**SCHEDULE 4**

**Performance Management Framework**

1. As part of the Authority’s continuous drive to improve the performance of all Contractors, this Performance Management Framework (PMF) will be used to monitor, measure and control all aspects of the Contractor’s performance of contract responsibilities.
2. The PMF sets out how the Contractor’s performance will be evaluated and details sanctions for performance failure.
3. In addition to the Key Performance Indicator (KPI) Table at the end of this Schedule, the Authority (on review) may from time to time add, amend or redefine any reasonable performance management indicators for the Contractor under the following categories:
	1. Contract Management
	2. Service Delivery
	3. Quality of Service

**Management of the PMF**

1. On completion of each KPI and as soon as it is practical to do so, the Authority will produce and issue an “Advance Notification” letter. This should be considered by the contractor as an early warning that the analysis of data for the relevant period indicates that there has been an underperformance to the relevant target. The Advance Notification will give the contractor time to make amendments to management of the standard and so avoid or limit potential deduction.
2. The Authority will produce a quarterly report, detailing the Contractor’s performance against KPI’s. The report will be circulated to the Contractor and will issue within 15 working days of the end of the reporting period.
3. One month following the issue of the Quarterly report the report will be finalized and, where applicable, any relevant Formal Warning will be issued or deduction made from work completed.
4. Quarterly Reports will inform the annual Performance Review (PR) meeting between the Authority and the Contractor (see also Schedule 5: Contract Governance).
5. The Contractor will maintain their own management reports including periodic Quality Assurance checks and an Issues Log (a record of issues, e.g. IT problems, weather impacts). Where the Contractor becomes aware that a KPI target will not be achieved during a quarter, this must be reported to the Contract Manager.
6. Any performance issues highlighted in the quarterly reports will be addressed by the Contractor, who will produce, document and retain an improvement plan which will address all issues highlighted within 7 working days of receipt of the performance report.
7. One PR meeting will be held per year with the Contractor. The PR meeting will include an overarching review of the previous year. Additional meetings can be held as required by the Contract Manager dependent on compliance levels in the quarterly reports. Should a Contractor request an additional Performance Review meeting, the Authority will seek to meet that request.
8. KPIs are essential in order to align the Contractor’s performance with the requirements of the Authority and to do so in a fair and practical way. KPIs will be realistic and achievable; they also must be met, otherwise the Contractor is failing to deliver the required levels of service.
9. Where KPI failure, attributable to the Contractor, is identified in the Performance Management report then the service credit regime shall apply.
10. The use of a strong service credit regime accompanied by a proactive approach to correcting failures and addressing their cause, before service credits are implemented, ensures the relationship is a partnership with a focus on managing and improving the service. It is not about taking cost out of the service to the Authority.
11. The use of service credits is governed by the following principles:
12. Service credits sit within the performance management approach utilised by the Authority and are an intrinsic part of ensuring performance is maintained at the agreed service levels.
13. Failure to achieve the performance target of an individual KPI in a given quarter, where that KPI is identified as being priority 1 and has fallen within 10% of the minimum level required, will result in a formal warning. There will be a requirement to produce, document and retain an improvement plan to address the failure. Should failure occur in a second quarter (within 10% of the minimum level required) then a deduction of 2% of total invoice value will be applied for the second quarter. Subsequent failures on a consecutive basis will increase the deduction by 2% per quarter on a cumulative basis until the deductions reach 10% of invoice. At this point, this will be considered a material breach of performance and an emergency meeting will be held to discuss performance.
14. Where failure of a KPI identified as priority 1 occurs and is greater than 10% then immediate action to rectify will be required. Failure to do so will result in deductions of 5% of total invoice value in the quarter of initial failure. Further failure to rectify will be considered a material breach.
15. Failure to achieve the performance target of an individual KPI in a given quarter, where that KPI is identified as being priority 2 and has fallen within 10% of the minimum level required, this will result in a formal warning. There will be a requirement to produce, document and retain an improvement plan to address the failure. Should failure occur in a second quarter (within 10% of the minimum level required) then a deduction of 1% of total invoice value will be applied for the second quarter. Subsequent failures on a consecutive basis will increase the deduction by 1% per quarter on a cumulative basis until the deductions reach 5% of invoice value. At this point, this will be considered a material breach of performance and an emergency meeting will be held to discuss performance.
16. Where failure of a KPI identified as priority 2 occurs and is greater than 10% then immediate action to rectify will be required. Failure to do so will result in deductions of 3% of total invoice value in the quarter of initial failure. Further failure to rectify will attract a further deduction of 2% per quarter up to 9% at which point this will be considered a material breach.
17. Achieving the KPI identified as a priority 2 within the next quarter renders that service failure resolved.
18. Should a failure in respect of a priority 1 KPI under paragraphs ii) to

iii) above recur within 2 quarters or recur more than once non sequentially within the subsequent 4 quarters from the original failure then deductions will be applied as if the failure has been concurrent.

