

# Technical note

<b>Project:</b>	Wiltshire Highways Consultancy Contract	<b>To:</b>	Peter Binley – Wiltshire Council
<b>Subject:</b>	Annual Review of Service – Year 3 - Summary	<b>From:</b>	Richard Stokes - Contract Director
<b>Date:</b>	31st August 2016	<b>cc:</b>	Steve Cross – Wiltshire Council Simon Moon – Atkins Gwillam Lloyd - Atkins Kevin Robbins - Atkins

## 1. Introduction

### 1.1. Purpose

On 1<sup>st</sup> December 2012 Atkins commenced the Wiltshire Highways Consultancy Contract (WHCC) with Wiltshire Council, a 5 year core term commission to provide design and advice to the Council in relation to highways related services.

Extensions of up to a maximum of 2 years are available to the Consultant based on 'Performance'. The Council will review 'Performance' on an annual basis and this will determine whether an extension, and its length, will be awarded. The rules for the award of extensions are defined within the Contract Documents and are replicated within this Technical Note.

The purpose of this Technical Note is to summarise the key aspects required for the Council to undertake their annual review of 'Performance' and to make a decision as to whether to award Atkins a six month extension based strictly on the rules set out in the Contract Documents for performance during the third year of the WHCC. ***The third year ran from 1<sup>st</sup> December 2014 to 30<sup>th</sup> November 2015 inclusive.***

It should be noted that a six month extension was formally awarded by the Council for performance in Year 1 of the WHCC. The Annual Review for Year 2 also evidences a further 6 month extension but has yet to be formally awarded.

### 1.2. Assessment of 'Performance'

In accordance with the WHCC, 'Performance' will be assessed against the ten Performance Objectives:

- A. General Management
- B. Financial Management
- C. Customer Service and Quality
- D. Health and Safety
- E. Staffing Matters
- F. Service Development and Innovation
- G. Information Technology
- H. Environmental Management
- I. Technical Performance – Quality
- J. Technical Performance – Programme and Cost

'Performance' is measured against:

- Agreed Key Performance Indicators (KPIs) and other satisfaction surveys to award a 'Performance' score;
- Delivery of the 'Undertakings' provided in the tender submission and subsequent development agreed year-on-year with the Council

For Year 3 of the Contract, the proportion of the 'Performance' score to 'Undertakings' score is 70:30.

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Overall scoring is based on a scale of one to ten for both ‘Performance’ and ‘Undertakings’ and the scores merged to give an overall scoring out of ten. In relation to the assessment and award of contract extensions:

- For average scores of 8.0 and over the award will be for a 6 month extension to the Contract;
- For average scores of 6.0 to 7.9 the award will be for a 3 month extension to the Contract;
- For average scores of less than 6.0, no extension will be awarded. If the average scores are less than 5.0, the Council will give serious consideration to terminating the Contract, or taking other corrective action

The overall scoring for Atkins’ performance during Year 3 is provided in section 4 of this Technical Note.

## 1.3. Structure and Content of the Technical Note

The Technical Note is structured to bring together a user-friendly summary of relevant information required to fulfil the purpose outlined in 1.1.

The contents of the Technical Note are:

Section	Title	Purpose/Overview
2	Contract Undertakings	To provide a summary of: <ul style="list-style-type: none"> <li>• Purpose/background to the Undertakings</li> <li>• Progress made in Year 3 with delivery of the Undertakings / Measurement Mechanisms</li> </ul>
3	Key Performance Indicators	To provide a summary of: <ul style="list-style-type: none"> <li>• Purpose/background to the KPIs</li> <li>• KPI scores in Year 3</li> </ul>
4	Performance Dashboard	To provide an overview of ‘Performance’ in Year 3 in relation to the review and assessment mechanisms laid out in the WHCC

**Table 1. Contents of Technical Note**

## 2. Contract Undertakings

In accordance with the Invitation To Tender (ITT), Atkins tender submission contained a series of commitments in the form of Contract Undertakings for each Performance Objective. The ITT stated that there was a maximum of ten Undertakings permitted for each of the ten Performance Objectives, meaning an overall limit of 100 Undertakings. Each Undertaking was to have at least one Measurement Mechanism (MM) which enabled progress to be tracked against key objectives and timescales.

