



Report of the Commissioner of Finance

York Region Municipalities Insurance Pool Program

1. Recommendations

1. Council approve the York Region Municipalities Insurance Pool program (“Insurance Pool”).
2. Council authorize the Commissioner of Finance & Regional Treasurer to negotiate and, if negotiations are successful, execute agreements with Town of East Gwillimbury, Town of Georgina, Township of King, Town of Newmarket, City of Richmond Hill, City of Vaughan, and Town of Whitchurch-Stouffville to establish and administer the Insurance Pool for a term of five years, with the option of two additional five year terms, on business terms satisfactory to the Commissioner of Finance & Regional Treasurer and legal terms satisfactory to the Regional Solicitor.
3. Council appoint the Commissioner of Finance & Regional Treasurer to represent York Region on the Insurance Pool Board.
4. Council approve the new Insurance and Risk Management Policy to include revisions relating to the York Region Municipal Insurance Pool program (Appendix A).
5. Council authorize the Commissioner of Finance & Regional Treasurer to negotiate and execute a direct purchase agreement with Axxima Insurance Services, a division of 3303128 Canada Inc. and Axxima Inc. (“Axxima”), for Insurance Pool Administrator services to establish and manage the pool for a two-year term at an estimated value of \$2.4 million, exclusive of taxes, as outlined in this report, on business terms satisfactory to the Commissioner of Finance & Regional Treasurer and legal terms satisfactory to the Regional Solicitor.
6. Regional Clerk circulate this report to all local municipalities for information.

2. Purpose

This report seeks Council approval to establish the York Region Municipalities Insurance Pool and to authorize the Commissioner of Finance & Regional Treasurer to negotiate and execute necessary agreements and represent York Region on the Insurance Pool Board. This report also seeks Council approval of the new Insurance and Risk Management Policy.

Private Attachment 1, Risk Financing Alternatives, was presented to Committee of the Whole in private session on June 12, 2025, pursuant to paragraphs 239(2)(i), (j) and (k) of the *Municipal Act, 2001*. The attachment remains private pursuant to paragraph 239(2)(k) as it contains a position or plan to be applied to any negotiations carried on by the Region relating to risk financing alternatives.

Key Points:

- Feasibility study highlights significant cost-saving opportunities for the Region and local municipalities
- Further to Council's direction June 2025, the Regional Treasurer is reporting back with a proposed implementation plan regarding Risk Financing Alternatives
- A detailed implementation plan determined the pool host, organizational structure, program costs and claims handling functions
- This detailed implementation plan will be presented to each potential participant, with local municipalities asking their respective councils to participate
- A Procurement Review Committee meeting held pursuant to requirements of the Procurement Bylaw determined that direct purchases from Axxima comply with the Region's Non-Standard Procurements Protocol, subject to Council approval as the total cost of the non-standard procurement exceeds \$500,000 (Procurement Bylaw s. 18.1 (e)). Costs will be paid for by the Insurance Pool and funded through levies as determined by the Insurance Pool Administrator and its members
- A Board will direct future decisions regarding the Insurance Pool

3. Background

Insurance pools are used to stabilize insurance costs

An insurance pool is a group of like business entities that come together to create their own insurance community to increase their buying power and lower overall cost of insurance. Purchasing the primary insurance program through a pool offers greater premium stability compared to individual entities purchasing coverage directly from insurance companies.

There are two well-established municipal insurance pools in Ontario. Waterloo Region Municipalities Insurance Pool was established in 1998, and Durham Municipal Insurance Pool was established in 2000. Simcoe Municipalities Insurance Pool was most recently established on June 1, 2025.

