



Contract No: 701760450

For: AHCSP/0005 Long Term Training and  
Support Service for Apache AH-64E

## SCHEDULE F

### KEY PERFORMANCE INDICATORS

Document Control

Version	Issued	Notes
ENGROSSMENT	Contract Award	

## **1 INTRODUCTION**

- 1.1 This Schedule sets out the Key Performance Indicators (KPIs) that will be used to assess the Contractor's performance under the Contract. The assessment of performance will be used to determine any Deductions and the ability for the Contractor to recover any Deductions.
- 1.2 The KPIs are set out and detailed in paragraphs 4 to 8:
- 1.2.1 KPI 1 – Aircraft Availability in the High Readiness Pool;
  - 1.2.2 KPI 2 – Spares Demands;
  - 1.2.3 KPI 3 – Provision of Training;
  - 1.2.4 KPI 4 – Delivery and Completion of Booked Aircraft Sorties; and
  - 1.2.5 KPI 5 – Delivery and Completion of Booked Simulator Sorties
- 1.3 Nothing in this Schedule F shall:
- 1.3.1 limit the Contractor's obligations or liability; or
  - 1.3.2 restrict or limit the Authority's rights,
- under the Contract or otherwise.
- 1.4 Overachievement against a target performance level set out in the third column in the first table in each of paragraphs 4 to 8 ("**Target Performance Level**") for a KPI cannot be used to offset underperformance against that KPI or any other KPI.
- 1.5 The Parties confirm that the Authority's rights to make Deductions as set out in this Schedule F are reasonable and proportionate to protect the Authority's legitimate interest in performance.

## **2      MEASUREMENT AND REPORTING**

- 2.1      The Contractor shall record its performance in respect of the KPIs using data from the source specified in the fourth column of the first table in each of paragraphs 4 to 8.
- 2.2      The Contractor shall by the fifteenth day of each calendar month provide the Authority with a report, in a form reasonably requested by the Authority, setting out:
  - 2.2.1      the monthly Performance Score for KPI 2 for the previous calendar month calculated in accordance with paragraph 5.3;
  - 2.2.2      the monthly Performance Score for KPI 3, or its associated performance measure, as applicable, for the previous calendar month calculated in accordance with paragraph 6.3;
  - 2.2.3      the training success percentages calculated in accordance with paragraphs 6.10.1, 6.10.2 and 6.10.3;
  - 2.2.4      the monthly Performance Score for KPI 4 for the previous calendar month calculated in accordance with paragraph 7.3;
  - 2.2.5      the monthly Performance Score for KPI 5 for the previous calendar month calculated in accordance with paragraph 8.3; and
  - 2.2.6      the LCT information specified in paragraph 8.9.
- 2.3      The Contractor shall by the fifteenth day following the end of a Performance Period provide the Authority with a report, in a form reasonably requested by the Authority, setting out:
  - 2.3.1      the Performance Score for the Quarterly Performance Period for KPI 1 calculated in accordance with paragraph 4.3;
  - 2.3.2      the Performance Score for the Financial Year for KPI 3, or its associated performance measure, as applicable, calculated in accordance with paragraph 6.4;
  - 2.3.3      the Performance Score for the Quarterly Performance Period for KPI 4 calculated in accordance with paragraph 7.4; and

