

**Annex G – Key Performance Indicators**

Reference tender	201865003.001.138
Name European Tender	Payroll management services

What is measured?

Your performance is measured against the KPI's listed below. You must meet the set standard for all KPI's.

KPI 1: Processing monthly changes**Description of the KPI:**

Contracting Authority provides the individual variables per mission (monthly changes) for the payroll such as:

- Structural individual changes relate to hiring, termination of employment, retirement, transfer (other salary scale or extra wage number) which adjustments are adjusted in the month of change in the payroll administration and continued in all follow-up months;
- Variable changes per person related to components: overtime, bonus, payment of leave days, reimbursement of actual medical expenses. These have a one-time relationship with the month of the payroll.

The Contractor takes care of collective monthly variables in the payroll runs regarding all persons of the payroll, such as:

- collective components based on the mission version of the country such as benefit 13th / 14th month etcetera;
- adjustments to local regulations.

Contracting Authority requires correct and timely processing of mutations / variables in the payroll run by the Contractor according to the payroll calendar and to the 'first time right' principle and therefore finds every extra (preliminary) run undesirable. As soon as it turns out that in the run the mutations are not processed correctly, the Contracting Authority will pass these on to the Contractor for correction so that an adapted (preliminary) run per payroll is offered. The number of times that the first preliminary run per payroll per month is not correct or complete with respect to mutations is maintained by the Contracting Authority.

Definition

How often per month an adjusted (additional) provisional run is required because the first run was incomplete or incorrect.

Maximum score : 40**Norm**

- 0 additional runs = maximum number of points
- 1 additional run = 10 points deducted
- 2 additional runs = 10 points deducted
- ≥ 3 extra runs = no points

Measuring method

Overview runs per payroll including reasons for extra runs

Frequency of assessment

Monthly



KPI 2: Timely payment and remittance	
Description of the KPI: Contractor manages the payment details of all persons on the payroll. Payment date per payroll is fixed in the payroll calendar including the latest date that payment orders must be received by Contracting authority. The Contractor also ensures the timely payment to the local authorities (taxes, social security contributions, pension premiums et cetera). Contracting Authority requires all payments of salaries and remittances to local institutions to take place timely and correctly by the Contractor. Where the Contractor does not take care of the remittance itself, the Contractor ensures that salaries and remittances to be paid are passed on to the Contracting authority so that the payment can take place on time. Exceeding the payment deadlines per payroll is maintained by the Contracting Authority. The Contractor ensures that employees are provided with an accurate payslip no later than 24 hours after receipt of their salary.	
Definition	
The number of salaries paid on the agreed payment date as agreed in the payroll calendar. Payslips should be sent to employees no later than 24 hours after receipt of the salary by the employee.	
Maximum score : 15	
Norm	
• 100% on time = maximum number of points • ≥ 99% on time = 10 points deducted • < 99% = no points	
<u>Measuring method</u>	Compare the payment date with the payment date in the payroll calendar. Compare the date of issue of payslip with the date in the payroll calendar.
<u>Frequency of assessment</u>	Monthly
Definition	
The number of payments to local authorities (tax authorities, social security, pension funds, etc.) made on time.	
Maximum score : 15	
Norm	
• 100% on time = maximum number of points • ≥ 99% on time = 10 points deducted • < 99% = no points	
<u>Measuring method</u>	Overview by country of the statutory final payment date versus the actual payment date.
<u>Frequency of assessment</u>	Monthly



KPI 3: Invoicing	
Description of the KPI: Contractor delivers monthly invoices in accordance with the format required by Contracting authority. Invoices must be correct in terms of quantity of persons on the payroll as well as in terms of rates and should be easily connected to the work carried out by the Contractor. The Contracting Authority requires that authorization of the monthly invoice from the Contractor be carried out efficiently. A clear connection between the services provided and the sent invoice is important here. For any extra costs incurred (add ons) the prior authorization must be sent along with the invoice.	
Definition Accuracy and completeness of invoices. No factual errors (rates, number of employees and calculations). Additional costs are substantiated with prior written authorization by the Contracting Authority.	
Maximum score : 10	
Norm	
• 100% error free = maximum number of points • $\geq 98\%$ error free = 5 points deducted • $< 98\%$ = no points	
<u>Measuring method</u>	Compare the payment date with the payment date in the payroll calendar.
<u>Frequency of assessment</u>	Monthly



