

Appendix 1

Key Performance Indicators

Performance Mechanism

1.0 Introduction

- 1.1 The Contractor will be responsible for the monitoring and accurate recording at all times of its own performance of the Services and of compliance with, or failure under, the requirements of this Performance Mechanism. The Council, however, reserves the right to undertake their own monitoring and will be able to apply the Performance Mechanism and associated Performance Deductions as appropriate.
- 1.2 The Contractor is required to submit reports in accordance with the frequencies set out in the Contract and in accordance with all Performance Criteria. The following Criteria are designated as Key Performance Indicators (KPI's):
- a) PC1: Rectification of Missed Collections.
 - b) PC2: Number of missed collections per 100,000 collections by waste stream.
 - c) PC3: Two or more service failures by a crew to comply with contamination/spillage procedures.
 - d) PC7: Three repeats (or more) of an unjustified missed collection from the same property within a rolling 8-week period.
 - e) PC12: Failure to deliver Containers within 10 Operational Days.
 - f) PC17: Failure to collect Bulky Waste on the Scheduled Collection Day.
 - g) PC19: Failure to return and cleanse to Grade A within zoned response time.
 - h) PC20: Number of Street Cleansing Requests received by specified category
 - i) PC27: Failure to clear Fly Tips

These KPI's reflect the top service delivery priorities and will be used to track and report service performance internally and externally during the Contract Term. The Contractor must ensure accuracy in all reporting.

- 1.3 The Performance Criteria details the Performance Deduction categories associated with Service Failures. If the same circumstances/failure gives rise to more than one Service Failure (or multiple Service Failures within the same Performance Criterion) or Performance Deduction, only one Performance Criterion – being the one which results in the highest Performance Deduction - shall be applied.
- 1.4 As part of the Monthly Report the Contractor will be required to detail to the Council the level of Performance Deductions and Performance Points relating to the month's performance. and any Service Failures and Performance Deductions monitored and reported by the Council to the Contractor will be discussed at monthly contract meetings. The level of Performance Deductions incurred in any month, together with the cumulative Performance Points incurred, will be itemised and the Parties will seek to agree them through the process of monthly reporting to the Council. The monthly report shall detail the performance of all the items shaded blue in the Performance Criteria.
- 1.5 The Performance Criteria will apply in full for the duration of the Contract Period

except that Performance Deductions shall not be applied (but may be recorded by the Council for performance management purposes):

1.5.1 from the Services Commencement Date to the date **three (3) Months** after the Services Commencement Date (being 30th June 2025); or

1.5.2 in relation to any Performance Criteria directly affected by a Council Change, for a period of three **(3) months** from the date of implementation of that Council Change.

1.6 In respect of any individual Service Failure all Refresh Periods are capped. After 3 Refresh Periods have elapsed within permanent rectification of the relevant Service Failure, a Rectification Plan is required.

2.0 Rectification Plan

2.1 A Rectification Plan means a plan set out in accordance with the requirements detailed in the Performance Criteria.

2.2 Rectification Plans must be agreed and signed off by the Authorised Officer. The time to provide a Rectification Plan is to be agreed with the Authorised Officer and in the absence of any agreed timescale it must not be longer than 5 business days from the final Service Failure that gave rise to the Rectification Plan requirement. Failure to carry out a Rectification Plan will result in escalation to the Council and Contractor's Management Teams for urgent resolution and consideration of Council Step In rights.

3.0 Performance Deductions and Performance Points

3.1 If the Contractor fails under all or any of the Performance Criteria, the applicable Performance Deduction and number of Performance Points set out in the table below will be incurred.

Table 1: Performance Deductions and Performance Points

Service Failure Category	Performance Deduction	Performance Points
A	£6000	10
B	£1000	7
C	£150	2
D	£60	1

3.2 If the Service Failure is rectified within any applicable Rectification Period then no Performance Deductions or Performance Points will be applicable.

3.3 If the Service Failure has no Rectification Period, or is not rectified within the Rectification Period, then the Performance Deduction and Performance Points will be applied.

3.4 In respect of a Service Failure which continues beyond the applicable

Rectification Period (if any) further Performance Points and Performance Deductions will be applied in respect of that continuing default up to a maximum of three repeated Rectification Periods. Thereafter the Contractor is required to supply a Rectification Plan within 5 working Days of the last Refresh Period. Failure to provide a Rectification Plan or failure to comply with Rectification Plan will give rise to a Category A Performance Deduction.

- 3.5 Failure to rectify a Service Failure within the time detailed in the Specification will give rise to a Performance Deduction and Performance Points. The reference in the Performance Criteria table to “Initial Rectification Period if Applicable” relates to the Specification time and is not additional to it.

4.0 **Service Improvements for Missed Collections**

- 4.1 The current level of Missed Collection performance is set out in the PC2 criteria table. The Council is seeking significant improvement in performance on the current achievement to acknowledge current resident dissatisfaction. The tables will be updated by the Council to reflect the actual performance immediately prior to the commencement of Contract and will then be refreshed annually through the duration of the Contract. The refresh will only be in a positive direction based on actual performance against the baseline data at contract commencement and the revised Performance Criteria will be the better of the current (new) service standard in a direction of an improved service standard and be of not less than 4 % improvement each year such that over the contract term the following levels of improvement are achieved at the end of the Contract Year:

- 4.1.1 31/03/26 – 4% improvement on baseline performance;
- 4.1.2 31/03/27 – 8% improvement on baseline performance;
- 4.1.3 31/03/28 – 12% improvement on baseline performance;
- 4.1.4 31/03/29 – 16% improvement on baseline performance;
- 4.1.5 31/03/30 – 20% improvement on baseline performance;
- 4.1.6 31/03/31 – 24% improvement on baseline performance;
- 4.1.7 31/03/32 – 28% improvement on baseline performance;
- 4.1.8 31/03/33 – 32% improvement on baseline performance.

If the baseline performance in any waste stream is significantly better and missed collections per 100,000 are much lower than current then the percentage improvement in that waste stream will be proportionally reduced to compensate for the improved baseline performance.

- 4.2 Missed Collection performance will be monitored each quarter against the same quarter in the previous Contract Year. Where there is:
- 4.2.1 upto and including a 10% divergence in the level of service failure in the period then a level B deduction will be applied;
 - 4.2.2 more than 10% divergence from the relevant Performance Criterion then a level A deduction will be applied.

4.0 **Warning and Termination Notices**

- 4.1 Any Performance Points allotted will remain valid for a rolling 12 monthly reporting period commencing in the reporting month in which the allocation was applied and will determine whether a Warning or Termination Notice should be issued.

4.2 The thresholds for issuing Warning and Termination Notices are detailed below:

Cumulative Rolling 12month Threshold	Warning Notice Threshold	Termination Notice Threshold
Performance Points	1500	2000

4.3 The rights and obligations of the Contractor and the Council following the issue of a Warning Notice or Termination Notice are set out in the Contract.

5.0 Annual Review

5.1 All measures within the Performance Criteria and Mechanism are to be discussed as part of the Annual Review to ensure that they encourage improvement in service performance over the contract term. If there is no agreement by the Council or Contractor on any proposed changes then the existing criteria and mechanism will be applied.