

Procurement Bill Committee
House of Commons
London
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Your reference

Our reference

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firm reference number is 959113.

Dear Chair

I am writing to submit the views of Zurich UK on the Procurement Bill.

Zurich UK is one of the largest commercial and public sector insurers in the country, providing a suite of general insurance and life insurance products to retail and corporate customers. We have 4,800 employees in 15 locations across the UK. We insure 83 of the top FTSE 100 companies, and through Zurich Municipal are one of the leading providers of insurance and risk management solutions for the public and voluntary sectors.

It is welcome that this Bill provides some clarity on the UK's Procurement framework to replace the existing, EU-based rules. However, the current drafting of the Bill does have some significant omissions and areas where further detail is needed. The following represent the key issues from a Zurich perspective:

1. **The Procurement Bill is an opportunity to provide consistency and clarity towards how contracting authorities should consider added value benefits.** It is welcome that the Bill is clear that contracting authorities can consider more than just price when deciding which supplier or service provider best suits their needs. However, greater clarity is needed in terms of the issue of added value benefits. The Bill should clearly enable contracting authorities to consider the benefits of non-transactional, relational, partnership approaches and wider commissioning methods. For example, Zurich Municipal offer our award-winning '[Safer Schools App](#)' which provides access to free safeguarding training and support for our schools and local authority customers. Zurich Municipal also funds access to the [Previsico](#) flood warning app for our customers. As currently drafted, the Bill does not seem to create parameters to enable contracting authorities to work in partnership to address strategic issues with third parties.

2. **How to ensure contracting authorities are consistent in determining ‘value for money’ and evaluating ‘Social Value’.** As previously stated, Zurich welcomes the clear message to contracting authorities that they do not have to select the lowest bid. It is particularly welcome the inclusion of Social Value as a factor that can be considered in the procurement process. However, the bill does not set out clearly how Social Value will be evaluated. This is a significant omission. Zurich believe that either a minimum standard or set of awarding points (taking into account factors outside of headline prices) should either be included on the face of the Bill or set out in Secondary Regulation. Our preference would be for this to be included in the Bill itself. This will help ensure clarity and consistency in approach across contracting authorities.
3. **The definition of contracting authority in the Bill should be simplified.** The current definition is unnecessarily vague. Zurich would suggest that the definition of public authority is redrafted to state that any organisation more than 50% funded with public money at a particular time is in scope (as opposed to current wording, “funded wholly or mainly from public funds
4. **Greater transparency regarding contract management.** Zurich would appreciate greater clarity on how any amends to contracts are to be processed under the new Bill. It would be useful to understand how any changes are to be treated, for example might certain changes automatically trigger a new procurement process or under which parameters contracting authorities will be permitted to accept changes.
5. **Transparency on how ‘Past Performance’ will be evaluated.** The Bill now permits “past performance” to be a factor in determining any contract award. While Zurich recognises the reasoning behind this addition, it is important that there is transparency on how this is intended to be evaluated objectively by awarding bodies. Again, our preference would be for this clarity to be provided within the Bill itself, rather than via any Secondary Legislation.
6. **Explicit consideration of the pre-procurement process within the Bill.** Zurich would welcome further clarity on the expectations around pre-procurement assessment, consultation and analysis, for example, what protocols will apply on large contractual awards. The focus of the Bill currently is generally towards the contract award process, but the pre-procurement stages are significant, and require resource and effort on all sides.
7. **Further detail is needed on the Three “Procedures”:** As currently set out, it appears the ‘Competitive Flexible Procedure’ could be the most suitable approach for the Risk and Insurance services. However, it would be useful if more detail on how each of these procedures will operate could be provided within the Bill.

I hope that this response is of value to the Committee during the consideration of the Procurement Bill. If you would like further information on the above, please contact my

Page 3

colleague Jennifer Amphlett (Jennifer.amphlett@uk.zurich.com), who can ensure an appropriate response.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Gordon Wilmot', written in a cursive style.

Gordon Wilmot
Head of Public Services
Zurich Municipal