- 2.3.4 the Performance Score for the Quarterly Performance Period for KPI 5 calculated in accordance with paragraph 8.4.
- 2.4 At each Quarterly Review Meeting, the Parties shall attempt in good faith to resolve any disputes relating to the reports referred to in paragraphs 2.2 and 2.3 (the “**KPI Reports**”) and if such disputes are not resolved, Schedule I (Dispute Resolution Procedure) shall apply.
- 2.5 The Authority may make Deductions in accordance with paragraphs 4 to 8. Any Deductions shall be reflected in the next claim for payment that the Contractor submits to the Authority under the Contract in accordance with Schedule E (Pricing and Payment). Within twenty (20) Business Days of the Expiry Date or termination of the Contract the Contractor shall pay to the Authority any Deductions which remain outstanding.
- 2.6 The Authority may undertake checks and verification audits of the KPI Reports and the Contractor shall provide all information, documents or records as may reasonably be requested by the Authority to support any such activity.
- 2.7 If, following a check or verification audit undertaken pursuant to paragraph 2.6, the Authority (acting reasonably) determines that a KPI Report is not an accurate reflection of the Contractor’s performance against the KPIs, the KPI Report shall be amended to reflect the Contractor’s actual performance in the relevant month, Quarterly Performance Period or Financial Year.
- 2.8 To the extent that the Contractor does not meet any Target Performance Level as a direct result of the issue of a Diversion Order pursuant to DEFCON 113 (Diversion Orders), the Authority shall not be entitled to make any Deductions under this Schedule F.
- 2.9 KPI Relief Provisions
- 2.9.1 Pursuant to the provisions of this Schedule F and save to the extent that events are caused or contributed to by the acts, omissions, wilful misconduct, defaults or negligence of the Contractor or any Contractor Related Party, the following events shall be regarded as relief events (for the purpose of this Schedule F each a “**Relief Event**”), where the events are the direct and sole cause of performance shortfalls, for the purposes of calculating the application of Deductions. Where the following events are not the sole cause of, however, directly contribute to performance

shortfalls, the Contractor shall receive equitable relief from Deductions that is commensurate with the extent to which the event caused the related performance shortfalls:

- (i) impact of long lead Spares for initial provisioning with a delivery date beyond 1st January 2023, as specified in the Provisioning Data to be provided in accordance with Schedule B;
- (ii) change in Law (save where such change in Law was reasonably foreseeable on Contract Award); and/or
- (iii) matters beyond the reasonable control of the Contractor.

2.9.2 Relief from Deductions due to Relief Events shall apply only to the extent, and for the period during which the occurrence of, the relevant Relief Events affects particular requirements of this Contract.

2.9.3 If one or more Relief Events occur, the Contractor shall provide a formal written statement to the Authority confirming:

- (i) the times during which such Relief Event occurred;
- (ii) the impact of the Relief Event;
- (iii) actions taken by the Contractor to manage and mitigate the impact of Relief Event; and
- (iv) an estimate as to when the Relief Events shall no longer impact the Contractor Deliverables.

2.9.4 The Contractor shall use reasonable endeavours to mitigate the effects of any Relief Event.

### **3 PERFORMANCE MANAGEMENT**

3.1 If the Contractor does not meet the Target Performance Level of any KPI in a Performance Period or Financial Year (as applicable), the Contractor shall provide a draft recovery plan to the Authority within ten (10) Business Days of the relevant KPI Report.

- 3.2 The draft recovery plan shall set out proposed corrective action which shall ensure that the Contractor's performance is restored to the Target Performance Level and the timescales in which the Service shall be restored to the Target Performance Level.
- 3.3 Within ten (10) Business Days of receiving the draft recovery plan the Authority shall either:
  - 3.3.1 agree the draft recovery plan; or
  - 3.3.2 propose reasonable amendments to the draft recovery plan.
- 3.4 The Contractor shall amend the draft recovery plan in accordance with any Authority feedback and shall resubmit the draft recovery plan to the Authority within such timescales as the Authority shall reasonably specify. The process set out in paragraph 3.3 shall apply to such an amended draft recovery plan.
- 3.5 If a draft recovery plan is agreed by the Authority, the Contractor shall implement the recovery plan.
- 3.6 The presence or implementation of a recovery plan shall not:
  - 3.6.1 constitute a Change; and
  - 3.6.2 limit the Authority's rights to make Deductions and/or any other rights or remedies of the Authority under the Contract or otherwise.

**4      KEY PERFORMANCE INDICATOR 1 – AIRCRAFT AVAILABILITY IN THE HIGH READINESS POOL**

4.1      KPI 1 shall apply from the later of:

4.1.1      when the total of Aircraft becomes 50; and

4.1.2      Redacted under FOIA Section 24, National Security

<b>Activity</b>	<b>Performance Score</b>	<b>Target Performance Level</b>	<b>Where Recorded</b>
The Contractor shall ensure that on each calendar day the number of Available Aircraft in the HRP is equal to or exceeds the number of Aircraft stated in the row headed "High Readiness Pool (HRP)" in Table 1 of Appendix 2 of Schedule A for the calendar month in which the calendar day falls.	The Performance Score for KPI 1 is calculated in accordance with paragraphs 4.2 to 4.3 below.	95%	Joint Fleet Plan.