KPI 4: Incident treatment	
Description of the KPI: Incidents concern not or not timely compliance with the work agreements between Contractor and Contracting Authority. Some incidents need immediate action. Incidents with actions / follow-up are recorded in an incident registration by the Contractor and are discussed monthly. The actions and follow-up are also mentioned in the report. The Contracting Authority wishes that where direct action is needed, the Contractor takes immediate action to resolve the incident. In addition, the follow-up of the incidents is of great importance for the service provision.	
Definition Resolution time of incidents. Time (in Business days) between reporting and resolution, by incident category (urgent, high, medium, low). The priority shall be determined jointly by the Contracting Authority and the Contractor at the time the incident is registered. In case of disagreement, the Contracting Authority's classification shall prevail. Urgent: An incident with a critical impact on service delivery or business operations that requires immediate action. High: An incident with a significant impact on service delivery or business operations that requires prompt resolution. Medium: An incident with a limited impact on service delivery or business operations that should be resolved within the agreed timeframe.	
Maximum score : 20	
Norm Incidents resolved within the agreed resolution time, are measured from the moment the incident is reported until it is resolved. • For each urgent incident not resolved within 1 working day, 10 points will be deducted. • For each high incident not resolved within 3 working day, 7 points will be deducted. • For each medium incident not resolved within 5 working day, 5 points will be deducted.	
<u>Measuring method</u>	Date of registration and closure for each incident.
<u>Frequency of assessment</u>	Monthly



KPI 5: Incident treatment – Contractor platform

Description of the KPI:

Contractor provides support to the Contracting Authority as part of the Contracting Authority's subscription, to provide assistance relating to availability of the Platform, Services and Content. Support is available on 8.00 – 17.00 AMS time and can be accessed by the Contracting Authority's nominated and named support personnel.

Definition & Norm

Resolution time of incidents. Time (in Business days) between reporting and resolution, by incident category.

Severity	Error Priority Classification	Response Time	Target Resolution Time
Top	Inability to complete any and all transactions on the Platform; or Platform outage; or Security Incident (annex C2 - Schedule 2)	Within one (1) hour	Next Business Day
Urgent	Major functionality or significant performance degradation impacting the service. The issue causes a high impact on the predominant part of the Contracting Authority's business operations, and no reasonable manual or semi-automated or other workaround exists.	Within eight (8) hours	Up to three (3) Business Days
High	Major functionality or significant performance degradation impacting the service. The issue causes a impact on the predominant part of the Contracting Authority's business operations, but reasonable manual or semi-automated or other workaround exists.	Within twelve (12) hours	Up to twenty (20) Business Days
Medium	There is a partial, non-critical loss of use of the Services with a medium-to-low impact on the Contracting Authority's business. However, the business continues to function. Reasonable workarounds are available.	End of next business day	Contractor will make all commercially reasonable efforts to provide a resolution or workaround for the incident.

Maximum score : 20

Norm

The priority shall be determined jointly by the Contracting Authority and the Contractor at the time the incident is registered. In case of disagreement, the Contracting Authority's classification shall prevail.

The Contractor shall resolve incidents within the applicable Target Resolution Time, based on the incident severity classification.

Resolution time is measured from the date and time the incident is registered until the date and time the incident is marked as resolved in the Contractor's incident management system.



- For each Top incident not resolved within the applicable target resolution time, 10 points will be deducted.
- For each Urgent incident not resolved within the applicable target resolution time, 7 points will be deducted.
- For each High incident not resolved within the applicable target resolution time, 5 points will be deducted.

<u>Measuring method</u>	Date of registration and closure for each incident.
<u>Frequency of assessment</u>	Monthly



Escalation procedure

If the Contractor fails to meet the performance standard, the Contractor shall submit an improvement plan within one (1) month, after which the escalation procedure set out below shall apply. The performance standard requires that at least 90 points out of a total score of 120 points are achieved.

Escalation	
<i>Step 1</i>	• The Contractor shall submit a SMART improvement plan, including the specific actions that will be taken. • The improvement plan shall identify who is responsible for each action and the timeframe within which the agreed quality level will be achieved. • The improvement plan shall also explain how the Contractor will prevent similar shortcomings from occurring in the future. • The improvement plan shall be discussed during a meeting. • The improvement plan is subject to the Contracting Authority's approval
<i>Step 2</i>	If the improvement plan is not approved, the Contractor shall submit a revised improvement plan within five (5) working days.
<i>Step 4</i>	If the improvement plan is not approved, or if it fails to achieve the required improvement within the agreed timeframe, the Contracting Authority shall impose a conditional Service Credit of EUR 5,000 per month. This Service Credit shall be applied as follows: • if the performance standard is not met, but is met in each of the following two (2) consecutive months, no Service Credit shall become payable in respect of that period; and • if the performance standard is not met and is again not met at any time during the following two (2) consecutive months, the Service Credit of EUR 5,000 per month shall become payable retroactively from the month in which the performance standard was first not met.
<i>Step 4</i>	At the end of the two (2)-month period referred to in Step 3, a new conditional Service Credit of EUR 5,000 per month shall be imposed, to which the same conditions set out above shall apply. This process shall be repeated until the performance standard is achieved.

Key Performance Indicators		Assessment (points)
1.	Processing monthly changes	40
2.	Timely payment and remittance - Salaries paid according to the payroll calendar - Payments to local authorities	30
3.	Invoicing	10
4.	Incident treatment	20
5.	Incident treatment – ESP platform, integration with BTP	20
Total score		120