**KEY PERFORMANCE INDICATORS**

1. Performance of the Contract shall be measured in accordance with the Key Performance Indicators (KPI’s) at Annex C to Schedule 2. The Designated Officer (DO) shall have the responsibility of awarding and aggregating any deductions due for KPI failure as detailed at Annex C to Schedule 2. In the event of disagreement, the matter shall be dealt in accordance with the provisions of SC2 Clause 40 – Dispute Resolution. Any sum that becomes due shall be deducted in accordance with Annex C to Schedule 2 after the KPI failure has been reported. Any un-recovered sums shall be deducted from the Contractor’s final claim at the end of the Contract term.

2. Notwithstanding any KPI failures, the Contractor will provide the Authority with a written monthly report detailing performance against the agreed KPI’s within 3 working days prior to the monthly progress meeting. Monthly progress meetings will be chaired by the Authority.

3. The KPI’s at Annex C to Schedule 2 shall determine any areas of contractual default. As stated at paragraph (a) above, any disagreement the matter shall be dealt in accordance with the provisions of SC2 Clause 40 – Dispute Resolution.