



Ministry
of Defence

**The Provision of Close Air Support and
Intelligence, Surveillance and
Reconnaissance emulation for Collective
Training Group (Project Valkyrie)**

Performance Monitoring

1. INTRODUCTION

- 1.1. This Schedule sets out the process which will be followed to measure the requirements set out within the Statement of Requirements (SOR), which will determine the amount payable by the Authority to the Contractor.
- 1.2. The Performance Indicators (PIs) at Annex A to this Schedule will be used by the Authority as the basis for measuring the Contractor's performance in delivering against the SOR plus any options taken that extend the contract term or add capability.
- 1.3. If the Contractor's performance falls below that required by each PI, it shall be deemed a Shortfall¹ and result in a Payment Deduction being made as set out in Annex A.

2. OVERVIEW

- 2.1. Payment Deductions are commensurate with their importance to the service provided.
- 2.2. The Contractor shall be responsible for all Shortfalls against a PI unless the Contractor can prove that the Shortfall(s) occurred as a direct result of the Authority not meeting an associated contractual obligation.
- 2.3. In the event the Contractor's Project Manager and the Authority cannot agree on the cause of a Shortfall, the matter shall be referred to dispute resolution, in accordance with DEFCON 530 (Dispute Resolution) of the Contract.
- 2.4. If the matter cannot be resolved between the Parties following the dispute resolution process, the Authority will make a decision (whose decision shall not be unreasonable taking into consideration the points from both Parties) which shall be final.

3. PERFORMANCE MONITORING

- 3.1. The Contractor's performance against the SOR will be measured at the end of each exercise.
- 3.2. The Contractor shall self-monitor performance and shall be responsible for the provision of all evidence necessary to demonstrate compliance against each PI. The Contractor shall include such evidence within each Post Exercise Report (PXR).
- 3.3. The Authority shall monitor the Contractor's performance and shall verify the reported Shortfalls as well as establish any Shortfalls not reported by the Contractor ("unreported Shortfall"). The Authority shall notify the Contractor of unreported Shortfalls, and the Parties shall agree whether they should be a Shortfall or not. Where the Parties agree that the unreported Shortfall should be a Shortfall, the process for calculating a corresponding Payment Deduction as set out below. Where the Parties cannot agree on whether an unreported Shortfall is a Shortfall, the matter

¹ Shortfall - an instance where the Contractor is non-compliant against the criteria.

shall be dealt with in accordance with DEFCON 530 (Dispute Resolution) of the Contract.

- 3.4. If the matter cannot be resolved between the Parties following the dispute resolution process, the Authority will make a decision (whose decision shall not be unreasonable taking into consideration the points from both Parties) which shall be final.

4. INSTANCES OF SHORTFALL(S)

- 4.1 Where a KPI is measured as being Red in any exercise, the Authority shall have the right to a payment deduction equating to 3% of the total cost of the exercise.
- 4.2 The contractor will be responsible for drafting an Improvement Plan for the agreement between both parties in the event of any Amber or Red KPI.
- 4.3 In the event of an Amber KPI not being rectified by the next exercise, following an Improvement Plan, the contractor will fall into the Red for this KPI. They will then be subject to a further improvement plan, as per 1.2. Failure to improve performance will result in the measures described under 1.4
- 4.4 In the event of a persistent breach (3 consecutive exercises) of the performance measurement mechanisms (Red) which is not satisfactorily managed the Authority reserves the right to terminate the Contract. Termination under these circumstances will be under the terms of Condition 41 (Termination for Convenience) and as referenced in the Contract.
- 4.5 The Contractor shall not fail (eg Amber or Red) KPIs due to acts or omissions of the Authority or force majeure events.

KPI Categories

1. Requirements (Refers to Pls 1 -12)
2. Social Value (Refers to Pls 13-16)

PERFORMANCE INDICATORS

Ser	Key Performance Indicators	Criteria	Test Method	Monitoring frequency	Reporting Frequency	Measurement – Per Exercise			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	Air Service availability.	Aircraft used to fulfil tasking is serviceable and able to support planned sorties (excluding factors outside of the contractor's control e.g., weather).	Contractor self-monitoring	Continual monitoring during each Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR)	Green– No instances of aircraft unavailability due to serviceability/all sorties flown on schedule.	Amber– 1-2 instances of total aircraft unavailability, or delay of up to 1hr.	Red– 3 or more instances of total aircraft unavailability, or delay of up to 1hr. OR Any instance of aircraft unavailability for more than 1hr	Each Red results in a 3% payment deduction against the total cost of the exercise.
2	Equipment availability.	All equipment required to deliver the service is available, functional and serviceable.	Contractor self-monitoring and Authority	Per Exercise	Immediate Post Exercise with Authority cross referencing against experience	Green – No instances of equipment unavailability.	Amber – 1-2 instances of equipment unavailability for more than 1hr.	Red – 3 or more instances of equipment unavailability for more than 1hr.	Each Red results in a 3% payment deduction against the total cost of the exercise.
3	Personnel.	All contractor personnel (aircrew and Liaison Officers [LOs]) are SQEP and available at designated location(s) at Start of Exercise (STARTEX) for the duration of each exercise, as defined in Schedule 2 (Statement Of Requirements).	Contractor self-monitoring	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR)	Green – No instances of personnel being unavailable at STARTEX and for the duration of the exercise.	Amber – 1-2 instances of personnel being unavailable during the exercise.	Red – 3 or more instances of personnel being unavailable during the exercise.	Each Red results in a 3% payment deduction against the total cost of the exercise.
4	Security/Material Breaches	Compliance with MOD security and crypto regulations.	Contractor self-monitoring	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR)	Green – No instances of security breaches or deviations of the regulations.		Red – For an instance of a security breach or deviation of the regulations.	Failure to achieve green on this KPI may result in termination of the contract under DEFCON 514- Material Breach. Each case will be reviewed on a case-by-case basis, however, due to sensitivity of this requirement, will likely result in the contract terminating. 20 days written notice may not be given under serious breaches