4.2      For each calendar day of the Quarterly Performance Period, the Contractor shall record the lower of:

4.2.1      subject to paragraph 4.8, the number of Available Aircraft in the High Readiness Pool on that calendar day; and

4.2.2      the number of Aircraft stated in the row headed "High Readiness Pool (HRP)" in Table 1 of Appendix 2 of Schedule A for the calendar month in which the calendar day falls.

4.3      For each Quarterly Performance Period the Performance Score for KPI 1 shall be calculated as  $(A/B) \times 100$  where:

4.3.1      A is the total number recorded pursuant to paragraph 4.2; and

4.3.2      B is the number shown in the second column of the table below for the relevant Quarterly Performance Period:



<b>Quarterly Performance Period</b>	<b>B</b>
July 2024 - September 2024	Redacted under FOIA Section 24, National Security
October 2024 - December 2024	Redacted under FOIA Section 24, National Security
January 2025 - March 2025	Redacted under FOIA Section 24, National Security
April 2025 - June 2025	Redacted under FOIA Section 24, National Security
July 2025	Redacted under FOIA Section 24, National Security

4.4 If the Performance Score for KPI 1 in a Quarterly Performance Period is 95% or more there shall be no Deduction from the Contract Price.

4.5 If the Performance Score for KPI 1 in a Quarterly Performance Period is less than 95% the Authority may Deduct from the Contract Price the percentage of the Baseline Profit for the Quarterly Performance Period as set out in the table below:

Performance Score in a Quarterly Performance Period	Percentage of the Baseline Profit which the Authority may Deduct for the Quarterly Performance Period
94.5% or more but less than 95%	10%
94% or more but less than 94.5%	12%
93.5% or more but less than 94%	14%
93% or more but less than 93.5%	16%
92.5% or more but less than 93%	18%
Less than 92.5%	20%

4.6 If the Authority makes a Deduction in accordance with paragraph 4.5 in respect of a Quarterly Performance Period and:

4.6.1 the Performance Score for each of:

- (i) KPI 1 in the immediately following Quarterly Performance Period;
- (ii) KPI 2 in the immediately following calendar month;
- (iii) KPI 3 in the immediately following Financial Year;

(iv) KPI 4 in the immediately following Quarterly Performance Period;  
and

(v) KPI 5 in the immediately following Quarterly Performance Period,  
  
meets its respective Target Performance Level, then the Authority shall  
repay to the Contractor such Deduction (without any interest accruing).

4.7 Any repayment due from the Authority pursuant to paragraph 4.6.1 shall be made to the Contractor by way of an increase in the next claim for payment that the Contractor submits to the Authority under the Contract in accordance with Schedule E (Pricing and Payment).

4.8 Where the Parties agree (acting reasonably) that an Aircraft is not an Available Aircraft in the High Readiness Pool solely as a direct result of adverse weather preventing the Contractor from conducting a post-maintenance test flight, the Aircraft shall be included as an Available Aircraft in the High Readiness Pool for the purpose of paragraph 4.2.1.

## **5 KEY PERFORMANCE INDICATOR 2 – SPARES DEMANDS**

- 5.1 KPI 2 shall apply from 2 January 2023. Demands for the purposes of KPI 2 measurement and performance shall be restricted to those Spares as specified in the Provisioning Data, to be provided in accordance with Schedule B (Contract Data Deliverables).

<b>Activity</b>	<b>Performance Score</b>	<b>Target Performance Level</b>	<b>Where Recorded</b>
The Contractor shall Satisfy at least 85% of Demands by the RDD.	The Performance Score for KPI 2 is calculated in accordance with paragraph 5.3 below.	The Contractor shall Satisfy at least 85% of Demands by the RDD.	MJDI or its replacement.

