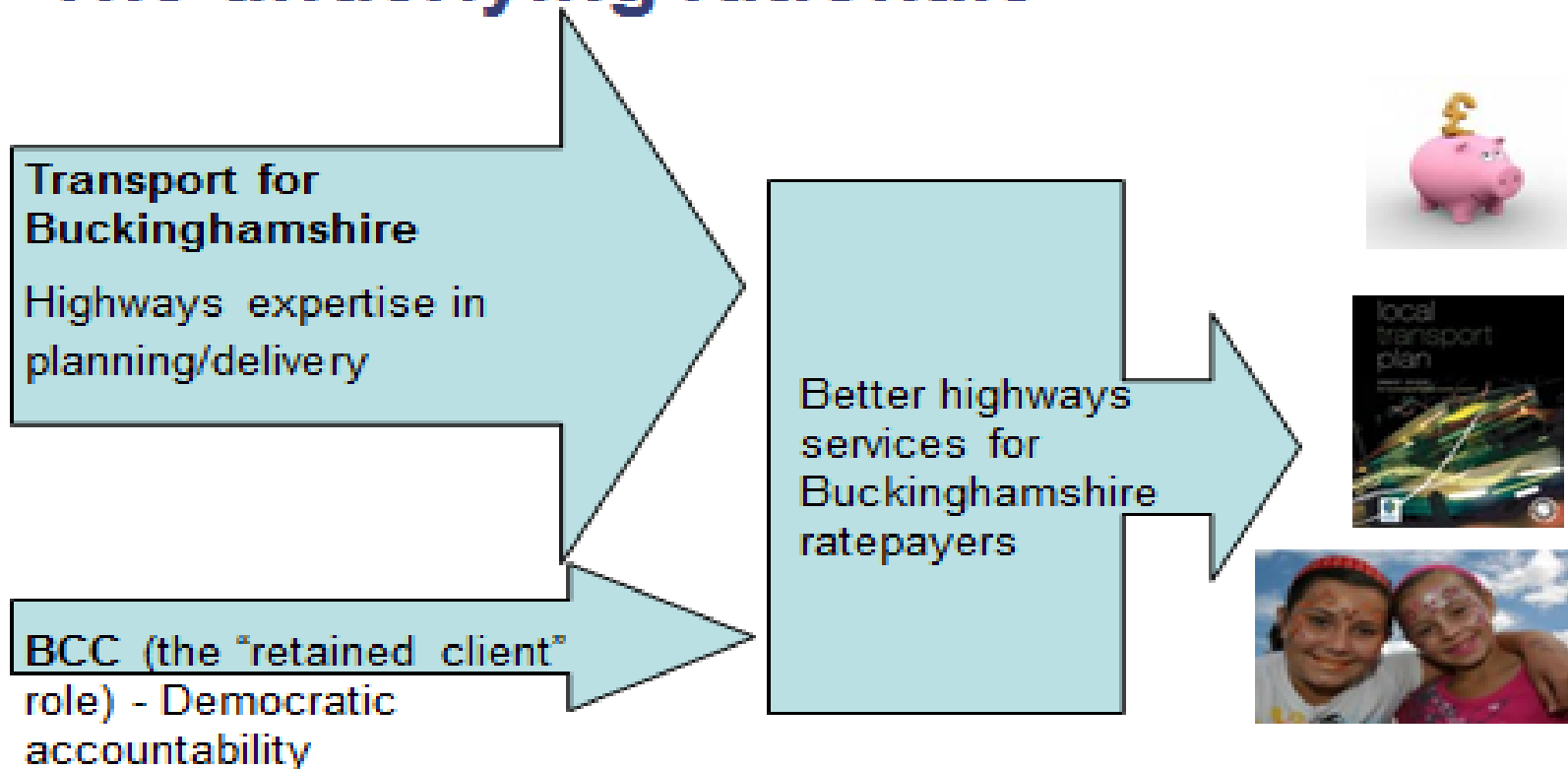


**“Transport for Buckinghamshire” – the  
effective operation of the Transportation  
Services Contract**

# The underlying rationale



## **Making the contract work**

- A collaborative not a confrontational approach – based on TRUST
- Proper planning of service delivery to allow:
  - economies of scale
  - greater efficiency in delivery
  - greater certainty of delivery
  - removal/mitigation of risk
- Focus on delivery (for the ratepayers of Buckinghamshire)



