

**TSSP/128  
701554451  
Key Performance Indicators (KPI)**

**Part 1: Overview**

1. This Annex is arranged in the following Parts:

Part 2: Definitions – A list of definitions used.

Part 3: Key Performance Indicators – A list of the Key Performance Indicators (KPIs) that shall apply to this Contract.

Part 4: Calculation of Performance Deductions – The calculation of Performance Deductions in relation to the KPIs.

Part 5: Rectification and Termination – The consequences of continued poor performance and termination.

Part 6: Performance Monitoring – The Contractor's monitoring and reporting of its performance against the KPIs.

Part 7: Publishable Performance information – Government KPI reporting

**2: Definitions**

2. The following definitions are used in this Annex:

<b>Term</b>	<b>Meaning</b>
Authority Representative	The Authority's officers, directors, employees, and advisers or agents.
Contractor Staff	Means employees (including subcontractors) of the Contactor.
Daily Time Lost	Means the time for each Availability Failure measured in minutes from the point at which an Availability Failure is reported until such time as that Availability Failure is rectified.
Day	One (1) day, starting 00:00 and ending 23:59, or part thereof.
Downtime	Means that calculated in accordance with paragraph 10. R&M KPI of this Annex.
End Time	Means the time on which a Training Event ends as declared by the Authority Representative.
Equipment	Means Interim IDFS equipment used in the delivery of a Training Event.
Major Failure	If a fault occurs that prevents the Training Objectives being achieved, it shall be deemed a Major Failure and the downtime shall contribute to the Availability calculations for that System. The Authority's Representative shall have discretion to determine the Major/Minor status of the Failure.
Minor Failure	If a fault occurs that does not prevent the Training Objectives being achieved, it shall be deemed a Minor Failure. Downtime for a minor failure shall not count to Availability calculations but shall be recorded. The Authority's Representative shall have discretion to determine the Major/Minor status of the Failure.
Reliable	Means equipment is able to perform as required, without failure, for a given time interval, under given conditions, i.e. remains fully operational throughout the Training Exercise or Event and is able to complete it.

Reliability and Maintainability (R&M) Failure	Means an Equipment Failure which:  (A) Does not prevent user training, as determined by the Authority Representative during a scheduled Training Event; or
	(B) is not caused by any other factors beyond the reasonable control of the Contractor including improper operating actions and misuse of Equipment.
R&M KPI	Means the measure of whether Equipment provided for a Training Event is Reliable as determined in accordance with paragraph 10.
Service Credit(s)	Means a figure allocated against KPI's as defined in accordance with this Annex that shall be totalled per training event in order to calculate and apply performance deductions where required.
Social Value KPI	In accordance with paragraph 12.1
Start Time	Means the time on which a Training Event starts as directed by the Authority Representative.
Training Event	Means a course or exercise utilising Interim IDFS at the Individual, Trade or Collective training levels; or scheduled / unscheduled defence activity requested by the Authority.
Training Year	01 Apr – 31 Mar per year
Uptime	Means that calculated in accordance with paragraph with 10. R&M KPI of this Annex ( <i>Contract Performance</i> ).

**Table 1 - Definitions**

**3: Key Performance Indicators**

3. The following Key Performance Indicators (KPI) shall apply to the Contract:

KPI #	Title	Maximum Performance Deduction applicable for non-performance
1	R&M	██████%
2	Management Information	██████%
3	Social Value	██████%