1. Where multiple KPIs are failed then the deductions will be cumulative until they reach 10% of invoice value. At this point, this will be considered a material breach of performance and an emergency meeting will be held to discuss performance.
2. The Authority has full and complete discretion on whether to claim all, part or none of a service credit to which it is due.
3. Service credits will be deducted by the Authority from payments due to the Contractor for Services provided during the quarter that the performance target was not achieved. Contractors with outstanding service credits but who do not and will not have payments due are required to pay these directly to the Authority on request.
4. The Authority will provide quarterly PMF reports from the first quarter after the service start date. The service credit regime will operate from the third quarter after the service start date until the end of the Contract.
5. The Authority reserves the right to apply for contractual damages as alternative to seeking Service Credits in accordance with clause 54.0 of the Contract.

**Table 1 : Key Performance Indicators - KPI’s**

Percentages are the minimum levels of performance required on a quarterly basis in the year

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **KPI number** | **Description** | **April 2016** | **April 2017** | **April 2018** | **April****2019** | **Data source** | **Priority** |
| 1 | Contractor schedule of TB tests is provided to the Authority on or before the Wednesday of the week before the scheduled date of day 1 of each test for each Approved Veterinary Surgeon. Provided through e-PVP. | 80% | 90% | 90% | 90% | Aphis | 1 |
| 2 | TB test readings for cattle herds where Reactor readings are disclosed, are submitted via e-PVP within 1 working day of day 4 of test | 85% | 90% | 95% | 100% | Aphis | 1 |
| 3 | TB test readings for cattle herds where Inconclusive readings are disclosed, are submitted via e-PVP within 2 working days of day 4 of test | 80% | 90% | 90% | 90% | Aphis | 1 |
| 4 | TB test readings for cattle herds where only negative results are disclosed are submitted via e-PVP within 5 working days of day 4 of the test. | 80% | 90% | 90% | 95% | Aphis | 2 |
| 5 | Satisfactory Field audit assessment of the Contractor by the Authority(Satisfactory = AVS not having their status suspended as a result of the assessment)(See note 1) | 100% | 100% | 100% | 100% | Contract Manager data | 1 |
| 6 | DNA Tags applied to animals with positive reactor readingsTags must be packaged correctly, recorded correctly on e-PVP and reach the CEB office within 5 working days | N/A | N/A | N/A | 90% | Contract Manager data | 1 |
| 7 | Test results and findings returned correctly via e-PVP such that it is unnecessary for the Contractor to ask the Authority to reopen the test for correction. 10 day tolerance. | 100% | 100% | 100% | 100% | APHIS | 1\*\* |

Note 1 – In the case of KPI number 5 above an individual Contractor may not be subjected, in a particular quarter, to any Field audit assessment by the Authority. This will be recorded as “No relevant test”.
One satisfactory field assessment out of 1 completed will be recorded as 100% compliance; the same for 2/2, 3/3 etc.
One unsatisfactory result out of 1 field assessment will be recorded as 0%; 1/2 as 50% etc. An unsatisfactory result is where the AVS has their status suspended as a result of the assessment.

This is usually because the AVS:

Is assessed as being “Not fully satisfactory” (NFS) against at least 3 tolerances for defined parameters (See Compliance assessment -Schedule 7, Appendix 3);

Is assessed as being “Not acceptable” (NA) against at least 1 tolerance for defined parameters (See Compliance assessment- Schedule 7, Appendix 3);

Is assessed as being “Not fully satisfactory” against 2 tolerances for defined parameters (See Compliance assessment -Schedule 7, Appendix 3) and had at least 1 NFS at audit in the previous 3 years;

Or

Because the AVS conduct regarding delivery of TB testing necessitates suspension in the public interest.

A Contractor, for which this KPI is not within 10% of the minimum level required in a quarter, will receive follow-up field audit assessment by the Authority in the following quarter.

Note 2 – In the case of KPI number 6, this will come into operation following implementation of DNA tagging under the contract.

Note 3 \*\* KPI 7 has been amended to make the measure a Priority 1 KPI.

The Sanction for this KPI is not the standard 2% or 5 % standard described for Priority 1 KPIs in 11 ii and 11 iii.

The Sanctions associated with underperformance with this KPI are amended to give consideration of how many tests are involved in a quarter and reflect the performance of an individual AVS.

