

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 FSA Executive Management Team (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, must also 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

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.
- One (1) stakeholders' preference was to keep the existing 6 lot structure.

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.

Core Contract Services

Internal

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

External

- The more task variety provided the better.

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.

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.

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.

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.

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.

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 be weighted as high as possible.

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

Social Value Envelope

Internal

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

External

- Limited feedback given.

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 included making the commercial envelope simpler to provide evidence and explaining costs. One (1) stakeholder suggested

eliminating this envelope completely and for FSA to use insurance as a protection for the taxpayer.

- One (1) stakeholder would consider moving to full cost recovery if there was assurance of transparency and quality of delivery.

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.

- Several 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.

Questions/Clarifications/Further Information

Overview of the Contracting Options Short List, High Level Evaluation Criteria and Tender Expectations

Comment 1: There is an issue around suppliers having access to the OV course and knowing who the supplier of the course is.

Response: The FSA confirmed that the current provider in England and Wales is Bristol University.

Comment 2: Are PIAs in scope?

Response: The FSA confirmed that PIAs are out of scope as these are either provided by the FBO or a commercial arrangement with a supplier.

Comment 3: Would a shorter contract duration bring better competition?

Response: The FSA responded that the shorter the initial term of the contract the less time new suppliers have to demonstrate they can deliver the services to the quality standards required before FSA have to make the decision on retendering.

Comment 4: What does the FSA mean when they say innovation?

Response: The FSA responded that innovation is a broad term but includes modernisation and technological advances.

Comment 5: Will open book accounting and a full mid-year financial audit be in the new contract?

Response: FSA confirmed that it would be.

Comment 6: Duplication of management roles across FSA and the supplier(s) are a concern.

Response: FSA responded by saying removing the management layer of the supplier removes the managed service and the ability to recover the VAT. FSA also clarified that the management layers in the supplier and FSA are doing different roles and therefore are not a duplication.

Comment 7: In the last tender, was wine included in the scope? For the upcoming contract, is it included, is this open for discussion?

Response: The FSA are open to this but would need to look further into it.

Comment 8: Can a supplier bid for all lots, and can one supplier win them all?

Response: Suppliers can bid for more than one lot; all suppliers will need to meet the minimum technical standard. The FSA will reserve the right not to award all lots to a single supplier.

Comment 9: Supplier asked about 50/50 split of contract to employed MHIs.

Response: The split is currently slightly below that 50/50 split, 45% employed. FSA are looking to improve that & the ambition is there however there is a generation of retiring age.

Comment 10: The FSA stresses that new suppliers must note that staff considered as in scope for TUPE may be working under Temporary Registration (TR) and will require additional supervision and English Tuition; This may also apply to MHIs working in England and Wales who have graduated from EAEVE accredited vet schools and are undertaking Level 7 English tuition. Once Level 7 is achieved, this allows them to attend the OV course, and then register with Royal College of Veterinary Surgeons (RCVS) to work as an OV in England and Wales.

Comment 11: Regarding the gold or silver status of these contracts are there certain standards suppliers must meet to bid for these?

Response: Gold and silver contracts carry different standards such as economical and financial standings and governance arrangements as well as different contract types. The standards required to deliver these contracts will be included in the qualification envelope.