

## **KEY PERFORMANCE INDICATORS (KPIs)**

**To be read in conjunction with all other Tender Documents**

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## PART 1: INTRODUCTION

Reference to Order in this document shall in all cases mean Sectional Commencement Agreements (SCA), unless otherwise stated.

### 1. Purpose of the KPIs

In this Project Partnering Contract, Key Performance Indicators (“KPIs”) are used for the following purposes:

- to monitor performance of the Works, with a view to both the Client and Constructor having data which they will review so that each of them can bring forward suggestions for the improvement of the performance of the Contract and the delivery of the Programme;
- to incentivise the Constructor's performance, as the KPI performance for each Order is taken into account in deciding whether to issue any subsequent Orders.
- to identify performance below the required performance Targets that will require the Constructor to produce an Action Plan; and
- to identify performance that is below the minimum standard that will trigger the Client's rights to terminate the Constructor 's appointment under this Project Partnering Contract.

### 2. Issuing additional Orders

The Constructor's performance shall be kept under regular review and will be used to form the basis for issuing subsequent Orders in the following manner:

- i) The Term is for a period of up to 2 years. Within this period, where the Constructor's performance for an Order has met the required standards as set out in this KPI document, the Constructor may be issued further Orders where available.

The Client intends to award subsequent Orders subject to:

- i) the availability of funding
- ii) the Client's continued ownership of the relevant stock
- iii) evidence that the Constructor continues to discharge all of its obligations in accordance with the contract documents
- iv) performance against the KPIs
- v) evidence of performance against the Constructor's Quality Assessment responses/ Quality Submission Requirements.

For the avoidance of doubt iii) includes but is not limited to the following, Duty of Care, Cost Control in relation to the established Agreed Maximum Price, Early Warning System, overall Contract Management, Change Control, Risk Management, Project Completion and Support, and Problem Solving and Dispute Avoidance or Resolution.

The Constructor 's actual performance in contract in relation to its response to the Quality Assessment within its Tender shall also be taken into consideration when deciding whether to issue additional Orders e.g. Resident Engagement, Quality Control and Social Value and Sustainability etc

The Client will continue to review the rationale, justification and business case for the programme/works and at its sole discretion may increase, decrease or adjust the volume of work or cease the programme and all future Orders entirely.

The Constructor shall not have a claim against the Client (whether under contract, statute, tort or otherwise) for any consequential or indirect loss or any actual or expected loss of profit, loss of revenue, loss of goodwill or loss of opportunity except under the provisions of the relevant Project Partnering Contract.

- ii) The KPI Reviews will take place on or immediately after the first calendar day of the month following the programme start date for installs in the Order. For example, where the programme install start date is 20th March, the first KPI Review will take place on 1st April of that calendar year (the **First KPI Review**). Each KPI Review will take place on a monthly basis following the First KPI Review.

iii) On or immediately following the completion of the Order, the Core Group shall assess the performance of the Constructor for the Order in accordance with this KPI document (each an **Order Review**).

iv) The Monthly KPI Reviews will be used as a guide to assess whether the Constructor is likely to meet the KPI targets for the Order Review and to determine whether a 4A Order Pre-Contract Activities should be issued for any subsequent Order.

### 3. Target Standards and MAP Standards

i) There are a total of 5 KPIs, which are reported monthly. For the purposes of the reviews to decide on issuing new Orders, the Constructor 's performance for each KPI will be reviewed based on its performance over the previous Order, in accordance with the formulae set out in this KPI document.

ii) All KPIs are assessed as follows (and as described in more detail in Part 5 of this KPI document):

- a. Green is performance at or above the Target,
- b. Amber is performance above the Minimum Acceptable Performance Standard (MAP Standard) but not at the Target Standard; and
- c. Red is performance below the Minimum Acceptable Performance (**MAP**)

iii) For any KPI Review, the Constructor is required to achieve the following standards:

- a. The Target Standard (Green) must be achieved on the minimum number of KPIs set out in the Summary Table below (depending on the number of KPIs assessed during the relevant KPI Review); and
- b. Amber scores (achieves the MAP Standard but does not achieve the Target) can be accrued on up to the maximum number of KPIs set out in the Summary Table below but must not exceed this number; and
- c. No Red scores (less than MAP Standard) must be achieved against any KPI.

iv) Where, as part of any KPI Review, there is no data against a particular KPI, it will be considered 'not applicable'.

v) The Client reserves the right to consider mitigating circumstances in any poor performance, which are demonstrably outside of the Constructor's control.