The Sanctions and the relevant trigger points are described in 12.3 iv

**12. Key Performance Indicator Definitions**

**12.1 KPI 1**

**12.1.1 KPI 1 :Contractor schedule of TB tests is provided to the Authority on or before the Wednesday of the week before the scheduled date of day 1 of each test for each Approved Veterinary Surgeon.**

**12.1.2** The Authority require advance pre-notification of work schedules to co-ordinate any necessary farm inspections (for better regulation and avoidance of excessive burden on stakeholders) and to organise any necessary audit of the Contractor.

For this reason the information is expected to be accurate, and if it changes any notification must be made in a timely manner.

12.1.3 Data is collected each week in relation to any tests which have been arranged after the deadline in Schedule 1 of the contract. (9.6 This information must be available to the Authority not later than the Wednesday of the week before that of day 1 of the TB test). When KPI 1 performance is being calculated, tests with no eligible stock (No Stock tests) which have been arranged late will each have a weighting of 0.25 compared to a weighting of 1.0 for tests with eligible stock which have been arranged late.

12.1.4 Any tests which have been reallocated to the Contractor (by the Authority) in the 2 weeks immediately preceding the week in question are disregarded from the assessment of late arranged tests.

12.1.5 Notified changes made to Day 4 test times as a result of normal operational arrangements will not be assessed as alterations to the schedule nor will they attract sanction.

12.1.6 Performance in this KPI is assessed as satisfactory or unsatisfactory. Unsatisfactory performance will be addressed either through the process of service credit or material breach.

12.1.7 Where it is found that the information provided by a contractor is incorrect or misleading (through the process of verification/ supervision checks), then a service credit will be applied to the KPI 1 regardless of the assessed compliance through data verification. This will be levied (if a charge is appropriate) at 0.2% of the fees in a given quarter. This will be in addition to any other charge which may be appropriate.

12.1.8 Punctuality is considered part of a Contractors overall proficiency in organisation of work making requisite provision of labour / work force. Punctuality will be assessed with a half hour tolerance. Outside this tolerance Contractors will be required to pre- notify whenever the schedule of work is not as previously advised.

12.1.9 Pre-notification of changes can be effected as per Schedule 1 9.6 – that is:

* + 1. For changes prior to the start of Day 1 of a TB test through the APHIS e PVP facility
		2. After Day 1 of the test and up to 3 hours prior to the notified test start time by e mail to Day4TBtesttimes@daera-ni.gov.uk or using the integrated DVO post facility within e PVP;
		3. Within 3 hours of the notified start time (when e mail access is compromised) by use of the dedicated Telephony service.

12.1.10 The Authority accepts that in some cases last minute cancellations by herd keepers can have an effect on the normal arrangement of work schedules. In part the tolerance level is present to make an adjustment for this factor. As an additional measure the Authority will make allowance on a test for test basis, of tests which are cancelled within 2 weeks of the due date, providing these tests are arranged on e PVP and cancelled before the anticipated test date, in line with the required procedures outlined in the e PVP manual. This issue will remain under review.

12.1.11 As a consequence of Change Control Number 18/DKTBCM/03/2019, from 1/04/2019 the Department will suspend routine reporting of KPI 1 and the automatic application of sanctions for failure to comply with the required standard for KPI 1 as indicated in Table 1 : Key Performance Indicators - KPI’s.

Where it comes to the attention of the Department that the notified schedule of TB testing arrangements does not correspond with the delivery of service (e.g. through spot check inspections at Field Audit or other notification at an alternative Department herd inspection), sanctions will be applied as indicated to include service credit or formal warning, charges for costs incurred by the Department and follow up risk inspections to determine that corrective action has been effected.

Tolerances for lateness and last minute changes to schedule for emergency reasons will remain applicable and unchanged as referenced in 12.1.9 and Schedule 1 9.6

* 1. **KPI 5 : Satisfactory Field audit assessment of the Contractor by the Authority (Satisfactory = AVS not having their status suspended as a result of the assessment)**
1. In the case of KPI 5 above where an individual Contractor is not the subject, in a particular quarter, of any Field audit assessment by the Authority, this will be recorded as “No Relevant Test”.
2. One satisfactory field assessment out of 1 completed will be recorded as 100% compliance; the same for 2/2, 3/3 etc.
One unsatisfactory result out of 1 field assessment will be recorded as 0%; 1/2 as 50% etc.
3. An unsatisfactory result is where the AVS has their status suspended as a result of the assessment. This is usually because the AVS:
* Is assessed as being “Not fully satisfactory” (NFS) against at least 3 tolerances for defined parameters (See Compliance assessment -Schedule 7, Appendix 3);
* Is assessed as being “Not acceptable” (NA) against at least 1 tolerance for defined parameters (See Compliance assessment- Schedule 7, Appendix 3);
* Is assessed as being “Not fully satisfactory” against 2 tolerances for defined parameters (See Compliance assessment -Schedule 7, Appendix 3) and had at least 1 NFS at audit in the previous 3 years;
* Because the AVS conduct regarding delivery of TB testing necessitates suspension in the public interest.

