

## **Performance Related Payment of IDVS Contracts**

Decision making in payment of final 20% of contract value

Key information from contract:

- Pricing schedule for that lot is the starting basis for payment
- Payment will be subject to the submission of evidence of the contracted services being delivered for the previous Quarter (the monitoring form) at quarterly intervals
- Quarterly payments will not exceed 25% (or pro rata if termination falls part way through a Quarter) of the Annual Sum
- If the quarterly evidential service monitoring shows that the level of service **is not fully commissioned to the targets agreed**, the Council will monitor the **take up on a monthly basis for the following full Quarter following the period of under usage**.
- If the under usage continues the contracted service targets will be reviewed with a view to reducing the level of service purchased with a commensurate price reduction. This variance will be applicable from the 3rd Quarter following two Quarters of **under usage**
- early notification of possible underspend should be made to the Council's contract monitoring officer and a formal request, together with rationale, made if the Service Provider wishes to make a case for retaining the underspend. This must be submitted alongside performance reports and will not be considered if received after that deadline
- The payments will be made on receipt of **evidential** information with invoice on the following basis;

<b>Assessment of compliance payment</b>	<b>Payment</b>	<b>Interpretation</b>	<b>Proposal for approval</b>
Compliance	20%	Satisfies the <b>performance requirement</b> , with evidence to support and no underspend against projected budget.	<p>Gains overall score of 7,8 or 9 out of a maximum total available of 9 marks based on:</p> <ul style="list-style-type: none"> <li>1) The performance against output targets (3), outcome targets (3) given in the monitoring worksheet and</li> <li>2) The rationale given in monitoring submissions for under achievement (3)</li>   <li>• Scores on performance are based on the percentage of areas of negative variance (of more than 10%). If monitoring submissions show 50%+ of areas showing negative variance there will be a score of 1. 15%-49% will score 2. If less than 15% of performance areas show negative variance there will be a score of 3</li>   <li>• The rationale given for under performance will be scored 3 if considered acceptable; 2 if there are considerable reservations and/or little evidence and 1 if compliance has not been met and/or there is insufficient information provided and/or reasons are considered unacceptable. Considered within this is also the fact that contracts started one month behind schedule.</li> </ul> <p><b>Also:</b></p> <ul style="list-style-type: none"> <li>• Actual annual spend meets projected annual spend as submitted in the pricing schedule of the tender submission</li> <li>• Only actual spend will be paid, and not in excess of projected spend</li> <li>• A formal request to retain any forecast underspend is made and submitted for consideration alongside the performance reports (it will not be considered after that deadline)</li> </ul>
Partial Compliance	10%	Only partially satisfies the requirement.  Considerable reservations of the organisation's performance, with	Gains overall score of 4,5 or 6 as above

		<b>little evidence to justify</b> the response and/ or underspends against the projected budget.	
Non-compliance	0%	Does not meet the requirement. <b>Does not comply and/or insufficient information provided</b> to demonstrate that the provider has met the agreed performance or given acceptable reason why it could not be expected to be met and underspends against the projected budget.	Gains overall score of 1,2 or 3 as above