

LOT 2 (FIRE) - MARCH 2017

5. Critical Success Factor - Value

- 5.1. This CSF is defined as “Providing value for money for fare and tax payers”.
- 5.2. This CSF is measured through the following KPIs and PIs:
 - 5.2.1. KPI V1 – Contract Innovation Efficiency, incorporating the following PIs:
 - a) V1A – Number of continuous improvement suggestions (as set out in Table 17); and
 - b) V1B – Value of continuous improvement throughout the duration of the Contract (as set out in Table 18).
 - 5.2.2. KPI V2 – Additional Works, incorporating the following PI:
 - a) V2A – Applicable products sourced from ECA and WTL (as set out in Table 19).
- 5.3. Details of how these KPIs and PIs are measured are set out in the following Tables 19 to 20.
- 5.4. During the first four Periods following the Services Commencement Date:
 - 5.4.1. the PI and KPI targets will be reduced by 10%; and
 - 5.4.2. the Escalation Procedure shall not be initiated where the Supplier achieves “Below Requirements” or “Unsatisfactory” scores (as defined in the following tables) in relation to any KPI or PI.
- 5.5. Any “Below Requirements” or “Unsatisfactory” scores achieved by the Supplier in respect of the first four Periods following the Services Commencement Date shall not be carried forward to initiate the Escalation Procedure in Quarters 3 and 4.



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Table 17	
Critical Success Factor	Value
Key Performance Indicator	V1 – Contract Innovation and Efficiency
Performance Indicator	V1A – Number is continuous improvement suggestions (Proposed CIE Initiatives)
PI Measure	To monitor the number of Proposed CIE Initiatives provided by the Supplier to the Company throughout the duration of the Contract in accordance with Schedule 20 (Contract Innovation Efficiency) to ensure there is always a minimum of 10 Proposed CIE Initiatives in the CIE Initiative Plan at any one time.
PI Purpose	To provide on-going innovation and efficiencies throughout the duration of the Contract.
PI Event Definition	The number of Proposed CIE Initiatives provided by the Supplier to the Company to meet the requirements set out in Schedule 20 (Contract Innovation Efficiency).
PI Monitoring Methods	Proposed CIE Initiatives are recorded in the CIE Initiative Plan set out in Appendix 1 to Schedule 20 (Contract Innovation Efficiency).
Supplier Responsibilities	The Supplier shall ensure that there is always a minimum of 10 Proposed CIE Initiatives in the CIE Initiative Plan and shall keep the CIE Initiative Plan updated at all times, in accordance with Schedule 20 (Contract Innovation Efficiency).
Performance Levels	
Level 1 - Meets Requirements	The number of Proposed CIE Initiatives provided by the Supplier is greater to or equal to 10.
Level 2 - Below Requirements	The number of Proposed CIE Initiatives provided by the Supplier is 8 or 9
Level 3 - Unsatisfactory	The number of Proposed CIE Initiatives provided by the Supplier is less than 8
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, the score attributed to each level is as follows: Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.



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Table 18	
Critical Success Factor	Value
Key Performance Indicator	V1 – Contract Innovation and Efficiency
Performance Indicator	V1B – Value of continuous improvement throughout the duration of the Contract
PI Measure	Value of Completed CIE Initiatives achieved by the Supplier in accordance with Schedule 20 (Contract Innovation Efficiency).
PI Purpose	To provide on-going innovation and efficiencies throughout the duration of the Contract.
PI Event Definition	The value of Completed CIE initiatives achieved by the Supplier in accordance with Schedule 20 (Contract Innovation Efficiency), assessed annually against the CIE Target for each Contract Year.
PI Monitoring Methods	<p>The Company shall record the total savings made from all Completed CIE Initiatives by the Supplier in a Contract Year (the "<u>Total Value of Completed CIE Initiatives</u>") and measure this value against the CIE Target for that Contract Year (the "<u>Total Value of the CIE Target</u>") to give the percentage value of Completed CIE Initiatives:</p> $\text{The percentage value} = \frac{\text{Total Value of Completed CIE Initiatives}}{\text{Total Value of CIE Target}}$
Supplier Responsibilities	To ensure that Proposed CIE Initiatives are completed to become Completed CIE Initiatives.
Performance Levels	
Level 1 - Meets Requirements	Percentage value of Completed CIE Initiatives is greater than or equal to 95%
Level 2 - Below Requirements	Percentage value of Completed CIE Initiatives is between 80 and 94.99%
Level 3 - Unsatisfactory	Percentage value of Completed CIE Initiatives is less than 80%
Quarterly Contract Scorecard	For the Quarterly Contract Scorecard, the score attributed to each level is as follows: Level 1 = 100%, Level 2 = 50% and Level 3 = 0%.