#### Summary Table:

No. of Assessed KPIs	Green (Target Standard)	Amber (MAP Standard achieved but Target Standard not achieved)	Red (less than MAP Standard)
Up to 5 KPIs assessed	All but 1, and must include KPI 1 and 5 where assessed	Maximum of 1, but not KPIs 1 and 5 where assessed	None

KPIs

KPI 1	Installs per Week									
<b>Purpose</b>	To assess the number of completed installs per week by means of a running average and measure the Constructor 's productivity.									
<b>Definition</b>	The proportion of the total number of installs completed, measured from the programme start date for installs, relative to the target set as agreed on contract award, dependent on market supply but minimum 50 per week.									
<b>Method</b>	$\frac{\text{Total No. of installs completed}}{\text{Target No. of installs per week} \times \text{Number of Weeks of Installation}} \times 100\%$ <p style="text-align: right;">(Note: Target to be agreed on contract award)</p>									
<b>Targets and Minimum Acceptable Performance levels</b>	<table border="1" data-bbox="507 907 1109 1010"> <thead> <tr> <th></th> <th>Target</th> <th>MAP</th> </tr> </thead> <tbody> <tr> <td>First Order</td> <td>85 %</td> <td>70 %</td> </tr> <tr> <td>Subsequent Orders</td> <td>100 %</td> <td>85 %</td> </tr> </tbody> </table> <p>Targets and MAP levels may be revised by agreement between the Client and the Constructor .</p> <p>The Client reserves the right to omit pilot property weeks in the programme from the requirements of this target. The Client may also stop measuring this target towards the end of the programme where the final 'difficult to access' properties are being completed.</p>		Target	MAP	First Order	85 %	70 %	Subsequent Orders	100 %	85 %
	Target	MAP								
First Order	85 %	70 %								
Subsequent Orders	100 %	85 %								
<b>Example</b>	<p>In week 7 of the programme, the Constructor completed 61 installs, bringing the total installed to 446. A target number of say 75 installs was agreed on contract award.</p> $\frac{446}{75 * 7} = 85\%$ <p>Therefore, for the first Order the Target was achieved, but for any subsequent ones only the MAP was achieved.</p>									
<b>Measurement Period</b>	<p>Weekly</p> <p>Cumulative figures per Order are also to be provided.</p>									
<b>Reporting interval</b>	<p>Monthly</p> <p>(Note: trackers of installations are to be provided weekly, but formal KPI reporting and review is monthly)</p>									
<b>Collection of data</b>	Client and Constructor									
<b>Data processor</b>	Client									

<b>KPI 2</b>	<b>Customer Satisfaction – overall</b>											
<b>Purpose</b>	To determine the overall level of Customer satisfaction with the Works.											
<b>Definition</b>	How satisfied the Customer was with the Works and overall Customer service provided by the Constructor , as assessed from specific questions in the Customer Satisfaction Questionnaire (the Questionnaire), using a 1 to 10 scale, where 10 means "Totally satisfied", with the figure being expressed as a percentage.											
<b>Method</b>	<p>After each Order the Client will send to the Customer the applicable Questionnaire form at Appendix A. Questionnaires will be issued by text, or post, or by call to an independent officer.</p> <p>The KPI measures the average of the scores for questions 4 &amp; 5 from the Questionnaire at Appendix A from all questionnaires received during the Measurement Period for each Order.</p> <p>For monitoring purposes KPI performance is also to be measured cumulatively for all questionnaires received per Order.</p>											
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	<b>Target</b>	<b>MAP</b>										
<b>First Order</b>	<b>75 %</b>	<b>65 %</b>										
<b>Subsequent Orders</b>	<b>85 %</b>	<b>70 %</b>										
<b>Example</b>	<p>At the end of each month, using the example questionnaire (see Appendix A), the average Customer satisfaction with the completed Works, as determined from the specified questions in the returned Questionnaires is at 8.7 out of 10. The performance score is therefore 87%.</p> <p>If the MAP is 70% and the Target is 85%, both the MAP and Target have been achieved.</p>											
<b>Measurement Period</b>	<p>Weekly.</p> <p>Cumulative figures per Order are also to be provided.</p>											
<b>Reporting interval</b>	Monthly											
<b>Collection of data</b>	Client											
<b>Data processor</b>	Client											

