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of Defence



Command Support Air Transport (CSAT) Phase 2

Draft Contract Schedule 5 (Performance Management)

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1. INTRODUCTION

- 1.1. This Schedule sets out the Key Performance Indicators (KPIs) which shall be used to measure the Contractor's performance of this Contract.
- 1.2. The Contractor shall publish its assessment of its performance as part of the Monthly Progress Report, as detailed within Section 6: Contract Management of Schedule 2 (Statement of Requirement) of the Contract.
- 1.3. The rights and remedies of the Authority contained in and referred to in this Schedule 5 (Performance Management) are in addition to and shall not limit or otherwise adversely affect any of the Authority's other rights and remedies under the Contract.
- 1.4. The assessment of performance against each KPI is considered in isolation and the impacts of failing to meet the relevant KPI criteria are detailed below.

2. KEY PERFORMANCE INDICATOR CRITERIA

- 2.1. The Contractor's performance will be assessed in this Contract against four KPIs as defined in Table 1 (Key Performance Indicators Overview) below:

| KPI Number | KPI Title | Reporting Frequency | KPI Retention Regime |
|------------|--|------------------------|---|
| KPI 1 | Delivery of Services referred to in KPI Form 1 (forming part of the Contractor Deliverables) | Monthly | Service Charge Adjustment – in accordance with Schedule 4 (Pricing & Payment). |
| KPI 2 | Delivery of Social Value | Every three (3) months | N/A |
| KPI 3 | Satisfaction of Technical Queries (TQ) | Monthly | Service Charge Adjustment – in accordance with Schedule 4 (Pricing & Payment) |
| KPI 4 | Satisfaction of Unsatisfactory Feature Reports (UFRs) - F765S. | Monthly | Service Charge Adjustment – in accordance with Schedule 4 (Pricing & Payment) (For military modifications-related publications only) |
| KPI 5 | Satisfaction of Narrative Fault Reports (NFRs) – F760s | Monthly | Service Charge Adjustment – in accordance with Schedule 4 (Pricing & Payment) |

Table 1: Key Performance Indicators Overview

- 2.2. The assessment of the Contractor's performance all be categorised using the performance levels as detailed in Paragraph 3 of this Schedule 5.

- 2.3. The reporting period for each KPI shall be as per the reporting frequency set out in column 3 of Table 1 (Key Performance Indicators Overview) above, for the relevant KPI.
- 2.4. The Performance Levels shall be specific to each KPI and are set out in the relevant KPI Forms detailed below in Paragraph 3 of this Schedule 5.

3. KPI 1 – DELIVERY OF SERVICES (AIRCRAFT TASK LINE)

| KEY PERFORMANCE INDICATOR (KPI) FORM 1 | |
|---|--|
| KPI Title | <p>Delivery of Services in accordance with Schedule of Requirements (SOR) Line Item 2 and Item 3 (Aircraft Task Line Pro-rated to Tasks Completed).</p> <p>These are monitored for the purposes of this Schedule 5 (Performance Management) and are subject to a Service Adjustment Charge (permanent payment retentions).</p> |
| Measured Services | <p>KPI 1 measures the extent to which the Contractor has delivered against ATL1 and ATL2 following Service requirements forming part of the Contractor Deliverables:</p> <ul style="list-style-type: none"> • Delivery of Aircraft in accordance with service requirements as defined within Part B to Schedule 2 (SoR) of the Contract; and • Delivery of ATL1 and ATL2 in accordance with Items 2 and 3 of the Schedule of Requirements <p>KPI shall be measured on a monthly basis and reported by the Contractor in accordance with Section 6: Contract Management of Schedule 2 (Statement of Requirement), as agreed between the Parties at the daily Aircraft Availability and Status Brief, and presented at the Contract Management Meeting.</p> <p>In order to agree whether ATLs were Available or Unavailable, the Contractor shall report against each ATL in accordance with Annex 6 (Availability Sentencing Criteria) of Schedule 11 (Acceptance Plan).</p> <p>The reporting of the ATLs in accordance with Annex 6 (Availability Sentencing Criteria) of Schedule 11 (Acceptance Plan) will allow the Contractor to highlight the number of DNCO (Duties Not Carried Out) and DPCO (Duties Partially Carried Out) events in a calendar month, and to be presented at the Contract Management Meeting.</p> |
| Reporting Frequency | Monthly |
| Calculating the Performance Level | <p>ATL1 and ATL2 are calculated as two separate metrics within the KPI.</p> <p>ATL1 Is the total ATL1s delivered within in a one calendar month period divided by the total number of ATLs due to be completed in that calendar month, multiplied by 100.</p> <p>In accordance with the Schedule of Requirement Item 2 and Item 3 (ATL1 Monday to Sunday).</p> <p>ATL2 Is the total ATL2s delivered within in a one calendar month period divided by the total number of ATLs due to be completed in that calendar month, multiplied by 100.</p> |

