

## Activity 9 – Operational Performance Measures

Problem identified : There is no standard performance measure in UK tram procurement documentation. Some schemes define large numbers of performance targets, each with their own bonus/penalty regime. These can be badly specified and impractical, leading to time-consuming re-negotiation by bidders, and adding cost and complexity to schemes with little real benefit to the promoters.

Scope of Work : Review recent procurement documentation for UK schemes. Which performance measures were easiest to understand, and worked best in practice?

Review performance measures used in France, Germany, and the USA. Could any of them form the basis of a standard performance measure in the UK?

Develop a standard performance measure consisting of key performance indicators (KPIs) which are easy to understand, and which are measurable, manageable, and objective.

Timescale : 6 months

Likely Benefits : Reduction in risk premiums.

Reduction in bid costs for tenderers and promoters.

Reduction in potential for disputes in the operational phase of schemes, so saving management time and cost.

Production of consistent, clear and comparable performance reporting across UK tram systems.

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