ICAVS(D) - KEY PERFORMANCE INDICATORS (KPI)

# **Payment Mechanism**

Definitions

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| Failure | Means a failure to meet the KPIs for the provision of the Services in accordance with the Statement of Requirement (Schedule 1) |
| KPI or Key Performance Indicator | Means the performance standards set out in the Schedule of Requirement under each heading and also set out in the table at Appendix 1 to this Schedule 3. |
| Quarterly Service Payment | Shall have the meaning given to that term in paragraph 1 of Part 1 of this Schedule 3 |
| Quarterly Invoice Amount | Shall have the meaning given to that term in paragraph 2 of Part 1 of this Schedule 3 |
| Service Credit | Shall mean the deductions to be made from the Quarterly Service Payment in accordance with Part 2 of this Schedule 3 |
| Service Failure Point | Shall mean the points to be accrued by the Contractor in accordance with Part 2 of this Schedule (Key Performance Indicators) |

## **Part 1 – Monthly Payments**

1. The Authority shall pay the Quarterly Payment to the Contractor in consideration of the provision of services provided by the Contractor. As defined in Statement of Requirement (Schedule 1 to the Terms and Conditions)
2. In respect of any given quarter, the Contractor shall deduct from the Quarterly Service Payment the Service Credits, as agreed or determined following the provision by the Contractor of the performance monitoring report in accordance with Clause 9.1. Following the deduction of the Service Credits the total amount payable by the Authority in respect of that quarter shall be the Quarterly Invoice Amount.
3. No Service Credits will be deducted from the Quarterly Service Payment in respect of the first quarter of the Contract Period (Apr – Jun 2022) when it is anticipated the first training events will commence. KPI’s will still be monitored and reported on during this period. If any Service Credits are accrued by the Contractor in the last quarter of the Contract Period, the amount of those Service Credits may be set off by the Authority against any sums due from the Authority to the Contractor or may be recoverable by the Authority from the Contractor as a debt.
4. The Contractor shall submit to the Authority an invoice in accordance with DEFCON 522 which shall show the Quarterly Invoice Amount; and where applicable reductions in accordance with paragraph 2 above.

## **Part 2 – Service Levels & Service Credits**

1. The Service Credits which shall be deducted from the Quarterly Service Payment in accordance with paragraph 2 of Part 1 above shall be calculated in accordance with the paragraphs below in this Part 2 of this Schedule 3. Each Service Credit shall have a value of 0.5% of the Quarterly Service Payment.

Service Credits & Service Failure Points

1. In the event of a Failure by the Contractor, the Contractor shall incur: -
   1. one or more Service Credits; and/or
   2. one or more Service Failure Points;

In the amounts set out in Appendix 1 of this Schedule subject to paragraph 3 below.

Service Credit Ceiling

1. The Contractor shall not in any given quarter be subject to the deduction of Service Credits which have a value in excess of 12% of the Quarterly Service Payment.

Persistent Failures

1. Should the Contractor incur a total of eight (8) or more Service Credits associated with the same KPI or KPIs over a period of three (3) consecutive quarters, the value of said Service Credits shall be doubled from that quarter forward. Service Failure Points shall accrue during this period at the usual rate (and for the avoidance of doubt shall not be doubled). The incurring of double value Service Credits in respect of the recurring failure(s) shall continue until such time as there has been a further period of three (3) consecutive quarters in which the total number of Service Credits accrued has been less than six (6).
2. Where the Contractor accrues more than three hundred and twenty-five (325) Service Failure Points in a rolling three (3) quarter period this shall constitute a Contractor Default and the Authority shall have the right to terminate the Contract in accordance with Clause 9.1 of the Contract.
3. Providing that where a KPI is not met, as a result of an act or omission of the Authority, then the KPI will be treated as met, the issue will be discussed at the sentencing committee.

# **2. Appendix 1 - Key Performance Indicators (KPI)**

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| **Number** | **KPI** | **Service Credits (SC) / Service Failure Points (SFP)** |
|  | Online booking service to be available at 99% 24 hours a day 7 days a week. *\*Subject to access to EGS gateway being available.* | 10 SFP per day less than 99% available  3 SC per day less than 99% available |
|  | All training events to start each day with 100% availability of all hardware and software required to deliver the event. | 10 SFP per day not available 100%  3 SC per day not available 100% |
|  | Maximum of 15 minutes total interruptions against the system. | 10 SFP per minute failure in excess of 15 minutes  3 SC per minute failure in excess of 15 minutes |
|  | Maximum 3 failures per training day. | 10 SFP per failure in excess of 3 minutes  3 SC per failure in excess of 3 minutes |
|  | Maximum 1 failure per training day (Where the individual training event is less than 8 hours (e.g. a reservist evening which will typically be between 2 – 4 hours). | 10 SFP per failure in excess of 1 minutes  3 SC per failure in excess of 1 minutes |
|  | No more than 48 minutes total interruptions per complete training event.  No more than 24 minutes total interruptions per Reservist training event. | 5 SFP per interruption in excess of 48 minutes per training event, OR, per interruption in excess of 24 mints per Reservist training event.  2 SC per interruption in excess of 48 minutes per training event, OR, per interruption in excess of 24 mints per Reservist training event. |