Midland Heart
Draft - Key Performance Indicator Handbook

PART 1: OVERVIEW

To maximise the value of the Key Performance Indicators (KPIs) to the Contract it is vital that data is collected and analysed as regularly as possible throughout the measurement period.

Measurement periods for each KPI are given within this handbook and performance will be reviewed in the formal performance meetings which will be held monthly for this contract. The meeting will take place in arrears of the period being measured to allow data to be collected and analysed/verified. For example, a monthly review meeting for April's performance would take place in May.

Key Performance Indicators

The KPIs are provided in Part 2 of this Handbook. Each KPI is defined under the following headings:

- Purpose – identifies why the KPI is being measured
- Definitions – defines what is being measured and how
- Method – clearly demonstrates how the KPI is measured
- Example – provides a clear example of how the KPI is calculated
- Measurement – measurement intervals
- Target – the agreed target score(s) for the KPI
- Target Source – Where the source of data is derived from
- Scorer – defines who is responsible for collecting score/data

Performance Management

Performance under this contract will be monitored and managed on behalf of Midland Heart by the Contract Manager. The review meetings will be used to discuss performance against the KPIs and wider contract specification, any issues which have arisen and any contractual matters which need to be discussed.

The Contract Manager(s) will be responsible for reviewing both the supplier's performance against the KPIs and whether those KPIs are effective in delivering the quality standards required under the Specification. As contracts, and the environment within which they operate, change over time, KPIs may need to be amended. This could be either in the way they are defined, targeted or measured or, in the case that they add no value to the contract, they may be replaced in their entirety with measures that are more suitable.

Additional KPIs may be added at any point during the contract period. This may be in response to poor performance, to monitor improvements or prevent reoccurrence, or to add additional value to the contract. All KPI amendments would be recorded as a formal contract variation to be agreed by both parties.

Contract Mobilisation

Midland Heart operates a "soft landing" approach to KPI target achievement for the first 3 months following mobilisation. This is to ensure that suppliers have time to familiarise themselves with Midland Heart and the contract deliverables. This period is also used to check that the processes used to monitor KPI performance work effectively.

Failure to achieve KPI targets will not lead to further action being taken so long as suppliers make clear efforts to improve performance and are committed to achieving targets consistently after the soft landing period has expired. However, repeated failure may lead to further action being taken in line with the contract terms and conditions.

PART 2: KEY PERFORMANCE INDICATORS

KPI 1	Service Performance Time
Purpose:	To determine the overall level of performance in relation to completing Instructions in a timely manner.
Definitions:	To measure the percentage of Instructions completed by the agreed completion date, where Midland Heart has added no significant further requests to the original instructions.
Method:	Number of Instructions completed by the agreed completion date / Number of Instructions made X 100 The Contractor is to provide details and an explanation for any Instruction not completed by the agreed completion date.
Example:	Number of Instructions = 20 Number of Instructions completed by the agreed date = 15 15/20 x 100 = 75%
Measurement:	Quarterly
Target:	90% of Instructions to be completed by the agreed completion date
Target Source:	Midland Heart
Scorer:	Midland Heart and the Contractor

KPI 2	Complaints
Purpose:	To measure the number of formal complaints received by Midland Heart, the timeliness of resolution and any lessons learnt which are appropriate.
Definitions:	For this purpose a formal complaint will be defined as a compliant which is either verbal or written and requires further action to be taken due to dissatisfaction with the service/response received
Method:	Midland Heart and the Contractor will record and report on the number of complaints received during the month being measured and the time taken to resolve the complaint.
Measurement:	Quarterly
Target:	0
Target Source:	Midland Heart
Scorer:	Midland Heart and the Contractor

KPI 3	Client Satisfaction
Purpose:	To determine the overall level of Client satisfaction with the service received.
Definitions:	Was the Instructing Officer satisfied with the overall service provided by the Contractor on each Instruction using a 1 – 3 scale: 3 = Totally Satisfied 2 = Neither Satisfied nor Dissatisfied 1 = Totally Dissatisfied
Method:	The satisfaction questionnaire is to be designed jointly between Midland Heart and the Contractor. The questionnaire is to be issued by the Contractor after each Instruction. Feedback is to be received monthly by the Contract Manager via the Contractor.
Measurement:	Quarterly
Target:	80%
Target Source:	Midland Heart
Scorer:	Midland Heart and the Contractor

KPI 4	Invoicing
Purpose:	To determine the overall level of accuracy in relation to preparation and delivery of invoices to Midland Heart.
Definitions:	To provide 100% accurate preparation of invoices in the agreed format, with timely and correct delivery to Midland Heart.
Method:	Midland Heart to monitor the number of: • Inaccurately prepared invoices received • Delays in receipt of invoices past the date of the invoice • Invoices sent to the wrong department/team • Invoices sent using the wrong delivery method
Measurement:	Quarterly
Target:	100%
Target Source:	Midland Heart
Scorer:	Midland Heart

KPI 5	Billing Reports
Purpose:	To ensure timely and accurate delivery of billing reports to Midland Heart.
Definitions:	Reportable accidents per employee per year for the Contractor. This is to be seen as an Accident Incidence Rate.
Method:	The Contractor shall provide Midland Heart with Lot specific consolidated activity and billing reports on a monthly basis. The Contractor is to provide 100% accurate billing reports in the format defined below. The Contractor is to provide these reports to the Contract Manager by the 14th of each month. Midland Heart will monitor late or inaccurate reports. The report will list each open matter in the Lot and all closed matters which have been active during the financial year April 1st to March 31st.

All reports noting employment matters in respect of individual members of staff must be anonymised in order not to reveal the identity of the individual concerned.

Each matter listed is to include:
- Description of the matter (work type and matter identifier)
- Date of instruction
- Completion target date agreed at commencement
- Name of the Midland Heart Officer that placed the Instruction
- Rate applied based on Contract Pricing Schedule
- Whether a fixed fee has been applied and the value
- Name of the Contractors employee assigned to the Instruction and their job title
- Value of the work in progress, if not fixed fee
- Total fee estimate (excluding VAT and excluding disbursements)
- Total charged to date (excluding VAT and excluding disbursements)
- Total charged to date (including VAT and including disbursements)
- Date of final invoice
- Date of any unpaid invoices
- Any overspends and why these additional costs have been incurred

The Lot report will also contain a record of any added value that the Contractor has provided in relation to that Lot. It will specify:

- What was provided
- The date it was provided
- To whom it was provided
- The value/cost to the Contractor

Midland Heart may request further ad hoc additional reports if required.

Measurement:	Quarterly
Target:	100%
Target Source:	Midland Heart
Scorer:	Midland Heart and the Contractor