

## Network Outcomes Contract Governance & Management Group Clarification

Reference Number:	NOCC No.9
Subject Title:	KPI Clarifications for KRA Version 3.0 & 4.0
Issue Date:	9 <sup>th</sup> June 2016
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.

## SUBJECT

A number of queries have been raised by both industry and the Agency around the interpretation of the key performance indicators (KPI) currently specified in the KRA Performance Framework Version 3.0.

## RESPONSE

This NOC clarification does not pertain to resolve all raised queries but rather to provide some clarifications for the final reporting period of the 2015/16 financial year, to ensure all parties to the contract have clarity around interpretation and to remove any errors or perceived ambiguities.

These clarifications are by exception only and are specific to KRA Performance Framework Version 3.0 guide.

A rewrite of the interpretation of the indicators has been completed and these clarifications have been absorbed into Version 4.0 of the KRA guidelines.

Furthermore, all should be aware that Section 2.6 of the Maintenance Specification states, "The Principals reviews in themselves will provide a direct input (where applicable) into both the OPM monthly and the appropriate KRA." I recommend all parties familiarise themselves with this Section and any outputs from such reviews need to be accounted for.

This response does not try specifically try to address the moderation process.

# SPECIFIC KPI CLARIFICATIONS

KPI	Comment	Proposed Clarification
All Plan KPI	What is meant by an audit of the plan and what is a suitable sample size?	The Contractor and Principal agree the activities to be audited for this period and then select a representative sample within each of the agreed activities to demonstrate compliance (Sample size would be dependent on the total size, such that 10% would be suitable for large numbers and a higher percentage for smaller numbers).
All Plan KPI	What is meant by repeat non-compliances in the plan?	Repeat non-compliances are either: <ul style="list-style-type: none"> <li>· Non-compliances open during a previous KRA period, and have continued into this KRA period</li> <li>· Non-compliances closed during either of the previous two KRA periods, and have recurred in this KRA period.</li> </ul>
All Plan KPI	Level 4 description states a low level of compliance this is counterintuitive?	Level 4 should read and there is a <u>high</u> level of compliance
Crash Trend KPI 2.1.1	There is ambiguity as to whether the Agency wants the trend of fatal and serious injury crashes or fatal and serious injuries?	Record the total number of fatal and serious injuries
	What happens if crashes have occurred on the network but have not been loaded into CAS?	Contractors are only expected to include crashes that have been logged in CAS as at the time they prepare the KRA report
	From when do I start measuring the number of crashes is it contract commencement?	Current available CAS casualty data as rolling 12 months, regardless of when the Contract commenced. This means the Contractor inherits the previous network statistics.
	If CAS has incorrectly coded a crash or location do I still count it in the crash data for the period	Yes the crash is still counted but the Contractor can get the details amended by emailing <a href="mailto:CAS.Administrator@nzta.govt.nz">CAS.Administrator@nzta.govt.nz</a>

KPI	Comment	Proposed Clarification
		with the correct data.
Loss of Control In Darkness KPI 2.1.2	The regression analysis of the trend line is in conflict with plotting crashes during daylight?	The measurement should be reporting the number of crashes in darkness and then the regression analysis trend line criteria is correct. See KPI 2.1.2 table below of changes required.
	Level 3 and Level 4 are the same but the wording in the description of level 4 indicates that the trend must be improving should the regression slope line be set at <0%	The regression slope line for Level 4 should be set at <-1% as outlined in KPI 2.1.2 Table below
Safety Trend Report KPI 2.1.3	How do we assess the 3 <sup>rd</sup> period when we have two quarterly reports and reports cannot be averaged?	If the two report results delivered for the 3 <sup>rd</sup> period are different, the lower result applies for scoring this KPI
Customer Satisfaction Survey KPI 3.1.3	The definition states this to be an annual survey but results are provided quarterly	The word annual is deleted and replaced with quarterly
	The fourth bullet point in the Business Rules refers to the quarterly safety report	The words Quarterly Safety Report is deleted and replaced with Quarterly Survey Results
	How do we assess the 3 <sup>rd</sup> period when we have two quarterly surveys?	The results of the two quarterly surveys are averaged
	Level 3 description states and the Top 20% but the measurement does not include the top 20%?	The requirement to assign the top 20% was deleted and does not apply to Level 3
Innovation KPI 5.3.1	What is the Agencies definition of proprietary and common practices?	Any innovation must first be able to demonstrate benefits to the NOC.  A proprietary innovation is a new practice that the Contract has created within their NOC.  A common innovation is a new practice that the Contract has adopted within their NOC, which is then shared and used by other NOC suppliers.
	Does the moderation assess the validity of an innovation?	CMT will assess the validity of an innovation. The moderation process will challenge the validity of an innovation as proprietary or common.

KPI	Comment	Proposed Clarification
	Can tender pledges also be claimed as innovations?	Tender pledges cannot be claimed as innovations
	What about contracts where we have dual Principals?	If the Contract has dual Principals (NZTA and a local authority), the Contractor can claim an innovation that provides value to either Principal – or both
Overall OPM Score KPI 6.1.1	Level 4 description requires an improving trend for the last 12 months but the measurement does not require a trend nor does it define what an improving trend is	An improving trend is required and the regression slope line for level 4 is set at <0%
Maximum number of Occurrences per month in Planned Events KPI 6.2.1	What is meant by the Principal may also audit results to validate results of the self-audit?	If the Principal is aware of disruption to the network that in their view should be considered in assessing the performance level then the CMT or Board may agree to moderate the result
	What is the definition of a planned event and how big should the audit size be?	A planned event includes: Any event that requires a traffic management plan (TMP), such as <ul style="list-style-type: none"> <li>· Contractor’s works</li> <li>· Third party works</li> </ul> The sample size should be 10% of planned events per month
Actions taken to reduce adverse impacts KPI 6.2.3	What is the definition of a planned event and how big should the audit size be?	A planned event includes: <ul style="list-style-type: none"> <li>· Any event that requires a traffic management plan (TMP), such as renewals</li> <li>· Contractor’s works</li> <li>· Third party works, and</li> <li>· Other public events that might impact network availability, e.g. a sports event using the network that may not require a TMP</li> </ul> The Contractor is required to identify only those events that may have an impact to traffic flow on the network. This KPI does not specify an audit but rather a review and as such applies to all events the Contractor deems will have an

KPI	Comment	Proposed Clarification
		impact.

***KPI 2.1.2 Loss of Control in Darkness Modified Table***

*(Vehicle movements BB, BD, BF, DA and DB)*

	Level 1	Level 2	Level 3	Level 4
<b>Description</b>	Proportion is high and Trend is steady or deteriorating	Proportion is low and trend is steady or deteriorating	Proportion is low and trend is steady or improving	Proportion is low and trend is improving
<b>Measurement</b>	<input type="checkbox"/> More than 35% of reported crashes occur during darkness and <input type="checkbox"/> Regression analysis of trend has a slope of >0%	<input type="checkbox"/> More than 35% of reported crashes occur during darkness or <input type="checkbox"/> Regression analysis of trend has a slope of >0%	<input type="checkbox"/> Less than or equal to 35% of reported crashes occur during darkness and <input type="checkbox"/> Regression analysis of trend has a slope of <0%	<input type="checkbox"/> Less than or equal to 35% of reported crashes occur during darkness and <input type="checkbox"/> Regression analysis of trend has a slope of <-1%
<b>Score</b>	1	2	3	4