

**PENSION ADMINISTRATION SERVICES AGREEMENT**

**SCHEDULE 2.2**

**PERFORMANCE LEVELS**

**Version Control**

<b>VERSION</b>	<b>DATE</b>	<b>COMMENT</b>
<b>1.0</b>	<b>September 2017</b>	<b>Execution version</b>

1. **DEFINITIONS**

In this Schedule, the following definitions shall apply:

**"Performance Monitoring Report"** has the meaning given in Paragraph 1.1.1 of Part B;

**"Performance Meeting"** **Review** the regular meetings between the Supplier and the Authority to manage and review the Supplier's performance under this Agreement, as further described in Paragraph 1.3.3 of Part B;

**"Repeat KPI Failure"** has the meaning given in Paragraph 3.2 of Part A;

**PART A**

**PERFORMANCE INDICATORS AND SERVICE CREDITS**

**1. PERFORMANCE INDICATORS**

- 1.1 Annex 1 sets out the Key Performance Indicators and Subsidiary Performance Indicators which the Parties have agreed shall be used to measure the performance of the Services by the Supplier.
- 1.2 The Supplier shall monitor its performance against each Performance Indicator and shall send the Authority a report detailing the level of service actually achieved in accordance with Part B.
- 1.3 Service Points, and therefore Service Credits, shall accrue for any KPI Failure and shall be calculated in accordance with Paragraphs 2, 3 and 4.

**2. SERVICE POINTS**

- 2.1 If the level of performance of the Supplier during a Service Period achieves the Target Performance Level in respect of a Key Performance Indicator, no Service Points shall accrue to the Supplier in respect of that Key Performance Indicator.
- 2.2 If the level of performance of the Supplier during a Service Period is below the Target Performance Level in respect of a Key Performance Indicator, Service Points shall accrue to the Supplier in respect of that Key Performance Indicator as set out in Paragraph 2.3.
- 2.3 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure shall be the applicable number as set out in Annex 1 depending on whether the KPI Failure is a Minor KPI Failure, a Serious KPI Failure or a Severe KPI Failure, unless the KPI Failure is a Repeat KPI Failure when the provisions of Paragraph 3 shall apply.

**3. REPEAT KPI FAILURES AND RELATED KPI FAILURES**

**3.1 Repeat KPI Failures for KPI 16 and KPI 17**

- 3.1.1 If a KPI Failure occurs in respect of KPI 16 or KPI 17, the incremental Service Credits identified in the table in Annex 1 shall apply as set out therein.

**3.2 Repeat KPI Failures for KPI 1 to and KPI 15 inclusive**

- 3.2.1 If a KPI Failure occurs in respect of the same Key Performance Indicator in any two consecutive Measurement Periods, the second and any subsequent such KPI Failure shall be a "**Repeat KPI Failure**".
- 3.2.2 The number of Service Points that shall accrue to the Supplier in respect of a KPI Failure that is a Repeat KPI Failure shall be calculated as follows:

$$SP = P \times M$$

where:

**SP** = the number of Service Points that shall accrue for the Repeat KPI Failure; and

**P** = the applicable number of Service Points for that KPI Failure as set out in Annex 1 depending on whether the Repeat KPI Failure is a Minor KPI Failure, a Serious KPI Failure, a Severe KPI Failure or a failure to meet the KPI Service Threshold; and

**M** = the applicable multiplier being:

(a) <REDACTED>

; or

(b) <REDACTED>

**Worked example for the varying levels of KPI Failure over a 4 month period to clarify how variable performance affects the ratchet:**

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				<REDACTED>	<REDACTED>	<REDACTED>
				<REDACTED>	<REDACTED>	<REDACTED>
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**4. SERVICE CREDITS**

- 4.1 Schedule 7.1 (Charges and Invoicing) sets out the mechanism by which Service Points shall be converted into Service Credits.
- 4.2 The Authority shall use the Performance Monitoring Reports provided pursuant to Part B, among other things, to verify the calculation and accuracy of the Service Credits (if any) applicable to each Service Period.

**5. RELIEF**

Where the Supplier can demonstrate, in accordance with Clause 31 (*Authority Cause*), that a KPI Failure or an SPI Failure would not have occurred but for an Authority Cause, then (subject to the Supplier fulfilling the conditions set out in such Clause):

- 5.1.1 the Supplier shall be entitled to the relief set out in Clause 31 in respect of the KPI Failure or SPI Failure (as appropriate) for the duration of the Authority Cause; and
- 5.1.2 the time period between the time the Authority Cause commences until the time at which the Authority Cause ceases shall be excluded from the measurement of elapsed time in the Key Performance Indicators or Subsidiary Performance Indicators (as appropriate).



**PART B**

**PERFORMANCE MONITORING**

**1. PERFORMANCE MONITORING AND PERFORMANCE REVIEW**

1.1 Within 10 Working Days of the end of each Service Period, the Supplier shall provide:-

1.1.1 a report to the Authority Representative which summarises the performance by the Supplier against each of the Performance Indicators as more particularly described in Paragraph 1.2 (the "**Performance Monitoring Report**"); and

1.1.2 a report to the Authority's senior responsible officer which summarises the Supplier's performance over the relevant Service Period as more particularly described in Paragraph 1.3 (the "**Balanced Scorecard Report**").

