

Schedule 6
Performance Management



MINISTRY OF DEFENCE

**AIR SUPPORT TO DEFENCE OPERATIONAL TRAINING
(ASDOT)**

CONTRACT NO. UKMFTS/2017/03

**This is Schedule 6 (Performance Management) referred to in the ASDOT Contract
between the Secretary of State for Defence and *[Insert name of Contractor]*.**

SCHEDULE 6

PERFORMANCE MANAGEMENT

1. The Contractor's performance in meeting the Contract Requirements as set out in the SOR shall be measured against the KPIs and Performance Indicators (PIs) set out as follows:

1.1. KPIs

KPI 1 - The Contractor shall deliver a minimum of 98% (ninety-eight percent) of Completed Tasks as tasked by the ASTA. [Below 95% (ninety-five percent) a deduction of 5% (five percent) as in Clause 9.3 will apply, above 98% (ninety-eight percent) no deduction shall apply.]

KPI 2 - The Contractor shall deliver a minimum of 98% (ninety-eight percent) of completed overseas detachment tasks as tasked by the ASTA.

1.2. (PIs)

PI 1 - Compliance with contract data deliverable requirements.

PI 2 – Suitably Qualified, Experienced, Skilled and Authorised Personnel

PI 3 - Governance and reporting

KPIs

2. Where either of the KPIs fall below 98% (ninety-eight percent) at the end of a Calendar Month the Authority shall be able to claim remedy for failure of performance in accordance with Paragraph 9 to this Schedule 6 (*Performance Management*) in the following Calendar Month through a reduction in the monthly service payment.

PI

3. PI 1 – Compliance with contract data deliverable requirements

3.1. As part of the Monthly and Quarterly Performance Reports at Paragraphs 6 and 7 below, the Contractor shall produce and submit to the Authority details of Contractor performance against the delivery of contract data deliverables as set out in Schedule 7 Annex 2 (*CDRL, DID and CDR*). The Contractor shall incur 2 (two) Service Failure Point (SFP) in respect of each instance where a contract data deliverable has not been delivered in accordance with Schedule 7 Annex 2 (*CDRL, DID and CDR*).

3.2. In the event that a contract data deliverable is delivered on time but rejected by the Authority due to reasons of, but not limited to, unsatisfactory quality, the Contractor shall be given 5 (five) Business Days for rectification unless otherwise agreed by the Authority. Failure to deliver an acceptable contract data deliverable in this instance shall result in the Contractor incurring 2 (two) SFP.

4. PI 2 - Suitably Qualified and Experienced Personnel (SQEP)

4.1. As part of the Monthly and Quarterly Performance Reports, the Contractor shall produce and submit to the Authority details of any changes to the personnel employed on the Contract (where their post is designated as a SQEP Post) showing for each individual post (i) the post description, (ii) the qualification requirements for that post, and (iii)

qualifications held by the post holder. In addition, the Contractor shall include in the same reports details of those personnel directly employed on, and charged to, the Contract by the Contractor. These details shall include the post title and the full name of the current incumbent. If a particular post is not filled on the final Business Day of the reporting period, the Contractor shall additionally include details regarding its future plans for that post.

4.2. In addition to the Contractor monitoring and reporting details of personnel employed on the Contract, it shall also monitor and report any instances of tasks being undertaken by personnel not authorised and/or formally qualified to do those tasks. It shall include details of such instances in the Monthly and Quarterly Performance Reports, together with details of actions taken or to be taken to ensure there are no further such occurrences.

4.3. The Authority will review these reports to measure the Contractor's performance in meeting the personnel qualification and experience requirements set out in Schedule 7 Annex 1 (*Qualifications and Experience*).

4.4. The Contractor shall incur 1 (one) SFP in respect of each instance where a task was undertaken by personnel not authorised and/or appropriately qualified to do that task unless agreed otherwise in advance, in writing by the Authority.

5. PI 3 – Governance and Reporting

5.1. As part of the Monthly and Quarterly Performance Reports, the Contractor shall produce and submit to the Authority details of Contractor attendance at meetings as set out in Schedule 7 Annex 3 (*Meetings*). Actions arising from meetings on the Contractor shall be completed in accordance with timescales agreed in the meetings. The Contractor shall incur 1 (one) SFP in respect of each instance where a suitably qualified or empowered representative fails to attend a meeting or does not complete actions as set out in Schedule 7 Annex 3 (*Meetings*).