- 5.2 For each calendar month, the Contractor shall record:

- 5.2.1 the number of Demands that were Satisfied by the RDD in the relevant calendar month, provided that where the Contractor has Satisfied a Demand by removing serviceable parts from Aircraft and/or uninstalled Aircraft equipment and/or from a DSP other than on request by or with agreement of the Authority (i.e. cannibalisation) the relevant Satisfied Demand shall be recorded as 0.5 for the purpose of this paragraph 5.2.1; and
- 5.2.2 the number of Demands with an RDD falling in the relevant calendar month.

- 5.3 For each calendar month the monthly Performance Score for KPI 2 shall be calculated as  $(A)/(B) \times 100$  where:

- 5.3.1 A is the total of the number of Satisfied Demands recorded pursuant to paragraph 5.2.1; and
- 5.3.2 B is the total number of Demands recorded pursuant to paragraph 5.2.2.

- 5.3a Nothing in Paragraph 5.4 limits the Contractor's obligation to Satisfy those Demands that have missed RDD in the previous month(s).

- 5.4 If the Performance Score for KPI 2 in a calendar month is 85% or more there shall be no Deduction from the Contract Price.

- 5.5 If the Performance Score for KPI 2 in a calendar month is less than 85% the Authority may Deduct from the Contract Price the percentage of the Baseline Profit for the calendar month as set out in the table below:

Performance Score in a calendar month	Percentage of the Baseline Profit which the Authority may Deduct for the calendar month
80% or more but less than 85%	5%
75% or more but less than 80%	10%
70% or more but less than 75%	15%
less than 70%	20%

- 5.6 If the Authority makes a Deduction in accordance with paragraph 5.5 in respect of a calendar month and:

5.6.1 the Performance Score for each of:

- (i) KPI 1 in the immediately following Quarterly Performance Period;
- (ii) KPI 2 in the immediately following calendar month;
- (iii) KPI 3 in the immediately following Financial Year;
- (iv) KPI 4 in the immediately following Quarterly Performance Period;
- and
- (v) KPI 5 in the immediately following Quarterly Performance Period,

meets its respective Target Performance Level, then the Authority shall repay to the Contractor such Deduction (without any interest accruing).

- 5.7 Any repayment due from the Authority pursuant to paragraph 5.6.1 shall be made to the Contractor by way of an increase in the next claim for payment that the Contractor submits to the Authority under the Contract in accordance with Schedule E (Pricing and Payment).

## 6 **KEY PERFORMANCE INDICATOR 3 – PROVISION OF TRAINING**

- 6.1 KPI 3 shall apply from 1 April 2023, but shall be monitored as a performance measure from Contract Award until 31 March 2023.

Activity	Performance Score	Target Performance Level	Where Recorded
The Contractor shall Complete all Contractor Training Courses by the planned completion date for the relevant Contractor Training Course as set out in the course schedule agreed between the Parties pursuant to paragraph 6 of section 1.5 of Schedule A (Statement of Requirement).	The Performance Score for KPI 3 is calculated in accordance with paragraphs 6.2 to 6.4 below.	97%	The Contractor's Learning Content Management System (LCMS)

- 6.2 For each calendar month, the Contractor shall record:

- 6.2.1 the number of Contractor Training Courses that were Completed by the planned completion date for the relevant Contractor Training Course in the relevant calendar month;
- 6.2.2 the number of Contractor Training Courses with a planned completion date falling in the relevant calendar month; and
- 6.2.3 the number of Contractor Training Courses that were not Completed by the planned completion date for the relevant Contractor Training Course in the relevant calendar month as a direct result of an Authority Training Failure.