<b>KPI 3</b>	<b>Appointments Kept</b>										
<b>Purpose</b>	<b>Why the KPI is being measured</b> To determine the degree that appointments for installs and surveys are being kept.										
<b>Definitions</b>	<b>Define the measurement</b> Install and survey appointments are deemed kept if the Constructor attended during the AM or PM slot agreed with the resident.  No access results will not be measured under this KPI provided no access procedure followed.										
<b>Method</b>	<b>How KPI measured</b> The Constructor is to issue a report highlighting all missed appointments and total number of survey and install appointments completed. Appointments kept expressed as a proportion of total appointments.										
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	<b>Target</b>	<b>MAP</b>									
<b>First Order</b>	<b>95%</b>	<b>90 %</b>									
<b>Subsequent Orders</b>	<b>98%</b>	<b>95 %</b>									
<b>Example</b>	In a particular week, the Constructor kept 97 survey and install appointments. A total of 100 survey and install appointments were made.  $97 / 100 = 97\%$  Therefore, for the first Order the Target was achieved, but for any subsequent ones only the MAP was achieved.										
<b>Measurement Period</b>	Weekly.  Cumulative figures per Order are also to be provided.  The Constructor shall also provide a list of the survey and install addresses weekly to the Client's Customer Relationship Officer for verification.										
<b>Reporting interval</b>	Monthly										
<b>Collection of data</b>	Client and Constructor										
<b>Data processor</b>	Client										

<b>KPI 4</b>	<b>Client Handover Pass Rate</b>									
<b>Purpose</b>	To determine the proportion of Installs that pass a Clerk of Works handover on the first visit. Aim is to improve productivity and reduce disruption.									
<b>Definition</b>	The % of handover inspections which pass relative to the total number of handover inspections. A handover inspection is required for each door.									
<b>Method</b>	<p>Upon completion of a door installation, the Constructor is to request a Clerk of Works inspection. The Clerk of Works will inspect, note snags and determine if the level and type of snag is minimal enough to pass the inspection and allow the Client to take handover of the door as completed to the required standard.</p> <p>Performance =</p> $\frac{\text{No. Handover Inspections Passed}}{\text{No. Handover Inspections Carried Out}} \times 100\%$									
<b>Targets and Minimum Acceptable Performance levels</b>	<table border="1"> <thead> <tr> <th></th> <th><b>Target</b></th> <th><b>MAP</b></th> </tr> </thead> <tbody> <tr> <td><b>First Orders</b></td> <td><b>90 %</b></td> <td><b>85 %</b></td> </tr> <tr> <td><b>Subsequent Orders</b></td> <td><b>95 %</b></td> <td><b>90 %</b></td> </tr> </tbody> </table> <p>Targets and MAP levels may be revised by agreement between the Client and the Constructor .</p>		<b>Target</b>	<b>MAP</b>	<b>First Orders</b>	<b>90 %</b>	<b>85 %</b>	<b>Subsequent Orders</b>	<b>95 %</b>	<b>90 %</b>
	<b>Target</b>	<b>MAP</b>								
<b>First Orders</b>	<b>90 %</b>	<b>85 %</b>								
<b>Subsequent Orders</b>	<b>95 %</b>	<b>90 %</b>								
<b>Example</b>	<p>In a particular week, the Constructor completed 32 doors and requested handover inspections on these. The Clerk of Works passed 27 of these inspections on a first visit.</p> <p><math>27 / 32 = 84\%</math></p> <p>Therefore, for the first Order the Target was achieved, but for any subsequent ones only the MAP was achieved.</p>									
<b>Measurement Period</b>	<p>Weekly</p> <p>Cumulative figures per Order are also to be provided.</p>									
<b>Reporting interval</b>	Monthly									
<b>Collection of data</b>	Client									
<b>Data processor</b>	Client									



