

**KEY PERFORMANCE INDICATORS AND PAYMENT DEDUCTION MECHANISM**

- 1.1 The Contractor's performance in terms of meeting the required level of service will be measured under the arrangements detailed in Table 1 below and reviewed by the Contractor and the Authority at the Quarterly Progress Meetings.
- 1.2 In the event that in any given quarter the Contractor fails to meet the required level of performance detailed in Table 1 below, the Authority shall have the right to make the relevant payment deductions as detailed in the "Payment Deduction" column within Table 1.
- 1.3 Should the Contractor fail to meet the required level of performance for a KPI (i.e. its performance against the KPI is any combination of "Amber or Red") for two (2) consecutive quarters, it shall provide the Authority with a written Recovery Plan.
- 1.4 Should the Contractor fail to meet the required level of performance for a KPI (i.e. its performance against the KPI is any combination of "Amber and Red") for three (3) consecutive quarters the Authority has the right to terminate the Contract under contract condition 43 – Material Breach.
- 1.5 The Contractor's performance against the KPIs will be assessed separately and the Authority shall aggregate any applicable deductions against all KPI and reduce the quarterly payment by the cumulative amount of all deductions. For example:
- 1.6 If the Contractor's performance in a given quarter equated to a "Red" level of performance under KPI 2.a. and a "Amber" level of performance under KPI 3.a. the individual deductions for each KPI would be [REDACTED] and [REDACTED] respectively of the quarterly payment. Thus, the aggregated sum to be deducted from the quarterly payment would be an amount equal to [REDACTED] of the quarterly payment.
- 1.7 If the Contractor is prevented from meeting the required level of performance due to the actions of the Authority then a commensurate adjustment in the required KPI performance and associated payment reduction shall be agreed. Where the Contractor is seeking such an adjustment it shall submit relevant details to the Authority demonstrating the impact of the Authority's actions on its ability to meet the contractual KPIs; the measures it has taken to mitigate the impact and the duration over which the KPI adjustment is being sought. Where the Authority is satisfied that the case submitted by the Contractor is justified then it will agree a commensurate adjustment in the required KPI performance.
- 1.8 Deductions will be applied quarterly in arrears. Where it is determined that the Contractor was responsible for not meeting one or more of KPIs, the relevant deduction (calculated as set out above) will be applied to the payment for the subsequent quarter.
- 1.9 Any deductions, as a result of any failure to achieve one or more of the KPIs, in last two quarters of the contract will be applied in aggregate to the final quarterly payment.

**Table 1**

KPI	Description	Required Performance	Payment Deduction	Reporting Mechanism and Frequency	RED	AMBER	GREEN	
KPI 1	Turn Around Time	<p><b>1.a Task Authorisation Form (TAF) quotations completed in full within 15 working days of receipt, or as stipulated in the TAF.</b> TAF proposal includes: Tasking information, scope of work, quotation, full cost breakdown (detailing each allowance), timescales, and subcontractor price breakdowns (or facilitation of such cost breakdowns where transparency is prohibited due to competition etc.).</p>	100% of TAF/RAF quotes returned to required standard within 15 working days unless otherwise mutually agreed between the Authority and the Contractor.	■ reduction in quarterly payment for Amber, ■ reduction for Red	The Contractor shall report against this KPI at each QPM. This will be cross checked with the Authority's record of Contractor performance against this KPI.	4 or more occurrences per quarter of late delivery or incomplete TAF submitted	1 - 3 occurrences per quarter of late delivery or incomplete TAF submitted.	Nil occurrences per quarter of late delivery or incomplete TAF submitted.
		<p><b>1.b Completion of tasks/repairs</b> (excluding those within the defined surge activity) within Turn Around Time (TAT) specified in the Contract or as agreed in the Task Approval Form (TAF) or Repair Authorisation Form (RAF) respectively, unless otherwise mutually agreed between the Authority and Contractor.</p>	100% of all tasks/repairs will be completed within agreed performance time.	■ reduction in quarterly payment for Amber, ■ reduction for Red	The Contractor shall report against this KPI at each QPM. This will be cross checked with the Authority's record of Contractor performance against this KPI.	4 or more occurrences per quarter of late delivery	1 – 3 occurrences per quarter of late delivery	Nil occurrences per quarter of late delivery.
KPI 2	Quality	<p><b>2.a</b> Tasking and repairs completed and returned to the Authority to the required quality</p>	100% tasks/repairs to be completed to the required standard without	■ reduction in quarterly payment for Amber, ■ reduction for Red	The Contractor shall report against this KPI at each QPM. This will be cross	4 or more occurrences	1 – 3 occurrences per quarter	Nil occurrences per quarter