- 6.3 For each calendar month the monthly Performance Score for KPI 3, or its associated performance measure, as applicable, shall be calculated as  $\left( \frac{A}{((B+C)-D)} \right) \times 100$  where:

- 6.3.1 A is the total number of Contractor Training Courses that were Completed by the planned completion date for the relevant Contractor Training Course recorded pursuant to paragraph 6.2.1;

- 6.3.2 B is the total number of Contractor Training Courses with a planned completion date falling in the relevant calendar month recorded pursuant to paragraph 6.2.2;
- 6.3.3 C is the number of Contractor Training Courses where the planned completion date falls in any previous calendar month which the Contractor has not Completed by the last calendar day of the current calendar month; and
- 6.3.4 D the total number of Contractor Training Courses that were not Completed by the planned completion date for the relevant Contractor Training Course as a direct result of an Authority Training Failure recorded pursuant to paragraph 6.2.3.
- 6.4 The Performance Score for KPI 3, or its associated performance measure, as applicable, in a Financial Year shall be calculated as A/B where:
- 6.4.1 A is the sum of the monthly Performance Scores for KPI 3 in the Financial Year; and
- 6.4.2 B is the number of calendar months in the Financial Year.
- 6.5 If the Performance Score for KPI 3 in a Financial Year is 97% there shall be no Deduction from the Contract Price.
- 6.6 Subject to paragraph 6.9, if the Performance Score for KPI 3 in Financial Year is less than 97% the Authority may Deduct from the Contract Price the percentage of the Baseline Profit for the Financial Year as set out in the table below:
- | Performance Score average across the Annual Performance Period | Percentage of the Baseline Profit which the Authority may Deduct across the Annual Performance Period |
|--|---|
| 90% or more but less than 97%                                  | 10%   |
| Less than 90%  | 20%   |
- 6.7 If the Authority makes a Deduction in accordance with paragraph 6.6, in respect of a Financial Year and:
- 6.7.1 the Performance Score for each of:
- (i) KPI 1 in the immediately following Quarterly Performance Period;
  - (ii) KPI 2 in the immediately following calendar month;

- (iii) KPI 3 in the immediately following Financial Year;
  - (iv) KPI 4 in the immediately following Quarterly Performance Period;  
and
  - (v) KPI 5 in the immediately following Quarterly Performance Period,
- meets its respective Target Performance Level, then the Authority shall repay to the Contractor such Deduction (without any interest accruing).S

6.8 Any repayment due from the Authority pursuant to paragraph 6.7.1 shall be made to the Contractor by way of an increase in the next claim for payment that the Contractor submits to the Authority under the Contract in accordance with Schedule E (Pricing and Payment).

6.9 Where the Contractor reasonably considers that any student enrolled on a Contractor Training Course is unlikely to achieve a pass for the relevant Contractor Training Course, the Contractor shall notify the Authority of such circumstance and the Parties shall meet to discuss:

6.9.1 the additional training to be provided to assist the student with the Contractor Training Course; and/or

6.9.2 any appropriate alleviation in respect of this KPI 3.

6.10 In addition to the information recorded pursuant to paragraph 6.2, the Contractor shall record:

6.10.1 the Contractor's groundcrew training success calculated as  $\left( \frac{A}{((B+C)-D)} \right) \times 100$  where:

- (i) A is the total number of Contractor Training Courses for groundcrew that were Completed by the planned completion date in the relevant calendar month;
- (ii) B is the total number of Contractor Training Courses for groundcrew with a planned completion date falling in the relevant calendar month;

- (iii) C is the number of Contractor Training Courses for groundcrew where the planned completion date falls in any previous calendar month which the Contractor has not Completed by the last calendar day of the current calendar month; and
- (iv) D the total number of Contractor Training Courses for groundcrew that were not Completed by the planned completion date for the relevant Contractor Training Courses for groundcrew as a direct result of an Authority Training Failure.

6.10.2 the Contractor's aircrew training success calculated as  $\left( \frac{A}{((B+C)-D)} \right) \times 100$  where:

- (i) A is the total number of Contractor Training Courses for aircrew that were Completed by the planned completion date in the relevant calendar month;
- (ii) B is the total number of Contractor Training Courses for aircrew with a planned completion date falling in the relevant calendar month;
- (iii) C is the number of Contractor Training Courses for aircrew where the planned completion date falls in any previous calendar month which the Contractor has not Completed by the last calendar day of the current calendar month; and
- (iv) D the total number of Contractor Training Courses for aircrew that were not Completed by the planned completion date for the relevant Contractor Training Courses for aircrew as a direct result of an Authority Training Failure.

