

## Network Outcomes Contract Governance & Management Group

Reference Number:	NOCC No.14
Subject Title:	KPI Measure 6.1.2 Compliance with Contractors Monthly Programme of Work
Issue Date:	26 September 2017
Clarification Purpose	Clarification is provided to ensure the NOC is being interpreted consistently. The clarification does not remove or supersede the Network Outcomes Contract documentation.

## BACKGROUND

Concern has been raised by Industry and GMG that the current approach to measure KPI 6.1.2 Compliance with Contractors Monthly Programme of Work, is driving the wrong behaviour, (either suppliers not putting up realistic programs, or having two programs – one which the Agency measures against, and the other the Contractors own truth), and also an absence of tension around getting the program back on track. It also doesn't reward a supplier whose productivity is better, or the experiences good weather is good to rewarded for overachievement.

The Transport Agency has taken on board the feedback and the following change is to be implemented.

## SUMMARY OF CHANGE

The IAG KRA sub-group met on 14<sup>th</sup> February 2017 and were consulted and have agreed to the following change.

The primary change is:

- Section 8 – KPI 6.1.2 will not be scored in Period 2 but will be scored at the end of the year against the annual programme
- Section 8 – Clarification of Mitigating Circumstances

### Change to KPI 6.1.2 Compliance with Contractors Monthly Programme of Work

KPI 6.1.2 will not be scored in Period 2 but instead will be scored at the end of the year against the annual programme, as referenced under the Business Rules for this KPI.

*“The Principal may moderate the score, regardless of the monthly percentages achieved, if these do not accurately reflect progress against the Contractor’s annual programme.”*

This means irrespective of the score achieved for period 1 the NOC Contractor is to use the criteria as specified in the Table Measure Score (Version 4.0) to assess the percentage of planned management and physical works delivered against their annual program at the end of period 3. Mitigating circumstances may be provided.

Mitigating circumstances that could be accepted are:

- Client supplied resources (example includes supply of Melter Aggregate)
- Client agreed scope change
- Unforeseen ground conditions
- Extraordinary events (must be accepted unanimously by the Contract Board), an example includes a major CIMS weather events with a response level of local or above

## IMPLEMENTATION

This change is to be implemented for period 2 and period 3, 2016–17. A N/A is to be entered into the KRA reporting framework for period 2.

## NOTE

The Performance team will work with the IAG KRA subgroup to ensure clarity of understanding and assessment of achievement of the annual program is understood. This includes;

- Aligning terminology and understanding between monthly programme and annual programme
- How do we consider work that has not been approved in the monthly tracker sheets
- How do we consider work that is outside the specified programme dates

An updated version of the guidelines will be implemented at a later date.

While the NOC Contract team are not going to report this KPI for period 2, the Performance Team will provide each NOC their achievement against the monthly tracker sheet (which is sent to the Outcomes Delivery team). The results of the tracker sheet will be used to inform each Contract Board in Period 2 on how the NOC is currently delivering.

## QUESTIONS

In the first instance all questions are to be referred to the MCM.