

Annex B - Performance Monitoring System

1 Principles and Background

1.1 This Annex B describes the Contractor's PMS to be implemented by the Contractor when measuring and reporting its performance against the Contract to the Authority and within its own organisation.

2 Key Performance Indicators (KPIs)

2.1 KPIs critical to the successful performance of the Contract are defined and listed at Annex A.. The Contractor shall use the PMS to:

- a evidence Satisfactory Performance against the KPIs;
- b record Unsatisfactory Performance against the KPIs; and
- c monitor and demonstrate recovery of performance against Remedy Plans.

2.2 The performance data held on the PMS will be summarised in the Level 3 Progress Reports and Level 2 Progress Reports.

3 Performance Indicators (PIs)

3.1 As part of its internal governance procedure, the Contractor will define and measure at least monthly appropriate PIs to:

- a provide management information that the standard of the Services continues to meet the requirements of Schedule 2 (Statement of Requirements);
- b provide management information for Continuous Improvement of the Services; and
- c provide early flags of an impending Sub-Standard Performance (Level 2).

3.2 The Contractor shall be entitled to change the PIs during the Contract Period to ensure the most appropriate areas of the Services are being monitored. For the avoidance of doubt, performance shortcomings against a PI does not give rise to financial reparation for the Authority.

4 Contract Review

4.1 The Contractor's performance will be considered as part of the Contract Review.

4.2 The PMS will be used to record the Contractor's performance a report of which will be presented to the Authority as supporting documentation at the Contract Review.

5 Measuring Performance against the Indicators

5.1 The Contractor shall be responsible for collecting, analysing and recording performance data in support of the PMS. Source data for performance measurement will be obtained principally from Authority systems to maximise use of data that is already produced and available. The collection of data

specifically for performance management reasons is to be restricted to important data that cannot otherwise be compiled.

- 5.2 The data collection system shall allow for Authority's Representatives to record their individual comments on the services, either on request from the Contractor as part of the customer evaluation process, or through feedback passed to a service desk. Service desk records shall be available for inspection by the Authority.
- 5.3 The Contractor will, where possible, use electronic processes for storing and distributing performance data. Where data is stored manually, its location will be referenced on the electronic system.
- 5.4 In support of PMS the Authority will employ a complaints process to provide an alternative mechanism for users to raise concern regarding the Service delivered. If the Contractor fails deliver a remedy to the satisfaction of the originator of the complaint, the Authority's Representatives will be notified to seek resolution and record the Contractor's substandard performance against the relevant KPIs.

6 Managing Performance Shortfalls

Key Performance Indicators

- 6.1 The Contractor shall maintain a Performance Register that tracks the Contractor's performance against each KPI monthly. When a Performance Failure (Level 1) or Sub Standard Performance (Level 2) is identified against a KPI, the Contractor shall record the deficiency in the Performance Register.
- 6.2 The Contractor shall record progress against Remedy Plans and Service Recovery Plans in the Performance Register. A summary of progress shall be included in the Level 2 Progress Report and Level 3 Progress Report presented at the Level 2 Meeting and Level 3 Meeting, and informally when requested by the Level 3 Chairman.
- 6.3 The Performance Register will contain as a minimum the following information, which will be divided into two parts:
 - a management Information:
 - i unique serial number;
 - ii Establishment/Air Station;
 - iii KPI description;
 - iv level of performance against KPI;
 - v date Unsatisfactory Performance raised;
 - vi reporting person and their contact details;
 - vii date and time of failure;
 - viii length of failure;
 - ix source of data;

- x Contractor Employee who owns the issue;
 - xi date Remedy Plan or Service Recovery Plan issued;
 - xii date of any Remedy Plan or Service Recovery Plan rejections and subsequent modifications;
 - xiii date Remedy Plan or Service Recovery Plan agreed;
 - xiv date Remedy Plan or Service Recovery Plan due to complete;
 - xv date Remedy Plan or Service Recovery Plan actually completed; and
 - xvi action taken to prevent a reoccurrence; and
- b financial information:
- i level and duration of pecuniary action taken in accordance with this Schedule 10;
 - ii date revised invoice submitted;
 - iii date financial withholding/deduction commences;
 - iv date normal invoice submitted;
 - v date withholding/deduction ends; and
 - vi total amount withheld/deducted against each failure.

Performance Indicators

- 6.4 The Contactor shall also use the Performance Register to record its performance against PIs.
- 6.5 In the Performance Register, flags will be raised against PIs where less than Satisfactory Performance or an operational fluctuation has been noted by the Contractor. A flag will indicate required action by the Contractor or areas which require ongoing monitoring. The Authority will have visibility of the areas of the Services that the Contractor is monitoring through its PIs via the Level 3 Progress Report presented to each Level 3 Chairman at each Level 3 Meeting.
- 6.6 If, in the judgement of the Contractor, performance against a PI is likely to escalate quickly to an Unsatisfactory Performance in respect of a KPI, the Contractor shall inform the relevant Level 3 Chairman as expediently as possible, and in advance of the Level 3 Meeting, advising on its intended measures to overcome the situation.