6.10.3 the Contractor's maintainer training success calculated as  $\left( \frac{A}{((B+C)-D)} \right) \times 100$  where:

- (i) A is the total number of Contractor Training Courses for maintainers that were Completed by the planned completion date in the relevant calendar month;



- (ii) B is the total number of Contractor Training Courses for maintainers with a planned completion date falling in the relevant calendar month;
- (iii) C is the number of Contractor Training Courses for maintainers where the planned completion date falls in any previous calendar month which the Contractor has not Completed by the last calendar day of the current calendar month; and
- (iv) D the total number of Contractor Training Courses for maintainers that were not Completed by the planned completion date for the relevant Contractor Training Courses for maintainers as a direct result of an Authority Training Failure.

## **7      KEY PERFORMANCE INDICATOR 4 – DELIVERY AND COMPLETION OF BOOKED AIRCRAFT SORTIES**

7.1      KPI 4 shall apply from the date six (6) months following Contract Award.

<b>Activity</b>	<b>Performance Score</b>	<b>Target Performance Level</b>	<b>Where Recorded</b>
The Contractor shall Deliver all Booked Aircraft Sorties up to the number of sorties specified in row 2 of Table 2 in Appendix 2 to Schedule A ( <i>Statement of Requirement</i> ) to be provided in each Flying Cycle.	The Performance Score for KPI 4 is calculated in accordance with paragraphs 7.2 to 7.4 to below.	95%	STARS Web or any replacement system.

7.2      For each calendar month, the Contractor shall record:

7.2.1      the lower of:

- (i)      number of Booked Aircraft Sorties which have been Delivered for the relevant calendar month; and
- (ii)      number of sorties specified in row 2 of Table 2 in Appendix 2 to Schedule A (*Statement of Requirement*) to be provided in each Flying Cycle; and

7.2.2      the lower of:

- (i)      the number of Booked Aircraft Sorties in the relevant calendar month; and
- (ii)      number of sorties specified in row 2 of Table 2 in Appendix 2 to Schedule A (*Statement of Requirement*) to be provided in each Flying Cycle; and

7.2.3      the number of Booked Aircraft Sorties which have not been Delivered in the relevant calendar month as a result of an Aircraft Sortie Relief Event.

- 7.3 For each calendar month the monthly Performance Score for KPI 4 shall be calculated as  $\left(\frac{A}{B-C}\right) \times 100$  where:
- 7.3.1 A is the total number recorded pursuant to paragraph 7.2.1;
- 7.3.2 B is the total number recorded pursuant to paragraph 7.2.2; and
- 7.3.3 C is the total number recorded pursuant to paragraph 7.2.3.
- 7.4 The Performance Score for KPI 4 in a Quarterly Performance Period shall be calculated as A/B where:
- 7.4.1 A is the sum of the monthly Performance Scores for KPI 4 in the Quarterly Performance Period; and
- 7.4.2 B is the number of calendar months in the Quarterly Performance Period.
- 7.5 If the Performance Score for KPI 4 in a Quarterly Performance Period is 95% or more there shall be no Deduction from the Contract Price.
- 7.6 If the Performance Score for KPI 4 in a Quarterly Performance Period is less than 95% the Authority may Deduct from the Contract Price the percentage of the Baseline Profit for the Quarterly Performance Period as set out in the table below:
- | Performance Score in a Quarterly Performance Period | Percentage of the Baseline Profit which the Authority may Deduct for the Quarterly Performance Period |
|---|---|
| 93% or more but less than 95%                       | 10%   |
| less than 93%                                       | 20%   |
- 7.7 If the Authority makes a Deduction in accordance with paragraph 7.6 in respect of a Quarterly Performance Period and:
- 7.7.1 the Performance Score for each of:
- (i) KPI 1 in the immediately following Quarterly Performance Period;
  - (ii) KPI 2 in the immediately following calendar month;
  - (iii) KPI 3 in the immediately following Financial Year;
  - (iv) KPI 4 in the immediately following Quarterly Performance Period;
- and

(v) KPI 5 in the immediately following Quarterly Performance Period;

meets its respective Target Performance Level, then the Authority shall repay to the Contractor such Deduction (without any interest accruing).

