FM Services KPI Model Process/Procedure Guide

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1. Introduction

The following guidance provides the user with broad instructions on how to complete the FM Services Key Performance Indicator (KPI) Model template for FM Services for use in Lots 1,2 and 3. The template is available through the following link; FM Services KPI Model Template. It is important to note that the FM Services KPI Model template complements the Payment Mechanism (Pay Mech) Model. Monthly figures will be taken from the KPI Model and placed into the Pay Mech Model, calculating the Monthly Payment (MP) due, less any deductions. Both the KPI Model and the Pay Mech Model complement each other and work together, not in isolation.

The FM KPI Model is a standard template which may be adapted by the Customer, ideally in consultation with the successful Supplier and/or CCS. The Customer may apply any number of Performance Indicators (PIs) in line with their requirements in order to help them monitor the performance of the Supplier. It does this through the setting of success criteria and measures, allowing the user to track and monitor the level of service being provided against agreed Service Level Agreements (SLAs) within the contract. As part of successfully becoming a framework Supplier, the provider has signed up to meeting a maximum of 10 Key Performance Indicators (KPI). These 10 KPIs form Level 1 of these defined measures in place. These may then be broken down into sub Performance Indicators (PI). These sub PIs will be linked to any one of the main KPIs in Level 1. By way of example, the following table represents how each of the 10 KPI's may breakdown into Levels 2 and 3. This example KPI refers to standards relating to the CAFM/Helpdesk service. The sub PI's will appear as follows within a Level 2 and a Level 3 as defined by the Customer;

Level 1				Level 2				Level 3		
Ref	KPI Name	Weighting	Proportion of Fee At Risk	Ref	PI Name	Weighting	Proportion of Fee At Risk	Ref	Weighting	Proportion of Fee At Risk
								CFM M2	10%	£ 250
				CFM P1	CAFM	50%	£2,500	CFM M3	80%	£ 2,000
								CFM M4	10%	£ 250
CFM K1	CAFM / Helpdesk Service	10%	£5,000							
				CFM P2	Helpdesk	50%	£2,500	CFM M1	100%	£ 2,500

The sub PI's in Levels 2 and 3 are subject to change with a view to meeting the Customers need. The 10 KPI's provided in Level 1 are fixed.

If KPI's are not met, payment reductions may be applied by the Customer against the Supplier for not meeting agreed service levels. This may be up to 6% of the Value of the Call-Off Contract. This figure represents the Suppliers entire profit, and is calculated on a monthly basis. Table 1 below provides an example of the value of the contract at risk. Continuous inability by the Supplier to maintain agreed Service Levels will trigger a ratchet system (Table 2) whereby further payment reductions will increase in line with an agreed scale (but reductions will not exceed the 6% threshold).

Note – when the Customer updates the KPI Model to meet their needs, care must be taken to ensure that formulas within the cells are maintained or amended accordingly. Care must also be taken to ensure that formulas point to the correct cells. All formulas must be tested accordingly to ensure that they are appropriate and returning the required result. The CCS Data Team are available to consult if assistance is required, through the appropriate Category Manager.

Table 1

Financial Deduction Criteria	
Percentage of the Call Off Contract value at risk (the Supplier's total profit will be at risk)	6%
Call Off Contract Base Value (per annum)	**£10,000,000**
Proportion of New Works Value in month	**£0**
Proportion of Compensations events value in month	**£0**
Base Value at risk (monthly)	£50,000

Table 2

Ratchet Value	Consecutive Failure	Failure over a 12 Month Rolling Period
1		
1.5	2	3
1.75	3	4,5
2	4	6,7,8,9,10,11,12

2. FM Services KPI Model template for FM Services

What needs to be completed?

