

**ANNEXURE A4**

**SERVICE LEVEL INDICATORS**

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First Edition

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## SERVICE LEVEL INDICATORS

## INTRODUCTION

The purpose of the Service Level Indicators is to guide and document the expectations and requirements of the services to be rendered to the Tendering Institutions by the Service Provider.

This document may be used as the benchmark against which reviews and, as appropriate, modifications to the service provided by the Service Provider shall take place.

## KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) are management tools designed to monitor supplier performance and help meet the goals, objectives and service levels of the contract.

The KPIs must help point you in a direction, improve performance levels, identify breakdowns in a process and are a driver of continuous improvement for more efficient and sustainable procurement processes.

KPIs should be relevant to your institution and should be simple to use. When developing the KPIs, no more than 10 (ten) should be enough. You don’t want to become overwhelmed and find yourself serving the KPIs rather than having them serve you.

Following KPIs shouldn’t be about hours of gathering data. If you are establishing your first KPIs, start with just a couple so that everyone can understand them and their purpose. You can always add more KPIs later.

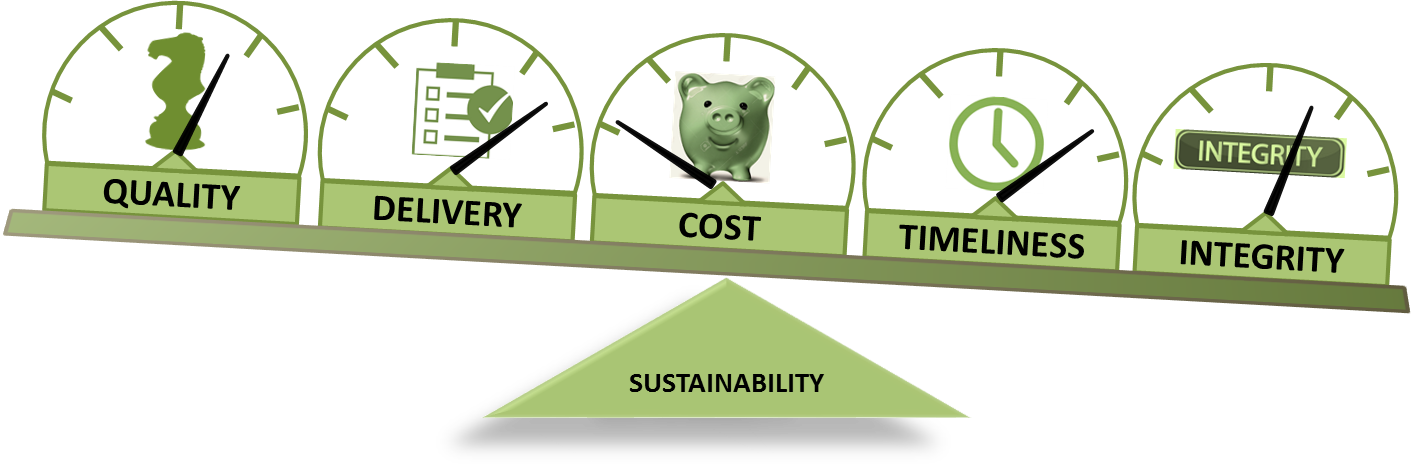
## 2.1 How should you set up your KPIs?

* Before starting to establish KPIs, you should figure out what your stakeholders need and what are the institution’s strategies and objectives for the future. It starts with meeting the management as well as other stakeholders.
* Look for ways the supply chain unit can help meet them, and then look for metrics that reveal your progress towards achieving those goals. There is no one-size-fits-all formula for all departments and the goals as well as the KPIs are most usually custom.
* Introduce the newly established KPIs to procurement employees as well as all the stakeholders. Everyone should be well aware about the metrics, the reporting as well as the goals of them.
* The metrics should then be signed off by management in order to maintain accountability, and later on they will be reported on in future progress meetings.