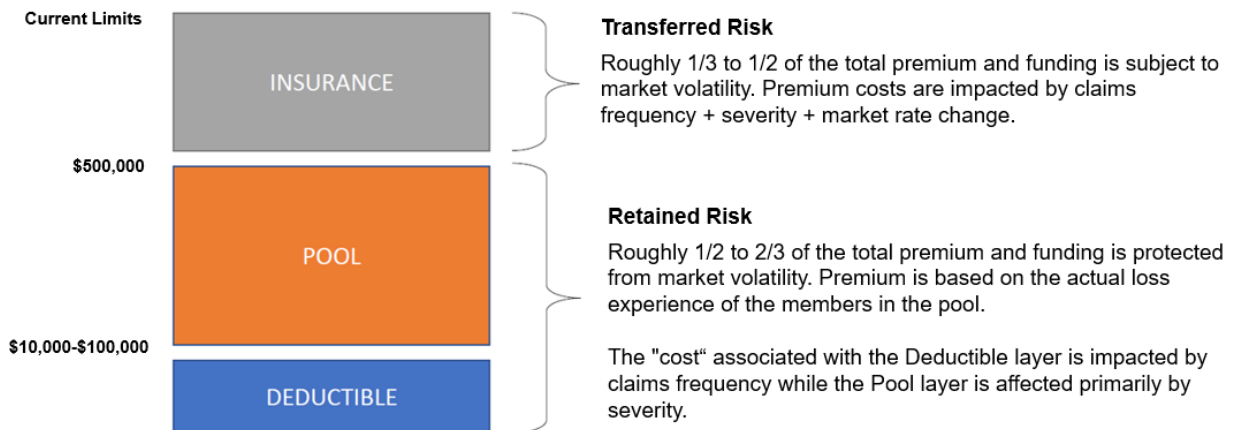
Actuarial analysis was conducted to assess feasibility of establishing the Insurance Pool

An actuarial analysis was conducted to evaluate the financial viability and sustainability of establishing the Insurance Pool for York Region and all nine municipalities, with results indicating potential insurance cost savings of approximately 20%.

Insurance pool structures consist of three layers: deductible, pool, and insurance

Figure 1 illustrates insurance pool structures, indicating where risk is either transferred (insurance) or retained as part of the pool or deductible layer.

**Figure 1
Pool Structure**



4. Analysis

York Region and seven municipalities requesting council approval to proceed with York Region Municipal Insurance Pool

York Region, East Gwillimbury, Georgina, King, Newmarket, Richmond Hill, Vaughan, and Whitchurch-Stouffville are seeking approval from their respective councils to proceed with establishing the Insurance Pool.

Aurora and Markham have declined to participate at this time

The Insurance Pool's Subscriber Agreement outlines requirements for future participation. New municipalities joining after inception would be required to meet criteria set by the Board, as well as incurring additional costs for assessment and inclusion in the Insurance Pool.

Deductible amounts have been determined for participating municipalities

During the implementation phase, Insurance Pool types of coverage were determined (Liability, Property, and Automobile) and deductibles were selected as outlined in Table 1.

Certain specialty coverages will continue to be purchased by each municipality directly from insurers outside of the Insurance Pool, e.g. Aviation Liability and Medical Malpractice.

Table 1
Deductible Selection for Participating Municipalities

Municipality	Liability				Property		Automobile		
	2024 Population	Current Deductible	Proposed Deductible	TIV ¹ (in millions)	Current Deductible	Proposed Deductible	2024 # of Vehicles	Current Deductible	Proposed Deductible
Town of Georgina	50,519	50,000	25,000	286	50,000	50,000	135	50,000	25,000
Town of East Gwillimbury	43,175	25,000	25,000	217	25,000	25,000	62	10,000	10,000
City of Vaughan	350,499	150,000	250,000	852	25,000	100,000	445	25,000	25,000
Township of King	29,179	50,000	25,000	132	50,000	25,000	125	50,000	25,000
Town of Newmarket	90,251	50,000	50,000	316	25,000	50,000	156	10,000	25,000
York Region	1,251,739	1,000,000	250,000	3,250	100,000	100,000	1,813	1,000,000	250,000
City of Richmond Hill	206,342	50,000	100,000	804	50,000	100,000	199	25,000	25,000
Town of Whitchurch-Stouffville	52,448	10,000	25,000	173	25,000	25,000	102	10,000	10,000

¹ Total Insured Value

Several considerations impact allocation of pool levies

An insurance pool levy is a contribution from participating municipalities to help cover costs and spread risk among the group. The levy helps ensure the Insurance Pool has sufficient funds to pay claims, purchase excess insurance, and cover its operational expenses. Each municipality will be assessed an annual pool levy. The main considerations for allocating the levy are outlined in Table 2, with the resulting Insurance Pool levy amounts for each participating municipality presented in Table 3.