The work book/spreadsheet for the FM Services KPI Model template is made up of 14 work sheets, which will be described throughout this guidance in more detail as follows:

- Instructions
- A. Performance Criteria
- B. Supplier Performance
- 1.CAFM/Helpdesk
- 2. Security
- 3. Maintenance
- 4. Waste Management
- 5. Cleaning
- 6. Sustainability
- 7. Ground Maintenance
- 8. Catering
- 9. Benchmarking & Continuous Improvement
- 10. Management
- LOOK UP TABLES

The FM Services KPI Model template is provided in a 'standard' format. The onus is then with the Customer to decide which of the 10 KPIs are most relevant and important to their organisation, and on this basis, what Level 2 and Level 3 PIs are required. These PIs may then be proposed and discussed internally and with the Supplier (recommended) in as much as what the final version of these will be, are agreed between the two parties. Discussions on how the final PIs should be measured and monitored and how the quality of the data fed back may be maintained and satisfactorily audited, and the like, should also take place. More detail on how these agreed KPIs will look for each Customer and how these will work is described in '2.2 A, Performance Criteria'.

2.1 Instructions

The 'Instructions' tab within the FM Services KPI Model, is exactly that. To view the instructions provided in full, there is a hyperlink to the FM Services KPI Model template provided in the 'Introduction' section of this document. Included within the 'Instructions' tab is the following text which looks to provide an overview of the purpose of the FM Services KPI Model. In summary it says the following;

- To identify the KPI's set by the Contracting Body
- To enable the Contracting Body to allocate weightings to each KPI to reflect their relative importance
- To demonstrate to the Contracting Body and Supplier the cost implications of KPI failure
- To allow the Contracting Body and Supplier to scenario test possible failure situations
- To enable the Supplier to build an appropriate Payment Mechanism into the helpdesk / CAFM system
- To enable the Contracting Body to sense-check help-desk reports

2.2 A. Performance Criteria worksheet

This work sheet allows the Customer to allocate the Contract Value at Risk (6% of the annual contract value) across the 10 KPI's stated within Level 1. A small table (shown below) is required to be completed by populating the pink cells. This represents the first task required to be performed in this tab and primes the KPI Model in its entirety to return the appropriate values against each KPI based on the total Contract Value at Risk, shown here as both a monthly and annual figure. New Works and Compensation Events may also be added to the fixed Monthly figure (Base Value at Risk);

Financial Deduction Criteria	
Percentage of the Call Off Contract value at risk (the Supplier's total profit will be at risk)	6%
Call Off Contract Base Value (per annum)	**£10,000,000**
Proportion of New Works Value in month	**£0**

Proportion of Compensations events value in month	**£0**
Base Value at risk (monthly)	£50,000

The Customer should enter a % amount of the Contract Value at Risk, against each of the 10 KPIs, or a selection of these. The Customer has the choice to place the whole of the Contract Value at Risk amount against just the 1 KPI, against several or all of them. The allocation of the value at risk must total 100%, once spread across the KPIs selected by the customer. The choice rests with the Customer and is based on the importance placed by the organisation on meeting each of the KPIs. For example, where a KPI is not required, the Customer may enter a 0% value in the pink cell provided. The customer may not require 4 KPIs. Again, a 0% value should be populated into the pink cell provided for each of these 4 KPI's. The remaining KPIs should be completed with the appropriate % values. The % values across the 6 KPI's will in all cases total 100%, and therefore will account for the full amount of the Contract Value at Risk (6% of the annual contract value). To illustrate how the allocated % of each KPI cascades down through the sub PI's contained within Levels 2 & 3, the following table is provided;

Level 1				Level 2				Level 3		
Ref	KPI Name	Weighting	Proportion of Fee At Risk	Ref	PI Name	Weighting	Proportion of Fee At Risk	Ref	Weighting	Proportion of Fee At Risk
								CFM M2	10%	£ 250
				CFM P1	CAFM	50%	£2,500	CFM M3	80%	£ 2,000
								CFM M4	10%	£ 250
CFM K1	CAFM / Helpdesk Service	10%	£5,000							
				CFM P2	Helpdesk	50%	£2,500	CFM M1	100%	£ 2,500