**Table 2 - KPIs**

4. Should the Authority decide to exercise any of the Contract Option Year(s) or Exercise Options as detailed in Table 2 – Options of the Schedule of Requirements in the Terms and Conditions of the Contract, or subject-to-contract, any potential future exercises to be agreed at a later date, it reserves the right to apply KPIs to these as they are exercised in accordance with Condition 4.2 Options of the Terms and Conditions to the Contract.
5. The Performance Deductions shown in Table 2 - KPIs shall:
- 5.1 for KPI 1, be the maximum performance deduction applicable for each Training Event;
- 5.2 for KPI 2, be the maximum performance deduction applicable for each contract quarter; and
- 5.3 for KPI 3 be the maximum performance deduction applicable for each Contract Quarter.
6. The Contractor shall report its performance for:
- 6.1 KPI 1 for each Training Event ending in each contract quarter;
- 6.2 KPI 2 for each contract quarter; and
- 6.3 KPI 3 for each Contract Quarter
- in accordance with Part 6: Performance Monitoring of this Annex.
7. Where performance against a KPI, or KPIs, falls below the levels set out in Part 4: Calculation Of Performance Deductions, of this Annex for any given Training Event, and subject to Part 6: Performance Monitoring of this document, the Authority shall be entitled to make a performance deduction against the next Quarterly payment following the agreement of such KPIs in accordance with Section 5 - Quarterly Performance Report. If a Training Event spans over the end of one reporting period and start of the next reporting period, the reporting period in which the Training Event ends shall be the reporting period for that Training Event.
8. Performance deductions shall be permanent.
9. Where the Contractor exhibits persistent poor performance as defined in Part 5: Rectification And Termination, of this Appendix and fails to rectify the cause of that poor performance. The Authority shall have the right to terminate the Contract in accordance with Condition 10 Termination, in the Terms and Conditions to the Contract.

**4: Calculation Of Performance Deductions****10. R&M KPI**

10.1 All Equipment required by the Authority for a Training Event shall be Reliable and Maintainable.

10.2 A Training Event shall have a stated Start Time and End Time as specified by the Authority Representative.

10.3 A Training Event shall comprise a number of Days, where the number of Days shall equal the number of Days between the Start Time and End Time of a Training Event.

10.4 R&M shall be measured for each piece of Equipment for each Day of a Training Event.

10.5 For each Training Event, R&M shall be measured by reference to the number of R&M Failures on each Day of the Training Event, from the Start Time to the End Time.

10.6 Each R&M Failure shall count as one (1) R&M Failure.

10.7 The Contractor shall calculate the number of R&M Failures on each Day of a Training Event.

10.8 A R&M Failure shall be deemed to have first occurred on the Day it is first reported/discovered by the Authority Representative or the Contractor.

10.9 In the event that a R&M Failure has occurred during a Day, the Contractor shall rectify that R&M Failure in accordance with the Rectification Time set out in Table 3 - Rectification Time to this Annex.

Training Event	Failure	Rectification Time
CT Alpha and Bravo (81mm Mortar and 105mm Light Gun)	Minor or Major	Within 4 hours from notification that equipment has been returned to the agreed base location, if prior to 1200hrs (midday) or by 1000hrs next working day.
RSA, Larkhill; CAMS Warminster	Minor	Within 4 hours from notification if prior to 1200hrs (midday) or by 1000hrs next working day.
CT Charlie to Foxtrot (81mm Mortar and 105mm Light Gun)	Minor	Within 1 hour of being provided access to the system.
RSA, Larkhill; CAMS Warminster	Major	Within 4 hours from notification if prior to 1200hrs (midday) or by 0730hrs next working day.
CT Charlie to Foxtrot	Major	Up to 5 hours travel time is Allowable, the Rectification Time shall be within 60mins starting from the point at which the

		Contractor has access to the failed equipment.
--	--	--

**Table 3 - Rectification Time**

10.10 Where a R&M Failure is rectified within the Rectification Time, that R&M Failure shall not be counted towards the R&M Failures for the purposes of calculating the total R&M Failures for that Day in accordance with paragraph 10.16 of this Annex.

10.11 In the event that the Contractor has not rectified the R&M Failure within the Rectification Time, the R&M Failure shall be counted for the purposes of calculating the total R&M Failures for that Day in accordance with paragraph 10.16 of this Annex.