**1.2 Performance Monitoring Report**

1.2.1 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:

**Information in respect of the Service Period just ended**

- (a) for each Key Performance Indicator and Subsidiary Performance Indicator, the actual performance achieved over the Service Period, and that achieved over the previous 3 Measurement Periods;
- (b) a summary of all Performance Failures that occurred during the Service Period;
- (c) the severity level of each KPI Failure which occurred during the Service Period and whether each SPI Failure which occurred during the Service Period fell below the SPI Service Threshold;
- (d) which Performance Failures remain outstanding and progress in resolving them;
- (e) for any Material KPI Failures or Material SPI Failures occurring during the Service Period, the cause of the relevant KPI Failure or SPI Failure and the action being taken to reduce the likelihood of recurrence;
- (f) the status of any outstanding Rectification Plan processes, including:
  - (i) whether or not a Rectification Plan has been agreed; and
  - (ii) where a Rectification Plan has been agreed, a summary of the Supplier's progress in implementing that Rectification Plan;
- (g) for any Repeat Failures, actions taken to resolve the underlying cause and prevent recurrence;
- (h) the number of Service Points awarded in respect of each KPI Failure;

- (i) the Service Credits to be applied, indicating the KPI Failure(s) to which the Service Credits relate;
- (j) the conduct and performance of any agreed periodic tests that have occurred, such as the annual failover test of the BCDR Plan;
- (k) relevant particulars of any aspects of the Supplier's performance which fail to meet the requirements of this Agreement;
- (l) such other details as the Authority may reasonably require from time to time;

**Information in respect of previous Service Periods**

- (m) a rolling total of the number of Performance Failures that have occurred over the past six Service Periods;
- (n) the amount of Service Credits that have been incurred by the Supplier over the past six Service Periods; and
- (o) the conduct and performance of any agreed periodic tests that have occurred in such Service Period such as the annual failover test of the BCDR Plan.

**1.3 Balanced Scorecard Report**

1.3.1 The Balanced Scorecard Report shall be presented in the form of a dashboard and, as a minimum, shall contain a high level summary of the Supplier's performance over the relevant Service Period, including details of the following:

- (a) financial indicators;
- (b) the Target Performance Levels achieved;
- (c) behavioural indicators;
- (d) performance against its obligation to pay its Sub-contractors within 30 days of receipt of an undisputed invoice;
- (e) Milestone trend chart, showing performance of the overall programme; and
- (f) sustainability and energy efficiency indicators, for example energy consumption and recycling performance.

1.3.2 The Performance Monitoring Report and the Balanced Scorecard Report shall be reviewed and their contents agreed by the Parties at the next Performance Review Meeting held in accordance with Paragraph 1.3.3.

1.3.3 The Parties shall attend meetings on a monthly basis (unless otherwise agreed) to review the Performance Monitoring Reports and the Balanced Scorecard Reports. The Performance Review Meetings shall (unless otherwise agreed):

- (a) take place within 5 Working Days of the Performance Monitoring Report being issued by the Supplier;

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- (b) take place at such location and time (within normal business hours) as the Authority shall reasonably require (unless otherwise agreed in advance); and
- (c) be attended by the Supplier Representative and the Authority Representative.

1.3.4 The Authority shall be entitled to raise any additional questions and/or request any further information from the Supplier regarding any KPI Failure and/or SPI Failure.

**2. PERFORMANCE RECORDS**

2.1 The Supplier shall keep appropriate documents and records (including Help Desk records, staff records, timesheets, training programmes, staff training records, goods received documentation, supplier accreditation records, complaints received etc) in relation to the Services being delivered. Without prejudice to the generality of the foregoing, the Supplier shall maintain accurate records of call histories for a minimum of 12 months and provide prompt access to such records to the Authority upon the Authority's request. The records and documents of the Supplier shall be available for inspection by the Authority and/or its nominee at any time and the Authority and/or its nominee may make copies of any such records and documents.

2.2 In addition to the requirement in Paragraph 2.1 to maintain appropriate documents and records, the Supplier shall provide to the Authority such supporting documentation as the Authority may reasonably require in order to verify the level of the performance of the Supplier both before and after each Operational Service Commencement Date and the calculations of the amount of Service Credits for any specified period.

2.3 The Supplier shall ensure that the Performance Monitoring Report, the Balanced Scorecard Report and any variations or amendments thereto, any reports and summaries produced in accordance with this Schedule and any other document or record reasonably required by the Authority are available to the Authority on-line and are capable of being printed.

ANNEX 1

KEY PERFORMANCE INDICATORS AND SUBSIDIARY PERFORMANCE INDICATORS TABLES

The Key Performance Indicators and Subsidiary Performance Indicators that shall apply to the Operational Services are set out below:

1. KEY PERFORMANCE INDICATORS

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