



Ministry
of Defence



Large Boat Aerial Delivery

Draft Contract Schedule 9 (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 against Schedule of Requirements Items 3 to 4.4
- 1.2. The Contractor shall publish its assessment of their performance as part of the Contract Tasking Report as detailed within Schedule 2 (Statement of Requirement) of the Contract.
- 1.3. The rights and remedies of the Authority contained and referred to in this Schedule 9 (Performance Management) are in addition to and shall not limit or otherwise adversely effect 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 Key Performance Indicators for the Contract are as defined at Table 1 (Key Performance Indicators Overview) below and in the KPI Forms provided within this Schedule 9:

KPI Number	KPI Title	KPI Reporting Frequency	KPI Retention Regime
KPI 1	Delivery of services referred to in KPI Form 1 (forming part of the Contractor Deliverables)	Quarterly (three monthly periods)	20% Temporary Payment Withhold or 20% Permanent Payment Retention in any quarterly reporting period in accordance with the provisions of this Schedule 9 (Performance Management) .
KPI 2	Social Value	Quarterly (three monthly periods)	N/A

Table 1: Key Performance Indicators Overview

- 2.2. The assessment of the Contractor's performance shall be categorised using the three (3) Performance Levels detailed in clause Para 3.1 of this Schedule 9.
- 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 as defined within KPI Form 1 and KPI Form 2 as set out within this Schedule 9.
- 2.5. The Performance Levels for KPI 1 and KPI 2 are set as:
 - 2.5.1 A (Green);
 - 2.5.2 B (Amber); and

2.5.3 C (Red)

2.6. The calculation of the relevant Performance Levels as a follows:

2.6.1. For KPI 1, the Performance Level calculation is set out within KPI Form 1 below; and

2.6.2. For KPI 2, the Performance Level calculation is set out within KPI Form 2 below.

3. KPI 1 - DELIVERY OF SERVICES UNDER SCHEDULE OF REQUIREMENTS ITEMS 3, 4 AND 5

KEY PERFORMANCE INDICATOR (KPI) FORM 1	
KPI Title	Delivery of Services which are monitored for the purposes of this Schedule 9 (Performance Management) and which are subject to Temporary Payment Withholds and Permanent Payment Retentions
Measured Services for KPI 1	<p>KPI 1 measures the extent to which the Contractor has delivered against the following service requirements forming part of the Contractor Deliverables:</p> <ul style="list-style-type: none"> a) Fault Investigations <ul style="list-style-type: none"> a. <i>The Authority requires the Contractor to respond and complete all Fault Investigations raised by the Authority, fulfilling the relevant Acceptance Criteria, set out or referred to, in Section 4 of Schedule 2 (Statement of Requirement and, in each case, within the relevant time periods set out in Section 4 of Schedule 2 (Statement of Requirement).</i> b) Technical Queries <ul style="list-style-type: none"> a. <i>The Authority requires the Contractor to respond and complete all Technical Queries raised by the Authority, fulfilling the relevant Acceptance Criteria, set out or referred to, in Section 4 of Schedule 2 (Statement of Requirement) and, in each case, within the relevant time periods set out in Section 4 of Schedule 2 (Statement of Requirement).</i> c) Delivery of Contract Tasking Report <ul style="list-style-type: none"> a. <i>The Authority requires the Contractor to deliver all Contract Tasking Reports, fulfilling the relevant Acceptance Criteria set out, or referred to, in Sections 4 and 5 of Schedule 2 (Statement of Requirement) and, in each case, within the relevant time periods set out in Sections 4 and 5 of of Schedule 2 (Statement of Requirement).</i> d) Delivery of Supporting Documentation <ul style="list-style-type: none"> a. <i>The Authority requires the Contractor to deliver all Supporting Documentation in each case, fulfilling the relevant Acceptance Criteria (including, any relevant DIDs) set out or referred to in Section 3 of Schedule 2 (Statement of Requirement) and, in each case, within the relevant time periods set out in Section 4.1 of Schedule 2 (Statement of Requirement).</i>
Reporting Frequency	Quarterly

