

Use of Performance Data In Contract Management

**APSE PN Conference
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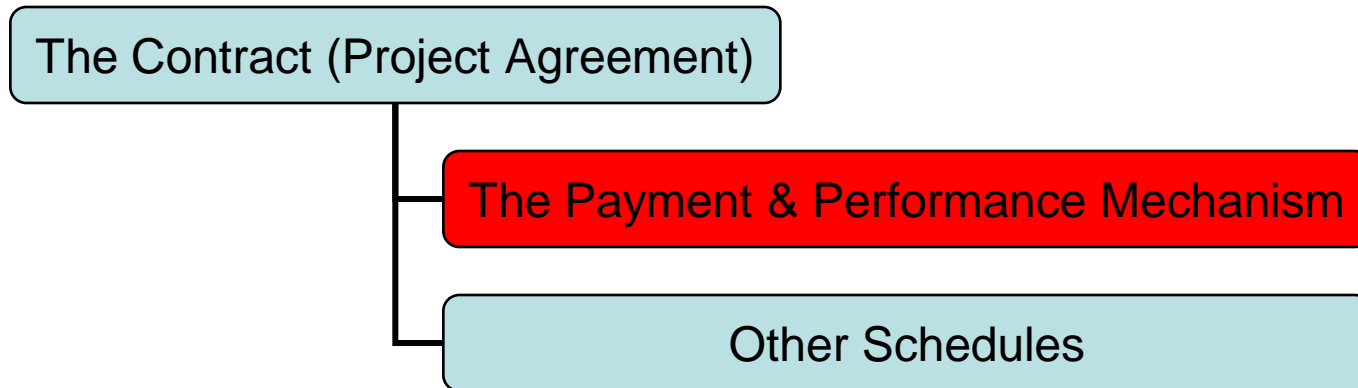
Introduction

- What to do with PN Data when faced with a mixed economy of service providers?
- Incorporate PN measured targets into contracts.
- Getting and demonstrating VFM through contracts.

Benchmarking in Contracts

- Refers to the adjustment of the contract price/management fee at agreed intervals, to enable the contractor to recover costs over RPI.
- Allegedly the contract price can go down as well as up, if costs go up less than inflation!!
- Means of mitigating risk, particularly when contracts involve capital investment.
- Not about benchmarking performance against comparable service providers.

How do you measure performance in contracts?



What are paying for?

- Availability of a service and performance to standards.
- Make payment deductions if:
 - Either part or all of the service is not available, measured through Zone Data sheets;
 - Non-performance against set standards, sessional, daily, monthly and annual standards.
- Incorporate a suite of APSE PI's as annual performance standards.
- Set annual performance targets against the suite of PI's to drive up performance within your family group.

Sport & Recreation

Performance Indicators	Performance Standard
Subsidy per head	Achievement of an actual subsidy per head against the set annual target that is within the agreed tolerance levels.
Operational Recovery Ratio	Achievement of an actual operational recovery ratio against the set annual target that is within the agreed tolerance levels.
Customer Spend per Head	Achievement of an actual spend per head against the set annual target that is within the agreed tolerance levels.
Subsidy per Opening Hour	Achievement of an actual subsidy per opening hour against the set annual target that is within the agreed tolerance levels.
Staff costs as a % of Total Expenditure	Achievement of actual staff costs as a percentage of total expenditure against the set annual target that is within the agreed tolerance levels.
Net Cost per Household in the Catchment Area	Achievement of an net cost per household within the catchment area against the set annual target that is within the agreed tolerance levels.
Annual Quest Quality Score	Achievement of an actual Quest quality score against the set annual target that is within the agreed tolerance levels.
% of Users from the Defined Market Segments within the Catchment Area	Achievement of an actual usage figures against the set annual targets for each defined market segment that are within the agreed tolerance levels.
Customer Satisfaction	Achievement of actual levels of customer satisfaction against set annual targets

Street Scene

Performance Indicators	2008/09 Targets
NI 195 – Litter and Detritus Cleanliness in Neighbourhoods	9.5%
NI 195 - Graffiti	11%
NI 195 – Fly posting	10%
NI 196 – Fly tipping	Score 3
BV3 – % of residents annually satisfied with street cleansing services	75%
LDO 11 – Average time taken to remove fly tipping	1.5 days
LPSA 8 - % of streets that are of a high standard of cleanliness resulting in a grade A inspection	25%
Local PI - % of residents satisfied with grounds maintenance work to specified standards based on quality inspections	49%
Local PI - % of residents satisfied with street cleansing work to specified standards based on quality inspections	90%
Local PI – Number of complaints received in respect to service failures	60 per annum
Local PI - % of days lost due to sickness, measured monthly	6%
Local PI – % of enquiries resolved within 2 working days	75%

Waste Management

Performance Indicators	2008/09 Targets
Increase combined recycling and composting rates	30.23%
LAA - By 2014/15 achieve a combined recycling rate of 40%	40%
Increase recycling rates at HWRC's (CA sites)	50%
% of residents satisfied with household waste collection	89%
% of residents satisfied with kerbside recycling services	81%
% of residents satisfied with HWRC's	89%
% of municipal waste landfilled	17.05%
% of municipal waste incinerated to generate electricity	52.27%
% of residents served by the kerbside recycling service	98%
Kg's of residual residual household waste per household	860.00 Kg's

The Pain of Non-performance – Sport & Recreation!

- 20% of the annual Management Fee is at risk for non-performance against a suite of 6 Service Elements.
- The PI's are one of the six elements and constitute 9% of the 20%.
- Non-performance against one of the PI's results in failure against all the PI's – 9%!!!

The Pain of Non-performance - Waste!

Service Output	Performance Standards	Rectification Period	Default Points
Increase combined recycling and composting rates	Achievement of an actual combined recycling and composting rate against a set annual target	N/A	15
Increase recycling rates at HWRC's (CA sites)	Achievement of an actual combined recycling rate against a set annual target	N/A	15
% of residents satisfied with kerbside recycling services	Achievement of actual level of customer satisfaction against the set annual target	N/A	14