KPI 5	Safety - Client Health and Safety Inspections									
<b>Purpose</b>	To assess the suitability of the Constructor's Health and Safety ( <b>H&amp;S</b> ) standards, control measures, training, and compliance while Works are on site.									
<b>Definition</b>	<p>The proportion of inspections carried out by the Client Resident Safety team within a Measurement Period which pass.</p> <p>OR</p> <p>The average mark of inspections carried out by the Client Resident Safety team within a Measurement Period.</p>									
<b>Method</b>	$\frac{\text{No. Inspections Passed}}{\text{No Inspections Carried Out}} \times 100\%$ <p>OR</p> <p>Average Result of Inspection Results within the Measurement Period</p>									
<b>Targets and Minimum Acceptable Performance levels</b>	<table border="1" data-bbox="507 1160 1441 1263"> <thead> <tr> <th></th> <th>Target</th> <th>MAP</th> </tr> </thead> <tbody> <tr> <td><b>First Orders</b></td> <td><b>85 %</b></td> <td><b>75 %</b></td> </tr> <tr> <td><b>Subsequent Orders</b></td> <td><b>90 %</b></td> <td><b>80 %</b></td> </tr> </tbody> </table>		Target	MAP	<b>First Orders</b>	<b>85 %</b>	<b>75 %</b>	<b>Subsequent Orders</b>	<b>90 %</b>	<b>80 %</b>
	Target	MAP								
<b>First Orders</b>	<b>85 %</b>	<b>75 %</b>								
<b>Subsequent Orders</b>	<b>90 %</b>	<b>80 %</b>								
<b>Example</b>	<p>In a particular week, the Client Resident Safety team undertook 4 inspections. The inspector passed 3 of these visits</p> <p><math>3 / 4 = 75\%</math></p> <p>Therefore, for the first Order the MAP was achieved, but for any subsequent Orders it wasn't.</p>									
<b>Measurement Period</b>	<p>Weekly</p> <p>Cumulative figures per Order are also to be provided..</p>									
<b>Reporting interval</b>	Monthly									
<b>Collection of data</b>	Client									
<b>Data processor</b>	Client									

**Appendix A - Example Customer Satisfaction Questionnaire for Front Entrance Door Programme**

To help us improve our service to you, we would be grateful if you could fill in this short questionnaire.

**Part A: About the Works**

**1. How satisfied were you with the service provided by the Hackney Council’s staff who communicated with you before the work started?**

* Totally dissatisfied			Neither satisfied nor dissatisfied				* Totally satisfied		
1	2	3	4	5	6	7	8	9	10

**Part B: About the Works**

**2. Was an appointment made for this work to be carried out?**

**Yes**  Go to question 4      **No**  Go to question 5

**3. If yes, did [Name of Contractor] arrive when you were told they would?**

**Yes**       **No**

**4. How satisfied were you with the finished work?**

* Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

**5. How satisfied were you that [Name of Contractor]’s staff were polite, courteous, minimised noise and disruption and kept their work areas safe and tidy?**

* Totally dissatisfied			Neither satisfied nor dissatisfied				Totally satisfied		
1	2	3	4	5	6	7	8	9	10

**Appendix A - Example Customer Satisfaction Questionnaire for Major Works (Page 2 of 2)**

**Part C: About the work overall**

**6. Do you have any other comments about the work that was carried out and the service you received?** (We are especially interested in suggestions of how we can improve our service to you)

Thank you for your time and help.  
Please return the questionnaire in the Freepost envelope provided

**IMPORTANT NOTE: Users of this questionnaire should ensure that it is accessible to all their Customers including people who do not have a good understanding of English, people with disabilities and people with special needs. Completed questionnaires should reflect the diversity of the neighbourhood in which the Service Constructor operates.**