

# **PAN 2239 Public Lighting, Signs, Street Furniture and Festive Decorations Maintenance and Installation Contract - Performance Management Framework**

## **1 Introduction**

- 1.1 The Performance Management Framework has been developed by the Authority through the procurement process. All the Key Performance Indicators (KPIs) are based around the needs and aspirations of the Authority to deliver its strategic objectives and to deliver a high quality, responsive service to its customers.
- 1.2 The Contractor shall ensure that all organisation's working on their behalf are fully conversant with the KPI's for this Contract.
- 1.3 The Authority reserves the right to adjust, introduce new or remove KPIs throughout the term of the Contract. Any such adjustments or new KPI's however will be for monitoring purposes only.

## **2 Performance Management Meetings**

- 2.1 Contractors shall be required to attend regular Performance Management meetings at the Authority's designated office. The schedule and location of these meetings shall be agreed with Contractors during mobilisation. The frequency shall be determined by the Engineer.
- 2.2 The performance of each KPI shall be discussed at each Performance meeting.

## **3 Management Information, Key Performance Indicators and Service Credits**

- 3.1 Management Information (MI) shall be collected as per the reporting arrangements set out in section 8. KPI details are used to generate KPIs as detailed below.
- 3.2 KPIs shall form the basis of the discussion at the Performance Management Meetings.
- 3.3 The Contractor's performance against the Contract shall be assessed based on the performance bands given in the summary table shown below and Service Credits shall be applied when performance falls below those standards and into the Red Performance Band.
- 3.4 Where a Contractor's performance against any one KPI falls within the Green Performance Band, no action shall be taken as this is the expected level of performance.
- 3.5 Where a Contractor's performance against any one KPI falls within the Amber Performance Band, monitoring action shall be taken until the performance meets the expected level.
- 3.6 Where a Contractor's performance against any one KPI falls within the Red Performance Band, Service Credits shall be applied, and Default Notice shall be issued as detailed below in section 5.
- 3.7 Where a Contractor's performance against any one KPI falls within the Amber Performance Band in two consecutive months, or three times in any 12-month period, this shall constitute performance falling within the Red Performance Band.

## 4 Service Credits

- 4.1 Each KPI is assigned a weighting that is used for the calculation of a Service Credit.
- 4.2 The Service Credit Value of each KPI is given on the Performance Criteria sheet of the Measurement workbook and is calculated as follows:

$$\text{Maximum Monthly SC} = \frac{\text{Estimated Annual Value of Contract}}{12} \times \text{Monthly SC Cap\%}$$

$$\text{KPI SC Value} = \text{Maximum Monthly SC} \times \text{KPI Weighting \%}$$

- 4.3 Where a Contractor's performance against any one or more KPI falls within the Red Performance Band they shall submit their monthly invoice together with the Service Credit due.

## 5 Underperformance Procedures

- 5.1 Where a Contractor's performance against any one KPI falls within the Red Performance Band (including the cumulative effect of Amber performance bands), the Engineer shall give written Default Notice to the Contractor of the issues identified. For the avoidance of doubt this action is in addition to the application of a Service Credit.
- 5.2 The Contractor shall then have five (5) working days to deliver a written report to the Engineer, providing the following information:
- i) An explanation of the causes of the problems identified in the notice; and
  - ii) A Rectification Plan addressing each issue identified in the notice; giving the actions that shall be taken to resolve each issue and including a time line for implementation.
- 5.3 Where the Contractor fails to provide this report within the five (5) working days, the Engineer may, at their absolute discretion and by written notice, place the Contractor in Special Measures as per section 6 below.
- 5.4 The Engineer may require such changes to the Rectification Plan as are reasonable to address the issues identified; once approved by the Engineer, the Contractor shall then implement the Rectification Plan within the indicated timescales.
- 5.5 If the actions set out in the Rectification Plan are not achieved within the timescales laid out in the plan, and the continuing failure is a result of material non-performance by the Contractor of actions set out in the plan, the Engineer may, at their absolute discretion and by written notice, place the Contractor in special measures;
- 5.6 Where a Contractor incurs three or more Default Notices during a 12-month period, the Engineer may, at their absolute discretion and by written notice, place the Contractor in special measures.
- 5.7 If the Contractor fails to meet the agreed achievement targets for the KPIs or to show improvements following the application of the stated remedies the Authority reserves the

right to terminate the Contract and/or to purchase from an alternative source and further terminate the Contract.