- The pink box in Level 1 for KPI CAFM/Helpdesk Services has been populated with 10% by the Customer. This equates to £5000. Therefore the total monthly Contract Value at Risk is £50,000 i.e. £5000 (10%) + £45,000 (90%) = £50,000 (100%).
- In Level 2, the Customer has the opportunity to split their definition of the CAFM/Helpdesk Service KPI into as many sub PI's as they wish. In this example, it is split down to 2 PI's. The associated % value at risk has been split 50/50. It could have been split using many variations, 60/40, 28/72 etc., the choice sits with the Customer. The Level 2 space could have been left empty, with the total sum at risk not being split at this point but simply moving across in its entirety to Level 3.
- In Level 3, the Customer has the opportunity to split each of the 2 definitions provided in Level 2 down further. This is illustrated above.
- Each of the 10 KPI's stated in Level 1 may be broken down and arranged in this way. The 10 KPIs may not be amended, but the definitions within Level 2 and Level 3 may be altered to fit the Customers need. To clarify, the Customer may also choose to

avoid the need to include any sub PI's in Level 2 and simply breakdown the KPI into sub PI's within Level 3. Alternatively, the KPI in Level 1 may simply be transferred across to Level 3 in its entirety.

- Each of the 10 KPI's in Level 1 should be considered and constructed by the Customer in this way within the 'A. Performance Criteria' tab.

2.3 B. Supplier Performance worksheet

This work sheet allows the Customer to summarise the results against both the KPI's and sub PI's and provides a view of the final performance figure for the period. The results from this worksheet drive the need or not, to impose a price deduction. The figures populated within this worksheet are pulled from the supporting 10 worksheets, each of which represent one of the KPI's in Level 1. How these supporting 10 worksheets contribute to the figures provided in the 'B. Supplier Performance' worksheet will be explained later on in this guidance. By way of example, the following tables illustrates how the price deductions are calculated for 3 KPI's;

KPI Ref	KPI Name	MI Ref	Supplier Score	Fee At Risk Per MI	Actual Deduction Per MI (£)	Actual Deduction per KPI (£)
CFM K1	CAFM / Helpdesk Service	CFM M2	100%	£250	£0	£3,900
		CFM M3	90%	£2,000	£1,400	
		CFM M4	100%	£250	£0	
		CFM M1	60%	£2,500	£2,500	
SY K1	Security Services	SY M1	95%	£750	£450	£1,400
		SY M2	100%	£250	£0	
		SY M3	90%	£500	£350	
		SY M4	90%	£500	£350	
		SY M5	50%	£250	£250	
		SY M6	100%	£250	£0	
		SY M7	100%	£1,250	£0	
		SY M8	100%	£250	£0	
		SY M9	100%	£1,000	£0	
BM K1	Maintenance Service	BM M1	100%	£938	£0	£4,313
		BM M2	50%	£938	£938	
		BM M3	93%	£938	£563	
		BM M4	20%	£938	£938	
		BM M5	97%	£1,875	£0	
		BM M6	50%	£1,875	£1,875	

- The column headed 'MI Ref' in the table above breaks down the KPI's by Level 3 granularity. The following table is included within this same worksheet and feeds the price deduction recorded in the column headed 'Actual Deduction per MI (£)'. Using a specific example, the sub PI CFM M3 score returned by the table above is shown as 90%, as fed by the associated works sheet – 1. CAFM/Helpdesk. The table below dictates that this score triggers a deduction of 70%. With a total fee of £2000 at risk for failure of this sub PI, an amount of £1400 is therefore deducted for the period in this space.

Score Range	% Of Allocated Fee At Risk to be Deducted
80%	100%
85%	80%
90%	70%
95%	60%
Above 95%	PASS

- The above scoring mechanism table is applied to all scores returned against all 10 KPIs in Level 1 (or for those relevant Level 1 KPI's selected by the Customer).
- The total price deduction calculated for the period is then applied to the equation contained within the Pay Mech Model (see document 'FM Services Pay Mech Model Process Procedure Guide v1.0), and the Monthly Payment to the Supplier is adjusted accordingly.