1. A service credit will be applied where ever a Contractor does not attain 100% compliance with the required standard.
2. For this KPI, material breach assessment will not be made as an automatic process.
3. A Contractor, receiving a service credit for this KPI will receive follow-up field audit assessment by the Authority in the following quarter.
4. Where an AVS is not at the relevant test according to the work plan provided by the Contractor, the AVS may be selected for TB Testing Compliance Inspection in the next quarter.
5. In accordance with Schedule 1 14.2 “The Authority will complete a field audit of at least one AVS working for each Contractor during the first twenty four (24) months after the commencement of the contract. AVSs must comply fully with the field audit process. Failure to do so may result in suspension of approval. The Authority will additionally carry out field audits on a risk basis and verification checks:
6. A Risk Ranking has been developed which will measure the performance of AVS in relation to 4 Objective criteria:
7. **Number of confirmed TB positive Lesion at Routine Slaughter (LRS)\* animals subsequently identified within 4 months of testing, per 1000 animals tested;**
8. **Number of confirmed TB positive backward traced reactors\*\* subsequently identified within 4 months of testing, per 1000 animals tested ;**
9. **The number of confirmed TB positive reactors found per 1000 animals tested;**
10. **The number of new TB breakdowns detected in the previous 12 months at a routine annual or a local contiguous test.**

\* A confirmed TB positive LRS is where an animal is slaughtered at an abattoir under normal circumstance for human consumption, and at the routine post mortem inspection pathological lesions are discovered. These lesions are then sampled and laboratory tested with a positive result.

\*\* A confirmed TB positive backward traced reactor is an animal which has tested positive at a TB test, and has had positive result at one of 3 confirmatory tests (Post mortem, histology or bacteriology), following a previous negative result at a TB test.

1. For each individual parameter the result is “ranked” to the total number of (S)AVS who have tested in the quarter. For some parameters there may be many identical scores and these will be ranked together. For example if an individual has not tested any animals in the year previously which have been found to have lesioned at routine slaughter their result will be zero. There may be 15 similar individuals and therefore they all will be ranked 1. The next rank will be 16.

Ranking is totaled for each parameter, for each individual and the sum of the totals added. These totals are then ranked to give an overall rank position.

1. At present the results of individuals who are testing only very few cattle annually are being omitted from the ranking process.
2. Contractors will be provided with a Report on a six monthly basis, for all the AVS(s) they employ or have a contractual relationship with.
3. In pursuance of Schedule 1 14.2, Supervisions will be carried out on the basis of random selection and risk selection.
4. Outside these parameters, the following factors also are taken into consideration:
* An AVS being absent from an organised Compliance Inspection in the previous quarter
* a whistleblowing report
* a practice has had an AVS suspension
* 1 or 2 NFS findings in a Compliance Inspection of an AVS in the previous Quarter
* AVS who has carried out TB testing in GB and has taken up employment in Northern Ireland. By agreement with APHA, these AVSs are not required to pass an Approval Test in Northern Ireland but are to be selected for Compliance Inspection.

**12.3 KPI 6** DNA Tags applied to animals with positive reactor readings.

Compliance for the Quarter under consideration is achieved when DNA samples from the threshold level of reactor herds, correctly packaged, arrive at DAERA Central Enforcement Branch office within 5 working days of ‘Day 4‘ of the TB tests at which the reactors were identified in that Quarter and the DNA tag numbers have been correctly recorded using e-PVP.

As well as having samples from the required proportion of herds delivered on time, the number of samples from each reactor herd needs to be the number of samples which could reasonably be collected by the AVS.

For example, if 5 reactors were identified at a test but only 4 samples were delivered then the reason for a sample not being collected must be recorded on the test submission form (*e.g.* ‘health and safety issue’ or ‘was I/C’).

Animals which were not reactors when they were inspected on Day 4 but which subsequently became reactors due to the disclosure of two or more reactors later on in a test do not need to be DNA tagged.