Atkins submission contained 94 Undertakings and 101 associated MMs. These formed the Undertakings and MMs for Year 1. On agreement with the Council, the number of MMs was reduced to 99. For Year 2, the Undertakings and MMs included in the tender submission formed the core, but in agreement with the Council a number were ‘parked’ or removed, and a number of new MMs included to represent the areas for further development and improvement identified in the Year 1 Review. The number of Undertakings and associated MMs for Year 2 totalled 51 and 69 respectively. For Year 3, a similar approach to that taken for Year 2 was adopted. At the start of Year 3, the number of Undertakings and associated MMs totalled 36 and 43 respectively. However, this was reduced to 32 Undertakings and 38 MMs as the year progressed, in joint agreement with the Client.

Table 2 below summarises progress made with the Undertakings and MMs in Year 3 based on Performance Objectives.

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Performance Objective	No. of MMs/Maximum Score	RAG Assessment			Score/Percentage
		Red	Amber	Green	
A. General Management	3 MMs = 6 Points max.	0	0	3	12/12 = 100%
B. Financial Management	5 MMs = 10 Points max.	0	0	5	10/10 = 100%
C. Customer Service & Quality	3 MMs = 6 Points max.	0	0	3	6/6 = 100%
D. Health and Safety	3 MMs = 6 Points max.	0	0	3	6/6 = 100%
E. Staffing Issues	8 MMs = 16 Points max.	0	0	8	16/16 = 100%
F. Service Development and Innovation	6 MMs = 12 Points max.	0	0	6	12/12 = 100%
G. Information Technology	1 MM = 2 Points max.	0	0	1	2/2 = 100%
H. Environmental Management	4 MMs = 8 Points max.	0	0	4	8/8 = 100%
I. Technical Performance – Quality	3 MMs = 6 Points max.	0	0	3	6/6 = 100%
J. Technical Performance – Programme and Cost	2 MMs = 4 Points max.	0	0	2	4/4 = 100%
<b>Totals</b>	<b>38 MMs = 76 Points max.</b>	<b>0</b>	<b>0</b>	<b>38</b>	<b>76/76 = 100%</b>

**Table 2. Undertakings Metrics for Year 3 – Performance Objectives Based**

Table 3 highlights the basis of the RAG assessment scoring system.

<b>Red =</b>	Limited/no current progress = <b>0 Points</b>
<b>Amber =</b>	Progress being made with MM/Undertaking, confidence in progress and outcomes = <b>1 Point</b>
<b>Green =</b>	MM/Undertaking achieved/met = <b>2 Points</b>

**Table 3. RAG Assessment Scoring System**

Table 2 highlights that all 38 Measurement Mechanisms were completed to a satisfactory level agreed with the Client.

## 3. Key Performance Indicators

### 3.1. Background

To complement the Contract Undertakings and complete the ‘Performance’ measurement for Atkins in Year 3 the bespoke set of Key Performance Indicators (KPI’s) created at the start of the Contract have been developed to demonstrate performance against 9 of the 10 contract Performance Objectives.

The KPI’s developed in consultation with the Council from the National Highways Best Value Benchmarking Club indicators use project, commission and company data to measure performance using data captured from Atkins’ systems, and the monthly satisfaction scoring completed by the Council and the Highways and Streetscene Contractor.

The Year 3 indicators align with the Performance Objectives as shown below:

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- **General Management:**
  - Commissioner Satisfaction 'Our Service';
  - Response to Briefs;
  - Staff Turnover;
  - Staff Utilisation
- **Financial Management:**
  - Working Debt Levels >61days total in 12 month period;
  - Timeliness of Invoicing
- **Customer Service and Quality:**
  - Management of Compliments;
  - Management of Complaints;
  - Time to close out Complaints
- **Health and Safety:**
  - Compliance with Skillport Training Modules;
  - Commissioner Satisfaction 'Our Product – Safety'
- **Staffing Matters:**
  - Completion of PDR's;
  - Staff Satisfaction Score measured against Regional Score
- **Service Development and Innovation:**
  - Identification of Efficiency Savings
- **Information Technology:** No indicators have been identified or developed that would bring benefits to the Council around the two principal systems used by Atkins on the contract, Exor (Bentley) and Mayrise.
- **Environmental Management:**
  - Commissioner Satisfaction 'Environmental'
- **Technical Performance – Quality:**
  - Commissioner Satisfaction 'Quality of our Product'
- **Technical Quality – Cost and Programme:**
  - Predictability Costs - Design Fees;
  - Commissioner Satisfaction 'Delivery to Time and Budget'

For each KPI a measurement mechanism aligns with the contract scoring criteria and is averaged across the indicators under each contract objective to produce the 'Performance' contract score for the objective.