10.12 The number of R&M Failures of the Equipment required by the Authority on each Day, for a Training Event, shall not exceed the number of allowable R&M Failures set out in Table 5 to this Annex:

Training Event	Failure	Allowable Failures
CT Alpha and Bravo (81mm Mortar and 105mm Light Gun); RSA, Larkhill; CAMS Warminster	Minor	Two per week One repeat of same Failure per week Five repeats of same Failure per training/calendar year Fifteen Failures per Training Year
CT Charlie to Foxtrot (81mm Mortar and 105mm Light Gun)	Minor	Two Failures per training event One repeat of same Failure per Training Event Five Failures per Training Event Five repeats of same Failure per Training Year Fifteen Failures per Training Year
CT Alpha and Bravo (81mm Mortar and 105mm Light Gun); RSA, Larkhill; CAMS Warminster	Major	One Failure per week One repeat of same Failure per week Two Failures per training term. Three repeats of same Failure per training/calendar year Five Failures per Training Year
CT Charlie to Foxtrot	Major	One Failure per Exercise One repeat of same Failure per Exercise Three repeats of same Failure per training year Five Failures per Training Year.

**Table 4 - Allowable R&M Failures**

10.13 Where the Contractor has not rectified a R&M Failure in accordance with the Rectification Time set out in Table 3 - Rectification Time to this Annex, the Contractor shall inform the Authority of the number of Days the R&M Failure continued for until the R&M Failure was rectified. Each Day the R&M Failure continues beyond the Day on which the R&M Failure first occurred shall be counted as a repeat R&M Failure. A repeat R&M Failure shall not be treated as

an Allowable R&M Failure. The Incident Sentencing Committee shall determine the status of a repeat failure, as per Annex A – 701554451 (TSSP/128) - Statement of Requirement.

10.14 Where a repeat R&M Failure has not been rectified after two (2) Days, every Day the repeat R&M Failure occurs above two (2) Days shall be multiplied by two (2).

10.15 The sum of R&M Failures and repeat R&M Failures for the same R&M Failure shall not exceed the number of Days reported by the Contractor for a Training Event in accordance with Table 4 - Allowable R&M Failures.

10.16 At the end of each Training Event, the Contractor shall calculate the Total R&M Failures for that Training Event in accordance with the following formula:

$$\text{Total R\&M Failures} = \sum \left( \begin{array}{l} \text{For each Day, the number of R\&M} \\ \text{Failures for that Day less the} \\ \text{number of Allowable R\&M Failures} \\ \text{for that Day} \end{array} \right) + \text{Repeat R\&M Failures}$$

10.17 The Contractor shall advise the Authority of the total number of R&M Failures calculated for each Training Event.

10.18 The Authority shall be entitled to apply performance deductions for each Training Event where the total R&M Failures for that Training Event falls within one of the performance bands in accordance with the following table:

Performance Band – Total R&M Failures for that Training Event	Service Category Level	Performance Deduction as a percentage of the firm value of each Training Event
Nil	Level 0	-
Greater than or equal to [1] but less than or equal to [5]	Level 1	■%
Greater than [5] but less than or equal to [20]	Level 2	■%
Greater than [20]	Level 3	■%

**Table 5 - R&M Performance Bands**

## **11. Management Information KPI**

11.1 The Contractor shall provide the Authority with the Management Information defined in accordance with Annex C 'MI Schedule' of the Contract within the timescales defined.

11.2 Calculation of Performance Deductions:



11.2.1 The Authority shall be entitled to apply deductions in the event that any part of the Management Information is late in accordance with the requirements at Annex C - 701554451 (TSSP128) - 'MI Schedule'.

11.2.2 Management Information shall be deemed as late by the Authority in the event it is incomplete, inaccurate or not in accordance with the requirements at Annex C - 701554451 (TSSP128) - 'MI Schedule'.

