Schedule 15 – KPI Payment Model

Contract: CSA/5001

This schedule sets out the mechanism in which KPI metrics will be assessed to calculate the Price due to be paid to the Contractor for any given milestone payment.

The Performance Payment is calculated using the following formula;
"Contract Profit Rate [–] KPI Retention [=] Performance Payment"
"10.18% [-] 2% [=] 8.18%"
"10.10 [-] 2 [=] 8.18"

The Price due to be paid for any given milestone payment is calculated using the following calculation;
1. Cost [x] G&A = G&A Cost
2. (Cost [+] G&A Cost) [x] Performance Payment = Performance Cost
3. Cost [+] G&A Cost [+] Performance Cost = Price of milestone payment

The KPI Retention for each KPI is stated in Schedule 14 – Key Performance Indicators.

The below table details the impact each KPI Performance Level will have on the relevant monthly Performance Payment, in accordance with Condition 46.5 of this Contract.

MONTH	Performance Level	Performance Payment Outcome
Current	**Green**	**Performance Payment element for the KPI paid in full**
Previous Month	**Green**	Performance Payment was paid in full last period
	Amber	Retention applied for Amber performance last period is now released to be claimed by the Contractor
	Red	Retention for Red performance is deducted from the Contract Price.
Current	**Amber**	**Authority applies retention for "Amber" performance pending assessment of the next month's performance**
Previous Month	**Green**	Performance Payment was paid in full last period
	Amber	Retention applied for Amber performance last period is now deducted from the Contract Price
	Red	Retention for Red performance is deducted from the Contract Price.
Current	**Red**	**Authority applies retention for "Red" performance which is deducted from the Contract Price**
Previous Month	**Green**	Performance Payment was paid in full last month
	Amber	Retention applied for Amber performance last period is now deducted from the Contract Price
	Red	Retention for Red performance is deducted from the Contract Price