Correctly packaged means as follows:

1. The DNA sample or samples are placed in the evidence bag
2. The properly completed BT23 is placed in the evidence bag and can be read through the bag *i.e.* is outward facing
3. The following details are recorded on the evidence bag:
* herd number
* herd keeper name
* date
* time
* PVP name in block capitals
* PVP signature
1. The evidence bag is sealed
2. The evidence bag is placed in the clam shell
3. The absorbent pad is placed in the clam shell
4. The clam shell is then placed in the prepaid envelope.

The DNA tag numbers correctly recorded using e-PVP means as follows:

1. Find the tag number of the reactor
2. On the same row click on ‘Change’ in the DNA Tag column
3. Record the DNA tag number of the reactor. There is no space between the UK and 9 when entering the DNA tag number on e-PVP.
4. If you select “Not recorded” you are given the options ‘HEALTH AND SAFETY’ or ‘NON-COMPLIANCE’ for the reason.
5. If you need to edit the DNA Tag Number or the Not Recorded reason, you can do this after saving the data entered and reopening the page.

The performance target for Year 6 will be 90% compliance.

**12.4 KPI 7** Test results and findings returned correctly via e-PVP such that it is unnecessary for the Contractor to ask the Authority to reopen the test for correction.

1. The KPI is a measurement of Veterinary Certification. In accordance with professional standards the Authority expects the highest standards of AVS when signing to the completion of a TB test result.
2. Tolerance is appropriate where a clerical error is realised after a very short time interlude following the “sign off” of a test. (This is providing there is no evidence of mis-certification when a sanction is mandatory and further investigation with potential more serious consequence is possible.)
3. To promote compliance and the necessary concept of Continuous Improvement, a planned target level is set out for the next 3 years so as to require the necessary change to contractor and client behaviour. The Continuous Improvement Target is described in **table A**.
4. **Continuous Improvement and Sanctions.**

**The Sanction will be considered per test amended and per AVS occurrence.**

**Sanctions will be applied cumulatively. Worked examples are set out below.**

**The Base level sanction will be 0.1% of the Quarter fee per test. This is shown in Table A.**

**This base level will be factored in consideration of the number of occurrences attributable to the same AVS within a rolling year whilst working for a particular contractor. Factoring is described in Table B.**

**Table A.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Up to end of Q4** | **April 17 - 18** | **April 18 - 19** | **April 19 - 20** |
| **Sanction %** | **Working Days after Submission** |  |
| **0** | 1 – 25  | 1-25  | 1-10  | 0 - 5 |
| **0.1%** | >25  | >25  | >10 | >5 |

**Table B.**  ( Relating to individual AVS in a rolling year )

|  |  |
| --- | --- |
| No of Occurrences in 1 year | Incremental sanction (multiply sanction factor) |
| 1 | 1 |
| 2 | 2 |
| 3 | 5 |
| 4 | 10 |
| 5 | 20 and Approval removed. |
|  |  |

1. There is no higher level breach for this KPI, but performance over the course of the contract can be considered as part of a consideration of general compliance and may have an influence on the award of an extension to this contract or award of subsequent contracts.
2. In the first instance of underperformance of a contractor a Warning will be issued. Sanctions become relevant should underperformance recur within 2 quarters or recur more than once non sequentially within the subsequent 4 quarters from the original failure. In this case deductions will be applied as if the failure has been concurrent.

Worked Examples for KPI 7

For scenarios where penalties are applicable – The Contractor has already been in receipt of a relevant formal warning.

**Example 1**: If a contractor has underperformed 3 times in one quarter, and where 3 different AVS employed by that contractor at the time, the sanction will be 3 \* 0.1% = 0.3%

**Example 2**: If the same AVS has underperformed to qualify for sanction in 3 occasions in 1 year and in 2 successive quarters, (Q1 = 1, Q2= 2), the sanction applicable would be for {Q1= 0.1 \*1 = 0.1% + for Q2 = 5\* 0.1= 0.5%} Totalling 0.6% of the fees for Q2.

**Example 3:** If a Contractorhas underperformed to qualify for sanction in 5 occasions in 1 year and in 2 successive quarters, (Q1 = 2, Q2= 3), the minimum possible sanction applicable would be for {Q1= 0.1 \*2 = 0.2% + for Q2 = 0.1\*3= 0.3%} Totalling 0.5% of the fees for Q2. However if it has been the same AVS for 2 of the breaches in Q1 and 2 of the breaches in Q2 the calculation would now be:

Q1 (0.1\*2) + Q2 (0.1\***10** (4th occurrence) + 0.1\*1) =1.3% of the fee for Q2.

If Q 1 had been the first breach in standards the Contractor would have received a warning in Q1, or alternatively the deduction would have been 0.2% in Q1 and 0.2% +1.1% in Q2.