2.4 1.CAFM/Helpdesk Service worksheet

This work sheet refers to the CAFM/Helpdesk Service KPI detailed within the 'A. Performance Criteria' tab, and provides the detail of the scoring criteria broken down to Sub PI, Level 3 and which feeds the actual scores returned in the 'B. Supplier Performance' tab. This worksheet effectively provides the detail behind each Sub PI at Level 3, and provides the cells which must be populated in order for the correct KPI scores to be returned into the 'B. Supplier Performance' tab. An example of the detail provided is illustrated in the following snapshot of the worksheet;

KPI Ref	PI Ref	Measure Ref	Standard/Requirement	Standards Ref	Automated Measure?	Process	Quantity of Events Raised	Units	Quantity of Evens Realised	Units	Supplier Score
CFM K1	CFM P2	CFM M1	Provide a fully functioning and always available Helpdesk system in accordance with the contractual requirements	A:01	Yes	Use defined Service Failure complaints process	10	Service Failure Complaints Raised			60%
	CFM P1	CFM M2	All telephone calls to the helpdesk must be answered within 6 rings.	F:03	Yes	Use Helpdesk system to record call data.	1000	Total Calls Received	1000	Calls answered within limits	100%
	CFM P1	CFM M3	All helpdesk calls logged onto the system correctly and accurately, within agreed time.	F:07	Yes	Use Helpdesk system to record call data.	1000	Total Calls Received	900	Calls logged accurately within time	90%

	CFM P1	CFM M4	Provision of a complete and accurate [Monthly] Service Report in accordance with the contractual requirements (to include written and raw data reports)	F:08	Yes	Use CAFM system to record timestamp of the 'approved' report, to include any amendments.	0	Late Days		100%
									Total PI Score for CFM P1	**97%**
									Total PI Score for CFM P2	**60%**
									Total KPI Score	**78%**

- Each Sub PI may be bespoke to the Customer or taken from the standard KPI Model template provided by CCS. The exact definition/measure /process is decided by the Customer to best meet their needs.
- In the case of 'Measure Ref' CFM M2, the 'Quantity of Events Raised' (Telephone Calls Received) versus the 'Quantity of Events realised' (Calls answered within Limits) returns the appropriate score, in this case 100%. However, in the case of 'Measure Ref' CFM M1, a V LOOK UP table is required in order for an appropriate score to be returned. In this example, 10 Service Complaint Failures have been raised. This returns a score of 60%. The score has been derived from a V LOOK UP formula to an appropriate table stored within the 'LOOK UP TABLES' tab within the FM Services KPI Model template. The table in question is shown below;

CFM M1	
No of complaints relating to Help Desk availability	Supplier Score
0	100%
1	95%
2	95%
3	90%
4	90%
5	80%
6	80%
7	70%
8	70%
9	60%
10	60%
11	20%
12	20%
13	20%
14	20%
15	20%
16	0%

The scores provided within the above table are again driven by the Customers need. The onus is with them to set the % scores returned.

2.5 2. Security worksheet to and including 10. Management worksheet

These worksheets work in exactly the same way as described in '1.CAFM/Helpdesk Service' worksheet. All aspects are the same.

2.6 LOOK UP TABLES worksheet

This worksheet provides the LOOK UP TABLES which have been compiled and included by the Customer. When necessary a score, which has been populated into the appropriate cell within the necessary KPI worksheet, will need to V LOOK UP to an appropriate table stored within the LOOK UP TABLES worksheet. This is the sole purpose of this worksheet, to contain these tables. These tables can be managed by the Customer to meet their specific needs for each KPI and associated sub PI. An example of a LOOK UP TABLE contained within this tab is provided below;

CFM M1	
No of complaints relating to Help Desk availability	Supplier Score
0	100%
1	95%
2	95%
3	90%
4	90%
5	80%
6	80%
7	70%
8	70%
9	60%
10	60%
11	20%
12	20%
13	20%
14	20%
15	20%
16	0%