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Contract

## **Insurance Services**

Hanover (Scotland) Housing Association Ltd

F20: Modification notice

Notice identifier: 2023/S 000-018279

Procurement identifier (OCID): ocds-h6vhtk-03dce0

Published 27 June 2023, 3:37pm

### **Section I: Contracting authority/entity**

#### **I.1) Name and addresses**

Hanover (Scotland) Housing Association Ltd

95 McDonald Road

Edinburgh

EH7 4NS

#### **Email**

[cpt@hanover.scot](mailto:cpt@hanover.scot)

#### **Telephone**

+44 1315577453

#### **Country**

United Kingdom

#### **NUTS code**

UKM - Scotland

**Internet address(es)**

Main address

<http://www.hanover.scot>

Buyer's address

[https://www.publiccontractsscotland.gov.uk/search/Search\\_AuthProfile.aspx?ID=AA12742](https://www.publiccontractsscotland.gov.uk/search/Search_AuthProfile.aspx?ID=AA12742)

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## **Section II: Object**

### **II.1) Scope of the procurement**

#### **II.1.1) Title**

Insurance Services

#### **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

- UKM - Scotland

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

Hanover (Scotland) Housing Association (HSHA) intends to extend the existing Insurance Provision contract due to end 31 July 2023 to the 31 July 2025 with Zurich Ltd who are the current insurance service Broker/provider.

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

Duration in months

24

#### **II.2.13) Information about European Union Funds**

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

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## **Section IV. Procedure**

### **IV.2) Administrative information**

#### **IV.2.1) Contract award notice concerning this contract**

Notice number: [2017/S 191-391442](#)

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## **Section V. Award of contract/concession**

### **Contract No**

538954

### **Title**

Insurance Services

### **V.2) Award of contract/concession**

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

27 June 2023

#### **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

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

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: £1,417,444.98

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**Section VI. Complementary information**

**VI.3) Additional information**

It should be noted that this Modification notice is intended to inform the market of the intention to modify a contract under Regulation 72 (1) (c) and whilst the PCS system requires an award date prior to the Modification notice publication for the avoidance of doubt it should be noted that the contract has not been entered into prior to the publication of this notice. The contract agreement will not start until 1 August 2023.

(SC Ref:736699)

**VI.4) Procedures for review**

**VI.4.1) Review body**

Edinburgh Sheriff Court & Justice of the Peace Court

27 Chambers Street

Edinburgh

EH1 1LB

Country

United Kingdom

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## **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:**

Hanover (Scotland) Housing Association (HSHA) intends to extend the existing Insurance Provision contract due to end 31 July 2023 to the 31 July 2025 with Zurich Ltd who are the current insurance service Broker/provider.

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

Duration in months

24

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

Total value of the contract/lot/concession:

£1,417,444.98

#### **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

No

## **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):

This Modification Notice relates to the extension of the existing Insurance Provision contract. 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 Hanover (Scotland) Housing Association (HSHA) could not have foreseen”.

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 two quarters of 2023.

HSHA intend to go out to the marketplace for a new contract for Insurance Provision and this procurement process will commence 2025 Q1 with a target effective date contract date of 1st August 2025.

### **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.

### **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: £2,171,038.39

Total contract value after the modifications

Value excluding VAT: £3,588,483.37