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Award

High Value Commercial Buildings Insurance

London Borough of Sutton

UK5: Transparency notice - Procurement Act 2023 - [view information about notice types](#)

Notice identifier: 2025/S 000-010377

Procurement identifier (OCID): ocds-h6vhtk-04efa3 ([view related notices](#))

Published 20 March 2025, 12:19pm

Scope

Reference

DN768070

Description

The contract is for high value commercial buildings insurance to provide full reinstatement cover for larger commercial buildings in borough such as shopping centres and other commercial buildings at a competitive premium.

The council ran an open tender process which illustrated that the public sector insurance market does not currently have the appetite or capacity to provide full reinstatement cover for larger commercial buildings.

Contract 1. High Value Commercial Buildings Insurance

Supplier

- [Chubb European Group Ltd](#)

Contract value

- £1,741,044 excluding VAT
- £1,741,044 including VAT

Above the relevant threshold

Earliest date the contract will be signed

21 March 2025

Contract dates (estimated)

- 1 April 2025 to 30 March 2028
- 2 years, 11 months, 30 days

Main procurement category

Services

CPV classifications

- 66000000 - Financial and insurance services

Contract locations

- UKI63 - Merton, Kingston upon Thames and Sutton

Other information

Conflicts assessment prepared/revised

Yes

Procedure

Procedure type

Direct award

Direct award justification

Extreme and unavoidable urgency

Prior to its decision to make this award, the London Borough of Sutton ran a procurement under the Public Contract Regulations 2015 using the open process. On the 7 October 2024 the Council published a contract notice on the Government's Find A Tender (LBSUT001-DN744915-87316049). The procurement included four lots;

Lot 1 Property Insurance for London Borough of Sutton, Royal Borough of Kingston and London Borough of Merton, Lot 2 Commercial Property Insurance for the London Borough of Sutton, Lot 3 Commercial Property Insurance for the Royal Borough of Kingston upon Thames, Lot 4 Commercial Property Insurance for the London Borough of Merton. The bid deadline was 29 November 2024. As a result of the tender process, the Council was

able to successfully award contracts for Lots 1, 3 and 4 but did not receive a suitable bid for Lot 2.

As evidenced by the open tender process, the public sector insurance market does not currently have bidders willing to express the intention to provide full reinstatement cover for larger commercial buildings, such as shopping centres, at a competitive premium. It is therefore imperative to ensure appropriate cover that award the high value commercial buildings policy via a direct award process. In view of this and in order to maintain cover from 1 April 2025, the Council intends to make a direct award to the current provider for a new agreement.

Section 41 of the Procurement Act provides for the direct award of contracts where they are to a supplier that is not an excluded supplier and is justifiable under Schedule 5. The Council may carry out a selection process or take such other preliminary steps as it considers appropriate for the purpose of awarding a contract under section 41 but must also consider whether the supplier is an excludable supplier.

Schedule 5 provides for an applicable justification as follows:

13 Where-

the goods, services or works to be supplied under the public contract are strictly necessary for reasons of extreme and unavoidable urgency, and

As a result the public contract cannot be awarded on the basis of a competitive tendering procedure.

Urgency cannot be attributable to the Council and could not have been foreseen.

Before awarding a contract under section 41 the Council must publish a transparency notice setting out the intention to award and provide such other information as required by section 95 (and regulation 26 of the Procurement Regulations 2024).

As set out above, the Council has run an open tender process that was fully and properly advertised including on the Government's Find a Tender site. The process allowed adequate time to receive tenders, carry out an evaluation of the tenders received and award similar contracts. Despite running an open process no suitable bids were received for Lot 2 (Commercial Property Insurance for the London Borough of Sutton) which means the Council has no other option, given the time constraints and the necessity of obtaining adequate insurance cover for high value commercial buildings, other than using the direct award process set out in Section 41 of the Procurement Act 2023.

Supplier

Chubb European Group Ltd

- Companies House: FC038001
- Public Procurement Organisation Number: PPXQ-2134-VCJQ

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Contract 1. High Value Commercial Buildings Insurance

Contracting authority

London Borough of Sutton

- Public Procurement Organisation Number: PJMC-1445-VCVG

Civic Offices, St Nicholas Way

Sutton

SM1 1EA

United Kingdom

Contact name: Steve Hoy

Email: steve.hoy@sutton.gov.uk

Region: UKI63 - Merton, Kingston upon Thames and Sutton

Organisation type: Public authority - sub-central government