6. Monthly Performance Report

6.1. The Contractor's performance in achieving the KPI and PIs shall be measured on a Calendar Monthly basis. In support of this principle, the Contractor shall report its monthly performance within the Monthly Performance Report in accordance with DID14 which shall be delivered to the Authority's Project Manager named at Schedule 16 (*Appendix - Addresses and Other Information*).

6.2. The Monthly Performance Report shall cover a single Calendar Month and shall be submitted by the Contractor to the Authority in accordance with Schedule 7 Annex 2 (*CDRL, DID and CDR*) to Schedule 7. Prior to submission to the Authority, the report shall be signed by the Contractor (Authorised Representative) to certify that it is an accurate reflection of the Contractor's performance. The Monthly Performance Report shall form the basis for review and discussion by the Parties at the Quarterly Performance Review Meeting detailed at Schedule 7 Annex 3 (*Meetings*).

7. Quarterly Performance Report

7.1. In addition to the Monthly Performance Reports required under Paragraphs 6.1 to 6.2 above, the Contractor shall compile a Quarterly Performance Report for each Calendar Quarter as detailed at Schedule 7 Annex 2 (*CDRL, DID and CDR*). Each Quarterly Performance Report shall cover a single Calendar Quarter and shall be submitted by the Contractor to the Authority's Representative. The report shall consolidate the performance information gathered from the Monthly Performance Reports for the Calendar Quarter and provide such information required of the Quarterly Performance Review agenda at Schedule

7 Annex 3 Appendix 1 Quarterly Progress Meetings (*QPM*). Each report shall be signed by the Contractor to confirm that it is an accurate reflection of the Contractor's performance. The Quarterly Performance Report shall form the basis for review and discussion by the Parties at the Quarterly Performance Review meeting as detailed at Schedule 7 Annex 3 Appendix 1 (*QPM*).

7.2. The Quarterly Performance Reports shall be used, together with other evidence where appropriate, to determine whether the Authority shall be entitled to any remedy under the terms of Schedule 6 Paragraph 9 (*Remedy for the Contractor's Failure to Perform*). In the event that in any given Calendar Quarter the Contractor fails to achieve the stated KPI and/or PIs in full, as demonstrated by the relevant report, the Authority shall invoke the remedies available under the Contract. To that effect, the report shall include a section detailing the SFPs incurred for each Calendar Month during the Calendar Quarter in question.

8. Performance Measurement Procedure for KPI 1 and KPI 2

8.1. ASDOT Tasks involve the delivery of effects and outcomes (as described in the Training Profiles) that may be achieved using live Aircraft or, subject to solutions presented by the Tenderer, by synthetics or other means. Tasks may be Planned or Unplanned.

Planned Tasks are those requested by the ASTA and are identified in the daily programme agreed with the ASTA. Tasks are only defined as planned when Tasking specific information is provided to the Contractor at least 12 (twelve) hours prior to the scheduled take-off time (for Tasks involving live Aircraft) or On-Task time (for tasks which do not involve a live Aircraft). The Authority reserves the right to delay Tasks planned during the same Business Day due to a number of reasons such as, but not limited to, aircrew availability or weather. Such delayed tasks will be considered as 'Planned Tasks'.

8.2. Tasks additional to the planned daily programme notified within 12 (twelve) hours of scheduled take-off or on-task time are defined as Unplanned Tasks. The Contractor shall make best endeavours to meet Unplanned Tasks.

8.3 Each Task shall initially be classified by the Contractor as:

DCO: A Task authorized by the ASTA that has been conducted by the Contractor and declared to have:

- Arrived at the rendezvous point designated in the Tasking Instruction within 10 (ten) minutes of the time scheduled, and;
- Achieved, in full, all of the objectives detailed in the Tasking Instruction (including post mission de-briefing and data transfer requirements).

DPCO: A Task authorized by the ASTA that has been conducted by the Contractor and declared to have:

- Failed to arrive at the rendezvous point designated in the Tasking Instruction within 10 (ten) minutes of the time scheduled, and/or;
- Failed to achieve, in full, all of the objectives detailed in the Tasking Instruction (including post mission de-briefing and data transfer requirements).

DNCO: A Task authorized by the ASTA that has not achieved any of the objectives of the Tasking Instruction.