Table 2
Levy Allocation Considerations

Based on Expiring Premiums to Start	<ul style="list-style-type: none"> • Use expiring insurance premiums as baseline • Adjust for changes in deductible
Equitable	<ul style="list-style-type: none"> • Levies should be fair amongst municipalities • Reflect risk profiles of each municipality
Expected Inflationary Forces	<ul style="list-style-type: none"> • Expect inflation in levies over time • Exposures and claims costs are generally rising
Move to Experience Basis in Time	<ul style="list-style-type: none"> • In time, move to a levy allocation model that reflects pool experience while maintaining year over year stability

Table 3
Pool Levy Allocation

Municipality	Pool Levy (\$)¹
Town of Georgina	871,251
Town of East Gwillimbury	507,760
City of Vaughan	3,772,873
Township of King	427,845
Town of Newmarket	1,494,073
York Region	5,317,635
City of Richmond Hill	1,654,129

Municipality	Pool Levy (\$)¹
Town of Whitchurch-Stouffville	429,523
Total	14,475,088

¹ Subject to exposure updates (changes in total insured property values, fleet size and population) at time of pool inception.

Updated actuarial feasibility study highlights anticipated costs savings of at least 20% by maturity

As part of the implementation process, actuarial analysis was updated with current information from all potential participating municipalities. Table 4 summarizes projected savings for each municipality over next 5 years. With eight municipalities as subscribers, the estimated 5-year direct savings is approximately \$30.9 million. Adjusting for deductible changes of \$1.1 million and an additional \$7.3 million in retained value as equity within the pool, the total potential savings grows to \$39.4 million after accounting for expected inflation. Based on data received, analysis concludes that significant savings could be achieved under the Insurance Pool. Savings over status quo are expected to be 20.1% during the set-up phase and grow to 25.6% at maturity. This equates to approximately \$5.5 million annually during the set-up phase and \$7.0 million annually at the maturity phase. These amounts include the pool levy, discounted losses retained by the pool, risk margin, operating expenses, excess insurance premiums, and surplus contributions.

Table 4
Projected Savings

Municipality	5-Year Potential Savings				
	Pool Levy vs Insurance Premium	Under Municipality Deductible	Overall Savings for Municipalities	5-Year Equity under Pool	5-Year Total Potential Savings
	(\$)	(\$)	(\$)	(\$)	(\$)
Town of Georgina	(1,793,450)	(129,576)	(1,923,027)	(435,920)	(2,358,947)
Town of East Gwillimbury	(1,097,041)	-	(1,097,041)	(254,851)	(1,351,892)
City of Vaughan	(9,458,348)	1,909,799	(7,548,549)	(1,905,766)	(9,454,315)
Township of King	(793,113)	(185,524)	(978,637)	(215,029)	(1,193,666)
Town of Newmarket	(3,217,268)	57,124	(3,160,144)	(740,722)	(3,900,865)

5-Year Potential Savings					
Municipality	Pool Levy vs Insurance Premium (\$)	Under Municipality Deductible (\$)	Overall Savings for Municipalities (\$)	5-Year Equity under Pool (\$)	5-Year Total Potential Savings (\$)
York Region	(9,440,908)	(3,738,142)	(13,179,050)	(2,718,984)	(15,898,034)
City of Richmond Hill	(4,020,557)	759,609	(3,260,948)	(824,324)	(4,085,272)
Town of Whitchurch-Stouffville	(1,105,234)	208,993	(896,241)	(225,111)	(1,121,352)
Total	(30,925,919)	(1,117,718)	(32,043,638)	(7,320,705)	(39,364,343)

Execution of the Subscriber Agreement is required to participate in the Insurance Pool

The Subscriber Agreement establishes the Insurance Pool program, details terms and conditions of participating, operations of the Board, funding for purchase of insurance and retained risk, calculation of the levy, purchase of insurance, accounting and financial reporting, operation of the fund, and other general provisions. The Subscriber Agreement requires a minimum five-year commitment. The deadline for signing the Subscriber Agreement is March 1, 2026. This timeline will ensure that all administrative preparations for the Insurance Pool can be completed before the planned effective date of Insurance Pool coverage on July 1, 2026.