Calculating the Performance Level	<p>The Contractor shall provide the Services detailed in this KPI Form 1. The frequency, demands, delivery times and other requirements for these Services are more particularly set out or referred to in Schedule 2 (Statement of Requirement). This KPI 1 will be measured by identifying the aggregate number of:</p> <ul style="list-style-type: none"> • responses to the Fault Investigations and Technical Queries that were due to be received from the Contractor in the relevant quarterly reporting period; and • Contract Tasking Reports and Supporting Documentation that were due to be received from the Contractor in the relevant quarterly reporting period; and then <p>The relevant Achieved Performance Level, shall be calculated using the following formula:</p> <p>Achieved Performance Level (AP) = $A/B \times 100\%$ where:</p> <p>B= is the aggregate number of responses to the Fault Investigations and Technical Queries that were due to be delivered by the Contractor in the relevant quarterly reporting period; plus the aggregate of those Contract Tasking Reports and Supporting Documentation that were due to be delivered by the Contractor in the relevant quarterly reporting period;</p> <p>A = is the aggregate number of responses to the Fault Investigations and Technical Queries that were delivered by the Contractor in the relevant quarterly reporting period; plus the aggregate of those Contract Tasking Reports and Supporting Documentation that were delivered by the Contractor in the relevant quarterly reporting period, and in all cases, which were delivered on or before the required timescale for delivery and, in all cases, which were Accepted by the Authority within that relevant quarterly reporting period</p> <p>For the avoidance of doubt, the Contractor's performance in response times and in full to the Authority in relation to all of the Services referred to in the second row of this KPI Form 1, will be calculated as a combined total for assessing the relevant Achieved Performance Level in each quarterly reporting period.</p>
Start of Quarterly Reporting Period (and first quarterly reporting period)	<p>First calendar day of each quarterly reporting period (other than the first quarterly reporting period following commencement of the Contract, which shall commence on the first calendar day of the Contract Period and which shall continue for the remainder of that month and for the following two whole months).</p>
End of Quarterly Reporting Period (and last quarterly reporting period)	<p>Last calendar day of each quarterly reporting period (other than the last quarterly reporting period, which shall commence on the first calendar day following the end of the previous quarterly reporting period and shall continue until the last day of the Contract Period).</p>
Measuring frequency	<p>Quarterly (subject to the provisions of the previous two rows of this KPI Form 1).</p>
Payment Withholds/Retentions	<p>In the event the Achieved Performance Level in any quarterly reporting period results in:</p> <p>an Amber (Requires Improvement):</p> <p style="padding-left: 40px;">a Temporary Payment Withhold (TPW) of 20% of the Quarterly Payment for Services will be made to the relevant or any subsequent Quarterly Payment.</p> <p>a Red (Inadequate):</p> <p style="padding-left: 40px;">Permanent Payment Retention (PPR) of 20% of the Quarterly Payment for Services will be made to the relevant or any subsequent Quarterly Payment</p> <p>(See this KPI Form 1 below and Table 2 (Performance Level Outcomes KPI 1) below).</p>

Performance Level	Performance Bandings – Identifying the Achieved Performance Level
A (Green) – Good	The Achieved Performance Level for the relevant quarterly reporting period will be A Green (Good) where the percentage, calculated in accordance with row 4 above, is greater than or equal to 90% (see Table 2 (Performance Level Outcomes KPI 1) below) .
B (Amber) – Requires improvement	The Achieved Performance Level for the relevant quarterly reporting period will be B Amber (Requires Improvement), where the percentage, calculated in accordance with row 4 above, is greater than or equal to 70% but is less than 90%.(see Table 2 (Performance Level Outcomes KPI 1) below)
C (Red) - Inadequate	The Achieved Performance Level for the relevant quarterly reporting period will be C Red (Inadequate), where the percentage, calculated in accordance with row 4 above, is less than 70% (see Table 2 (Performance Level Outcomes KPI 1) below).