8.4 For the purposes of this paragraph, failure to achieve, in full, all of the objectives detailed in the Tasking Instruction shall be deemed to be as a direct result of the Contractor's performance which, in the Authority's reasonable opinion, did not meet the expectations set out, and/or following analysis of airborne recording systems (or equivalent) the movements of the Aircraft (including time of arrival), and the operation of role equipment (including its serviceability) reveals a failure to deliver the specified task, and if the aforementioned data is not available for any reason, the mission shall be classified as DNCO.

8.5 A mission shall not be classified as DPCO or DNCO if a 'failed' mission where:

- (a) the cause of the failure is attributable to GFA, provided:
 - (i) The proven failure or degradation in performance of GFA by malfunction of a component was out with the scope of the Contractor's maintenance responsibilities; and
 - (ii) The proven failure was not caused by lack of proper first line support to the extent required by this Agreement; and
 - (iii) The proven failure of Aircraft mechanical or electrical supplies and/or interfaces to/with GFA were not within the scope of the Authority's direct responsibility; or
- (b) It is proven not to be due to Contractor operator failure to deliver the specified task.

8.6 The ASTA, as the Authority's Authorised Representative shall in consultation with the Contractor determine the appropriate category to be applied in respect of any Task. Any failures to agree the cause of the incomplete Task shall be referred to the Authority as represented by the ASDOT Programme Manager at the earliest opportunity. The onus shall be upon the Contractor to prove that it is not liable for the loss of a Task. The ASDOT Programme Manager, having considered all evidence presented by the ASTA and the Contractor, will decide the appropriate category to be applied to the affected Task and whose decision shall be final.

8.7 For each Business Day on which ASDOT tasking is planned, the Contractor shall retain a record of Tasks conducted. Additionally, where a Task is classified as DPCO or DNCO, the Contractor shall additionally record the reason and the cause, and whether the cause was attributable to either Party or due to factors outside the control of either Party. A Completed Task is defined as those classified as DCO and DPCO where the reason for non-completion was not within the control of the Contractor and the Contractor is therefore not liable for the loss of the Task. This record shall be known as the Daily Summary Sheet and shall be completed using the proforma set out at Schedule 3 (SOW).

8.8 The Daily Summary Sheets shall be used to compile the relevant section of the Monthly Performance Report which shall be reviewed and agreed by both Parties in accordance with Paragraphs 6.1 and 6.2 of this Schedule 6 (*Performance Management*) and for the purposes of the Quarterly Performance Review in accordance with Schedule 7 Annex 3 (*Meetings*).

8.9. The Contractor shall calculate the percentage of its achievement against the total requirement set out in the successive Daily Programmes using the information contained within the Daily Summary Sheets described at paragraphs 8.7 and 8.8 above.

9. Remedy for the Contractor's Failure to Perform

9.1 It is a fundamental premise of the Contract that the Contractor's performance shall be measured by its ability to provide the services detailed in the Contract and to meet both the KPIs and PIs set out within this Schedule 6 (*Performance Management*). Where the Contractor's performance falls below the required levels, the Authority shall be entitled to the remedies set out in this Paragraph 9 KPI 1 and KPI 2 shall operate independently of each other.

KPI 1

9.2. If the total number of Tasks which have been classified as DNCO are more than 2% (two percent) of the number of Tasks actually demanded for that Contract Month then the Contractor shall be considered to have failed to achieve the KPI for that Contract Month.

9.3. If the total number of Tasks which the Contractor fails to provide exceeds 2% (two percent), then the monthly service payment shall be reduced by 5% (five percent) of the agreed price. Application of the remedy for failure to perform in any Calendar Month shall constitute a permanent payment reduction against the Contract price. [Below 95% (ninety-five percent) a deduction of 5% (five percent), above 98% (ninety-eight percent) no deduction shall apply.]

9.4. If the number of Tasks which the Contractor fails to provide exceeds 2% (two percent) per month over a sustained period which shall not be less than 3 (three) Calendar Months, the Authority may exercise its right to terminate the Contract for Contractor Default in accordance with Clause 7.5 (*Termination*).

KPI 2

9.5. The provision of the capability to undertake Tasks as overseas detachments is included within the Contract price agreed for SOR Item 1. The Additional Work tasking process, defined within Schedule 4 (*Additional Work*), shall be utilised to define and agree the requirement together with any costs not included within SOR Item 1 including, but not limited to; Travel and subsistence, in accordance with Schedule 5 Paragraph 3 (*Travel and Subsistence*), labour hours/days utilising the agreed rates at Schedule 5 Annex 2 (*Charging Rates for Additional Work*), transport of logistical equipment.