The Subscriber Agreement delegates authority to the Municipal Insurance Pool Administrator to settle claims above each participating municipality's own deductible up to the Insurance Pool's limit of \$500,000. Appendix A outlines revisions to the Insurance and Risk Management Policy to include the Insurance Pool program and associated delegated authority.

An Insurance Pool Board will be established to direct future decisions

Through the Subscriber Agreement, the Board will have the power and authority to supervise the management of the Insurance Pool. The Board will be composed of one member appointed by each participating municipality and each Board Member will have one vote. This ensures that each municipality has a representative on the Board to govern management of the Insurance Pool. With Council approval, the Commissioner of Finance & Regional Treasurer will be authorized to represent the Region on the Insurance Pool Board. The decisions of the Board will bind the Region.

It was determined during implementation plan that the Region will be the Insurance Pool Host

Establishing the management and administrative structure for the Insurance Pool, including the appointment of staff and setup of financial and operational systems, will be essential to its effective implementation and long-term sustainability. After extensive consultation between municipal administrations respecting which municipality could accommodate the program, the Region was selected as the Insurance Pool host and will provide the necessary resource requirements needed to support the Insurance Pool. As with other municipal insurance pools in Ontario, the management and administration costs are recovered through the levies and governed by the Board.

The Insurance Pool launch date is set for July 1, 2026, to allow for formation of the Board, procurement of excess coverage, and time to put the necessary administrative functions in place. These functions will include proactive risk management strategies, standardized claims handling, contract reviews, accounting services, and the development of consistent standard operating procedures across participating municipalities.

Outsourcing Insurance Pool administration for a two-year term will ensure the Insurance Pool is effectively established and professionally managed during its critical start-up phase

Under the general direction of the Insurance Pool's Board, Axxima will provide a full suite of services including insurance program management, underwriting and broker oversight, actuarial consulting, accounting administration, claims management, and strategic risk consulting. This approach leverages specialized expertise to build foundational systems, policies, and governance practices while supporting participating municipalities with technical guidance and operational consistency.

This consulting-led strategy allows the Region to focus on oversight and coordination of administration while the Pool matures operationally. The total cost of the two-year outsourcing arrangement is estimated at \$2.4 million, which is fully accommodated within the financials already budgeted for the Insurance Pool. Following the initial term, a resource request will be brought forward through the next four-year budget cycle to support long-term internal administration.

Procurement Review Committee determined direct purchase with Axxima is permissible under Procurement Bylaw and applicable trade treaties

All procurements undertaken through the Insurance Pool will be conducted in accordance with the Region's Procurement Bylaw 2021-103, as the Region will serve as the Insurance Pool's host.

The Region's Procurement Bylaw 2021-103 requires Council to approve non-standard procurements over \$500,000 and provides that non-standard procurements are permitted under the specific circumstances described in the Region's Non-standard Procurements Protocol. This protocol sets the requirements for acquiring deliverables through a non-standard procurement process described in section 18.1 (e) and section 14. Sections 5.4 and 5.5 of the Non-standard Procurements Protocol permit direct purchases over \$500,000 in "Any circumstances under applicable trade treaties

allowing for deliverables to be directly purchased...”. When seeking to determine whether a deliverable with a total cost over \$500,000 can be acquired using a non-standard procurement method, such as a direct purchase, section 7.1 (c) of the Procurement Bylaw requires that a Procurement Review Committee (PRC) meeting be held.

PRC meeting held on November 4th, 2025, determined that direct purchase with Axxima, as described in this report, is permissible under the limited tendering rules of the applicable trade treaties, as set out in PRC Report attached as Appendix B to this report.

Establishing the Insurance Pool supports Good Government toward Vision

The Region’s Vision for Good Government includes providing residents with value for their tax dollars. Establishing the Insurance Pool offers potential cost savings of 20%.