- 3.1. Table 2 below sets out the range of possible performance level outcomes for each quarterly reporting period [Reporting Period] or task defined within the KPI 1.

KPI Performance Level	Performance Level Outcome
A - Green	No payment withholds
B - Amber	Temporary Payment Withhold (which may become a Permanent Payment Retention in the event subsequent performance is B (Amber) or C (Red) in subsequent months – See Table 3 (Payment Retention Example KPI 1))
C - Red	Permanent Payment Retention

Table 2: Performance Level Outcomes KPI 1

- 3.2. If the Contractor achieves Performance Level A (Green) for KPI 1, then the Authority shall classify the Contractor as achieving 'Good' performance and the Contractor may claim full payment for relevant quarterly reporting period.
- 3.3. If the Contractor achieves Performance Level B (Amber) for KPI 1, then the Authority shall classify the Contractor as performance 'Requires Improvement'. In the event the Contractor receives a performance classification of Level B (Amber) then the Authority enforce a Temporary Payment Withhold for the relevant quarterly reporting period. The Temporary Payment Withhold will be reviewed during the subsequent quarterly reporting period, and such Temporary Payment Withhold will become a Permanent Payment Retention (if, in the next quarterly reporting period, the Contractor achieves a Performance Level of B Amber (Requires Improvement) or a Performance Level C (Inadequate)), or, the Contractor may claim full payment for such Temporary Payment Withhold (in the event that the Contractor achieves a Performance Level of A Green (Good) in the next quarterly reporting period)..
- 3.4. In the event the Contractor receives a Performance Level of C Red (Inadequate) then the Authority make a Permanent Payment Retention for that quarterly reporting period.

- 3.5. Table 3 (Payment Retention Example KPI 1) below, provides examples of how the KPI 1 regime will operate where different Performance Levels are achieved in any consecutive quarters.

KPI Performance Level For KPI 1 during Quarter 2	KPI Performance Level KPI 1 during Quarter 3	Continuous Performance Assessment Outcomes
Green	Green	The Contractor may claim payment in full for the Quarterly Payments due for Quarter 2 and Quarter 3.
Amber	Green	The Contractor may claim the previously Temporary Payment Withhold for Quarter 2, together with the full Quarterly Payment due for Quarter 3.
Amber	Amber	The Authority shall permanently retain the Temporary Payment Withhold for Quarter 2 and the Authority shall make a Temporary Payment Withhold for Quarter 3.
Amber	Red	The Authority shall permanently retain the Temporary Payment Withhold for Quarter 2 and make a Permanent Payment Retentions for Quarter 3.
Red	Red	The Authority shall make Permanent Payment Retentions for Quarter 2 and Quarter 3.
Red	Amber	The Authority shall make Permanent Payment Retentions for Quarter 2 and the Authority shall make a Temporary Payment Withhold for Quarter 3.
Red	Green	The Authority shall make a Permanent Payment Retention for Quarter 2 and the Contractor may claim payment in full for the Quarterly Payment due for Quarter 3.

Table 3: Payment Retention Example KPI 1

4. KPI 2 SOCIAL VALUE

Key Performance Indicator (KPI) Form 2	
KPI Title	Social Value
Measures	KPI 2 measures the extent to which the Contractor is delivering on the environmental commitments it made in its response to DID 19 in accordance with Statement of Requirements Section 3.2.
Reporting Frequency	Quarterly
Achieved Performance formula	[To be populated prior to Contract Award]
Start	Environmental update provided by the Contractor to the Authority as part of its Contract Tasking Report on the last working Friday of that quarter.
Stop	Authority acceptance of the environmental update in the quarterly Contract Tasking Report Meeting.
Measuring Period	Quarterly
Payment Retention	Not applicable
Performance Level	Performance Target
A (Green) – Good	[To be populated prior to Contract Award]
B (Amber) – Requires Improvement	[To be populated prior to Contract Award]
C (Red) – Inadequate	[To be populated prior to Contract Award]