

SSRO

Single Source
Regulations Office

The baseline profit rate and capital servicing rates quality assurance

Answers to Tender Queries

Query 1:

The URL in Schedule 1 of the Terms and Conditions document (on page 21) appears to be broken – please could you provide a working URL so that we can access the CSEG Commercial Product Assurance information?

Answer 1:

The URL was corrected and an edited version of the Terms and Conditions document re-uploaded on to Contracts Finder on 31 July 2018

Query 2:

In the document “Single source baseline profit rates, capital servicing rates and funding adjustment methodology (March 2018)” at paragraph 3.2 the comparator group is intended to have a life span of three years. Are the comparator groups for each activity type all set in the same year? If so, does the first year (the year of selection) coincide with the first year of this tender. If so, given there is an optional extension of the contract to a fourth year, is it assumed that the re-selection of the comparator group would be in the fourth year and that this would be examined in that year (even though the contract would subsequently be put out for tender with the comparator group in place)? If this is not the case, in which year is the comparator group selected? Does paragraph 2.4 of the Specification mean that the comparator group is selected in year 2?

Answer 2:

The comparator groups for each activity type are all set in the same year. The year of refresh coincides with the second year of this tender; therefore the fourth option year is not expected to include a refresh. This is illustrated in the table below

Contract year			1	2	3	4 th year option
Comparator selection year	1	2	3	1	2	3

Paragraph 2.4 of the specification refers to the full list of potential comparator companies in a year where a refresh occurs and refers to the previously selected comparator group in other years. This is in accordance with paragraph 3.2 of the methodology, which anticipates a comparator group will have a lifespan of three years and requires only annual validation of the existing group in interim years.

Query 3

Is the 1,000 comparator companies in 2.5 of the Specification the total across all activity types?

Answer 3:

1,000 comparator companies is the total across all activity types

Query 4

Does the model automatically pull through information from Orbis, Bloomberg, Bank of England etc or is this input manual?

Answer 4:

The extraction of data from Orbis is by direct download from that system in to an Excel table. The extraction of data from Bloomberg is automatic through their Excel plugin. The extraction of data from the Bank of England is a download of a published Excel table. The input of those extracted data in to the model is manual.

Query 5

How are the records of the comparable searches held? Electronically, or physical files? How is the evidence of the application of the review and selection process maintained – electronically on the date file or by notes on physical files?

Answer 5:

Records of the searches and the evidence of application of the review are held and maintained electronically.

Query 6

Can we see a copy of the Assurance Report issued in relation to a previous year? In addition to the assurance report itself has there been a management letter/report of recommendations, and if so may we see a copy for a previous year?

Answer 6:

We consider this information to be commercially sensitive.

Query 7

The time cost estimate that we would provide in relation to the model verification element of the work depends directly on the volume of formulae in the model and their complexity. In order to obtain this information, please can the you provide an unpopulated copy of the model so that we can run our proprietary software over the model?

Alternatively, if sharing a version of the model is not possible, are you able to provide information to assist us in understanding the technical complexity of the subject matter model? For example, if you have access to spreadsheet analysis tools (such as Operis Analysis Kit or Spreadsheet Detective or equivalent) could you provide high level diagnostics (such as number of unique formulae and average complexity) to inform our cost estimate and fee proposal? Failing that are you able to provide high level information on the spreadsheet file such as file size, number of tabs, approximate number of used rows and columns per tab?

Answer 7:

The model for the current year is being developed and will be based on the prior year model. The data inputs to last year's model are 920 observations with 60 fields of data each. There were 42 tabs of analysis consisting mainly of summary tables and graphs. The file size was approximately 20Mb. Operis Analysis Kit states that the average distinct formula complexity of last year's model is 3.86.

Query 8

In the Terms and Conditions, does section 23 Security Requirements relate to members of staff directly engaged on the contract or does it extend to ancillary and support staff who may have a purely administrative and/or back office role in supporting our client engagements?

Answer 8:

The Security Requirements apply to any person with access to, or the ability to access (through admin rights for example) Sensitive Information as a result of their work in connection with the Contract.

Query 9

In relation to the terms and conditions [Schedule 1] please elaborate on what the condition at 7.7 is requiring?

Answer 9:

Your IT system should have security processes in place to ensure only authorised users can access or modify Sensitive Information on IT systems. Examples would be secure login with password or similar authentication.

Query 10

In relation to the terms and conditions [Schedule 1] how long must the logs required by 7.10 and 7.12 be maintained?

Answer 10:

In line with best practice for records relating to contracts, logs should be retained throughout the contract period and then for as long as the contract might be the subject of legal action (normally 6 years).

Query 11

In relation to the terms and conditions [Schedule 1] at 7.16 what is acceptable to the SSRO's Senior Information Risk Officer, or how do we find this out?

Answer 11:

The range of available firewall software and hardware solutions is large, so it is impossible to be prescriptive, but we would expect it to be compliant with Cyber Essentials Plus and/or ISO27001 accreditation standards. Information on existing or potential firewall arrangements should be included as part of any tender proposal and will be assessed on this basis.