



Ministry
of Defence

**Soldier development: provision of Basic
Training instruction
Contract Reference 711013450**

PERFORMANCE MONITORING

1 DEFINITIONS

1.1 In this schedule, the following definitions shall apply:

Monthly Performance Report means as set out in Paragraph 4.2 below.

Key Performance Indicators (KPIs) An objective measure of contractor performance, often against a significant contract deliverable. It may comprise of a number of lesser (but contributory) Performance Indicators. KPIs are set out in Annex 1 of this Schedule 9 (Performance Monitoring).

Key Performance Indicator (KPI) Failure where a Key Performance Indicator is measured as Red: Performance Failure.

Service Rectification Plan (SRP) as per the pro forma of which is set at Annex B of this Schedule 9 (Performance Monitoring).

Monthly Performance Meeting means the terms of reference as set out at Paragraph 4.2.4 below.

Social Value Action Plan means the action plan provided by the Service Provider to include specific tasks and timescales for delivery of social value.

Service Level Deductions the deductions set out in paragraph 5 below (Performance Monitoring) to be included in the Service Provider's monthly invoice if applicable.

Social Value KPI means the social value KPI that is agreed further to the Social Value Action Plan.

IOC means the Initial Operating Capability; this aligns with Contract Award.

2 PERFORMANCE INDICATORS AND KEY PERFORMANCE INDICATORS

2.1 Annex 1 sets out the KPIs and the PIs which both Parties agree shall be used to measure the Service Provider's performance of the Services: as well as the definitions for KPI ratings.

2.2 The table at Annex 1 of this Schedule 9 sets out which PIs are used to measure each KPI.

2.3 The Service Provider shall not be subject to more than one Service Level Deduction for a single incident of failure of a KPI per Monthly Payment Period.

2.4 The Service Provider shall deliver a KPI regarding the delivery of the Social Value Action Plan. Service Level Deductions shall not apply to the social value KPI.

3 MEASURING PERFORMANCE FAILURES

3.1 Green: Good, Contractual Target

3.1.1 Where a KPI is measured as being Green: Contractual Target, the Service Provider shall:

- (a) Receive a GREEN grading against such KPI; and
- (b) no further action will be required from the Service Provider

3.2 Amber: Requires Improvement (RI)

3.2.1 Where a KPI is measured as being Amber: Requires Improvement (RI), the Service Provider shall:

- (a) receive an AMBER grading against such KPI; and
- (b) produce a SRP in the form set out in Annex B to Schedule 9 ("**Service Rectification Plan**") within five (5) Working Days of becoming aware or being notified of the performance issue.

3.2.2 If the Authority is satisfied with the proposed SRP, then the Service Provider shall deliver the actions within the timescales set out in the SRP. If the Authority views the SRP as insufficient or incomplete, the Authority shall request a revised plan to be provided promptly and no later than five (5) Working Days.

3.2.3 The Service Provider shall carry out the SRP immediately from the date on which the SRP is agreed by the Parties (or such date set out in the SRP) and the Service Provider shall demonstrate to the Authority that it has rectified the Services measured as Amber: Requires RI on or before the following Monthly Performance Meeting.

3.2.4 No Service Level Deductions shall apply for KPI's that are measured as being Amber: Requires Improvement (RI) until continuous Failures as per 3.2.5

3.2.5 If Amber: Requires Improvement (RI) is present for 4 or more consecutive months for any of the same KPI's and either no Service Rectification plan is provided, or the Service Provider is not delivering against the Service Rectification plan as agreed with the authority, this would then turn Red: Inadequate Threshold (IT) at 5 months. A deduction of **[REDACTED]** of the management fee would be applicable at 4 months and then again at 5 months. See Schedule 9 Annex E- KPI Deduction Example Regime.

3.3 Red: Inadequate Threshold (IT)

3.3.1 Where a KPI is measured as being Red: IT, the Service Provider shall receive a RED grading against such KPI.

3.3.2 The steps of the rectification process set out in Paragraphs 3.1.2 and 3.1.3 shall apply to the rectification of a Red: IT.

3.3.3 Once a KPI is measured as Red: IT, it shall stay as RED on the Performance Report until the relevant Service is rectified (pursuant to the rectification process) to the Authority's reasonable satisfaction, at which point it will return to GREEN.

3.3.4 If Inadequate Threshold (IT) is present for 3 months in a row and either no Service Rectification Plan is provided or the Service Provider is not delivering against the Service Rectification Plan as agreed with the Authority, this would result in an additional deduction of the management fee of [REDACTED] increasing each month by an additional [REDACTED] until rectified. At this stage the authority has the right to terminate the contract under material breach (SC2 Terms and Conditions, Clause 43- Material Breach).

