**SCHEDULE 12**

**KEY PERFORMANCE INDICATORS**

This Schedule sets out the Key Performance Indicators that will apply to this contract.

**KPI 1: AVAILABILITY AND PERFORMANCE**

1. **Procedures**

1.1 The Contractor and the Authority shall be responsible for monitoring the Contractor’s performance of the Project Operations in accordance with the provisions of the Contract including ensuring that this monitoring system is subject to appropriate quality assurance procedures.

1.2 The Contractor shall liaise with the Designated Officer on a weekly basis regarding Contract performance. The Contractor mission success rate (and by extension the mission failure rate), as described below, shall be agreed between the Contractor and the Designated Officer on at least a weekly basis in accordance with the terms of the Contract. In addition, the performance outcome of mission success / failure information shall be formally reported to the Authority by the Contractor on a quarterly basis. Not more than fifteen (15) Business Days after the end of each quarter commencing on the Contract Commencement Date the Contractor shall provide to the Designated Officer a report (the "Quarterly Performance Report") of the performance against the performance standards. The Quarterly Performance Report shall contain the following minimum information:

1. The number of missions tasked by the Authority.
2. Mission failure calculations and reasons for mission failure (including those which are considered by the Contractor to qualify for relief under the terms of the Agreement and which therefore should not count as mission failures).
3. Details of steps which the Contractor plans to take to reduce the mission failures.

1.3 Not later than twenty (20) Business Days before each Contract Year's annual review of the Contract the Contractor shall provide to the Designated Officer a report (the "Annual Performance Report") which shall summarise the Quarterly Performance Reports and include an average Performance Rating for the Contract Year. The Annual Performance Report and the average Performance Rating within, shall be the basis for determining if any Performance Profit Adjustments (as set out in paragraph 3 below) are to be applied, for the following Contract year. The Contractor shall include in the report its calculation of the Performance Profit Adjustment (if any) to be applied under the terms of the Contract and the Authority shall, at its discretion, agree to this calculation or put forward its own calculation.

1.4 If either party disputes the contents or calculations relating to the Quarterly Performance Reports and/or Annual Performance Reports and/or the Performance Profit Adjustment, and the dispute is not resolved within ten (10) Business Days of the dispute being notified to the other party in writing, the party raising the dispute may refer the matter to the Dispute Resolution Procedure.

1.5 If the Contractor fails to provide the Annual Performance Report for a Contract Year, then subject to the Designated Officer having first notified the Contractor of the aforesaid failure with regard to the Annual Performance Report and the Contractor having failed to remedy the failure within five (5) Business Days the Authority may operate the payment provisions of the Agreement by applying the maximum possible Performance Profit Adjustment (i.e. 0% Profit) and any disagreement shall be referred to and be determined by the Dispute Resolution Procedure. If the Dispute Resolution Procedure holds in favour of the Contractor then the Authority shall promptly pay the Contractor the withheld sums but, for the avoidance of doubt, without the payment of any interest.

1. **Reporting of Mission Failures**

2.1 Mission failures are defined below and shall be reported by the Designated Officer to the Contractor as soon as they become known to him. Reporting of mission failures will be by means of a report based on the format of the model as laid out in the terms and conditions (insert clause). The format of the report may be amended from time to time by the parties and such amendments shall not constitute a Change to the contract.

1. Redacted Under FOIA Section 43

**4.** Redacted Under FOIA Section 43

**5.** Redacted Under FOIA Section 43

**6.** Redacted Under FOIA Section 43