

Schedule 33 (Key Performance Indicators and Incentives)

1. DEFINITIONS

1.1 In this Schedule, the following definitions shall apply:

"Available Performance Related Fee" means the financial amount (based on the percentage of the Maximum Performance Related Fee detailed in column 4 in Table 1 in Paragraph 2.1 (*Incentives*)) relevant to each Key Performance Indicator;

"Band of Percentage Savings" means the relevant band of percentage Savings as determined in accordance with Table 2 of Paragraph 2.1 (*Incentives*);

"Baseline" has the meaning given in Schedule 1 (Definitions and Interpretation);

"Basket 1 Charges" has the meaning given in Schedule 1 (Definitions and Interpretation);

"CO₂e Emissions Baseline" has the meaning given in Schedule 1 (Definitions and Interpretation);

"CO₂e Emissions Reductions" means a reduction in the level of CO₂e emissions produced across all of the Schools and Colleges on the Final List of Schools and Colleges or Additional Schools and Colleges (as applicable) in a Relevant Basket 1 Stage as a result of the Basket 1 Deliverables measured against the CO₂e Emissions Baseline;

"CO₂e Emissions Reduction KPI" the key performance indicator set out in Table 1 of Paragraph 2.1 (*Incentives*);

"CO₂e Emissions Reduction Performance Related Fee" means the fee payable to the Supplier based on the Supplier's performance against the CO₂ Emissions Reduction KPI, calculated in accordance with Paragraph 4.3;

"Energy Cost Reduction KPI" the key performance indicator set out in Table 1 of Paragraph 2.1 (*Incentives*);

"Energy Cost Savings" means the energy cost savings generated across all of the Schools and Colleges on the Final List of Schools and Colleges or Additional Schools and Colleges (as applicable) in a Relevant Basket 1 Stage resulting from the Basket 1 Interventions measured against the Energy Cost Baseline;

"Energy Cost Baseline"	has the meaning given in Schedule 1 (Definitions and Interpretation);
"Energy Cost Savings Performance Related Fee"	means the fee payable to the Supplier based on the Supplier's performance against the Energy Cost Reduction KPI calculated in accordance with Paragraph 4.5;
"Engagement Performance KPI"	the key performance indicator set out in Table 1 of Paragraph 2.1 (<i>Incentives</i>);
"Engagement Performance Related Fee"	means the fee payable to the Supplier based on the Supplier's performance against the Target Performance Level for the Engagement Satisfaction Survey KPI, calculated in accordance with Paragraph 4.2;
"Engagement Satisfaction Target"	means the target performance levels applicable to the Engagement Performance KPI as identified in column 2 of Table 1 in Paragraph 2.1 (<i>Incentives</i>);
"Key Performance Indicator"	means the Energy Cost Reduction KPI, the Engagement Performance KPI, the CO2e Emissions Reduction KPI and the KWh KPI, each a "KPI" and together the "KPIs" ;
"KWh Baseline"	has the meaning given in Schedule 1 (Definitions and Interpretation);
"KWh KPI"	the key performance indicator set out in Table 1 of Paragraph 2.1 (<i>Incentives</i>);
"KWh Savings"	means energy consumption savings across all of the Schools and Colleges on the Final List of Schools and Colleges or Additional Schools and Colleges (as applicable) resulting from the Basket 1 Interventions measured against the KWh Baseline;
"KWh Performance Savings Related Fee"	means the fee payable to the Supplier based on the Supplier's performance against the KWh KPI, calculated in accordance with Paragraph 4.4;
"Maximum Performance Related Fee"	ten percent (10%) of the Basket 1 Charges for a Relevant Basket 1 Stage;
"Measurement Period"	in relation to a Key Performance Indicator, the period over which the Supplier's performance is measured as specified in column 3 in Table 1 of Paragraph 2.1 (<i>Incentives</i>);

"Performance Monitoring Report"	has the meaning given in Paragraph 3.4;
"Performance Percentage"	means the percentage of the Available Performance Related Fee payable to the Supplier based on the relevant Band of Percentage Savings;
"Performance Related Fee"	means the total sum of the CO2e Emissions Reduction Performance Related Fee; the Engagement Performance Related Fee, the Energy Cost Savings Performance Related Fee; and the Kwh Savings Performance Related Fee as calculated in accordance with Paragraph 4.1;
"Savings"	means each of the CO2e Emissions Reductions, the Energy Cost Savings and Kwh Savings (as applicable); and
"Savings KPIs"	means the Key Performance Indicators excluding the Engagement Performance KPI and reference to ' each Savings KPI ' shall be construed accordingly.

