

Key Performance Indicators

	KPI	Measurement Method	Pass	Fail	Initial Remedy	Second Remedy in the event of failure of initial remedy to rectify issue
Delivery Against Programme						
1	Milestone Completion	Percentage of key programme milestones achieved on or before the agreed date	100%	<100%	Early warning issued in monthly review and Performance Improvement Plan/Tracker to be provided by contractor	Persistent failure triggers a formal non-compliance notification and/or contract review
2	Overall Completion Date	Practical completion achieved on or before contractual completion date	100%	<100%		Persistent failure triggers a formal non-compliance notification and/or contract review
3	Delay Notifications	Number of early warning notices issued within required timescales	0	One or more delay notifications		If the contractor fails to meet performance targets in two out of three monthly reviews within a quarter, a service credit of 30% will be applied at the end of the quarterly review
Quality						

4	First-Time Pass Rate	Percentage of works signed off as compliant with specification and without rework required	100%	<100%	Early warning issued in monthly review and Performance Improvement Plan/Tracker to be provided by contractor	If the contractor fails to meet performance targets in two out of three monthly reviews within a quarter, a service credit of 30% will be applied at the end of the quarterly review
5	Defects at Practical Completion	Number of defects outstanding at practical completion	0	>0		Persistent failure triggers a formal non-compliance notification and/or contract review
6	Rectification Period Compliance	Percentage of defects resolved within agreed rectification period	≥95%	<95%		If the contractor fails to meet performance targets in two out of three monthly reviews within a quarter, a service credit of 30% will be applied at the end of the quarterly review
Health and Safety Compliance						
7	Accident Frequency Rate	Zero RIDDOR-reportable incidents	0	>0	Early warning issued in monthly review and Performance Improvement Plan/Tracker to be provided by contractor	Persistent failure triggers a formal non-compliance notification and/or contract review
8	RAMS Compliance	Percentage of site inspections passed without significant non-compliance	≥95%	<95%		Persistent failure triggers a formal non-compliance notification and/or contract review

9	Inductions Completed	100% of operatives inducted before starting work	100%	<100%		Persistent failure triggers a formal non-compliance notification and/or contract review
Building Occupant Impact						
10	Complaints	Number of substantiated complaints resolved from building users	0	>0	Early warning issued in monthly review and Performance Improvement Plan/Tracker to be provided by contractor	If the contractor fails to meet performance targets in two out of three monthly reviews within a quarter, a service credit of 30% will be applied at the end of the quarterly review
11	Disruption Management	No unplanned disruption to business-critical operations	0	>0		Persistent failure triggers a formal non-compliance notification and/or contract review
12	Handover Documentation	100% of O&M manuals, warranties, and training provided in correct format without need for amendment on or before handover	100%	<100%		Persistent failure triggers a formal non-compliance notification and/or contract review

<p>Monthly and Quarterly Review - Formal review of KPIs each month and quarter with MRC and the Contractor, using submitted data and audits.</p>	<p>Performance Improvement Plan/Tracker - Contractor to submit Performance Improvement Tracker for improvement within 2 weeks of early warning issue. Agreed measures monitored and revisited in the next review.</p> <p>The Performance Improvement Tracker is subject to the approval of MRC. Within five working days of receipt of the PIT, MRC will confirm approval or request that a revised PIT is provided within a further five working days. Failure to implement the PIT and/or persistent failure to achieve KPI targets will be considered a breach of the Contractor's obligations under the contract.</p> <p>Where consistent missed targets occur, an early warning is issued. Persistent failure triggers a formal non-compliance notification.</p>	<p>Service Credits - Each quarter a maximum of 3% of the contract value is , is at risk. The 3% is allocated between only the KPI's with Service Credits .</p> <p>The Service Credit value will be taken off the next payment application that is submitted after the quarterly meeting, and the invoice will replicate this value.</p> <p>Where there is no KPI result available, then the KPI will not be liable for any Service Credit and will be deemed as a PASS. Those KPI's with Service Credits are weighted:</p> <p>KPI No 3 - 30% KPI No 4 - 30% KPI No 6 - 30% KPI No 10 - 10%</p>
---	--	--

Service Credit Calculation Example

KPI number	KPI	Weighting	Value at risk 3% of quarterly contract value	Target which triggers SC Below	Achieved	Pass/ Fail	Service Credit
3	Delay Notifications	30	£3,375	84.99%	87%	Pass	£0
4	First-Time Pass Rate	30	£3,375	79.99%	78%	Fail	£3,375
6	Rectification Period Compliance	30	£3,375	84.99%	78%	Fail	£3,375

10	Complaints	10	£1,125	3	2	Pass	£0
Total		100					£6,750

3% service credit on the Quarterly Contract Value	£11,250
The total contract value for the quarter is £1.5 million	£375,000