## **6 Special Measures**

- 6.1 Special Measures shall be instigated by the Engineer informing the Contractor, in writing, of the following:
  - i) That they have been placed in Special Measures; and
  - ii) The reason(s) why they have been placed in Special Measures.
- 6.2 Whilst in Special Measures, the Contractor may not be invited to provide a price for direct awards until the Engineer removes them from Special Measures.
- 6.3 On being placed in Special Measures, the Contractor shall have five working days to deliver a written report to the Engineer, providing the following information:
  - i) An explanation of the causes of the problems identified that led to being placed in Special Measures;
  - ii) A Rectification Plan addressing these issues and including a timeline for implementation.
- 6.4 The Engineer may require a suitable representative of the Contractor, including where deemed necessary a Director or Partner, to attend an Extraordinary Performance Management meeting to discuss the issues leading to having been placed in Special Measures.
- 6.5 When the Engineer is sufficiently satisfied, at their absolute discretion, that the issues leading to Special Measures have been adequately addressed, the Contractor shall be notified in writing that they have been removed from Special Measures.
- 6.6 Should the Contractor be unable to resolve the issue to the satisfaction of the Engineer within a reasonable period then the Engineer shall, at their absolute discretion, be entitled to terminate the Contractor's appointment to the Contract.

## 7 Key Performance Indicators: Summary Table

| KPI Number | KPI Name   | Targets              |                            |                     |
|------------|--|----------------------|----------------------------|---------------------|
| KPI 1      | Emergencies responded to on time   | ≤90%                 | 80-89%                     | <80%                |
| KPI 2      | Faults completed on time   | ≤90%                 | 80-89%                     | <80%                |
| KPI 3      | Works Orders completed on time   | ≤90%                 | 80-89%                     | <80%                |
| KPI 4      | Sunday Works completed on time   | ≤80%                 | 70-79%                     | <70%                |
| KPI 5      | Percentage of Street Lights Working as Intended  | 95%                  |                            |                     |
| KPI 6      | Average time that DNO takes to restore a normal supply   | 25 working days      |                            |                     |
| KPI 7      | Number of Contractors requests for extensions presented per month                              | 20 per month         |                            |                     |
| KPI 8      | Fixed Penalty Notices identified by permits  | ≤80%                 | 70-79%                     | <70%                |
| KPI 9      | Fixed Penalty Notices identified during Category A Defects                                     | ≤90%                 | 80-89%                     | <80%                |
| KPI 10     | Health & Safety:<br>Incidents, Accidents and Near Misses<br>RIDDOR                             | 0<br>0               | 1-4<br>1-2                 | ≥5<br>≥3            |
| KPI 11     | Health & Safety – Days lost due to accidents   | 0                    | 1-9                        | ≥10                 |
| KPI 12     | Environmental – Percentage of waste sent for recycling;<br>WEEE<br>Steel<br>Construction Waste | 100%<br>100%<br>≥80% | 99-80%<br>99-80%<br>79-70% | <79%<br><79%<br><69 |
| KPI 13     | Environmental – Carbon Footprint   | For information only |                            |                     |
| KPI 14     | Social Value – Apprenticeships / Trainees  | 1                    |                            |                     |
| KPI 15     | Social Value – STEM Days   | 5                    |                            |                     |

## 8 Key Performance Indicators detail

| <b>KPI 1</b>                  |    | <b>Emergencies responded to on time</b>   |
|-------------------------------|----|---|
| Measure requirement           |    | Number of emergencies arrived to on time  |
| Date to be collected          |    | Monthly, on a date to be agreed during mobilisation   |
| Measure calculation           |    | Total no. of instances where the Contractor completed the emergency within the agreed time divided by<br>Total no. of site visits arranged<br>Shown as a percentage |
| Reporting arrangements        |    | Engineer to run report on the day agreed during mobilisation  |
| Frequency                     |    | Monthly   |
| Green standard of performance | of | 90%   |
| Amber standard of performance | of | 80-89%  |
| Red standard of performance   | of | <80%  |

| <b>KPI 2</b>                  |    | <b>Fault jobs completed on time</b>   |
|-------------------------------|----|---|
| Measure requirement           |    | Contractor completing fault jobs within the timescale set out in the fault  |
| Date to be collected          |    | Monthly, on a date to be agreed during mobilisation   |
| Measure calculation           |    | Total no. of instances where the Contractor completed the fault job within the agreed time divided by<br>Total no. of site visits arranged<br>Shown as a percentage |
| Reporting arrangements        |    | Engineer to run report on the day agreed during mobilisation  |
| Frequency                     |    | Monthly   |
| Green standard of performance | of | 90%   |
| Amber standard of performance | of | 80-89%  |
| Red standard of performance   | of | <80%  |