## 2.2 Major groups of KPIs

The goals of KPIs can be divided into five major groups according to their purpose: receive savings (Cost), increase quality (Quality), improve delivery (Delivery), timeliness of actions (Timeliness), improved transparency (Integrity) and improved productivity (Systems Productivity).

All groups are tightly bound together and it’s important to understand that these are like an octopus: if you are setting up your KPIs from only one of the groups, you don’t want to harm any of the others because it might decrease supply sustainability.



## Range of Services

The Services rendered are reflected in the Scope of Work (Annexure A1 Paragraph 15).

## MEASUREMENT CRITERIA

The following table lists a comprehensive number of Key Performance Areas and Indicators. The Tendering Institution must select the most relevant KPA and KPIs and include it in their contracts and quarterly and annual reviews of the contract. Tendering Institutions may change the descriptions, targets and frequency of measurement according to their needs.

| ***Key Service Area*** | ***Description of Service*** | ***Target*** | ***Frequency of Measurement*** | ***Weighting of Service*** | ***Reference*** |
| --- | --- | --- | --- | --- | --- |
| GENERAL | | | | | |
| Hours of operation | Rendering services throughout working hours. Monday to Friday (8h00 – 17h00) | 100% | Monthly/Quarterly Review |  | 15.3.1(b) |
| After hours/emergency services | After hours services must be rendered Monday to Friday outside normal official hours(17h00 to 8h00) and 24 hours on weekends and Public Holidays | 100% | Monthly/Quarterly Review |  | 15.3.1(b)  15.3.6 |
| Travel Policy Implementation | Controls put in place to ensure policy compliance | 80% | Monthly/Quarterly Review |  | 15.3.1(e) |
| Traveller Profiles | All travellers must be set up with a personal profile. | 80% of travellers | Monthly/Quarterly Review |  | 15.3.1 (g) |
| Third Party Management | Manage the third party service providers by addressing service failures and complaints against these service providers | 80% | Monthly/Quarterly Review |  | 15.3.1(h) |
| RESERVATIONS | | | | | |
| Turnaround times to acknowledge requests | Turnaround time on domestic bookings  And point to point international bookings within 4 working hours | 80% of bookings within 4 hours | Monthly/Quarterly Review |  | 15.3.2(h) |
| Turnaround time for quotations on multi-sector regional and international air travel within 24 hours | 80% of bookings within 24 hours | Monthly/Quarterly Review |  | 15.3.2(h) |
| Prioritise last minute booking for same day travel within 1 hour | 90% of bookings within 1 hour | Monthly/Quarterly Review |  | 15.3.2(h) |
| Response to change or cancellation of bookings within 4 hours | 90% of changes & cancellations within 4 hours | Monthly/Quarterly Review |  | 15.3.2(h) |
| Group Bookings | Number of group bookings facilitated | 100% of all requests | Quarterly |  | 15.3.2(i) |
| Consultant to acknowledge receipt of enquiries/bookings within 3 hours or receipt | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| Consultant to provide quotations within 2 business days of receiving enquiry | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| In the event that a consultant need additional time to get prices from a venue, it must be communicated to the client concerned | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| Vouchers to be issued within a day prior to the event (short notice due to high volumes of changes) | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| Consultant to provide ongoing feedback to the booker until the booking is confirmed | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| No voucher can be issued without an electronic or manual authorisation. The information must reflect correctly and signed by the booker and the authoriser | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| All contracts must be signed by the Client’s authoriser | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| Any additional items required at the venue/during the conference should be signed off by the authoriser | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| All invoices will be sent to the booker for verification before payment. | 95% | Ad hoc/Quarterly |  | 15.3.2 (i) |
