



Ministry
of Defence



SCHEDULE G – PERFORMANCE FOR CORE SERVICES

ENGINES FUTURE SUPPORT

**CONTRACT NUMBER
701580378**

SCHEDULE G

PERFORMANCE FOR CORE SERVICES

1. PERFORMANCE MEASUREMENT

1.1 Performance will be measured by the Contractor and reports submitted to the Authority.

1.2 The Contractor's reporting will measure the Contractor's performance on a calendar month basis following the implementation of the Contractor's solution from the Contract Start Date. Measurement of the Key Performance Indicators (KPIs), Performance Indicators (PIs) and Performance Measures will commence from the Contract Start Date.

1.3 The Contractor's performance will be measured by three (3) KPIs and two (2) PIs that have been designed to measure critical areas of Service provision by the Contractor to the Authority and are set out at sections 2, 3, 4, 5, and 6 of this Schedule. These KPIs and PIs shall be considered the 'Performance Measures' for the purposes of this Contract.

1.4 These Performance Measures will be reviewed by the Authority and the Contractor and discussed at the monthly and quarterly meetings specified in Schedule L (Governance). The Authority's decision on the performance against KPIs and PIs (whether fulfilled or not) shall be based on this information provided at Paragraph 1.1 of this Schedule and shall be final. If either Party are unable to agree upon the level of performance achieved, both the Authority and the Contractor may refer to the Dispute Resolution process at Condition 34 of this Contract.

1.5 The achieved level of performance, as calculated in accordance with Tables A to G below, shall impact Contract payments in accordance with Paragraph 1 of this Schedule. Where in any calendar month the required performance level in respect of a KPI is not met in the previous month, the Authority shall be entitled to a withhold for poor performance in the invoice for the current month's service (invoiced on the 1st day of the following month) as calculated in accordance with Tables A to G below. This withhold shall be applied to the monthly service charge payable in the following calendar month. The maximum withhold is specified in each of the Tables A to G below.

1.6 Overachievement against one KPI/PI cannot be used to offset underachievement against another KPI.

1.7 The Contractor shall be entitled to a period of three (3) calendar months from the Required Delivery Date (RDD) for the deliverable that was missed to recover. Provided the deliverable is met within three (3) calendar months of the original delivery date (Performance Recovery), the Contractor shall be entitled to claim payment of the withhold originally made. This shall be paid by the Authority to the Contractor as soon as possible after the missed delivery has been recovered. See example at Annex 1 below. For the avoidance of doubt, Performance Recovery is deemed to be the state where KPI requirements have been achieved within the month plus the satisfaction of the original Demand that has triggered the withhold.

1.8 Any deliveries missed during the KPI recovery period shall not affect the withhold unless they are applicable to the same KPI; each KPI shall apply in isolation.

1.9 In the event that a missed deliverable is not recovered within three (3) calendar months in accordance with para.s 1.7 and 1.8 above, the withhold shall become permanent.

1.10 If it is determined as described at paragraph 1.4 of Schedule G that the Contractor's performance will not achieve the requirement on a KPI/PI, the Contractor shall submit a Remediation Plan to the Authority in accordance with Condition 34 of the Terms and Conditions under the Contract.

1.11 Where the Contractor believes a KPI/PI has been or will be assessed as not achieving the requirement as a result of Surge, or a failure by the Authority to comply with its obligations under the Contract, the Contractor shall notify the Authority at the earliest opportunity.

1.12 The Authority shall take into account the notification at 1.11 when assessing performance and the associated KPI(s)/PIs may be suspended. The Contractor shall:

- a. Provide reasonable evidence demonstrating the impact the Authority has had on the KPI/PI(s) performance;
- b. Demonstrate the link between the impact the Authority has had on performance and the KPI/PI(s); and
- c. Take reasonable action to mitigate the effect of the Authority's impact on performance as far as possible and has delivered evidence of the actions taken.