4. MONITORING AND REPORTING

4.1 From IOC and for the remainder of the Contract Term, the Service Provider shall monitor its performance against each KPI and shall send the Authority a Monthly Performance Report to be produced a month in arrears, five (5) working days before the Monthly Performance meeting detailing the level of Service achieved.

4.2 Monthly Performance Report

4.2.1 The Performance Report shall reflect any Authority feedback and any instances of failure to provide the requirements of the contract to the standard required by the KPIs, which are either identified by the Service Provider or by the Designated Officer which relate to each monthly payment period.

4.2.2 The Supplier shall supply Performance reports on a monthly cycle in accordance with DEFCON 604 (Progress Reports) and Schedule 2 Annex A Statement of Requirement.

4.2.2 The Monthly Performance Report shall be in such format, as agreed between the Parties at the onset of the contract and contain, as a minimum, regarding KPI's and performance rectification the following information:

Information in respect of the calendar month just ended.

- (a) for each KPI , the actual performance achieved over the month.
- (b) a summary of all KPI Failures that occurred during the month.
- (c) which KPI Failures remain outstanding and progress in resolving them.
- (d) the cause or likely cause of the relevant KPI Failure or PI Failure and the action being taken to reduce the likelihood of recurrence.
- (e) for any repeat failures, actions taken to resolve the underlying cause and prevent recurrence.
- (f) the Service Level Deductions to be applied, indicating the KPI Failure(s) to which the Service Level Deductions relate.
- (g) a summary of all Service provision reports received during the month and rectification taken.

4.23 The Performance Report will also include the following information:

Information in respect of the calendar month just ended.

- (a) A précis of activities
- (b) Instructor / Recruit Ratios.
- (c) Staff training (CoT training / Driver training)
- (d) Issues and concerns
- (e) General Performance of Recruits
- (f) Trends (Positive & Negative)
- (g) Performance against Recruit personal development Goals/ Functional Skills
- (h) Assurance and Validation
- (i) Safeguarding
- (j) Infrastructure
- (k) Welfare

4.2.3 Each Monthly Performance Report that has been finalised shall then be submitted for consideration to the next Monthly Performance Meeting.

4.2.4 At each Monthly Performance Meeting-

- a) The Authority shall inform the Contractor of any additional feedback received which has not been included in the Performance Report and which indicates that the content of the report may be inaccurate.
- b) The Authority and the Service Provider shall consider and discuss the content of the Performance Report and any additional feedback.
- c) The Authority and the Service Provider shall agree any amendments to be made to the Monthly Performance Report.
- d) The Service Provider shall draft a Record of Decision (RODs) and submit to the Authority for review and approval within five (5) working days.
- e) Following the meeting, within three (3) working days the Contractor shall update the Performance Report to reflect any agreed amendments and issue the Authority with a revised report.
- f) The Authority shall confirm its approval of the revised Monthly Performance Report. The Authority shall confirm its approval of the Report by signing it.

4.2.5 The Authority reserves the right to downgrade a KPI RAG performance level following discussion at the Performance Meeting.

4.2.6 The Authority shall have the final decision on whether a KPI has been rectified or not.

4.2.7 In the event of disagreement, the matter shall be dealt with in accordance with the Dispute Resolution Procedure (SC2 Terms & Conditions, Clause 40- Dispute Resolution).

Service Level Deductions

5.1 The Parties acknowledge that for three (3) months following the IOC (Initial Contract Award) no Service Level Deductions shall apply to the Service Provider and the Contract Price.

5.2 Delivery KPI Service Level Deductions

5.2.1 Subject to Paragraph 5.1, any KPI measured and sentenced as Red: Performance Failure shall result in a Service Level Deduction being applied to the next Service Provider's monthly invoice following the relevant Monthly performance meeting. Service Deductions are specified in 'Result of Shortfall'.

5.3 Management KPI Service Level Deductions

5.3.1 For more than 1 occurrence of Red: Inadequate Threshold (IT) of KPI 3, within any 6 monthly payment period, the Authority shall be entitled to make a deduction of **[REDACTED]** to the Management Fee that period (Schedule 2, Annex C Pricing Schedule, Management Fee-Contract Management).

