



FSA Delivery of Official Controls (FSADOC) Retender Stakeholder Engagement Outputs

Following extensive engagement sessions with both internal and external stakeholders on Contracting Options, Evaluation Criteria and Performance Management Framework this document provides their feedback. Using this feedback recommendations have been made to support the following EMT steer on retender priorities.

- **Delivery Certainty.** Delivery certainty is the delivery of services on schedule without unexpected delays or variations in quality. This is seen as the highest priority to ensure the service continuity of Meat Official Controls.
- **Improving Market Resilience.** Market resilience is the extent to which markets are vulnerable to supply disruption in the face of shocks or rapid structural change. This ensures that the needs of the customer, businesses and wider economy can be met in stable and unstable times. This is a high secondary priority objective aimed at ensuring a robust competitive market is available to service the FSA's requirements.
- **Contract Affordability** - the cost effectiveness and affordability of the outsourced service needs also to be carefully considered.

Staffing

Internal

- Happy with OV & MHI together
- Happy with blended lots

External

- No real preference from the majority, however one (1) stakeholder preferred splitting MHI & OV contracts and one (1) preferred them together
- Happy with blended lots

Recommendation

Our recommendation is that OV & MHI provision is tendered together and that we keep blended lots where they currently occur, this reduces the risk of multiple suppliers staffing the same establishment and ensures that there is contract staff available to backfill employed staff positions where required. Maintaining combined OV & MHI provision also supports the ongoing development of Vet Track. **Agreed.**

Contracting Options

Internal

- Preference of some stakeholders is to keep the existing six (6) lot structure.
- Other stakeholders' preference is for twelve (12) lots.

External

- Preference of the majority is for nine (9) or twelve (12) lots, with a specific ask that any lots which are broken down further are spread out geographically to increase competition across a wider geographical area.
- Only one (1) stakeholders' preference was to keep the existing 6 lot structure.

Recommendation

Our recommendation is nine (9) lots, to be determined, with each region containing smaller lots. This will allow suppliers to bid for the geographical lot that is most appropriate for them to deliver, increase competition across all geographical areas. Contract wording will be included to limit the number of lots that may be awarded to a single supplier to a maximum of seven (7). Where more than one (1) lot is awarded to the same supplier wording can be added to reserve the right to combine lots as one (1) contract which will help reduce the contract management burden. **9 Lot structure agreed.**

Contract Duration

Internal

- The preferred options were four (4) years + two (2) year extension or five (5) years + two (2) year extension.

External

- A range of feedback from the shorter the better, to the longer the better. The majority preferred a longer contract duration with four (4) years + two (2) year extension or five (5) years + two (2) year extension being the top two (2) preferences.

Recommendation

Our recommendation is five (5) years + (2) year extension, this will allow new suppliers 3 years to demonstrate their ability to deliver the services before retendering decisions must be made. **5 Year plus 2 year extension agreed.**

Core Contract Services

Internal

- Preference is for meat services to be delivered as the core services with dairy, FBO Audits, UAI and other sampling to be included in the contract but called off as required.

External

- The more task variety provided the better.

Recommendation

Our recommendation based on this feedback is that the core services delivered under these contracts are meat controls. Any additional services that can be awarded under these contracts will aid supplier retention of staff by offering task variety. **Agreed core contract services are meat controls and other services to be costed but called off when needed.**

Additional Contract Services

Internal

- Innovation included as part of the contract.
- FSA to continue to supply Laundry and single use PPE.

External

- The majority preferred innovation included as part of the contract with only one (1) stakeholder wanting this separated out.
- FSA to continue to supply Laundry and single use PPE was universally preferred.

Recommendation

The recommendation is for innovation to remain in these contracts; however it will be made clear that it's not on an exclusive basis. Furthermore, clauses will be included to ensure all delivery partners must support the FSA, and any other chosen partners, with implementing innovation and supporting pilots, irrespective of whether they have recommended the innovation or not. **Agreed innovation to remain in the contracts but not on an exclusive basis to the supplier.**

FSA to continue to supply single use PPE and laundry to suppliers with a cost recovery mechanism in place based on the feedback received. We also recommend that the single use PPE list and cost recovery percentage split is reviewed to ensure it is accurate and up to date. **Agreed FSA to continue to provide laundry and single use PPE to suppliers.**

Service Model

Internal

- The managed service model is the only option.

External

- One (1) stakeholder preferred a supply of service model citing cost efficiency by reducing cost of management as the reason. No further feedback received.

Recommendation

The recommendation is for this service to remain a managed service to allow FSA to recover the VAT, circa £8m, to change this model to a supply of service would increase the cost to greater than £8m as FSA would need additional management to manage the supplier's staff. **Agreed service will remain a managed service.**

Cost Model

Internal

- The preferred option is Cost plus fixed profit per hour.