5. Financial Considerations

This report identifies potential financial implications beyond the current budget year, including savings that could be identified through subsequent reports or future budget processes. While the management of the Insurance Pool is proposed to be outsourced for an initial two-year period, future staffing considerations will be brought forward as part of the next budget process.

The Region’s portion of the 5-year direct savings would be approximately \$9.4 million, adjusting for deductible changes of \$3.7 million and an additional \$2.7 million of retained value as equity, bringing the total potential savings over five years to \$15.9 million. Setting aside equity in the pool, this equates to \$2.6 million total savings (\$1.9 million in direct savings and \$0.7 million from deductible changes) compared to the Region’s expected 2025 insurance premiums and deductible loss cost of \$12.5 million.

6. Local Impact

All participating municipalities stand to benefit from establishing the Insurance Pool, with projected savings of approximately \$7.0 million annually by maturity. While each municipality would continue managing claims within their own deductible, Insurance Pool staff would assist with larger claims, ensuring a consistent approach. The Insurance Pool fosters effective, open and collaborative communications between the Region and its local municipalities, which will strengthen collective risk management.

7. Conclusion


Establishing the Insurance Pool presents cost-savings opportunities for the Region and its local municipalities. In addition to financial efficiencies, the Insurance Pool will promote alignment of risk management practices across participating municipalities. Upon approval, next steps will include interested local municipalities seeking approval from their respective councils.

For more information on this report, please contact Michelle Lockie, Director, Controllershship Office, at 1-877-464-9675 ext. 72046. Accessible formats or communication supports are available upon request.



Recommended by:

Laura Mirabella
Commissioner of Finance and Regional Treasurer



Approved for Submission:

Erin Mahoney
Chief Administrative Officer

December 16, 2025
#17028192

Appendix A – Insurance and Risk Management Policy
Appendix B – Procurement Review Committee Report
Private Attachment 1 – Risk Financing Alternatives Report #17037391



Insurance and Risk Management Policy

Approved By: Council

Approved On: TBD

Policy Statement

Policy for governing the application of Insurance and Risk Management services to protect against insurable financial loss.

Application

This policy applies to all operations conducted by the Region and its employees, including its boards and subsidiaries.

Purpose

This policy establishes objectives, delegated authorities, reporting requirements, and responsibilities for managing operational risks to protect the Region from financial consequences resulting from the damage to, or loss of, its assets, and/or its liability to others.

Definitions

Claim: A formal request for payment to cover a loss included under insurance coverage or self-insurance

Claims Management: The process of reporting, investigating, and settling insurance claims

Enterprise Risk Management (ERM): A proactive, systematic, organization-wide process to understand and manage interrelated risks. It is about making strategic decisions that contribute to the achievement of the organization's overall objectives

Insurance Reserve: Region funds set aside to pay costs incurred for Claims Management

Municipal Insurance Pool: A collective risk-sharing program wherein municipalities combine resources to buy insurance coverages, control costs, and manage claims

Risk Management: A proactive and systematic process to identify, assess, and mitigate risks that could affect assets, operations, finances, or the achievement of organizational objectives

Self-insurance: Region funds set aside to cover costs for specific insurable losses rather than transferring risk through an insurance policy. Self-insurance may also include the deductible portion of an insurance policy

Description

Insurance and Risk Management Objectives

The Insurance and Risk Management Policy supports informed decision making, regulatory compliance, transparent financial stewardship, and public accountability through effective use of insurance and insurance pooling, claims handling, and Risk Management services.

The primary objectives are:

1. Managing and/or preventing asset losses and liability exposures
2. Providing financial resilience through appropriate insurance coverages, self-insurance, and effective Risk Management services
3. Ensuring fair and transparent Claims Management and reporting
4. Complying with applicable legislation and trade agreements

These objectives are achieved by:

1. Mitigating and transferring risk through various Risk Management mechanisms
2. Purchasing insurance coverage where economically practical, utilizing both traditional insurance and insurance pooling alternatives
3. Utilizing self-insurance where insurance is not available or financially impractical
4. Applying Claims Management practices to investigate, manage, and resolve claims in a fair and consistent manner
5. Recovering property and liability loss from liable third parties and/or insurance
6. Educating and training staff on managing operational and capital delivery risks

Enterprise Risk Management

Enterprise Risk Management (ERM) is an integrated, organization-wide approach to identifying, assessing, managing and communicating risks to support decision-making and the achievement of strategic plan objectives. ERM enables coordination among Risk Management Services, Emergency Management, and Audit Services to ensure consistent risk oversight.