1.13 Where the Contractor anticipates that their performance against a KPI/PI will be assessed as not achieving the requirement, the Contractor shall notify the Authority in writing of:

- a. the events or circumstances, which have affected, or are likely to affect, the Contractor's performance;
- b. the steps the Contractor has taken, and will take, to minimise the adverse effects of the Contractor's performance; and
- c. the period during which the Contractor expects that its performance for the KPI/PI will or is likely to be assessed as not achieving the requirement.

1.14 The Contractor shall be entitled to request alleviation against any KPI. The Authority shall consider the request and the evidence provided to assess if an alleviation is appropriate.

1.15 The KPI/PI and the relationship between Performance and Payment is summarised at Annex 1 to this schedule G.

1.16 The Authority shall not waive its right to apply an applicable withhold in accordance with this Schedule G, where it fails to apply the withhold at the first opportunity to do so, provided that the applicable withhold is applied within 3 (three) Months of the right to apply that withhold first arising.

1.17 All KPIs and PIs will be reported monthly in the Monthly Performance Report.

2. KPI 1 – ENGINE AVAILABILITY

2.1 Where Demanded by the Authority, the Contractor is required to make available Engines free of planned maintenance for a period of at least 50 EFH and/or 3 calendar months whichever occurs first at the Main Operating Base (MOB).

On a calendar month basis, all Demands shall be met within the RDD. **Redacted FOIA 2000 Section 43 Commercial Interest**

2.2 The Authority shall make Demands to the Contractor using the Authority's logistic systems.

2.3 The Contractor's performance in delivering Engine Availability shall be assessed by measuring the number of Demands fulfilled by the RDD on a monthly basis (see Table A).

TABLE A

Requirement	Detailed Requirement – Contractor	Performance Measure	Performance Metric Category	Withhold Factor to be applied
Availability of Engines free of planned maintenance for a period of 50 EFH and / or 3 calendar months by the RDD	The Contractor shall provide support through the provision of Engine availability when requested and as required by the Authority	The percentage compliance with RDD of Engine delivery dates to MOB's due to have been satisfied, which will be calculated by taking the number of Engine Demands satisfied by the RDD within the reporting period and dividing by the total number of Engine Demands within the reporting period, and expressed as a percentage	Redacted FOIA 2000 Section 43 Commercial Interest	Redacted FOIA 2000 Section 43 Commercial Interest
			Redacted FOIA 2000 Section 43 Commercial Interest	Redacted FOIA 2000 Section 43 Commercial Interest

3. KPI 2 – SPARES AVAILABILITY

The Contractor shall provide spares to support the maintenance and repair of the Engine in response to Demands from the Authority. **Redacted FOIA 2000 Section 43 Commercial Interest**

3.1 The Authority shall make Demands to the Contractor using Authority's logistics systems.

3.2 For the purpose of KPI 2 (Spares Availability) the RDD shall mean the delivery date to the MOB.

TABLE B

Requirement	Detailed Requirement – Contractor	Performance Measure	Performance Metric Category	Withhold Factor to be applied
Availability of Spares by the RDD	The Contractor shall make available spares to support the maintenance and repair of the Engine	The number of Engine spares Demands due to be satisfied by the RDD in the reporting period, divided by the total number of Engine spares Demands in period, expressed as a percentage	Redacted FOIA 2000 Section 43 Commercial Interest	Redacted FOIA 2000 Section 43 Commercial Interest
			Redacted FOIA 2000 Section 43 Commercial Interest	Redacted FOIA 2000 Section 43 Commercial Interest

4. KPI 3 – TECHNICAL QUERY PROVISION

The Contractor shall respond to Technical Queries from the Authority within the Required Response Time. **Redacted FOIA 2000 Section 43 Commercial Interest**

4.1 The definition of a Technical Query and Technical Response for the purposes of this KPI are:

- a. Technical Query means a request formally submitted by the MDT to the Contractor that requires a response which is of a technical nature.
- b. Technical Response means a formal reply by the Contractor to a Technical Query. It is to contain the necessary technical detail to answer the Technical Query raised.