| <b>KPI 3</b>                  | <b>Works Orders completed on time</b>  |
|-------------------------------|--|
| Measure requirement           | Contractor completing work orders within the timescale set out in the work order   |
| Date to be collected          | Monthly, on a date to be agreed during mobilisation  |
| Measure calculation           | Total no. of instances where the Contractor completed the work order within the agreed time divided by<br>Total no. of site visits arranged<br>Shown as a percentage |
| Reporting arrangements        | Engineer to run report on the day agreed during mobilisation   |
| Frequency                     | Monthly  |
| Green standard of performance | 90%  |
| Amber standard of performance | 80-89%   |
| Red standard of performance   | <80%   |

| <b>KPI 4</b>                  | <b>Sunday Works</b>  |
|-------------------------------|--|
| Measure requirement           | Contractor arriving at site within the timescale set out in the Sunday Faults  |
| Date to be collected          | Monthly, on a date to be agreed during mobilisation  |
| Measure calculation           | Total no. of instances where the Contractor completed Sunday works within the agreed time divided by<br>Total no. of site visits arranged<br>Shown as a percentage |
| Reporting arrangements        | Engineer to run report on the day agreed during mobilisation   |
| Frequency                     | Monthly  |
| Green standard of performance | 80%  |
| Amber standard of performance | 70-79%   |
| Red standard of performance   | <70%   |

| <b>KPI 5</b>                  | <b>Percentage of Street Lights working as intended</b>  |
|-------------------------------|---|
| Measure requirement           | What percentage of streetlights are working as they should do   |
| Date to be collected          | Monthly, on a date to be agreed during mobilisation   |
| Measure calculation           | Number of dark faults raised<br>Divided by<br>Total number of streetlights<br><br>Shown as a percentage |
| Reporting arrangements        | Engineer to run report on the day agreed during mobilisation  |
| Frequency                     | Monthly   |
| Green standard of performance | 95% For information only – No Service Credit applied  |

| <b>KPI 6</b>                  | <b>Average time that DNO takes to restore a normal supply</b>   |
|-------------------------------|---|
| Measure requirement           | DNO arriving at site within the timescale agreed  |
| Date to be collected          | Monthly, on a date to be agreed during mobilisation   |
| Measure calculation           | Total no. of instances where the DNO completed the fault within the agreed time<br>divided by<br>Total no. of site visits arranged<br>Shown as a percentage |
| Reporting arrangements        | Engineer to run report on the day agreed during mobilisation  |
| Frequency                     | Monthly   |
| Green standard of performance | 25 working days. For information only – No Service Credit applied   |

| <b>KPI 7</b>                  | <b>Number of Contractors Requests for Extensions presented</b>                    |
|-------------------------------|---|
| Measure requirement           | How many extensions have the Contractor requested due to unforeseen circumstances |
| Date to be collected          | Monthly, on a date to be agreed during mobilisation                               |
| Measure calculation           | Total number of requests  |
| Reporting arrangements        | Report submitted by the Contractor to the Engineer                                |
| Frequency                     | Monthly   |
| Green standard of performance | 20 per month. For information only – No Service Credit applied                    |

| <b>KPI 8</b>                  | <b>Fixed Penalty Notices (FPN's) identified by permits</b>               |
|-------------------------------|--|
| Measure requirement           | How many FPN's have been picked up by NRSWA team                         |
| Date to be collected          | Quarterly, on a date to be agreed during mobilisation                    |
| Measure calculation           | All FPN's<br>Divided by<br>All Notifiable Jobs<br><br>Shown as a %       |
| Reporting arrangements        | Information provided by Leicester City Council's Traffic Operations Team |
| Frequency                     | Quarterly  |
| Green standard of performance | 80%  |
| Amber standard of performance | 70-79%   |
| Red standard of performance   | <70%   |

| <b>KPI 9</b>                  | <b>Fixed Penalty Notices identified during Category A Defects</b>        |
|-------------------------------|--|
| Measure requirement           | How many FPN's have been picked up by NRSWA team                         |
| Date to be collected          | Quarterly, on a date to be agreed during mobilisation                    |
| Measure calculation           | All FPN's<br>Divided by<br>All Notifiable Jobs<br><br>Shown as a %       |
| Reporting arrangements        | Information provided by Leicester City Council's Traffic Operations Team |
| Frequency                     | Quarterly  |
| Green standard of performance | 90%  |
| Amber standard of performance | 80-89%   |
| Red standard of performance   | <80%   |



| KPI 10                        |  | Health & Safety – Incidents Accidents, Near Misses and RIDDOR |  |
|-------------------------------|--|---|--|
| Measure requirement           | Measure the Contractor to ensure they are operating in adherence to Health & Safety regulations and operating a safe workplace |   |  |
| Date to be collected          | Quarterly  |   |  |
| Measure calculation           | Total no. of: <ul style="list-style-type: none"> <li>• Accidents/incidents</li> <li>• near misses</li> <li>• RIDDOR</li> </ul> |   |  |
| Reporting arrangements        | Contractor to submit response by date agreed in mobilisation meeting   |   |  |
| Frequency                     | Quarterly  |   |  |
| Type                          | Incidents, Accidents and Near Misses   | RIDDOR  |  |
| Green standard of performance | 0  | 0   |  |
| Amber standard of performance | 1-4  | 1-2   |  |
| Red standard of performance   | ≥5   | ≥3  |  |