7.8 Any repayment due from the Authority pursuant to paragraph 7.7.1 shall be made to the Contractor by way of an increase in the next claim for payment that the Contractor submits to the Authority under the Contract in accordance with Schedule E (Pricing and Payment).

## **8      KEY PERFORMANCE INDICATOR 5 – DELIVERY AND COMPLETION OF BOOKED SIMULATOR SORTIES**

8.1      KPI 5 shall apply from 8 March 2023.

<b>Activity</b>	<b>Performance Score</b>	<b>Target Performance Level</b>	<b>Where Recorded</b>
The Contractor shall Deliver all Booked Simulator Sorties	The Performance Score for KPI 5 is calculated in accordance with paragraphs 8.2 to 8.4 to below.	95%	STARS Web or any replacement system.

8.2      For each calendar month, the Contractor shall record:

8.2.1      the number of Booked Simulator Sorties which have been Delivered for the relevant calendar month;

8.2.2      the number of Booked Simulator Sorties in the relevant calendar month; and

8.2.3      the number of Booked Simulator Sorties which have not been Delivered in the relevant calendar month as a result of an Simulator Sortie Relief Event.

8.3      For each calendar month the monthly Performance Score for KPI 5 shall be

calculated as  $\left(\frac{A}{B-C}\right) \times 100$  where:

8.3.1      A is the total number of Booked Simulator Sorties which have been Delivered recorded pursuant to paragraph 8.2.1;

8.3.2      B is the total number of Booked Simulator Sorties recorded pursuant to paragraph 8.2.2; and

8.3.3      C is the total number of Booked Simulator Sorties which were not Delivered as a result of a Simulator Sortie Relief Event recorded pursuant to paragraph 8.2.3.

8.4 The Performance Score for KPI 5 in a Quarterly Performance Period shall be calculated as A/B where:

8.4.1 A is the sum of the monthly Performance Scores for KPI 5 in the Quarterly Performance Period; and

8.4.2 B is the number of calendar months in the Quarterly Performance Period.

8.5 If the Performance Score for KPI 5 in a Quarterly Performance Period is 95% or more there shall be no Deduction from the Contract Price.

8.6 If the Performance Score for KPI 5 in a Quarterly Performance Period is less than 95% the Authority may Deduct from the Contract Price the percentage of the Baseline Profit for the Quarterly Performance Period as set out in the table below:

Performance Score in a Quarterly Performance Period	Percentage of the Baseline Profit which the Authority may Deduct for the Quarterly Performance Period
93% or more but less than 95%	10%
less than 93%	20%

8.7 If the Authority makes a Deduction in accordance with paragraph 8.6 in respect of a Quarterly Performance Period and:

8.7.1 the Performance Score for each of:

- (i) KPI 1 in the immediately following Quarterly Performance Period;
- (ii) KPI 2 in the immediately following calendar month;
- (iii) KPI 3 in the immediately following Financial Year;
- (iv) KPI 4 in the immediately following Quarterly Performance Period;  
and
- (v) KPI 5 in the immediately following Quarterly Performance Period;

meets its respective Target Performance Level, then the Authority shall repay to the Contractor such Deduction (without any interest accruing).

8.8 Any repayment due from the Authority pursuant to paragraph 8.7.1 shall be made to the Contractor by way of an increase in the next claim for payment that the Contractor submits to the Authority under the Contract in accordance with Schedule E (Pricing and Payment).

- 8.9 The Contractor shall, separately for each of the MOB and the Training Base, record:
- 8.9.1 the total number of LCT sorties which were available for the Authority to book in the relevant calendar month;
  - 8.9.2 the total number of LCT sortie hours which were used by the Authority in the relevant calendar month;
  - 8.9.3 the total number of LCT sortie hours which have been used by the Authority in the relevant calendar year up to and including the relevant calendar month;
  - 8.9.4 the total number of Booked Simulator Sorties which have been Delivered in the relevant calendar month; and
  - 8.9.5 the total number of Booked Simulator Sorties in the relevant calendar month.