

Contract 701579419 Glider Support Contract (GSC) Schedule 09

PERFORMANCE MANAGEMENT FRAMEWORK

Reference:

- A Annex D to Statement of Requirement Glider Support V1.5 dated 23 March 2022.
- 1 As part of the Authority's continuous drive to improve the performance of all Contractors, this Performance Management Framework (PMF) will be used to monitor measure and control all aspects of the Supplier's performance of contract responsibilities.
 - 2 The PMF purpose is to set out the obligations on the Supplier, to outline how the Contractors performance will be evaluated and to detail the sanctions for performance failure.
 - 3 Performance management indicators for the Contractor will be listed under the following categories (where applicable):
 1. Contract Management
 2. Delivery and support
 3. Quality of Service
 4. Cost
 5. Continuous Improvement

The above categories are consistent within all Contract awards allowing the Authority to monitor the Contractors performance at both individual contract level and at enterprise level with the individual Contractor.

Management of the PMF

1. The Contractor shall detail performance against the Key Performance Indicators (KPIs) detailed at Ref A in the Monthly and Annual Report.
2. KPI's shall be monitored on a regular basis and shall form part of the Contract Performance Review (CPR). Performance of KPI's will be reported monthly and annually.
3. Any performance issues highlighted in these reports will be addressed by the Contractor, who shall be required to provide an improvement plan ("Remediation Plan") to address all issues highlighted within a week of the Authority request.
4. Performance failure by the Contractor may result in administrative costs to the Authority. Where failure attributable to the Contractor is identified in the Performance Management Report and relates to the KPI's then the service credit regime shall apply.
5. KPIs are essential in order to align Contractors performance with the requirements of the Authority and to do so in a fair and practical way. KPIs have to be realistic and achievable;

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they also have to be met otherwise indicating that the service is failing to deliver. Without the use of service credits in such a situation, this service failure places strain on the relationship as delivery falls short of agreed levels. As a result, the only recourse would be to terminate and seek alternative supply.

6. The use of a strong service credit regime accompanied by a proactive approach to correcting failures and addressing their cause improves the relationship and enables a partnership rather than a confrontational style of working. Its focus is on managing and improving service. It is NOT about taking cost out of the service to the Authority.
7. KPIs are set out below.
8. Where a KPI has a percentage measure, the Contractor's performance will be rounded to the nearest whole number.
9. KPIs are to be agreed and finalised prior to contract award.
10. Where a Red Status is awarded, or an Amber Status is reported on consecutive months, the Contractor shall produce a Contractor's Remediation Plan, detailing the measures that the Contractor will undertake to rectify this failure as well as any measures to be introduced to prevent this failure from occurring in the future. Measures proposed may include introduction of new KPIs.

Service Credits

The use of Service Credits is governed by the following principles:

- Service Credits sit within the wider service management approach being pursued by the Supplier and the Authority. The use of Service Credits does not prejudice the Authority's rights under appropriate clauses of the contract in the event of inadequate performance by the Contractor.
- The Service Credit regime would be instigated on each occasion where there is a service failure (i.e. where a KPI is identified as having a 'Red Status' or an 'Amber Status' is reported on consecutive months). This would also give rise to a Contractor Remediation Plan.
- The Authority has full and complete discretion on whether to claim all, part, or none of a Service Credit to which it is due.
- Service Credits claimed will be applied to the subsequent invoice as a credit note.
- The full, agreed Service Credit regime shall operate from the initial delivery date until the end of the Contract Period.

Service credits will be applied as follows:

- **Service Credit 1: KPI 1.1 – KPI 1.2, KPI 3.1 – 3.3**
 - For an 'Amber Status' spanning a single month, the contractor shall formally articulate the issue(s) and mitigation at the monthly CPR meeting and update the monthly CPR report accordingly.