4.2 The MDT shall submit all Technical Queries to the Contractor using a Technical Query Answer Form (DAP/R/006).

4.3 Prior to submission the MDT shall classify each Technical Query with the Performance Metrics Category and Required Response Time as detailed in Table C:

TABLE C

Performance Metrics Category	Required Response Time (RRT)
Immediate	Redacted FOIA 2000 Section 43 Commercial Interest
High	Redacted FOIA 2000 Section 43 Commercial Interest
Routine	Redacted FOIA 2000 Section 43 Commercial Interest

The Required Response Time (RRT) shall commence from delivery of the Technical Query (Time stamp on the email to the multi-user account) to the Contractor. It will end upon delivery of the Technical Response from the Contractor **(Redacted FOIA 2000 Section 43 Commercial Interest)**

4.4 In the event that the Contractor and Authority agree that the technical complexity of the query exceeds the original RRT, the original RRT may be downgraded.

The Contractor shall provide a list of nominated Contractor FSR contact details to the MDT on a weekly basis to the **Redacted FOIA 2000 Section 43 Commercial Interest**. In addition, the Contractor will identify a single point of contact who will deal with in process Technical Queries until a Technical Response has been issued.

4.5 The Authority will formally record their acceptance / rejection of a Technical Response on the Technical Query Answer Form and return it to the Contractor. In the event of rejection, the Technical Query shall be registered as not meeting the response time if the response time was not met.

4.6 In the event the Authority elect to reject a Technical Response due to the Contractor being unable to provide the response within the Required Response Time or the response is deemed to be of unsatisfactory quality / detail, then the Authority retains the right to remove associated LRUs or Engines as listed in the maintenance manual and replace them with a Serviceable item. Where this event has occurred, the Authority shall remove the affected LRU or Engine as unserviceable and quarantined.

4.7 This is to allow the Contractor reasonable opportunity to provide further technical responses that could either allow for the LRUs or Engines to be reclassified as serviceable or confirm reason for removal. In the event that an asset is removed and quarantined for this reason, then an RRT reflecting the appropriate technical complexity of the query shall be jointly discussed for the purposes of the KPI. Where a further technical response is subsequently provided that allows for the quarantined LRU or Engine to be reclassified as serviceable, the Authority shall issue the appropriate serviceable F731.

4.8 The RRT performance is measured against the formal Technical Query response submission from the Contractor. If the Authority requires further information following a Technical Query response, then the RRT can be adjusted, or technical queries cancelled and a new Technical Query Raised, with joint agreement.

4.9 If an unusually high volume of Technical Queries (greater than 10 in any one month) are submitted then the MDT and the Contractor shall discuss appropriate actions

4.10 Contractor performance shall be measured using the following (Table D):

Table D

Requirement	Detailed Requirement – MDT / Contractor	Performance Measure	Withhold Factor to be applied
Technical Query provision with the Required Response Time	The Contractor shall respond and satisfy Technical Queries within the Required Response Time given the agreed Technical Query Demand Level identified in 4.4 above.	Redacted FOIA 2000 Section 43 Commercial Interest	Redacted FOIA 2000 Section 43 Commercial Interest

5. PI 1 – TECHNICAL PUBLICATION SUPPORT SERVICE

5.1 The Contractor shall provide a Technical Publication Support Service as part of the Contract, as detailed in Schedule A (Statement of Work). The Contractor shall provide the Authority with the most accurate and current RTM322 Engine Technical Publications for both scheduled and unscheduled maintenance, within the document update cycle

5.2 Unsatisfactory features with Technical Publications are raised and tracked through the MF765 process. The Contractor shall provide a service that addresses identified unsatisfactory features in the most efficient and effective manner. The Authority will monitor the Contractor's performance in closing out these unsatisfactory features using the PI detailed in Table F.

5.3 This PI shall measure all MF765s which have been duly authorised by a Letter of Airworthiness Authority (LoAA) holder at Part 3 of the MF765.