## Task Orders

- Instruction to Contractor from the Council to carry out a specific Service/grouping of Services
- Required in respect of ALL Services to be carried out by TfB
- Envisaged that majority of Task Orders will be issued as soon as possible before, and in any event within 4 weeks of commencement, of each Financial Year:
  - 100% Local Overhead Cost
  - 80% Services Revenue Budget; and
  - 50% Services Capital Budget)
- Still flexibility for the Council to deal with balance of Services

## Payment – principles

- Separate accounting for:
  - Local Overhead Cost (which will be the subject matter of a separate Task Order); and
  - the cost of providing the Services (under individual Task Orders)
  - and no double counting
- Open book accounting – Contractor provides monthly breakdown of “Defined Costs” in respect of both
  - Local Overhead Cost; and
  - cost of providing the Servicesand keeps detailed records that are fully auditable
- Within individual Task Orders, separate records to be kept in respect of:
  - Capital Services
  - Revenue Services

## Key Performance Indicators (Schedule 5)



- Set out the standards against which TfB's performance is measured
  - "minimum acceptable performance"
  - "expected performance"
- TfB self assessment throughout the year and report to Council "retained client" on not less than a three monthly basis
- Overall performance during the Financial Year is measured within 1 month before or after the end of the Financial Year and has implications on
  - the term of the contract
  - the level of Fee Profit Element entitlement
  - sharing in savings below total annual target costs

# Key Performance Indicators

## Condition of the Highway

Street lighting	% of BCC street lights in lighting across the network	93.00%
Street lighting	% of BCC illuminated signs and bollards, in lighting across the network	80.00%
Maintenance	Annual Gully maintenance programme delivered on time	90%
Maintenance	Grass cutting programme (self delivery areas) delivered on time	90%

## KPI (2)

### Condition of the Highway

Maintenance	% Cat 1 dangerous potholes <u>made safe</u> across BCC – 24hrs	95%
Maintenance	Revenue patching programme delivered on time (Plane & Patch)	90%
Structures	Revenue highways structures Programme delivered on time	90%



## KPI (3)

### High Quality Work

Passenger Transport	Bus services running on time (urban routes + inter-urban routes) Whole route times	75%
Passenger Transport	Percentage of patronage growth on all bus routes	-3.37%
Road Space Management	Statutory Sample Inspections SA (Whilst Work undertaken Signs, Lighting and Guarding)	8.00%
Road Space Management	Statutory Sample Inspections SB & SC (Sum of SW04M & SW05M -- After works completed For reinstatement quality)	30.00%
Structures	Average score of bridge stock condition	88

## KPI (4)

### High Quality Work

Casualty Reduction	Killed or seriously injured in traffic collisions on BCC roads (not including HA roads)	191
Maintenance	% completion of winter salting route's) with the required time stated in the Operational Plan	95%
Transport Systems	Journey Time reliability Aylesbury (Percentage of commuters completing their journey below the upper variance limit from Average Journey time)	80%
Transport Systems	Journey Time reliability High Wycombe (Percentage of commuters completing their journey below the upper variance limit from Average Journey time)	80%
Quality and Performance	CAR's Actioned within agreed Timescale (resulting from all sources)	90%

# KPI (5)

Value for Money

Street Lighting	The average number of working days taken to repair a BCC street lighting fault.	18
Parking	Compliance by NSL of all their indicators as defined in methodology	85%
Road Space Management	TMA Noticing Compliance own works	85%
Maintenance	% of works orders completed without the need for remedial work - (potholes only)	95%
Maintenance	% of works orders completed without the need for remedial work - excluding potholes	95%