KPI		Description	Required Performance	Payment Deduction	Reporting Mechanism and Frequency	RED	AMBER	GREEN
		<p>standard as stipulated by the Authority.</p> <p>The equipment shall not require further maintenance in association with the initial task/repair within 2 months of task/repair completion, unless the fault/failure is out of the control of the Contractor.</p>	subsequent failure or fault within 2 months of task/repair completion.		checked with the Authority's record of Contractor performance against this KPI.	per quarter of quality failure.	of quality failure.	of quality failure.
		<p><b>2.b</b> Nil non-conformances for GFA/bonded stock during the Authority's annual audit at the Contractor's premises. (Only applicable for the quarter in which the annual GFA audit is conducted).</p>	100% conformance	■ reduction in quarterly payment for Amber, ■ reduction for Red	Authority Audit (Annual GFA/Bonded Stock audit)	3 or more discrepancies identified in audit	1 - 2 discrepancies identified in audit	Nil discrepancies identified in audit
<b>KPI 3</b>	<b>Communication and Project - Management</b>	<p><b>3.a</b> Quarterly Progress documentation (Agenda, Report, Minutes) to be issued to the Authority within the time periods specified by the contract and to be accurate and contain all required information as specified in the SOW.</p>	100% of documentation is received within the agreed periods and is accurate and contains all required information.	■ reduction in quarterly payment for Amber, ■ reduction for Red	The Contractor shall report against this KPI at each QPM. This will be cross checked with the Authority's record of Contractor performance against this KPI.	Delivered > 5 days late and/or contains significant inaccuracies or omissions.	Delivered 1 – 5 days late and is accurate and contains all required information	On time delivery and is accurate and contains all required information

KPI		Description	Required Performance	Payment Deduction	Reporting Mechanism and Frequency	RED	AMBER	GREEN
		<p><b>3.b</b> The Repair Log and RAF Tracker, with details of repairs made and their status shall be up to date and available at each QPM or within 3 days of such time as it is requested by the Authority.</p>	<p>100% of data is accurate at inspection by the Authority.</p>	<p>■ reduction in quarterly payment for red</p>	<p>The Authority shall maintain a log of when this KPI is not met for discussion at Quarterly Review meetings.</p>	<p>Repair Log and RAF Tracker is not available or up to date at each QPM or within 3 days.</p>	<p>Not Applicable</p>	<p>Fully up to date Repair Log and RAF Tracker is available at each QPM or within 3 days of request.</p>
		<p><b>3.c</b> Project Deliverables Project Deliverables (reports, Management Plans, documents excluding Quarterly Progress Documentation that is the subject of KPI 3.a.) to be issued to the authority within the time periods specified within the contract unless otherwise mutually agreed with the Authority and the Contractor.</p>	<p>100% of documentation is received within the agreed periods unless otherwise mutually agreed between the Authority and the Contractor.</p>	<p>■ reduction in quarterly payment for Red, ■ for Amber</p>	<p>Authority confirms accuracy.</p>	<p>4 or more occurrences of late delivery or unacceptable quality</p>	<p>3 or less occurrences of late delivery or unacceptable quality</p>	<p>Nil occurrences of late delivery or unacceptable quality.</p>