

## VARIATION TO CONTRACT FORM

**Contract title** : Delivery of Official Controls in Approved Establishments in England and Wales (Lots 1-6)

**Contract Reference** : FS101227

**Variation No** :22 **Date:** 23/08/2023.

**Between** : The Food Standards Agency (the Authority) and Eville & Jones (GB) Ltd (the Contractor)

The contract is varied as follows: **Duration and Price**

1. This variation notifies the supplier of the intention of the FSA to extend the contract by a period of one (1) year under Clause 8.2 from 01/04/2024 to 30/03/2025.
2. This variation amends Schedule 4 Charging (see below) to insert the agreed year 5 costs based on delivering an extension of the existing services. These costs, the forecast hours demand and the direct payroll rates per chargeable hour will be reviewed prior to the start of year 5 and any changes will be reflected in a further variation. Given significant changes to the level of English tuition for OV's and MHI's, there is an expectation on E & J to review their estimates with a view to reducing these costs.
3. The total cost of this variation is £39,474,507.
4. The contract, including any previous variations, shall remain effective and unaltered except as amended by this variation.

**Signed:**



#### **SCHEDULE 4 CHARGING FOR YEAR 5 (2024/2025)**

- 1.1. This Schedule 4 sets out the Charges that apply to this Contract and any attendant purchase orders and self-billing invoices.
- 1.2. The forecast chargeable hours are 443,700 COV hours and 479,137 MHI hours.
- 1.3. The hourly Direct Payroll rates the Authority will pay the Contractor for each chargeable hour worked, as per the agreed contract extension are:

Year	2024/25
COV Rate	£ [REDACTED]
CMHI Rate	£ [REDACTED]

- 1.4. Premium rates are not payable in any circumstances which includes bank holidays and overtime, only the standard rates detailed above will be paid.
- 1.5. The 'FSA risk' Direct Variable costs for providing the services (£ [REDACTED]) will be paid as per Table 1 below.
- 1.6. Costs for Laundry and Equipment provided by FSA are shared based on the current year 4 split of 65% contract staff and 35% employed staff.
- 1.7. One twelfth of the 'E&J risk' Direct Variable costs at (£ [REDACTED]) and the Indirect Overhead costs (at £ [REDACTED] plus £ [REDACTED] depreciation) will be paid within each monthly invoice. These costs are fixed and will not be reviewed for any adjustments.
- 1.8. The profit margin to be paid is 1/12 of £ [REDACTED] which shall be paid each month.
- 1.9. The Hourly rates the Authority will pay for temporary SEO Veterinary backfill work are: -

Period required	Price per hour	37 hours	45.4 weeks
1 week (rolling basis)	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]
1 month (140 hours)	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]
3 months (456 hours) (13 weeks)	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]
6 months (910 hours) (26 weeks)	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]
9 months (1365 hours) (39 weeks)	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]
12 months (1 calendar year/ 52 weeks)	£ [REDACTED]	£ [REDACTED]	£ [REDACTED]

### Schedule of Costs


Category	Forecast Y5 Costs	Notes
<b>Total Contract Cost</b>		Linked to hours x direct pay cost per hour plus direct variable costs and indirect overhead, and a fixed profit £s amount per hour
Estimated Hours		Will vary depending on business needs and staff availability
Direct Pay Costs		Amount by grade per actual hour recorded each month
Direct Variable Costs – FSA Risk		Pass Through Costs with a 'soft cap' – see table below
Direct Variable Costs – E&J Risk		One 12 <sup>th</sup> paid per month. Fixed amount in contract, no adjustments
<b>Total Direct Costs</b>		
Indirect Overhead Costs – E&J Risk		One 12 <sup>th</sup> paid per month. Fixed amount in contract, no adjustments
EBITDA		
Depreciation		One 12 <sup>th</sup> paid per month. Fixed amount in contract, no adjustments
<b>Total Direct and Indirect Costs</b>		
<b>Profit</b>		One 12 <sup>th</sup> paid per month. Fixed amount in contract, no adjustments

If these agreed costs are at risk of being exceeded then the costs will be jointly reviewed by FSA and E&J.

#### **'Soft Cap' on Direct Variable Costs – FSA Risk**

It is hereby acknowledged and agreed by the parties that: (a) the agreed amount of monies payable by the FSA as indicated in Table 1 in this Variation Contract [under Schedule 4] shall be treated as a Soft Cap. "Soft Cap" means that the FSA shall have no obligation to fund additional costs in excess of such specific agreed amount but that in cases where E&J forecasts that a particular cost may exceed such specific agreed amount the FSA agrees to enter in good faith into discussions with E&J to understand the impact of not paying for the additional cost in order to enable the FSA to decide whether the FSA wishes to fund/partially fund any such additional cost at its sole discretion; and (b) notwithstanding the Soft Cap, the overall (total) agreed amount of monies payable under this Variation Contract [as indicated in Schedule 4] shall be treated as a Hard Cap. "Hard Cap" means that the FSA shall have no obligation to fund additional costs in excess of such agreed amount and nor shall the FSA be obliged to consider any such additional costs under this Variation Contract.

**Table 1 - Direct Variable Costs – FSA Risk**

Category	Y5 (soft cap)	Notes
Visa applications		SP numbers and evidence of cost required on request
Pre deployment		SP numbers and evidence of cost required on request
Training (Pre-service) excl payroll cost.		SP numbers and evidence of cost required on request
Training (CPD)		SP numbers and evidence of cost required for English Tuition on request
RCVS subscription		RCVS subscriptions will be paid throughout the year up to the soft cap based on evidence of working on FSADOC.
Laundry		See para 1.6
Equipment		See para 1.6