## KPI (6)

### Value for Money

Maintenance	Depot Construction waste recycled (excluding Fly Tipping)	66%
Quality and Performance	RIDDOR reflecting the number of Health and Safety accidents (of over 7 days Personal Injuries Only) TfB Staff only	2
Quality and Performance	% actions achieved in accordance with the Annual Plan (Programme milestone achieved)	90%
Quality and Performance	Predictability of Cost - CAPITAL Comparison of costs at requisition stage to final measure costs with EWNs	102.5%
Insurance	Green claims successfully pursued	£90K

## KPI (7)

### Stakeholder and Customer

Quality and Performance	NHT Survey Customer Satisfaction with public transport information (countywide) 3 year average	44.00
Casualty Reduction	Post Event Customer Satisfaction Survey feedback Casualty Reduction	70.00%
Quality and Performance	Satisfaction of works affecting frontages (Postcard Survey) CMP Schemes	80%
Capital Maintenance	Members CMP Schemes delivered in accordance with agreed Programme & Target Costs	90.00%
Quality and Performance	NHT Survey Customer Satisfaction (Highway related/ Condition) 3 year average	18.00
Quality and Performance	NHT Survey Customer Satisfaction Highway maintenance KBI24 3 year average	42.00

## KPI (7)

### Stakeholder and Customer

LATs / Maintenance	Member satisfaction with LAT's Service ( Internal survey)	85%
Quality and Performance	NHT Survey Customer Satisfaction with managing Road Works KB18 NHT Based 3 year average	45.45
Quality and Performance	% 2 Hour emergency responses achieved within time	95%
Business Support	Correspondence 28-day/complete (letters, emails, phone and Web)	87%
Quality and Performance	Number of upheld complaints (stage 3) about the service received from the public and members	2
Insurance	% BCC Personal Injury Claims processed and issued for settlement within 10 working days with no major omissions	90%

# **Contract Extension based on performance**

## **— Extending the Service Period**

- The Employer may notify the Contractor that the Service Period is to be extended for a further period or periods not exceeding 7 years in total. For the avoidance of doubt, extensions under this clause cannot extend the Service Period beyond 2024.
- Without prejudice to clause 11.2.1, the Employer awards extensions to the Service Period at its discretion, taking into account the Contractor's performance against the Key Performance Indicators as set out in paragraph 10 of Schedule 5.

# Contract Extension

## Performance above "expected performance" entitling extensions to the Service Period

- With effect from the commencement of the 2009/2010 Financial Year, the performance of the Contractor against the Key Performance Indicators is considered for that Financial Year. Provided that the Contractor has achieved at least the “minimum acceptable performance” for not less than 90% of the Key Performance Indicators (“**Acceptable Performance**”) the Contractor is entitled to one year's automatic extension to the Service Period for each Financial Year in which this is achieved, subject to the operation of paragraphs 5.2 to 5.5.
- With effect from the commencement of the 2009/2010 Financial Year if the Contractor has not achieved Acceptable Performance, the Contractor is not entitled to any automatic extension to the Service Period in respect of that Financial Year.
- If the Contractor has not achieved Acceptable Performance for any 2 consecutive Financial Years, any automatic extensions to the Service Period accrued in accordance with paragraph 5.1 are reduced by a period of 1 year.
- If the Contractor has not achieved Acceptable Performance for any 3 consecutive Financial Year, all automatic extensions to the Service Period accrued in accordance with paragraph 5.1 are reduced to zero.
- Notwithstanding the operation of paragraphs 5.1 to 5.4, the Employer may, in its absolute discretion, choose to grant an extension to the Service Period in accordance with clause 5.2.