5.4 The Authority utilises the RESOLVE system to create, monitor and formally close the MF765. The four submission cycle commencement dates are the 30th day of: January, April, July and October. It will cease the day prior to the next submission cycle commencement date. For Routine MF765, the cycle time shall commence from the date of submission. For Urgent/Priority MF765 only, where one is submitted post a submission commencement dates, its cycle time will commence at the next submission cycle commencement date.

5.5 For each MF765 the MDT is to allocate a priority (Immediate, Rapid or Routine). The required closure for each priority is detailed in Table E.

Table E

Priority	Definition	MF765 Completion
Routine	Where the unsatisfactory feature has no Airworthiness or Air Safety implications and can be addressed through normal contracted TI updates.	1 year
Rapid	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 so requires expedient action.	1 Full Update Cycle (6 months)
Immediate	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 so requires urgent action.	28 days ¹

5.6 A MF765 is deemed to be closed when the associated Data Module(s) addressing the Unsatisfactory Feature Report (UFR) has been accepted by the MDT RTM322 Engine Letter of Airworthiness Authority (LoAA) holder for inclusion within the Technical Publications.

5.7 Contractor performance shall be measured using the following (Table F):

¹ Normally delivered via a signal amendment but by exception through SAFRAN updated Data Module.

TABLE F

Requirement	Detailed Requirement – Contractor	Performance Monitor (Success/fail)	Performance Metric Reporting
The Contractor shall provide a Technical Publication Support Service	The Contractor shall report the number of MF765s, by priority, that have been raised, closed and identify those that fail to meet the Performance Monitoring requirement.	<p>Routine MF765s: Number of open Routine MF765s with a cycle time that exceeds twelve (12) months, prior to the latest quarterly publication update.</p> <p>Rapid MF765s: Number of open Rapid MF765s that failed to be delivered within one full cycle prior to the latest quarterly publication update.</p> <p>Immediate MF765s: Number of open Immediate MF765s that failed to be addressed within 28 days from submission.</p>	0

6. PI 2 – Sorties Impacted by RTM322 Issues

6.1 This performance indicator aims to improve Aircraft availability to the Authority through reduction in the number of Aircraft sorties impacted by confirmed RTM322 issues.

6.2 Measurement of impact to flying operations, caused by RTM322 issues, provides an opportunity for continuous improvement activity. When implemented shall reduce the number of lost sorties.

6.3 The Contractor shall report the total number of sorties impacted by RTM322 issues and the context of the issues at the Technical Issues Meeting every 3 months, beginning at the first Meeting.

6.4 In year one (1 Apr 2024 to 31 Mar 2025), the Contractor will deliver a percentage reduction in sorties impacted by RTM322 engine. Sortie impacts are updated on GOLDesp. The Contractor shall analyse this data on a rolling 6 month basis. Within 6 months of Contract Start Date, GOLDesp data will be reviewed and cleansed to identify the absolute number of sorties impacted that are attributable specifically to Contractor part numbers. At the 6 month point, this data will be reviewed and the Contractor and the Authority will agree the value of the percentage reduction to be achieved in year one. In the event that the value of an annual percentage reduction cannot be agreed, the incentive payment will not be payable.

6.5 For the subsequent contract years two to five, (1 April 2025 to 31 March 2030) the percentage reduction will be agreed annually. If the absolute numbers of sorties impacted by Contractor part numbers reaches a level where there is no further practical improvement, then an absolute number will be agreed where there can be no breach as follows: "No more than X sorties impacted annually due to Contractor part numbers."