9.6. If the total number of Tasks required during overseas detachment which have been classified as DNCO are more than 2% (two percent) of the number of Tasks outside of the UK actually demanded for that Calendar Month then the Contractor shall be considered to have failed to achieve the KPI for that Calendar Month.

9.7. If the total number of Tasks which the Contractor fails to provide exceeds 2% (two percent), then the monthly service payment shall be reduced by 5% (five percent) of the agreed price. Application of the remedy for failure to perform in any Calendar Month shall constitute a permanent payment reduction against the Contract price.

9.8. Should the Contractor;

- a) Fail to respond to an Authority request for an Additional Work task form in respect of Tasks requires as overseas detachments; or
- b) Fail to demonstrate a fair and reasonable price to enable the overseas detachment Tasks to take place as tasked by the ASTA

This shall result in all of the affected Tasks, tasked by ASTA as an overseas detachment, being classified as DNCO.

9.9. If the number of Tasks which the Contractor fails to provide exceeds 2% (two percent) per Calendar Month over a sustained period which shall not be less than 3 (three) Calendar Months, the Authority may exercise its right to terminate the Contract for Contractor Default in accordance with Clause 7.5 (*Termination*).

Calculation of KPI Performance

9.10. Each Calendar Month Tasks will be converted to Task Points in accordance with the following table;

	Task type						Task Points
	Air Warfare Tasks	Air Maritime Tasks	Ground Based Electronic Warfare Tasks	ABM & GBAD Tasks	Close Air Support and Land ISR Tasks	Weapon System Operational Assurance, Tests, Trails and Evaluation Tasks	
Training Audience Size	1 - 2	1 - 3	1	1	1 - 3	1	1
	3 - 5	4 - 7	2 -3	2 -3	4 - 7	2 -3	2
	≥6	≥8	≥4	≥4	≥8	≥4	3

The Calculation shall be made each Calendar Month and shall be included in the Monthly Performance Report.

Performance against KPI 1 and KPI2 shall be calculated individually as follows;

$$\left(\frac{(X - Y)}{X} \times 100 \right) \%$$

where:

- X = the total number of Tasks Points under the agreed daily programmes for the relevant Calendar Month, and
- Y = The total number of Task Points classified as DNCO or DCPO in that Calendar Month for reasons attributable to the Contractor.

9.11. Where, as calculated under Paragraph 9.10 above, the Contractor fails to achieve a performance of at least 98% (ninety-eight percent) over any given Calendar Month, the Authority shall in respect of that Calendar Month be entitled to the appropriate remedy set out in Paragraphs 9.2 and 9.3 below.

9.12. Nothing in this Schedule 6 (*Performance Management*) shall remove or in any way diminish the Contractor's obligation to meet the requirements of the Contract; nor shall it prejudice any of the Authority's rights to remedy set out elsewhere in the Contract in the event of any deficiency in the Contractor's performance which is not related to the KPI and/or PIs.

PIs

9.13. Failure to deliver the PIs as detailed at Paragraphs 3, 4 and 5 above shall result in the Contractor incurring SFPs as detailed therein. For each SFP incurred in a Calendar Quarter the Authority shall be entitled to make a permanent deduction against the next payment due to the Contractor. The amount of such deduction to be made in respect of a given Calendar Quarter shall be calculated as:

$$£1,500 \times A$$

Where A = the number of SFPs incurred by the Contractor in that Calendar Quarter.

9.14. Payment deductions made under Paragraph 9.5 above relating to SFPs, shall be permanent and the Contract Price shall be reduced by a corresponding amount.

9.15. Where the Contractor fails to achieve any of the PIs identified at Paragraphs 3,4 and 5 to this Schedule 6 (*Performance Management*) for a period not less than 3 (three) Calendar Months the Authority may require specific performance monitoring, notification of which will be submitted to the Contractor in writing. The Contractor shall submit a Rectification Report to the Authority's ASDOT Programme Manager within the timescales notified to him in the notice of specific performance monitoring, identifying the cause of the problem and identifying a solution. The Authority and the Contractor shall agree a timescale for implementation of the solution. The Authority shall closely monitor performance against the relevant PIs until such time as he is satisfied that the performance has reached a satisfactory standard over a sustained period of time that shall not be less than 3 (three) Calendar Months. If performance does not reach a satisfactory standard during the agreed period, then the Authority may consider this to be a Contractor Default.