- For an 'Amber Status' spanning 2 consecutive months, the Contractor shall produce 'a remediation plan' and apply a 'Service Credit' equal to 10% (profit only) of the monthly payment (month one and two) attributable to the appropriate contracted service in Schedule 2, Contract Pricing Page. 'Service Credits' will be suspended until the third consecutive months performance has been assessed.
 - For an 'Amber Status' spanning 3 consecutive months, the Contractor shall apply a 'Service Credit' equal to 10% (profit only) of the monthly payment attributable to the appropriate contracted service in Schedule 2, Contract Pricing Page. Retrospective 'Service Credits' covering the preceding 3-month period will be applied immediately. Should the 'Amber Status' prevail month on month, an additional 10% will be added to the 'Service Credit' (credited monthly) up to 100% and this will be applied until the returns to an agreed 'Green Status'.
 - For a 'Red Status' in a single month, the contractor shall produce 'a remediation plan' and apply a 'Service Credit' of 10% (profit only) of the monthly payment attributable to the appropriate contracted service in Schedule 2, Contract Pricing Page.
 - For a 'Red Status' spanning 2 consecutive months, the Contractor shall review and update the 'remediation plan' and apply a 'Service Credit' of 15% of the monthly payment (profit only) attributable to the Glider Maintenance service detailed in Schedule 2, Contract Pricing Page.
 - For a 'Red' rating spanning 3 months 50% of the monthly payment (profit only) in relation to the Glider Maintenance service as per Schedule 2, Contract Pricing Page, will be put on hold for month 3. For every subsequent 'Red' rating the previous monthly withhold will be withheld permanently until a 'Green Status' is achieved.
- **Service Credit 2: KPI 2**
 - For an 'Amber Status' spanning a single month, the contractor shall formally articulate the issue(s) and mitigation at the monthly Contract Progress Review (CPR) meeting and update the monthly CPR report accordingly.
 - For an 'Amber Status' spanning 2 consecutive months, the contractor shall produce 'a remediation plan' and apply a 'Service Credit' equal to 10% (profit only) of the monthly payment (month one and two) attributable to the Glider Maintenance service detailed in Schedule 2, Contract Pricing Page. 'Service Credits' will be suspended until the third consecutive month is assessed.
 - For an 'Amber Status' spanning 3 consecutive months, the Contractor shall apply a 'Service Credit' equal to 10% (profit only) of the monthly

payment attributable to the Glider Maintenance service detailed in Schedule 2, Contract Pricing Page. Retrospective 'Service Credits' covering the preceding 3-month period will be due immediately. Should the 'Amber Status' prevail month on month, an additional 10% will be added to the 'Service Credit' up to 100% of profit and this will be due monthly until the status returns to green.

- For a 'Red Status' in a single month, the Contractor shall produce 'a remediation plan' and apply a 'Service Credit' of 5% of the monthly payment (profit only) attributable to the Glider Maintenance service detailed in Schedule 2, Contract Pricing Page.
- For a 'Red Status' spanning 2 consecutive months the Contractor shall review and update the 'remediation plan' and apply a 'Service Credit' of 10% of the monthly payment (profit only) attributable to the Glider Maintenance service detailed in Schedule 2, Contract Pricing Page.
- For a 'Red Status' spanning 3 months, 50% of the monthly payment (profit only) in relation to the Glider Maintenance service as per Schedule 2, Contract Pricing Page, will be placed on hold for month 3. For every subsequent 'Red Status' the previous monthly withhold will be withheld permanently.

- **Service Credit 3 : KPI 4**

For an inadequate performance relating to KPI 4 the following service credits will apply:

- For an 'Amber Status' spanning a single month, the contractor shall formally articulate the issue(s) and mitigation actions at the monthly Contract Progress Review (CPR).
- For an a 'Amber Status' spanning 2 consecutive months, the contractor shall produce 'a remediation plan' and apply a 'Service Credit' equal to 5% of the monthly payment (Aerotow element only as per Schedule 2, Contract Pricing Page) per non availability day where availability falls between the range 80% - 90% (month one and two). 'Service Credits' will be suspended until the third consecutive month is assessed.
- For an a 'Amber Status' spanning 3 consecutive months, the Contractor shall apply a 'Service Credit' equal to 5% of the monthly payment (Aerotow element only) per non availability day where availability falls between the range 80% - 90%. Retrospective 'Service Credits' covering the preceding 3-month period will be payable immediately and 'Service Credits' will remain in place until a return to a 'Green Status'.