| KPI 11                        |   | Health & Safety – Days lost due to accidents |  |
|-------------------------------|---|--|--|
| Measure requirement           | How many days have been lost due to accidents   |  |  |
| Date to be collected          | Quarterly   |  |  |
| Measure calculation           | <u>Actual</u> annual full-day equivalent working days lost due to illness ascribed and/or injury sustained in relation to work. |  |  |
| Reporting arrangements        | Contractor to submit response by date agreed in mobilisation meeting  |  |  |
| Frequency                     | Quarterly   |  |  |
| Green standard of performance | 0   |  |  |
| Amber standard of performance | 1-9   |  |  |
| Red standard of performance   | ≥10   |  |  |

| <b>KPI 12</b>                 |  | <b>Environmental – Percentage of waste sent for recycling</b> |                    |  |
|-------------------------------|--|---|--------------------|--|
| Measure requirement           | Percentage of material waste sent for recycling                                      |   |                    |  |
| Date to be collected          | Bi-Annually  |   |                    |  |
| Measure calculation           | Estimate of recycling from Waste Transfer or Consignment Note, Shown as a percentage |   |                    |  |
| Reporting arrangements        | Contractor to submit response by date agreed in mobilisation meeting                 |   |                    |  |
| Frequency                     | Bi-Annually  |   |                    |  |
| Type                          | WEE  | Steel   | Construction Waste |  |
| Green standard of performance | 100%   | 99-80%  | <79%               |  |
| Amber standard of performance | 100%   | 99-80%  | <79%               |  |
| Red standard of performance   | >80%   | 79-70%  | <69%               |  |

| <b>KPI 13</b>                 |   | <b>Environmental – Carbon Footprint</b> |  |  |
|-------------------------------|---|---|--|--|
| Measure requirement           | Carbon Footprint of Vehicles used   |   |  |  |
| Date to be collected          | Bi-Annually   |   |  |  |
| Measure calculation           | Recording all fuel usage, converted into carbon emissions by multiplying them via the conversion factors for each type of fuel used |   |  |  |
| Reporting arrangements        | Contractor to submit response by date agreed in mobilisation meeting  |   |  |  |
| Frequency                     | Bi-Annually   |   |  |  |
| Green standard of performance | For information only  |   |  |  |

| <b>KPI 14</b>                 |  | <b>Social Value – Apprenticeships / Trainees</b> |  |  |
|-------------------------------|--|--|--|--|
| Measure requirement           | How many apprenticeships / trainees has the Contractor set on                                |  |  |  |
| Date to be collected          | Bi-Annually  |  |  |  |
| Measure calculation           | Has the Contractor achieved all their Social Value commitments as set out in their contract? |  |  |  |
| Reporting arrangements        | Report submitted by the Contractor to the Engineer - Completed by the Contract Manager       |  |  |  |
| Frequency                     | Bi-Annually  |  |  |  |
| Green standard of performance | For Information Only - No Service Credit applied:<br>1 x New Apprentice                      |  |  |  |

| <b>KPI 15</b>                 |   | <b>Social Value – STEM Days / Work Placements</b> |  |  |
|-------------------------------|---|---|--|--|
| Measure requirement           | How many STEM days has the Contractor attended / arranged   |   |  |  |
| Date to be collected          | Bi-Annually   |   |  |  |
| Measure calculation           | Has the Contractor achieved all their Social Value commitments as set out in their contract?  |   |  |  |
| Reporting arrangements        | Report submitted by the Contractor to the Engineer  |   |  |  |
| Frequency                     | Bi-Annually   |   |  |  |
| Green standard of performance | For information only - No Service Credit applied:<br>4 x Work Experience Placements<br>1 x Construction curriculum support activities |   |  |  |

## Definitions

Lot – Estimated Annual Value of Lot – the estimated annual spend on an individual Lot within this framework

Monthly Value – The Estimated Annual Value divided by twelve (12) to give a monthly estimate

Service Credit – The amount of credit applied by the Contractor against monies due to the Authority to reflect the failure in achieving the performance standard set out in the contract.

Service Credit Cap – The maximum amount of Service Credit that can be applied

Management Information – The information collected to measure performance of a contract

Key Performance Indicator – The standards required to be met for specific key areas of the contract.

Service Period – the reporting period, as specified, normally monthly but quarterly or annually where appropriate