11.3 Performance Deductions shall be applied in accordance with the following table:

<b>Delay to the provision of complete and accurate Management Information in accordance with</b>	<b>Service Category Level</b>	<b>Performance Deduction as a percentage of the Quarterly Payment</b>
On time	Level 0	0
[1] Day late	Level 1	■%
[2] Days late	Level 2	■%
[3] or more days late	Level 3	■%

**Table 6 - Management Information Performance Bands**

11.4 The Contractor's performance against the Management Information (KPI 2) for a particular Contract Quarter shall, subject to Part 6: Performance Monitoring of this Annex, be applied in the Contract month following the agreement of such KPIs in accordance with Paragraph 7 of this Annex.

## 12. **Social Value KPI**

12.1 The Social Values KPI's shall be measured in accordance with Tables 1-4 contained within Social Values Key Performance Indicators (KPI) Tables at Appendix 1 to Annex B - KPI's to the Contract and the following Reporting Metrics:

12.1.1 Reduce female inequality within the Contractors' IIDFS team by ensuring that:

- a At Contract Award, the male:female ratio shall be no greater than 9:1 and pay inequality shall be no greater than 7%
- b By 1 Jul 26, the male:female ratio shall be no greater than 7:3 and pay inequality shall be no greater than 3%.
- c No pay inequality between personnel recruited to the IIDFS team

12.1.2 At least 20% of applicants interviewed for roles associated with IIDFS (identified in the IIDFS Workforce Plan) are from a workforce category with protected characteristics

12.1.3 To enhance employee retention and progression, provide training budgets and ensure that, the average spend per employee exceeds:

- a £500 per year.
- b £750 per year for those from a workforce category with protected characteristics.

- 12.1.4 The 5 foundational principles of quality work detailed in the Good Work Plan 2020 shall be implemented fully by 1 Nov

<https://www.gov.uk/government/publications/good-work-plan/good-work-plan>  
<https://www.gov.uk/government/publications/good-work-plan/good-work-plan>

- 12.1.5 Complete Risk Assessment utilising the Modern Slavery Assessment Tool:

- a Suppliers that account for 75% of capital spend: 1 Apr 23.
- b Suppliers that account for 90% of capital spend: 1 Apr 24.

- 12.1.6 ESUK Sub-contractors commit to the Obligations of the Modern Slavery Act 2015 and to the 5 foundational principles of quality work detailed in the Good Work Plan 2020 as a condition for inclusion in the IIDFS supply chain and on our Supplier Approved List:

- a 100% of new suppliers by 1 Jul 23.
- b 75% of existing suppliers by 1 Jul 25.

**Part 5: Rectification and Termination****13. Persistent poor performance**

13.1 Where the Contractor incurs:

13.1.1 [Level 1] Performance deductions against KPI 1 for one (1) or more Training Events and for one (1) or more Contract Quarters for KPI 2 in a Contract quarter; and / or

13.1.2 [Level 2 and / or 3] Performance deductions against KPI 1 for two (2) or more consecutive Training Events; and / or

13.1.3 [Level 2 and / or Level 3] Performance deductions against KPI 2 for two or more Contract quarters in a Contract Year;

13.1.4 the Contractor shall prepare and provide to the Authority a draft Rectification Plan within twenty (20) Business Days of the end of the second Training Event (for the purposes of 13.1.2) or following the relevant Contract Quarter (for the purposes of 13.1.1 and 13.1.3).

13.2 The draft Rectification Plan shall:

13.2.1 identify the cause of those Availability Failures and / or R&M Failures leading to [Level 1, 2 and / or 3] Performance Deductions against KPI 1 and associated with paragraph 13.1.1;

13.2.2 identify the cause of those Availability Failures and / or R&M Failures leading to [Level 2 and / or 3] Performance Deductions against KPI 1 and associated with paragraph 13.1.2;

13.2.3 identify the cause of any delay in the provision of Management Information leading to [Level 1, 2 and / or 3] Performance Deductions against KPI 2 associated with paragraph 13.1.1 or 13.1.3;

13.2.4 specify the steps that the Contractor proposes to take to rectify and avoid any recurrence of such Performance Deductions;

13.2.5 specify the programme of activity and timescales for rectifying the cause of such Performance Deductions; and

13.2.6 be in sufficient detail for it to be properly evaluated by the Authority.