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- For a 'Red Status' in a single month, the Contractor shall produce 'a remediation plan' and apply a 'Service Credit' of 5% of the monthly payment (Aerotow element only) per unavailability days day where monthly availability is less than or equal to 90%.
- For a 'Red Status' spanning 2 consecutive months the Contractor shall review and update the 'remediation plan' and apply a 'Service Credit' of 10% of the monthly payment in relation to the Aerotow Service as per Schedule 2, Contract Pricing Page per unavailability days where monthly availability is less than or equal to 90%.
- For a 'Red Status' spanning 3 months the monthly payment in relation to the Aerotow Service as per Schedule 2, Contract Pricing Page, will be placed on hold for month 3. For every subsequent 'Red Status' the previous monthly withhold will be withheld permanently.

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Metric	KPI	What is required to make this measurable	KPI Measurement	KPI Rating		
Delivery and Support	KPI 1.1 Service Credit 1	60% of the VGS Viking Glider requirement is provided and Fit for Flight at each VGS Location ¹	Individual VGSs – Glider Daily requirement.	<50% as an average for the calendar month at any individual VGS Location.	>=50% - <60% Fit for Flight Viking Glider availability at each measure point at any individual VGS location.	>=60%
Delivery and Support	KPI 1.2 Service Credit 1	Minimum required Launch Accessories [Details in Table 1 Annex E to SOR v1.5 dated 23 Mar 22] available at each VGS Measure Point (SOR V1.2 Annex D refers) at each VGS Location	Individual VGSs – Accessories Daily requirement.	Six (6) or more occurrences of Launch Accessories not being available in full at a VGS Measure Point at any VGS location.	Any instance of Launch Accessories not being available at a VGS Measure Point.	No instance of Launch Accessories not being available.
Delivery and Support	KPI 2 Service Credit 2	The Contractor will ensure as a minimum that 90% of the VGS Viking Glider requirement [detailed in the SOR v1.5 dated 23 Mar 22, Table 2, Annex C] is provided as an average across all VGS locations over all the VGS Measure Points for a calendar month.	VGS – Average Viking Glider Allocated Fleet Availability	<80%	>=80% <90%	>=90%
Delivery and Support	KPI 3.1 Service Credit 3	The Contractor will ensure 75% or above availability of CGS Gliders as an average over each calendar month.	CGS - Daily requirement	<50% as an average for the calendar month.	>=50% - <75%	>=75%

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Metric	KPI	What is required to make this measurable	KPI Measurement	KPI Rating		
Delivery and Support	KPI 3.2 Service Credit 3	The Contractor will ensure minimum required Launch Accessories [Details in Table 1 Annex E] available at each CGS Measure Point.	CGS - Daily requirement	>=6 occurrences at a CGS Measure Point at CGS Location.	<=5 occurrences over the calendar month	100% availability
Delivery and Support	KPI 3.3 Service Credit 3	The Contractor will ensure a minimum 50% is provided at any daily Measure Point.	CGS - Daily requirement	<40% as an average for the calendar month.	>=40% - <50%	>=50%
Delivery and Support	KPI 4 Service Credit 4	The Contractor must provide one [fuelled] Aerotow aircraft available for 90% of the CGS Measure Points over a calendar month.	Aerotow Availability	<=80%	Between 80% - 90%	>=90%
Delivery and Support	KPI 5 Service Credit TBC	The Contractor is to ensure scheduled maintenance of Launch Winches is completed by the due date.	Winch Maintenance Period	Winch Maintenance completed more than one week beyond due date	Winch Maintenance completed up to one week beyond due date	Winch Maintenance completed by due date

ⁱ Where the required number of aircraft is less than 4 (four) at any VGS location, that location sits outside of the KPI regime; all failures are to be reviewed, agreed and reported by exception.