5.3.2 For more than 1 occurrence of Red: Inadequate Threshold (IT), and/or more than 1 Occurrence of Amber: Requires Improvement (RI) of KPI 4 & 3 within a 12-month rolling period, a Service level deduction of **[REDACTED]** of the monthly management fee will be applied.

5.4 Planning KPI Service Level Deductions

5.4.1 For one (1) or more occurrence of Red: Inadequate Threshold (IT), of the Planning KPI's within any monthly payment period, the Authority shall be entitled to make a deduction of **[REDACTED]** to the Management Fee.

5.4.2 In relation to KPI 5: If the Reporting of non-functioning equipment has not started within twenty-Four (24) hrs of being reported, **[REDACTED]** of the cost of the item will be deducted. If a contracted instructor loses/damages any equipment they are issued, OC SDW will investigate and if it is deemed that this was due to negligence, the items must be replaced by the Service Provider with a like for like item, with proof of purchase provided to OC. : If the Repairing of non-functioning equipment has not started within forty-Eight (48) of being reported, **[REDACTED]** of the cost of the item will be deducted

5.5 Delivery KPI Service Level Deductions

5.5.1 Where the Service Provider fails to provide the requested personnel for any training course, the Authority shall be entitled to make an adjustment to the cost stated on the Demand Order Form. The authority will not pay for the instructor that did not attend and an additional deduction will be incurred as detailed in 5.5.2.

5.5.2 The Authority shall be entitled to an additional payment equal to **[REDACTED]** of the daily instructor rate.

6.0 Performance Rectification Process

6.0.1 This sets out the procedure to address any performance concerns, between the Authority and the Service Provider that are not measured by Performance and Key Performance Indicators. Performance concerns are to be resolved at the lowest level and should avoid escalation where possible. If the Designated Officer (DO) and Contractor are unable to settle a performance concern the following process is to be followed:

- a. The Authority shall raise a performance concern using a Service Provision Report (Annex C).
- b. The Contractor shall record all performance concerns received in a register and shall hold a copy of each Service Provision Report it receives from the Authority.
- c. The Contractor shall maintain a record of all corrective and preventative actions taken in response to a complaint that is raised by the Authority.
- d. The Contractor shall resolve a performance concern, to the satisfaction of the DO, within ten (10) working days of the performance concern being raised by the Authority.
- e. The Contractor shall complete a Service Rectification Plan to be presented at the Monthly Performance meeting.
- f. The Contractor shall establish and maintain a documented and clearly defined process to record, manage, and resolve performance concerns raised by the Authority.

Ser		Key Performance Indicators		Criteria	SOR Reference	Test Method OFFICIAL-S	Monitoring Frequency	Reporting Frequency COMMERCIAL	Measurement			Result of Shortfall
									Good – Contractual Target	Requires Improvement (RI) – Interventions required – Need to provide an improvement plan.	Inadequate Threshold (IT) – Major interventions or contractual rectification plans required.	
			Requirements									
1	Delivery KPI	Provision of correct number of freelance instructors required for all training.		To ensure that the required number of freelance instructors, as per 1:6 ratio (except when conducting high rope instruction where 5 instructors are required), are provided for each training exercise to maintain training quality and effectiveness.	Para. 11	Contractor selfmonitoring and Authority	Per Exercise	Monthly and at Performance monitoring meetings	Green– The correct number of instructors supplied met the 1:6 ratio for all training exercises.	Amber- There is no Amber for this KPI. Only Green and Red- PASS/FAIL	Red- The number of instructors supplied did not meet the 1:6 ratio for all training exercises.	[REDACTED].
2	Delivery KPI	Provision of 5 hours instruction of recruit training per day.		To ensure each recruit cohort receives a minimum of 5 hours instruction per day. (Excluding reasons beyond the trainers control- Example Exclusions are :vehicle failure or other traffic related issues; recruit/staff incapacitation through injury/illness; adverse and unexpected weather or environmental conditions)	Para. 14	Contractor selfmonitoring and Authority	Per Exercise	Measured daily and reported and presented at Performance monitoring meetings	Green- No instances of noncompliance of the KPI. 5 hrs + training delivered per day per instructor.	Amber- Minor noncompliance Contractor instructor delivers >4 hrs but <5 hours in one training day	Red - Major non-compliance Supplier instructor delivers <4 hours training in one day. 3 minor non-compliance by an individual within 2 weeks 3 minor non-compliance by different instructors within 1 week.	[REDACTED]