2. INCENTIVES

- 2.1 Table 1 below sets out the Key Performance Indicators which the Parties have agreed shall be used to measure the performance of the Basket 1 Deliverables in each Relevant Basket 1 Stage by the Supplier and to calculate the Performance Related Fee.

Table 1

Key Performance Indicator Title	Measurement	Measurement Period	Available Performance Related Fee %
Engagement Satisfaction Survey	100% score	Every three (3) Months on and from commencement of the Relevant Basket 1 Stage	40%
CO2e Emissions Reductions	Band Percentage Savings of	12-months on and from commencement of the Relevant Basket 1 Stage	20%
KwH Savings	Band Percentage Savings of	12-months on and from commencement of the Relevant Basket 1 Stage	20%
Energy Cost Savings	Band Percentage Savings of	12-months on and from commencement of the Relevant Basket 1 Stage	20%

Table 2:

Savings (against the Baseline) % relevant to each Savings KPI	Performance Percentage
19.1% and above	100%
18.1% - 19%	90%
17.1% - 18%	80%
16.1% - 17%	70%
15.1% - 16%	60%
14.1% - 15%	50%
13.1% - 14%	40%
12.1% - 13%	30%

11.1% - 12%	20%
10.1% - 11%	10%
0% - 10%	0%

Engagement Satisfaction KPI

- 2.2 In order to assess the level of engagement of the Supplier with the Buyer, the Schools, Colleges and the School and College Representatives (the "**Stakeholders**") in relation to the Basket 1 Deliverables in each Relevant Basket 1 Stage, the Buyer may undertake engagement satisfaction surveys at each of the Buyer Premises (each such survey an "**Engagement Satisfaction Survey**") every three (3) Months on and from commencement of each Relevant Basket 1 Stage.
- 2.3 The Engagement Satisfaction Surveys will evaluate (using an overall target percentage score of 100%) the feedback from the Stakeholders and an average percentage score will be calculated by the Buyer at the end of each twelve (12) month period commencing on and from a Relevant Basket 1 Stage based on the total scores from all of the Engagement Satisfaction Surveys undertaken by the Supplier in that Contract Year ("**Average Engagement Score**").
- 2.4 If there are any aspects of the Supplier's performance of the Basket 1 Deliverables which the responses to the Engagement Satisfaction Surveys reasonably suggest are not meeting the Specification, the Supplier shall submit to the Buyer Authorised Representative its proposals for improving performance, which shall be reviewed and their contents agreed by the Parties at the next Progress Meeting.

Savings

- 2.5 The Supplier shall measure and report on each of the Savings in accordance with Paragraphs 3.4 and 3.5 (Performance Monitoring Report).

3. PERFORMANCE MONITORING

- 3.1 The Supplier shall monitor and verify the Savings and, if instructed by the Buyer to proceed to a Basket 2 and 3 Stage, shall monitor the performance of the Basket 2 and/or Basket 3 Interventions, with detailed monthly written reports to be provided to the Buyer.
- 3.2 All performance monitoring, saving measurements, calculations and reports performed by the Supplier pursuant to this Contract shall be carried out in accordance with Good Industry Practice. The Supplier warrants that it shall provide timely, accurate and comprehensive reporting as required by this Contract.
- 3.3 The Supplier shall establish all necessary reporting systems (including but not limited to energy consumption (gas/electricity), carbon-carbon equivalent-reduction, relevant factors applicable to energy costs) and as

may be necessary to comply with its reporting requirements under this Contract.