Risk Management Services

Risk Management services coordinate efforts to identify, assess, mitigate, and monitor operational risks potentially impacting the Region's, assets, people, reputation, and/or finances. Key deliverables include developing internal controls, determining and applying risk transfers, conducting training, maintaining incident tracking systems, and collaborating with insurers and the Municipal Insurance Pool to ensure adequate coverages and Claims Management support.

Budget and Reserves

Insurance and Risk Management Program

Insurance and Risk Management costs will be allocated annually to business units based on their risk profile and claims history. These costs include insurance premiums, pool levies, claims handling and settlements, and contributions to the Insurance Reserve to fund all payments related to deductibles and potential self-insured losses. The Insurance Reserve may undergo an actuarial review at least once every five years to ensure the adequacy of reserved funds.

Municipal Insurance Pool

Participating municipalities are required to make annual contributions to the Municipal Insurance Pool based on each municipality's risk profile and claims history. Contributions will be assessed annually to ensure adequacy of Pool funds available for purchase of excess insurance, claims handling, and administrative operations including auditing, actuarial analysis and reporting.

Delegation of Authority

While the Regional Treasurer will have overall responsibility for Insurance and Risk Management services, the Regional Treasurer may appoint designate(s) to carry out any of the responsibilities under this Policy.

The Deputy Treasurer and Director, Controllership Office will be responsible for settlement of self-insured claims and claims below all applicable deductibles.

The Municipal Insurance Pool Administrator will be responsible for settlement of any claims above each participating municipality's deductible(s) up to the coverage limits of the Municipal Insurance Pool.

Responsibilities

Regional Treasurer (or delegate):

- Overall responsibility for Insurance and Risk Management services
- Oversee insurance procurement, Claims Management, and implementation of Risk Management services
- Report to Council annually to obtain authorization for expenditures related to insurance procurement and the Municipal Insurance Pool
- Serve as the Region's representative on the Municipal Insurance Pool board

Regional Solicitor (or delegate):

- Works with the Finance Department to support Claims Management

Affected Department Head (or delegate):

- Work with the Finance Department as per Insurance and Risk Management procedures, to report, investigate and manage claims
- Ensure projects, contracts, and procurements have been reviewed by the Manager, Risk Management, and Risk Management conditions are met prior to execution or commencement
- Follow risk mitigation protocols and recommendations as advised and applicable

Enterprise Risk Management Committee

- Provide alignment between Risk Management Services, Emergency Management, and Audit Services
- Review and advise on the effectiveness of ERM systems and processes

Deputy Treasurer and Director, Controllership Office

- Implementation of the Insurance and Risk Management procedures and procurements
- Settlement of self-insured claims and claims below the deductible

Manager, Risk Management Services

- Day-to-day operations of the Insurance and Risk Management services, including working with internal departments and external partners to procure insurance, mitigate risk and Claims Management
- Prepare annual report to Council

Municipal Insurance Pool Administrator

- Day-to-day management of the York Region Municipal Insurance Pool including working with participating municipalities and external service providers to procure insurance, mitigate risk, manage claims, and conduct auditing, actuarial, and reporting activities
- Settle any claims above each participating municipality’s deductible(s) up to the coverage limits of the Municipal Insurance Pool
- Take direction from, and report to, the Board as per Subscriber Agreement

Risk Management and Claims Staff

- Comply with Insurance and Risk Management procedures and processes to provide services to operational departments in the areas of insurance procurement, Risk Management, and Claims Management

Contact

Title	Manager, Risk Management Services
Branch	Controllership
Department	Finance

Approval

Council Date:	Committee Date:
Council Minute Item:	Committee Minute Item:

Accessible formats or communication supports are available upon request.