| | |
|-------------------------------------|---|
| | <p>In accordance with the Schedule of Requirement Item 2 and Item 3 (ATL2 Monday to Friday).</p> <p>A combination of ATLs that are applicable to Aircraft 1 & 2 will be used for calculations.</p> |
| Start of Monthly Reporting | First calendar day of each monthly reporting period. |
| Performance Level | Performance Level Criteria |
| Green – Good | <p>The Contractor will be awarded “Green – Good” if, during the reporting period the Contractor achieves a Performance Level of:</p> <p>ATL1 greater than 98%.</p> <p>ATL2 greater than 80%.</p> |
| Amber – Requires Improvement | <p>The Contractor will be awarded “Amber - Requires Improvement” if, during the reporting period, the Contractor achieves a Performance Level of:</p> <p>ATL1 is equal to 92% but is less than 98%.</p> <p>ATL2 does not have an Amber state.</p> |
| Red - Inadequate | <p>The Contract will be awarded a “Red – Inadequate” if, during the reporting period, the Contractor achieves a Performance Level of:</p> <p>ATL1 is less than 92%.</p> <p>ATL2 is less than 80%,</p> |

Table 2: Key Performance Indicator 1 (Aircraft Task Line availability)

- 3.1. Unless an ATL is subject to a Relief Event, in accordance with Annex A (Relief Events) of this Schedule 5, failure to deliver an ATL will result in a Service Adjustment Charge in accordance with Schedule 4 (Pricing & Payment).

- 3.1.1. A Performance level is awarded on a monthly basis and used to rate monthly performance.

4. KPI 2 – DELIVERY OF SOCIAL VALUE

| Key Performance Indicator (KPI) Form 2 | |
|--|--|
| KPI Title | Delivery of Social Value 1. Tackling economic inequality: 1) Increase supply chain resilience and capacity. 2. Equal Opportunity: 2) Tackle Workforce inequality |
| Measures | KPI 2 measures the extent to which the Contractor is delivering on its Social Value commitments it made in its response to DID 16 in accordance with Schedule 7 (Contractors Deliverable Documents). |
| Reporting Frequency | Every 3 months |
| Calculating the Performance Level | [Note to Bidder: the process by which the applicable Performance Level is calculated will be populated within 3 months of Contract Award] |
| Date of Reporting | First Business Day following each 6-monthly reporting period, commencing from at Contract Award. |
| Measuring Period | 3 monthly |
| Performance Level | Performance Target |
| Green – Good | [Note to Bidder: the relevant Performance Level will be populated within 3 months of Contract Award] |
| Amber – Requires Improvement | [Note to Bidder: the relevant Performance Level will be populated within 3 months of Contract Award] |
| Red – Inadequate | [Note to Bidder: the relevant Performance Level will be populated within 3 months of Contract Award] |

Table 3: Key Performance Indicator – KPI Form 2 Social Value

4.1.1. A Performance Level is awarded on a 3-monthly basis and used to rate quarterly performance.

5. KPI 3 – SATISFACTION OF TECHNICAL QUERIES (TQ)

| Key Performance Indicator (KPI) Form 3 | |
|--|--|
| KPI Title | Response to Technical Queries |
| Measures | KPI 3 measures the extent to which the Contractor is delivering against its TQ commitments in accordance with Schedule 2 (Statement of Requirement), 3.1.6, 3.1.7. |
| Reporting Frequency | Monthly |
| Calculating the Performance Level | For each Type (AOG, Urgent and Other/Routine), total number TQs closed within response timescales divided by the total number of TQs due to be completed in that calendar month x 100. |
| Start of Monthly reporting | First calendar day of each monthly reporting period. |

Table 4: Key Performance Indicator KPI Form 3, Response to Technical Queries

| KPI Type | Response Time Required | Performance Metric 1: Completion of Technical Queries | | |
|----------|--------------------------|---|---|-----------|
| AOG | Within a 24-hour period. | Rating | | |
| | | Good | Performance is meeting or exceeding the KPI | 100% |
| | | Approaching target | Performance is close to meeting the KPI | 90% |
| | | Requires improvement | Performance is below the KPI | 70% |
| | | Inadequate | Performance is significantly below the KPI | below 70% |
| | | Rating | | |
| Urgent | Within 2 x Business Days | Good | Performance is meeting or exceeding the KPI | 100% |
| | | Approaching target | Performance is close to meeting the KPI | 90% |

| | | | | |
|-------------------|--------------------------------|----------------------|---|-----------|
| | | Requires improvement | Performance is below the KPI | 70% |
| | | Inadequate | Performance is significantly below the KPI | below 70% |
| Other/ Routine | Within 5 x Business Days | Rating | | |
| | | Good | Performance is meeting or exceeding the KPI | 100% |
| | | Approaching target | Performance is close to meeting the KPI | 90% |
| | | Requires improvement | Performance is below the KPI | 70% |
| | | Inadequate | Performance is significantly below the KPI | below 70% |

