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**Appendix 6 Methodology for Monitoring**

**MONITORING AND KEY PERFORMANCE INDICATORS**

The Authority will use a set of Key Performance Indicators (KPIs) to systematically measure the Service Provider’s performance. Each KPI that is measured must be classified as ‘MEETS THE CONTRACT STANDARDS’ (meeting the requirement of the Authority,) ‘REQUIRES IMPROVEMENT’ (falling short of the requirement of the Authority) or ‘UNACCEPTABLE’ (failing to meet the requirement of the Authority).

The Service Provider must endeavour to deliver to ‘MEETS THE CONTRACT STANDARDS’ in all areas. ‘REQUIRES IMPROVEMENT’ is an indication that rectification is required and if the rectification does not take place within an agreed timeframe, the KPI will then be scored as ‘UNACCEPTABLE’.

The scoring of any KPI as ‘UNACCEPTABLE’ will be regarded as a serious failure in service delivery. The Service Provider will not be scored ‘UNACCEPTABLE’ on a KPI if it is due to the direct action, or inaction, of the Authority or the school.

KPIs may be amended from time to time, in line with the changing requirements of the Authority or the schools.

SELF-MONITORING

The Service Provider must operate a systematic and documented quality control system, self-monitor using the KPIs and report the results via Technology Forge to the Authority in real time. There will be no financial implications for the Service Provider based on the Service Provider’s own monitoring.

MONITORING BY THE AUTHORITY

The Authority will monitor the Service Provider over the life of the contract. The purpose of the monitoring is not to penalise the Service Provider but to create a culture of consistency, quality and continuing service improvement.

Monitoring will incorporate a formal scoring system, based on the Key Performance Indicators, to identify the standards that are being met. A three-score RAG system will be used, as follows:

·         Green – meets the contract standards

·         Amber – requires improvement, and action is required (minor fault)

·         Red – unacceptable, does not meet the required standards (major fault)

If an amber score is not resolved within an agreed time frame (dependent on the issue), this will become red at the next monitoring.

MONITORING OF SCHOOL MEALS

The monitoring system will start from the first day of the framework but no deductions will be made for red scores for the first term.

After the first term, every red score will result in a 1% deduction from the total contract price for that term for that school.

If a red score reoccurs for the same issue within 12 months, the deduction rate will increase to 2% for all red scores each term for a period of 12 months for that school.

If a red score reoccurs twice for the same issue within 12 months, the deduction rate will increase to 5% for all red scores each term for a period of 12 months for that school.

In addition, after the first term, more than 1% red scores across schools in the framework will result in a 2% deduction from the total framework price for that term. More than 2% red scores will result in a 5% deduction from the total framework price for that term. More than 5% red scores will result in a 10% deduction from the total framework price for that term.

For the purpose of clarity, if no red scores are given, no deduction will be made.

In the event that a second red score is given by the monitoring team for the same issue at the same school, the Service Provider may appeal to the Authorised Officer, whose decision will be final.

The purpose of the monitoring is not to reduce the Service Provider’s profitability but to ensure that the quality standard is always met and that the Authority does not pay for services that the Service Provider has failed to deliver satisfactorily.

Monitoring may take place at any time within a school term and in the event of concerns relating to the number of amber and/or red scores, a school may be monitored on more than one occasion during that term.

The Service Provider will not be penalised for issues that are outside their control, provided that they are able to substantiate the circumstances.

MONITORING OF SHIRE HALL CATERING SERVICES

The monitoring system will start from the first day of the contract but no deductions will be made for red scores for the first quarter.

After the first quarter, every red score will result in a 1% deduction from the total contract price for Shire Hall.

If a red score reoccurs for the same issue within 12 months, the deduction rate will increase to 2% for all red scores each quarter for a period of 12 months.

If a red score reoccurs twice for the same issue within 12 months, the deduction rate will increase to 5% for all red scores each quarter for a period of 12 months.

For the purpose of clarity, if no red scores are given, no deduction will be made.

In the event that a second red score is given by the monitoring team for the same issue, the Service Provider may appeal to the Authorised Officer, whose decision will be final.

The purpose of the monitoring is not to reduce the Service Provider’s profitability but to ensure that the quality standard is always met and that the Authority does not pay for services that the Service Provider has failed to deliver satisfactorily.

Monitoring may take place at any time during the quarter and in the event of concerns relating to the number of amber and/or red scores, monitoring may be repeated during that quarter.

The Service Provider will not be penalised for issues that are outside their control, provided that they are able to substantiate the circumstances.