- 3.4 Within ten (10) Working Days of the end of each twelve (12) month period commencing on and from a Relevant Basket 1 Stage , the Supplier shall provide a report to the Buyer Authorised Representative which summarises the performance by the Supplier against each of the Key Performance Indicators in relation to the Relevant Basket 1 Stage (the **"Performance Monitoring Report"**).
- 3.5 The Performance Monitoring Report shall be in such format as agreed between the Parties from time to time and contain, as a minimum, the following information:
 - 3.5.1 In respect of each Savings KPI, the Savings achieved over the Measurement Period, the Band of Percentage Savings and the Performance Percentage;
 - 3.5.2 in respect of the Engagement Satisfaction KPI, the actual performance achieved against the Engagement Satisfaction Target (expressed as a percentage against that Target);
 - 3.5.3 the Performance Related Fee; and
 - 3.5.4 such other details as the Buyer may reasonably require from time to time.
- 3.6 The Supplier shall keep appropriate documents and records (including of the technical performance of the Buyer Premises before and after the Services are delivered) to support the Performance Monitoring Report, which shall be available for inspection by the Buyer and/or its nominee via a digital platform and also in hard copy (where requested).
- 3.7 The Buyer shall be entitled to raise any additional questions and/or request any further information from the Supplier to verify the level of performance of the Supplier as against the Key Performance Indicators.
- 3.8 The Performance Monitoring Report shall be reviewed and its contents agreed by the Parties at the next Progress Meeting.
- 3.9 If a Dispute arises between the Parties in relation to the Performance Monitoring Report, the level of Savings and/or the Band of Percentage Savings, the Performance Percentage and/or the Performance Related Fee, either Party may refer the matter in Dispute for determination in accordance with the Dispute Resolution Procedure.
- 3.10 The Performance Related Fee as agreed between the Parties pursuant to Paragraph 3.9 above or otherwise determined pursuant to the Dispute Resolution Procedure shall be payable by the Buyer to the Supplier in accordance with Clause 4.2A.5 of this Contract.

4. CALCULATION OF PERFORMANCE RELATED FEE

- 4.1 The Performance Related Fee in respect of each Relevant Basket 1 Stage shall be calculated in accordance with the following formula:

$$\text{Performance Related Fee} = \sum \text{EPRF} + \text{CERPF} + \text{KwHSPRF} + \text{ECSPRF}$$

Where:

ERPRF = the Engagement Performance Related Fee calculated in accordance with Paragraph 4.2

CERPF = the CO2e Emission Reduction Performance Related Fee calculated in accordance with Paragraph 4.3

KwHSPRF = the Kwh Savings Performance Related Fee calculated in accordance with Paragraph 4.4; and

ECSPRF = the Energy Cost Savings Performance Related Fee calculated in accordance with Paragraph 4.5.

- 4.2 The Engagement Performance Related Fee in respect of each Relevant Basket 1 Stage shall be calculated in accordance with the following formula:

$$\text{Engagement Performance Related Fee} =$$

$$\frac{\text{Average Engagement Score}}{\text{Maximum Possible Score}} \times \text{Available Performance Related Fee}$$

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- 4.3 The CO2e Emission Reduction Performance Related Fee in respect of each Relevant Basket 1 Stage shall be calculated in accordance with the following formula:

$$\text{CO2e Emissions Reductions Performance Related Fee} =$$

$$\frac{\text{Performance Percentage}}{\text{Maximum Possible Percentage}} \times \text{Available Performance Related Fee}$$

- 4.4 The Kwh Savings Performance Related Fee in respect of each Relevant Basket 1 Stage shall be calculated in accordance with the following formula:

$$\text{The Kwh Performance Related Fee} =$$

$$\frac{\text{Performance Percentage}}{\text{Maximum Possible Percentage}} \times \text{Available Performance Related Fee}$$

- 4.5 The Energy Cost Savings Performance Related Fee in respect of each Relevant Basket 1 Stage shall be calculated in accordance with the following formula:

$$\text{The Energy Cost Savings Performance Related Fee} =$$

Performance Percentage) x Available Performance Related Fee