Table 5: Performance Metric 1: completion of Technical Queries

- 5.1. Where the Authority raises a TQ, it shall indicate if it is Aircraft On Ground ("AOG"), Urgent, or Other/Routine.
- 5.1.1. For 'AOG' TQs, the Contractor shall provide a response within twenty-four (24) hours from the receipt of the Technical Task Request, unless otherwise agreed with the Authority.
- 5.1.2. For 'Urgent' TQs, the Contractor shall provide an initial response to the Authority within two (2) Business Days from the receipt of the TQ, unless otherwise agreed with the Authority. Urgent TQs are limited to:
- 5.1.2.1. Threat to Life (Safety & Airworthiness related); and
- 5.1.2.2. Support to a declared operation.
- 5.1.3. For 'Other/Routine' TQs, the Contractor shall provide an initial response to the Authority within five (5) Business Days from receipt of the TQ, unless otherwise agreed with the Authority.
- 5.1.4. The initial response from the Contractor to the Authority shall be provided via email to the Authority and include a timeframe for completion of the Technical Task Request and identify any activities that are considered to fall outside of the timeframe, which will need to be agreed with the Authority.

- 5.2. The Contractor shall maintain the TQ Register and share with the Authority on a monthly basis. The TQ Register is to be sent by the Contractor to the Authority in the first week of preceding month.
- 5.3. If the performance of TQ completion falls below 90% ('Approaching target'), a financial Service Adjustment Charge will be reclaimable, in accordance with Schedule 4 (Pricing & Payment).

5.3.1. A Performance Level is awarded on a monthly basis and used to rate monthly performance.

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6. KPI 4 – SATISFACTION OF UNSATISFACTORY FEATURE REPORTS ("UFRS") - F765S.

- 6.1. This KPI shall only become applicable following Military Equipment Embodiment)
- 6.2. The Contractor shall provide a technical publications maintenance and amendment service covering the agreed operating, engineering and supply activities for the technical documentation, for the Military Modifications in accordance with Schedule 2 (Statement of Requirements) Item: 3.3.1 and in accordance with Annex 8a and 8b of Schedule 2.
- 6.3. This KPI 4 is applicable for military modification publications only.
- 6.4. UFRs shall be measured and reported monthly via email to the Authority then reviewed at either the Air Documentation System Working Group or Contract Management Meeting, as per Annex 4 of Schedule 2 (Statement of Requirement).
- 6.5. Where the Contractor raises a UFR, it shall indicate whether it is Routine, Rapid or Immediate as per definitions here below:
- 6.5.1. **"Routine"** means where the unsatisfactory feature has no Airworthiness or Air Safety implications and can be addressed through normal periodic updates.
- 6.5.2. **"Rapid"** means where the unsatisfactory feature is considered to have indirect Airworthiness or Air Safety implications (e.g., time taken for normal periodic update could increase Risk to Life ("RtL") or could result in damage to associated Air Systems or equipment) and thus requires expedient action.
- 6.5.3. **"Immediate"** means where the unsatisfactory feature is considered to have direct Airworthiness or Air Safety implications (e.g., time taken for normal periodic update increases RtL or has resulted in damage to associated Air Systems or equipment) and thus requires urgent action.
- .
- 6.6. For a Routine UFR awaiting a Part 3 completion, the target for completion is to be less than 10% MF765s outstanding post a 3 month period.
- 6.7. For a Routine UFR awaiting a Part 4 completion, the target for completion is to be less than 5% MF765s outstanding post a 12 month period.
- 6.8. For a Rapid UFR awaiting a Part 3 completion, the target for completion is to be less than one MF765 outstanding post a 28 Business Day period.
- 6.9. For a Rapid UFR awaiting a Part 4 completion, the target for completion is to be less than one MF765 outstanding, post a 3 month period.
- 6.10. For an Immediate UFR awaiting a Part 3 completion, the target for completion is to be less than one MF765 outstanding post a 5 Business Day period.
- 6.11. For an Immediate UFR awaiting a Part 4 completion, the target for completion is to be less than one MF765 outstanding, post a 28 Business Day period.