6.6 The performance of the Contractor will be measured against this PI using the standards detailed in table G.

TABLE G

Measurement Purpose	Detailed Requirement – Contractor	Performance Monitor (success/fail)	Performance Metric Reporting
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<p>The purpose of this measure is to reduce impact on platform availability due to RTM322 confirmed issues.</p>	<p>X% reduction in the number of sortie aborts caused by SAFRAN part numbers.</p> <p>Once a level is reached where there can be no further improvement, the PI will become:</p> <p>No more than X sorties aborted annually due to SAFRAN part numbers.</p>	<p>The number of sorties impacted where a Safran Part Number component is confirmed to be root cause. Percentage reduction, or absolute number of sorties, to be agreed annually, and by 6 months post-Contract Start Date for year one.</p>	<p>The Contractor shall report the number of sorties impacted due to an RTM322 issue at the Technical Issue Meeting every 3 months.</p>
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ANNEX 1

1. The price paid in any particular month will be the Monthly Payment (MP) in accordance with Schedule F adjusted by any withhold or payment of any agreed historic withhold that becomes due. The Monthly Contract payment due for Item 1 of the Schedule of Requirements shall be calculated in accordance with the following formula:

$$\mathbf{AMP = MP - WH + HWP}$$

Where:

AMP is the Adjusted Monthly Payment due in a particular calendar month

MP is the monthly Contract price as shown in Schedule F

WH is the sum of the Applicable Withhold to be deducted from the Monthly Contract price by the Authority, calculated in accordance with this Schedule G

HWP is the sum of the Historic Withhold Payment agreed as applicable for payment in the period once the cause of the original withhold has been resolved in accordance with this Schedule G

2. The Contractor shall report and maintain a log of retentions/deductions and provide evidence in its monthly report to support HWP claims.
3. Any missed deliveries shall be resolved within 3 full calendar months, unless an alleviation is applied or the cap defined in Schedule E has been reached. This will be measured on a rolling 3 month period so that missed demands/responses are not accumulated.
4. If a KPI is failed in month 1, a withhold will be applied to the month 2 payment. If the KPI is recovered by month 4, then the withhold will be repaid as soon as possible and no later than month 5.
5. If a KPI is failed in month 1, a withhold will be applied to the month 2 payment. If the KPI is recovered in month 5 or later, then the withhold will be permanently retained by the Authority.

ANNEX 2

INCENTIVE

1. The Contractor and the Authority agree that an incentive shall be payable to the Contractor under the circumstances below.

Redacted FOIA 2000 Section 43 Commercial Interests

3. In the event that alleviation is agreed or the KPIs are suspended for any reason, this shall not be considered as meaning that the Contractor has not achieved the KPIs and PIs, and the incentive payment shall be payable.
4. Following the end of each Contract Year (31 March), the Contractor shall submit a claim to the Authority for the incentive payment due. The Authority shall review the claim and confirm to the Contractor if the incentive payment shall be paid. The Authority shall raise a Purchase Order (PO) in CP&F for the value of the incentive and advise the Contractor of the PO number. The Contractor shall submit their invoice against the PO and the Authority shall receipt without undue delay.
5. In the event that the Authority and the Contractor cannot agree if the incentive payment is due, either party shall have the right to refer the matter to the Dispute Resolution process at Condition 34 of this Contract.

ANNEX 3**EXAMPLE OF DEFFORM 539B**

The following form shall be used for the purposes of publication of KPI data in accordance with DEFCON 539. It should be noted that only the asterix sections will form the published report.

KPI Description*	Rating Thresholds	Frequency of Measurement	Quarter and Year*	Average for Reporting Period	Rating*	Comment*
KPI 1 – Engine Availability	Good*: >= 98%	Monthly in accordance with Schedule G				
	Approaching Target: 1 missed demand					
	Requires Improvement: 2 missed demands					
	Inadequate: 4 or more missed demands					
KPI2 – Spares Availability	Good*: >= 98%	Monthly in accordance with Schedule G				
	Approaching Target: Performance below 98% but greater than 90.0%					
	Requires Improvement: : Performance below 90% but greater than 75.0%					

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	Inadequate: : Performance below 75.0%					
KPI3 – Technical Query Provision within Required Response Time	Good*: 100%	Monthly in accordance with Schedule G				
	Approaching Target: 1 late TQ response					
	Requires Improvement: 4 late TQ responses					
	Inadequate: 10 or more late TQ responses					