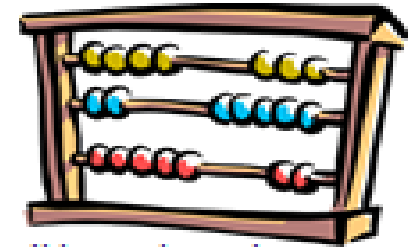


# Contract Extension ( Summary)

Extension based on successful KPI performance

- 90% of KPIs MUST meet Acceptable Performance.
- If not achieved for consecutive 2 years, any extensions granted are reduced by a year.
- If not achieved for 3 consecutive years, ALL extensions granted are lost.
- Current extensions take contract to 2021, potential to go to 2024

## Pain Share/Gain Share



### Starting point - at the end of Financial Year:

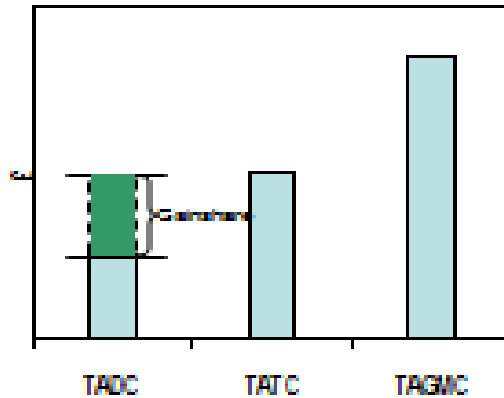
- Calculate the **Total Annual Target Costs** by adding up all target costs agreed in relation to individual Task Orders (the "TATC")
- Calculate the **Total Annual Guaranteed Maximum Costs** by adding up all Guaranteed Maximum Costs agreed in relation to individual Task Orders (the "TAGMC")
- Calculate the **Total Annual Defined Costs** by adding up all Defined Costs incurred in relation to individual Task Orders *plus* the resultant Fee (the "TADC")

### Pre-conditions to Contractor sharing in any Gain Share:

- TfB have demonstrated at least 3% cashable Efficiency Gains for the Financial Year (taking into account the effect of any potential shared savings); and
- TfB have achieved "Acceptable Performance" against the KPI's

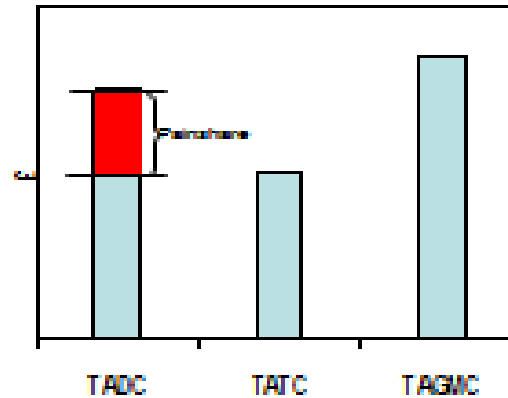
## Pain Share/Gain Share

Gain share



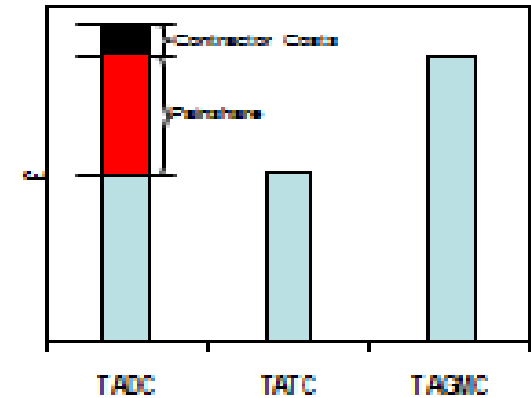
TADC is less than the TATC  
Difference between the two is shared  
in accordance with Schedule 4.