| Key Performance Indicators 4 | | |
|------------------------------|--|-----------|
| KPI No | Performance Area – Unsatisfactory Feature Report Completion | Target |
| KPI 4.1 | Number of routine UFRs awaiting Part 3 completion >3 months. | <10% F765 |
| KPI 4.2 | Number of routine UFRs awaiting Part 4 completion >12 months. | <5% F765 |
| KPI 4.3 | Number of rapid UFRs awaiting Part 3 completion >28 days. | <1 F765 |
| KPI 4.4 | Number of rapid UFRs awaiting Part 4 completion >3 months. | <1 F765 |
| KPI 4.5 | Number of immediate UFRs awaiting Part 3 completion >5 days. | <1 F765 |
| KPI 4.6 | Number of immediate UFRs awaiting Part 4 completion >28 days. | <1 F765 |

Table 6: UFR Generation and Completion timelines

6.12. If the performance of UFR completion falls outside the targets above in Table 6, a Service Charge Adjustment will apply, in accordance with Schedule 4 (Pricing & Payment).

6.12.1. A Performance level is awarded on a monthly basis and used to rate monthly performance.

7. KPI 5 – SATISFACTION OF NARRATIVE FAULT REPORTS (NFRs - F760s).

- 7.1. The Contractor shall provide a Fault Investigation Service in accordance with MOD F760 process for any equipment developed by the Contractor in accordance with Schedule 2 (Statement of Requirements) Item 3.10.1.
- 7.2. The MOD Form (MF)760 series of forms is the MOD sponsored system for equipment fault investigation. Instructions for compiling and progressing equipment faults using the MF760 series of forms are detailed in the MRP Manual of Airworthiness Maintenance - Documentation (MAM-D) and Manual of Airworthiness Maintenance – Processes (MAM-P).
- 7.3. F760s shall be measured and reported monthly via email to the Authority, then reviewed at either the Air Documentation System Working Group, or Contract Management Meeting as per Annex 4 of Schedule 2 (Statement of Requirement).
- 7.4. For a NFR awaiting Contractor input to be able to make investigation decision, the target is to be less than 10% MF760s outstanding post a 28 Business Day period.
- 7.5. For a NFR awaiting Contractor action to be able to close it, the target is to be less than 5% MF760s outstanding within a 12 month period.

| Key Performance Indicators 5 | | |
|------------------------------|---|-----------|
| KPI No | Performance Area – Narrative Fault Report Completion | Target |
| KPI 5.1 | Number of F760s awaiting Contractor input to make investigation decision > 28 days. | <10% F760 |
| KPI 5.2 | Number of F760s awaiting final Contractor action for closure > 12 months | <5% F760 |

Table 7: NFR Generation and Completion timelines

- 7.6. If the performance of NFR completion falls outside the targets above in Table 7, a Service Charge Adjustment will apply, in accordance with Schedule 4 (Pricing & Payment).

ANNEX A – RELIEF EVENTS**1. Relief Event:** each or any of the following events:

1.1 the failure of the Authority to provide the GFA detailed at Schedule 9 (Authority Obligations GFA), providing this is not as a result of any act or omission of the Contractor.

1.2 the Civilian Aviation Authority ("CAA") or Military Aviation Authority ("MAA") issuing any airworthiness directive or service bulletin that grounds the fleet, providing this is not as a result of any act or omission of the Contractor.

2. Relief Event Failure: a failure by the Contractor to comply with one or more of its obligations provided in this Contract where and to the extent that such failure arises out of the occurrence of a Relief Event; and

3. Relief Event Period has the meaning given in Paragraph 4.6.2 of this Annex A to Schedule 5 (Relief Event Criteria).

4. Treatment of Relief Events and Relief Event Failures

4.1 Whenever at any time during the Contract Period a Relief Event occurs, the Contractor shall use reasonable endeavours to continue to perform the Contract and, at all times, take all practicable measures to mitigate the consequences of the Relief Event and shall promptly (and in any event within five (5) Business Days after the occurrence of the Relief Event has caused delay and/or adversely affected the Contractor's ability to perform and/or comply with its obligations in this Contract):

4.1.1 notify the Authority in writing of the nature and extent of any Relief Event Failure occurring or reasonably likely to occur, specifying the performance of which obligation(s) is/are adversely affected, including in respect of any Contractor Deliverables; and

4.1.2 demonstrate to the reasonable satisfaction of the Authority that:

4.1.2.1 the occurrence of the relevant Relief Event was not directly caused by the Contractor's failure to provide the Services or the Contractor's breach;

4.1.2.2 the occurrence of the relevant Relief Event is the sole and direct cause of the Contractor's failure or likely failure to perform its obligations provided in this Contract;

4.1.2.3 the occurrence of the relevant Relief Event could not reasonably be expected to be avoided or mitigated by the Contractor; and

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4.6 If the Authority does not agree that a Relief Event Failure has occurred in accordance with Paragraph 4.2, then the Contractor shall not be entitled to any relief from any of the Authority's rights set out in this Contract.