13.3 If the Authority considers that the draft Rectification Plan provided by the Contractor under paragraph 13.1 and 13.2 is unacceptable in that:

13.3.1 it is insufficiently detailed to be properly evaluated;

13.3.2 the programme and timescales proposed in it are not acceptable; and/or

13.3.3 it is unlikely to sufficiently rectify the cause of such Availability Failures, R&M Failures and / or Performance Deductions;

13.3.4 the Authority shall as it considers appropriate, specify a period of time for the Contractor to revise the draft Rectification Plan.

13.4 Where, in accordance with paragraph 13.3, the Authority specifies a period of time for the Contractor to revise the Rectification Plan:

13.4.1 the Contractor shall within that period produce such revised drafts of the Rectification Plan as the Authority may require and shall take into account in such revised drafts any comments by the Authority so as to address the issues referred to in paragraph 13.3;

13.4.2 if at the end of the specified period the Authority considers that the revised Rectification Plan is unacceptable as described in paragraph 11.3, it may reject the draft Rectification Plan and, as it considers appropriate, apply a one (1) percent deduction from the Contractor's Quarterly Payment, pro-rated for the number of Day's in the Contract Quarter from the point at which the Authority notifies the Contractor that it has rejected the draft Rectification Plan until such time as the Contractor has provided a Rectification Plan to the Authority which meets the requirements of paragraph 13.2.

13.5 Where a Rectification Plan is agreed by the Authority, the Contractor shall carry it out in accordance with its provisions including any timescales specified in it (or, where no timescales are so specified, in accordance with such timescales as the Authority may require).

13.6 The Contractor shall provide to the Authority, in accordance with the timescales specified in the Rectification Plan (or, where no timescales are so specified, in accordance with such timescales as the Authority may require):

13.6.1 regular updates on the implementation of the Rectification Plan; and

13.6.2 evidence of the implementation of the Rectification Plan,

13.6.3 and shall, if required by the Authority and at the Contractor's expense, take all necessary steps to enable the Authority to monitor the implementation of the Rectification Plan.

13.7 If further to paragraph 13.4, the Contractor has:

13.7.1 failed to provide the Authority with a draft Rectification Plan which the Authority has agreed in accordance with paragraph 13.5 and the Authority has applied Performance Deductions in accordance with paragraph 13.4.2 for a period of two Contract Quarters; or

13.7.2 failed to implement the Rectification Plan in accordance with its terms or, despite its implementation, the Rectification Plan fails to rectify the cause of such Availability Failures or R&M Failures;

13.7.3 the Authority may choose one of those options set out in paragraph 13.8, as it considers appropriate:

13.8 Subject to paragraph 13.7, the Authority may, as it considers appropriate:

13.8.1 give the Contractor a further opportunity to provide and / or implement a revised Rectification Plan (to be agreed by the Authority), in accordance with such timescales as the Authority may require and in accordance with paragraph 13.4.2, deductions shall be continued throughout unless agreed upon otherwise with the Authority; or

13.8.2 treat such event as a Material Breach and have the right to terminate the Contract in accordance with DEFCON 514 of the Contract.

#### **14. Treatment of Performance Deductions on Termination or Expiry of this Agreement**

14.1 If on expiry of this Contract there are any outstanding Performance Deductions, the Contractor shall deduct such amounts from the final payment to the Contractor.

14.2 If on any early termination of this agreement there are any outstanding Performance Deductions these shall be deducted from the termination payment in accordance with DEFCON 514.

**15. Disputes**

15.1 In the event of any Dispute relating to the calculation of Performance Deductions made pursuant to this Annex the Authority's view shall prevail (and the relevant provisions in this Annex shall have effect) until such time as a different view may apply as a result of the application of the Dispute Resolution Procedure in the contract terms and conditions.