OFFICIAL-SENSITIVE COMMERCIAL

3.	Management KPI	Monthly Performance report		The Supplier shall supply Performance reports on a monthly cycle in accordance with DEFCON 604 (Progress Reports). The Performance reports shall be provided to the Designated Officer by email Five (5) working Days prior to the Performance meeting. The format of the report is to be agreed with the Authority after contract award.	Para. 66	Authority to monitor	Monthly	Measured monthly and presented at the following Performance meeting	Green- Performance report issued =5 working days of last training package of the month and contains all necessary information	Amber- Performance report issued >5 working days of last training package of the month and contains all necessary information.	Red- Report provided >5 working days of last training package of the month and doesn't contain all necessary information.	[REDACTED]
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Ser		Key Performance Indicators		Criteria	SOR Reference	Test Method	Monitoring frequency	Reporting Frequency	Measurement			Result of Shortfall
									Good – Contractual Target	Requires Improvement (RI) – Interventions required – Need to provide an improvement plan.	Inadequate Threshold (IT) – Major interventions or contractual rectification plans required.	
4.	Management KPI	Government Furnished Assets (GFA) Monitoring and Accountability		To ensure that all GFA is effectively managed, monitored, and accounted for.	DEFCON 611 (Issued Property) SC2 SCHEDULE 2 ANNEX D -GFA	Contractor selfmonitoring and Authority	Monthly	Measured monthly and reported and presented at Performance monitoring meetings	Green- 10% monthly checks and 100% annual checks are conducted in accordance with DEFCON 611 (Issued Property)	Amber- 100% annual check completed, 1 of 10% monthly checks not completed within a 12month period	Red- 2 or more of 10% monthly checks not completed within a 12-month period and/or annual 100% check not completed	[REDACTED]
5.	Planning KPI	Government Furnished Assets (GFA) maintained and functional.		To ensure all GFA availability and functionality for all training exercises.	DEFCON 611 (Issued Property)	Contractor selfmonitoring and Authority	Per Exercise	Measured daily and reported and presented at Performance monitoring meetings	Green- All equipment functional and available for use.	Amber- Not applicable. This KPI is only PASS/FAIL.	Red- Non-functioning equipment has not been reported within 24hrs. No-Functioning Equipment has not started repair within 48hrs If damaged equipment has not been quarantined away from serviceable equipment. If equipment is damaged due to instructor negligence.	[REDACTED]

OFFICIAL-SENSITIVE COMMERCIAL

6.	Planning KPI	Provision of instruction after induction.		On completion of the induction package, the new supplier instructor must provide a minimum of 21 days of recruit training within a 4-month window before they will be formally added to the approved contractor database.	Para. 26	Contractor selfmonitoring and Authority	Per Training Package	Measured monthly and presented at the following Performance meeting	Green- The contractor successfully instructs 21 days recruit training within the 4-month window.	Amber- There is no Amber for this KPI, only PASS/FAIL.	Red- The contractor fails to instruct 21 days recruit training within the 4-month window. Monitoring will occur via the Monthly Performance Meeting and Record of decision.	[REDACTED]
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Ser		Key Performance Indicators		Criteria	SOR Reference	Test Method	Monitoring frequency	Reporting Frequency	Measurement			Result of Shortfall
									Good – Contractual Target	Requires Improvement (RI) – Interventions required – Need to provide an improvement plan.	Inadequate Threshold (IT) – Major interventions or contractual rectification plans required.	
			Social Value PI's to be agreed after contract award.									

Annex B - Example Service Rectification Plan

Example of a Service Rectification Plan	
Completed By:	Date:
KPI Breached:	
SOR Reference:	
Summary of Breach:	
Comment from Service Provider:	
Proposed Resolution:	
Proposed Resolution Date:	
Comment from Authority:	
Authority Approves Proposed Resolution: Yes/No	
Update on Resolution Progress	
Has a resolution been achieved to the satisfaction of the Authority: Yes/No	
Agreed by (Authority):	
Outcome of this Report:	

Annex C- Example of a Service Provision Report

EXAMPLE OF A SERVICE PROVISION REPORT	
Service Providers Name:	Contract Number:
Comment from SDW:	
Proposed resolution:	

Comment from Service Provider:
Proposed resolution:
Comment from Designated Officer:
Proposed resolution:
Has a resolution been achieved satisfactory to the requirements of the SDW's receiving Support : Yes/No
DO/ SDW Action:
Army Commercial Action:
Final outcome of this report:

Note: This report is to be reproduced electronically. A copy of each report is to be initially sent to the Contractor and Designated Officer. All reports are to be recorded and retained and presented at the Monthly Performance meeting.