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## 3.2. Summary of Overall KPI Performance

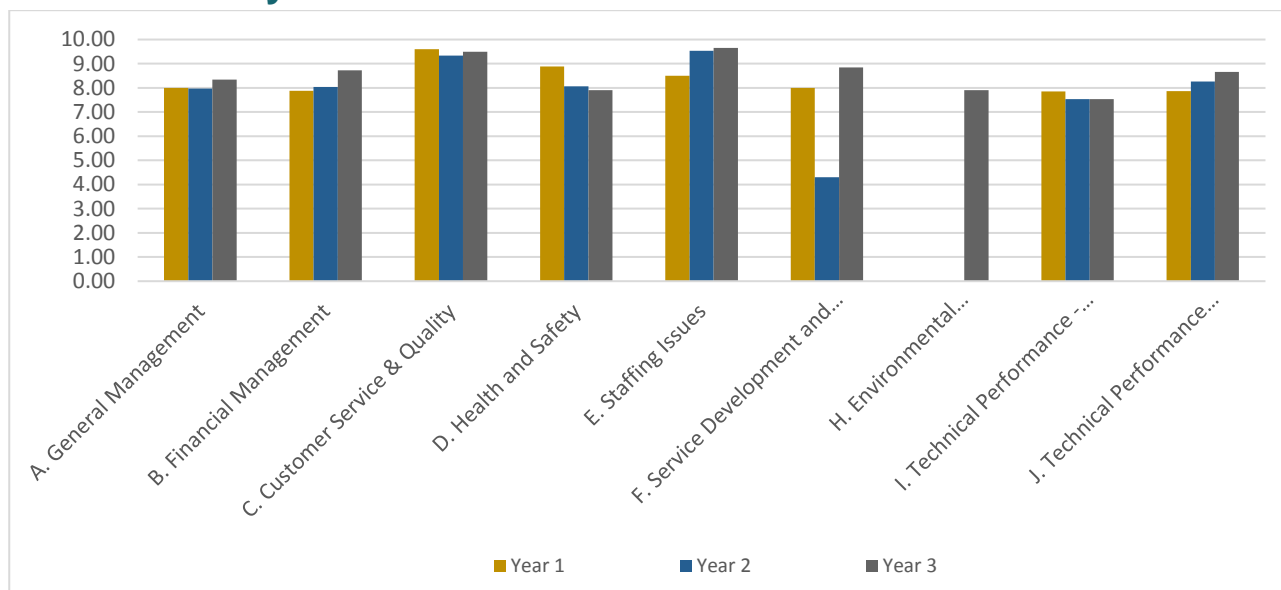


Figure 1. Summary of KPI Scores across Performance Objectives

A graphical representation of the overall KPI scores across the Performance Objectives is shown in Figure 1 above. **Atkins achieved an average 'Performance' score of 8.56** across the nine measured Performance Objectives included in the 'Performance' equation.

## 4. Performance Dashboard

The contract documents set out that 'Performance' shall be assessed in the 3<sup>rd</sup> Year of the WHCC on a 70/30 split between 'Performance' and 'Undertakings' scores to determine the award of a contract extension. The scores for 'Undertakings' and 'Performance' for the respective Performance Objectives are tabulated below in Table 4 for the third year of the contract, and indicate Atkins **achieved a 'Performance' score of 8.99**.

	Performance Objective	Annual 'Performance' Score	Annual 'Undertakings' Score
A	General Management	8.34	10.00
B	Financial Management	8.72	10.00
C	Customer Service and Quality	9.50	10.00
D	Health and Safety	7.91	10.00
E	Staffing Matters	9.65	10.00
F	Service Development and Innovations	8.85	10.00
G	Information Technology		10.00
H	Environmental Management	7.91	10.00
I	Technical Performance-Quality	7.53	10.00
J	Technical Performance-Programme and Cost	8.66	10.00
	<b>Total Score</b>	<b>77.07</b>	<b>10.00</b>
	<b>Average Score</b>	<b>8.56</b>	<b>10.00</b>
	<b>Combined 'Performance' Score</b>	<b>8.99</b>	

Table 4. Combined Contract Performance Score - Year Three