**Part 6: Performance Monitoring****16. Quarterly Performance Report**

16.1 The performance monitoring will start from FOC for the delivery of the remaining equipment in accordance with the statement of requirements in Annex A - 701554451 (TSSP128).

16.2 The Contractor shall provide the Authority with a Quarterly Performance Report within ten (10) Business Days following the expiry of each Contract Quarter and in accordance with the MI Schedule – Annex C - 701554451 (TSSP128).

16.3 The Quarterly Performance Report shall be in a form approved by the Authority and shall:

16.3.1 for each Contract Quarter, detail the number of Training Events supported by site and by type, including the number of Days each Training Event comprised (i.e. the number of Days between the Start Time and End Time) as determined by the Authority representative).

16.3.2 For each Training Event:

- The number of Days that Training Event comprised (i.e. the number of Days between the Start Time and End Time as determined by the Authority Representative);
- The number of Availability Failures and R&M Failures arising;
- The Daily Time Lost;
- The Rectification Time for each R&M Failure;
- Whether the R&M Failure was rectified by fixing the fault or through the provision of replacement Equipment; and
- Details of which pieces of Management Information were late.

16.3.3 for each Training Event ending in that Contract Quarter, detail the Contractor's performance against KPI 1, as set out in Part 4: Calculation of Performance Deductions of this Annex, for each relevant Training Event and shall include details of any extenuating circumstances for which the Contractor has or intends to apply for relief under the relevant provisions of this Agreement;

16.3.4 detail the Contractor's performance against KPI 2 for the Contract Quarter;

16.3.5 set out the Contractor's calculations of the Service Credits and any Performance Deductions that have been incurred in respect of each Training Event ending in that Contract Quarter. Where the Contractor has or intends to submit a claim for relief under the relevant provisions of this Agreement, the Contractor shall include calculations with such proposed relief having been taken and not taken into account;

16.3.6 set out the Contractor's calculations of any Performance Deductions that have been incurred in respect of KPI 2 for that Contract Quarter;

16.3.7 identify any discrepancy between the Contractor's assessment and the Authority's assessment against the KPIs set out in Part 4: Calculation of Performance Deductions of this Annex for the relevant Training Event and / or Contract Quarter and provide the reasons for such discrepancy;

16.3.8 provide details, as a summary, of the Contractors performance against the KPIs for the previous four (4) Contract Quarters;

16.3.9 provide details of any Rectification Plans that are being prepared, subject to agreement with the Authority or in the course of being implemented; and

16.3.10 include any details required in MI Schedule at Annex C - 701554451 (TSSP128).

16.4 The Quarterly Performance Report shall be discussed by the Contractor and the Authority at the Quarterly Performance Meeting.

16.5 Both Parties shall agree the calculation of any Service Credits and Performance Deductions for each Contract Quarter for KPI 2 and each Training Event for KPI 1 at the Quarterly Performance Meeting or within twenty (20) Business Days of the Quarterly Performance Meeting (including resolving any discrepancies).

16.6 If the Parties fail to reach agreement in accordance with paragraph 13.4 the matter shall be referred for resolution in accordance with the Dispute Resolution Procedure in Section 10 in the Contract Terms and Conditions.

16.7 The Quarterly Performance Report shall be accurate and any deliberate falsification by the Contractor may constitute fraud.

**Part 7: Publishable Performance Information**

**17. KPI Data Report**

17.1 KPI data shall be reported to the Cabinet Office Quarterly by the Authority using the DEFFORM 539B at Annex AG - DEFFORM 539B Publishable Performance Information - KPI Data Report to the Contract.

17.2 Prior to the publication of the Reportable KPI Information, the Authority will consult with the Contractor to agree the Rating and discuss any comments the Contractor would like to include in publication. The Contractor shall confirm its agreement of the reportable information within 10 working days or shorter time as agreed by both parties.