The insurance market for social housing providers has always been quite restricted, however in the field of property and liability this has hardened severely and quickly since the start of 2023. This has been accelerated by the departure of two main insurance providers to the Sector over the last 6 months, meaning the already limited capacity is much reduced. This has resulted in unsustainable market conditions, and we have seen insurers react this year applying significant rate increases on Renewals during the first quarter of 2024.

KHA intend to go out to the marketplace for a new contract for Insurance Provision and this procurement process will commence 2024 Q3 with a target effective date contract date of 1 June 2025.

VII.1.5) Duration of the contract, framework agreement, dynamic purchasing system or concession

Duration in months

12

In the case of framework agreements, provide justification for any duration exceeding 4 years:

NA

VII.1.6) Information on value of the contract/lot/concession (excluding VAT)

Total value of the contract/lot/concession:

£1,461,544

VII.1.7) Name and address of the contractor/concessionaire

Zurich Municipal

St Vincent Plaza, 7th Floor, 319 St Vincent Street

Glasgow

G2 5LP

Country

United Kingdom

NUTS code

- UKM - Scotland

The contractor/concessionaire is an SME

Yes

VII.2) Information about modifications

VII.2.1) Description of the modifications

Nature and extent of the modifications (with indication of possible earlier changes to the contract):

Further to the previously advertised VEAT notice, Document ID: 755297 - Title: VEAT - Insurance Provision Contract - Modification and having sought advice, to meet our statutory regulatory requirements as a Registered Social Landlord, these public contracts shall be modified and awarded under Regulation 72 (1) (c) utilising the Modification of contracts during their term "by circumstances Key Housing Association (KHA) could not have foreseen".

Key Housing Association (KHA) intends to extend the existing Insurance Provision contract due to end 1 June 24 to the 1 June 25 with Zurich Ltd who are the current insurance service Provider.

VII.2.2) Reasons for modification

Need for modification brought about by circumstances which a diligent contracting authority/entity could not foresee.

Description of the circumstances which rendered the modification necessary and explanation of the unforeseen nature of these circumstances:

This informed decision based on; the ongoing insurance marketplace uncertainty reflective of the post-Brexit economic environment, the far-reaching impact of the war in Ukraine, recent challenges faced by RSL's relating to all services, and the current cost-of-living pressures; while concurrently seeking to ensure effective continuity of our insurance services to meet our statutory regulatory requirements. The insurance market for social housing providers has always been quite restricted, however in the field of property and liability this has hardened severely and quickly since the start of 2023. This has been accelerated by the departure of two main insurance providers to the Sector over the last 6 months, meaning the already limited capacity is much reduced. This has resulted in unsustainable market conditions, and we have seen insurers react this year applying significant rate increases on Renewals during the first quarter of 2024.

VII.2.3) Increase in price

Updated total contract value before the modifications (taking into account possible earlier contract modifications, price adaptations and average inflation)

Value excluding VAT: £1,090,381

Total contract value after the modifications

Value excluding VAT: £1,461,544