5	Contract management plan.	The service shall be delivered in accordance with (iaw) the contractor's contract management plan.	Contractor self-monitoring and Authority	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR) and Authority will cross reference this against end user experience	Green – Service fully delivered iaw the management plan.	Amber – 1-2 deviations from the management plan (without prior consultation with the Authority).	Red – 3 or more deviations from the management plan (without prior consultation with the Authority).	Each Red results in a 3% payment deduction against the total cost of the exercise.
6	Pre exercise briefings.	Pre exercise briefings are delivered to the training audience at the Collective Training Exercise, iaw the content and timing defined in Schedule 2.	Contractor self-monitoring and Authority	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR) and Authority will cross reference this against end user experience	Green – Briefings delivered covering all of the specified criteria.	Amber – Briefings delivered but did not cover all the specified criteria.	Red – Briefings not delivered (unless not delivered due to CTE/Training audience restrictions beyond the contractor's control).	Each Red results in a 3% payment deduction against the total cost of the exercise.
7	FMV (Full Motion Video) quality.	All FMV imagery and metadata (live datalink and screenshot/video captures) delivered in format/quality as defined in Schedule 2 (Statement Of Requirements).	Contractor self-monitoring	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR)	Green – No instances of FMV falling below defined standards.	Amber – 1-2 instances of FMV falling below defined standards.	Red – 3 or more instances of FMV falling below defined standards.	Each Red results in a 3% payment deduction against the total cost of the exercise.
8	Voice procedure.	Voice procedure (VP) adheres to recognised CAS and ISR procedure as defined in Schedule 2 References (Statement Of Requirements).	Contractor self-monitoring	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR)	Green – No instances of VP not meeting the standards defined in Schedule 2.	Amber – 1-2 instances of VP not meeting the standards defined in Schedule 2.	Red – 3 or more instances of VP not meeting the standards defined in Schedule 2.	Each Red results in a 3% payment deduction against the total cost of the exercise.
9	CAS tactics.	CAS tactics are accurately replicated by the aircrew, including but not limited to knowledge of the application of air to ground weapon systems, suitable Final Attack Headings, knowledge of Rules Of Engagement (ROE), routing/IPs, CDE, SEAD and Danger Close limitations. (In the opinion of a Certified JTAC, JTAC(I), JTAC(E), or observing CAS pilot/WSO).	Contractor self-monitoring	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR)	Green – All CAS missions accurately replicated.	Amber – 1-2 instances of CAS tactics not meeting the standards defined in Schedule 2.	Red – 3 or more instances of CAS tactics not meeting the standards defined in Schedule 2.	Each Red results in a 3% payment deduction against the total cost of the exercise.
10	Equipment issue and recovery.	Equipment issued and recovered before Start of Exercise (STARTEX) and after End of Exercise (ENDEX) without affecting exercise delivery or closedown. Schedule 2 defines issue/recovery timelines as: Issued 1-3 days prior to STARTEX Recovered 1-2 days post ENDEX.	Contractor self-monitoring and Authority	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR) and Authority will cross reference this against end user experience	Green – All equipment loaned to the user issued prior to STARTEX and recovered post ENDEX as defined in Schedule 2, unless a different period is requested by the CTE.	Amber – Equipment either not issued, or not recovered, in the timelines defined in Schedule 2.	Red – Equipment not issued or recovered in the timelines defined in Schedule 2	Each Red results in a 3% payment deduction against the total cost of the exercise.

11	Aircraft on-station efficiency.	Aircraft on station at the planned time (excluding factors outside of the contractor's control e.g. weather).	Contractor self-monitoring and Authority	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR) and Authority will cross reference this against end user experience	Green – Aircraft on station at correct time, +/-20mins, for all sorties.	Amber – Aircraft on station but between 20-40mins late for 1 or more sorties. The entire sortie is supported.	Red – Aircraft on station over 40mins late for 1 or more sorties, or the sortie has to be shortened because of delays.	Each Red results in a 3% payment deduction against the total cost of the exercise.
12	Post exercise reports.	PXRs submitted to the Authority within 5 working days post ENDEX (as per Schedule 2).	Authority	Per Exercise	Contractor shall include such evidence within each Post Exercise Report (PXR) and Authority will monitor this based on the time this is delivered	Green – PXR submitted within 10 working days.	Amber – there is no Amber for this KPI, just Red and Green	Red – PXR submitted after 11+ working days	Each Red results in a 3% payment deduction against the total cost of the exercise.
Social Value									
13	Tackling Economic Inequality	Model Award Criteria (MAC) 2.2 Create employment and training opportunities particularly for those who face barriers to employment and/or who are located in deprived areas, and for people in industries with known skills shortages or in high growth sectors.	Contractor self-monitoring	Annually	Annually	Green – A Number of apprenticeship opportunities (Level 2, 3, and 4+) created or retained under the contract, by UK region.	Amber – No apprenticeship opportunities created or retained	Red – No apprenticeship opportunities, created or retained, or in development.	There will be no deductions relating to this KPI, however, failure to achieve any apprenticeships may result in an improvement plan