External

- A cost plus fixed profit percentage model was preferred by one (1) stakeholder however two (2) stakeholders preferred a fixed price with adjustment model, which was not an option on the shortlist.

Recommendation

The recommendation was for a cost model based on cost-plus model with a fixed profit per hour. **Agreed.**

Cost Model Assumptions

Internal

- Premium overtime and separate travel time payment to remain excluded from the contracts. Facility time for contract staff to be included in these contracts. Annual segmented increase to be included in the contract with different indices for different segments, such as labour index for salary. Service credit, soft caps, and multi lot discount to remain.

External

- One (1) stakeholder preferred premium overtime and separate travel time payment to remain excluded from the contracts. Facility time for contract staff to be included in these contracts. Annual segmented increase to be included in the contract with different indices for different segments, such as labour index for salary. The same stakeholder preferred that multi lot discount to remain, hard and soft caps were included with a fixed overhead element.
- A separate stakeholder preferred index linked uplifts and different rates for different services.
- Two (2) stakeholders preferred not to have multi lot discount.

Recommendation

The recommendation is to keep premium overtime and separate travel time payments out of these contracts. Annual segmented increase to be included in the contract with different indices for different segments, such as labour index for salary. Service credit, soft caps, and multi lot discount to remain. **Agreed that premium overtime and separate travel time payments will be excluded from the contracts. Agreed that facility time will be excluded.**

Qualification Envelope

Internal

- No feedback as standard government template will be included.

External

- Use of historical track records and financial standings may be barriers to new entrants.

Recommendation

We recommend that references evidencing past performance are not included in the Qualification as this may deter new entrants. Suppliers will be required to demonstrate how they will deliver the services in the technical envelope. This envelope will ask potential suppliers to prove that are a fit and proper person.

Agreed that references to delivery of comparable contracts will be removed from the evaluation envelope.

Technical Envelope

Internal

- Weighting to be as high as possible for this envelope. Capability, recruitment, and delivery of official controls are important areas for evaluation. Stability of the workforce would be good to assess, as well as how these contracts will be prioritised.
- Requirement to keep Senior Technical Lead role for these contracts.

External

- All stakeholders agreed this envelope should weighted as high as possible.

The majority of stakeholders would like less repetition, more specific questions and word limits in the response template.

Recommendation

The recommendation is that the technical envelope should be weighted at 65%, leaving 25% for the commercial envelope and 10% for Social Values. Further work will be undertaken to define the specific questions that will be asked in the technical envelope. **Agreed the technical envelope will have 65% weighting.**

Social Value Envelope

Internal

- It was accepted that the proposed theme was the most suitable for these contracts.

External

- Limited feedback given.

Recommendation

We recommend that the social value is Tackling inequality in the contract workforce - Demonstration of how company culture promotes an inclusive working environment and promotes retention and progression. **Agreed this is the social value that will be included in the contract.**

Commercial Envelope

Internal

- Preferred option is a commercial weighting of no less than 25% to ensure affordability.

External

- One (1) stakeholder suggested 20% as any higher reduces the ability for a small supplier to bid.
- Other feedback was about making the commercial envelope simpler to provide evidence and explain costs. One stakeholder suggesting eliminating this envelope completely and for FSA to use insurance as a protection for the taxpayer.
- A different stakeholder would consider moving to full cost recovery if there was assurance of transparency and quality of delivery.

Recommendation

The recommendation is that the technical envelope should be weighted at 65%, leaving 25% for the commercial envelope and 10% for Social Values. Further work will be undertaken to define the content of the commercial template. **Agreed the commercial envelope will have 25% weighting.**

Performance Management Framework

Internal

- The quality of the delivery of official controls is important and should be retained.
- Attrition and retention are also important but difficult to measure as supplier may retain staff but they may not be good staff and measuring this may prevent progression. Availability and Attendance to be retained from current framework along with Delivery of Official controls. Consider a people section in the performance management framework.

- It was acknowledged that the current method of scoring is not aligned for reporting the top three (3) KPIs to central government.
- Need to consider the consequence of failure.
- Content with the concept of overperformance but need to ensure it is reported accurately.
- Consider seeking feedback from FBOs and explore how this could be achieved.

External

- Consistent application of official controls in relation to timeliness and quality were identified as most important.
- Recruitment and retention were important for some stakeholders.
- FBO 360 feedback was also requested to be considered in the next contracts.
- Some stakeholders felt that a people KPI that looked at communication skills needed to be considered with caution due to cultural and dialect differences which may affect the scoring.
- There was a suggestion of the following categories: Capability, Capacity and Administration with subheadings.
- A number of stakeholders wanted more clarity on what a significant failure meant, and what would constitute a critical service failure.
- One stakeholder suggested moving to a % based scoring system.

Recommendation

The stakeholder feedback will be taken into account when developing the performance management framework for the specification.