#17029171

Procurement Review Committee (“PRC”) Decision Report Meeting: PRC meeting held Tuesday, November 4, 2025 at 3:00 P.M. via MS Teams

Attendees (Bold Denotes Voting Member):

FINANCE – RISK MANAGEMENT

- **Tina Gardiner, Manager, Risk Management**
- Mark Dunn, Supervisor, Risk Management

PROCUREMENT OFFICE

- **Umesh Kalia, Manager, Procurement Strategy & Operations**
- Allison Blunt, Program Manager, Procurement

LEGAL

- **Christopher Zaleski, Senior Counsel**
- Kristen Stevenson, Associate Counsel

Estimated Budget: \$2,400,000.00

Issue: Non-standard Procurement - Direct Purchase over \$500,000.00 - Non-Construction – Client is seeking confirmation to proceed with a Direct Purchase subject to council approval.

Discussion:

Pursuant to the Procurement Bylaw:

- Section 18.1.e requires Council approval for non-standard procurements where the total cost exceeds \$500,000.00.
- Section 7.1.c requires the PRC to make determinations under the Non-Standard Procurements Protocol (the “Protocol”) where the total cost of the deliverables exceeds the low dollar purchase maximum amount.
- The low dollar value purchase maximum amount is defined in the Bylaw as \$133,800.00.
- Section 14.2 of the Bylaw indicates that non-standard procurements are permitted only under the specific circumstances set out in the Protocol.

Pursuant to Protocol 4: Non-standard Procurements

- Section 5.4 (Direct Purchases over 500k) states that direct purchases over \$500,000.00 are permitted in “*Any circumstances under the applicable trade treaties allowing for deliverables to be directly purchased...*”.
- Section 5.5 (Non-standard procurements authorized by Council) of the Protocol states “*Consideration must be given to applicable trade treaties...*”

Pursuant to the Trade Treaties:

- Article 513.1.c of the Canadian Free trade Agreement (“CFTA”), permits limited tendering in the following circumstances (among others): *“for additional deliveries by the original supplier of goods or services that were not included in the initial procurement, if a change of supplier for such additional goods or services: (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services, or installations procured under the initial procurement; and (ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity”*.
- Section 19.12.1.c of the Comprehensive Economic and Trade Agreement (“CETA”) and section 9.14.1 (c) of the Trade and Cooperation Agreement Between Ontario and Quebec (“OQTC”) contain almost identical language to section 513.1.c of the CFTA.
- The treaties define “limited tendering” as “a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice”.

The PRC reviewed the estimated total price of the agreement and noted it met the thresholds of Sections 7.1.c and 18.1.e of the Procurement Bylaw requiring a PRC determination and Council approval for a non-standard procurement and the thresholds for the applicability of the CFTA, CETA and the OQTC.

The PRC was advised of and considered the following:

- The Region is working on a Regional Insurance Pool (the “Pool”) to include the Region and several local area municipalities within the Region that is anticipated to result in substantial cost savings for members of the Pool.
- Axxima Insurance Services (“Axxima”) has established municipal insurance pools across Ontario, and other Regions and municipalities such as Simcoe County, Durham and Waterloo Regions have engaged Axxima for such services.
- The Region retained Axxima in Q1 2025 to lay the groundwork for establishing the Pool, including the completion of various studies and an actuarial analysis.
- The Region is now looking to proceed with a direct purchase of Axxima’s consulting services for management of the Pool, in accordance with the Region’s Procurement Bylaw 2021-103 (the “Bylaw”) and the trade treaties, as applicable.
- The services required by Axxima to manage the pool will be required on an interim basis over a two-year term - the Region intends to hire employees to manage the Pool.
- Given Axxima’s work to date on the Pool and overall experience with establishing regional municipal insurance pools, it would not make economic sense for the Region to publicly procure the interim services the Region anticipates will be required to manage the Pool, and it would result in significant inconvenience and duplication of costs for the Region.

Decision:

The PRC was satisfied that limited tendering in the form of direct negotiations for an agreement with Axxima for the interim management of the Pool was appropriate in these circumstances. The

justification for limited tendering in the applicable trade treaties was met along with the requirements of the Region's Procurement Bylaw and Protocol 4: Non-standard Procurements subject to Council approval per Section 18.1.e of the Procurement Bylaw.