Painshare



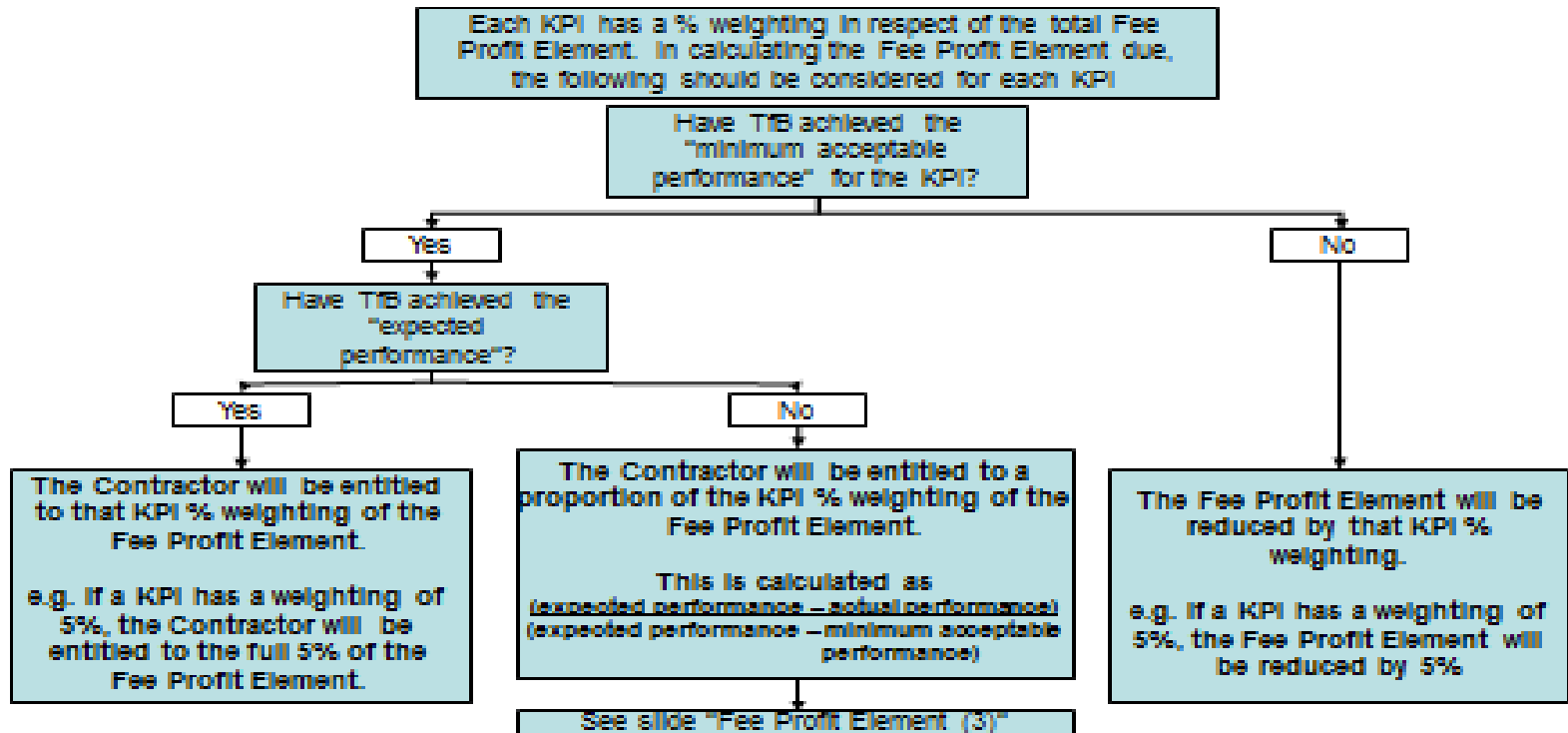
TADC is greater than the TATC  
TADC is less than the TAGMC  
Difference between the TADC and  
TATC is shared in accordance with  
Schedule 4.

Painshare Plus



TADC is greater than the TATC  
TADC is greater than the TAGMC  
Difference between the TATC and  
TAGMC is shared in accordance with  
Schedule 4.  
Remainder of TADC is Contractor's  
responsibility

## Payment of balance of Fee Profit Element (1)



# Contact Details