| Support & Advice | TMC will support and assist with advice, documentation for passports and visa applications, inoculation requirements, foreign currency, insurance, etc. | 50% of all requests | Monthly/Quarterly Review |  | 15.3.2(j), (k), (l), (p) |
| Facilitate the correct and timely order for foreign currency for regional and international trips | 100% | Monthly/Quarterly |  | 15.3.2 (l) |
| Issue a Travel Insurance Policy for regional & international travel and hand traveller detail of the policy | 100% | Monthly/Quarterly |  | 15.3.2(l) |
| Commissions earned | Commissions earned on government business, paid back to the client on a quarterly basis. | 100% of all commission earned for government business | Quarterly |  | 15.3.2(q) |
| **AIR TRAVEL, ACCOMMODATION, CAR RENTAL & SHUTTLE SERVICES** | | | | | |
| Price comparisons/ | Domestic Reservations: 3 price comparisons. TMC will offer the lowest possible quotations for the journey at the requested date and time.  Alternative options will be offered if the discounted classes are not available at time of travel to allow for an hour window before and after the requested time  (best quote) | 90% of all bookings to be the lowest/best quote | Monthly/Quarterly Review |  | 15.3.3(d)  15.3.4(b) |
| International Reservation: 3 price comparisons which provides the most cost effective and practical routing. | 90% of all bookings to be the lowest/best quote | Monthly/Quarterly Review |  | 15.3.3(b); (c ) |
| Reservations Communication | Confirmations of bookings (air, accommodation, car rental, etc) must be communicated to the traveller via SMS and/or email. | 100% of all bookings | Monthly/Quarterly Review |  | 15.3.3(f), (j)  15.3.4(e )  15.3.5(b),(c) |
| Air Travel  Cancelled and Unused tickets/ | All cancelled and/or unused tickets must be refunded automatically within 3 months of date of issue | 80% | Quarterly |  | 15.3.3 (h) |
| Air Travel;  Quality Control | Process to confirm best fare for international tickets with more than 6 sectors | 95% | Monthly/Quarterly Review |  | 15.3.3(c ) |
| Accommodation | Accommodation bookings that were not within the Maximum allowable rates and reasons. | Number | Monthly/Quarterly Review |  | 15.3.4(a),(b), (d),(f), |
| Cancellations and no-shows | Number | Monthly/Quarterly Review |  | 15.3.4(g) |
| Car Rental & Shuttle Services | Car Rental bookings that were not in line with the travel policy and cost containment measures and reasons | Number | Monthly/Quarterly Review |  | 15.3.5(a) |
| **AFTER HOURS & EMERGENCY SERVICES** | | | | | |
| After hours & Emergency Services | After hours and emergency services operates 365 days per year. | 100% | Monthly/Quarterly Review |  | 15.3.6(c ) |
| Contact numbers correct on itineraries and client SMS notifications | 100% | Monthly/Quarterly Review |  | 15.3.6(d) |
| Emergency and after hours calls to be resolved within 1 hour to limit inconvenience to traveller | 80% of all emergency and afterhours requests | Monthly/Quarterly Review |  | 15.3.6 (d) |
| Authorisation and order processing of afterhours and emergency travel requests to be done within 24 hours | 100% of all bookings to be authorised within 24 hours | Monthly/Quarterly Review |  | 15.3.6(e ) |
| **COMMUNICATION** | | | | | |
| Communication | Workshops and Training provided to Travel Bookers | Number of workshops / training sessions  And  Number of personnel trained | Quarterly / Annually |  | 15.4.1 |
| All enquiries must be investigated and prompt feedback to be provided within 24 hours | 80% of all enquiries within 24 hours | Quarterly / Annually |  | 15.4.2 |
| **FINANCIAL MANAGEMENT** | | | | | |
| Financial management: | TMC will batch invoices weekly and these will be delivered by hand to the client’s Financial department, who in turn will acknowledge receipt with a signature and date. | 100% of all invoices | Monthly |  | 15.5.2  15.5.8 |
| Cost effectiveness of travel arrangements. Savings generated /  Savings missed / Cost reduction / Cost avoidance | ±3-5% of travel spend | Monthly/Quarterly Review |  | 15.5.3 |
| All invoices to reflect the correct passenger name, date of travel, destination/routing and cost centre number | 95% of all invoices | Monthly |  | 15.5.2 |
| Accurate reconciliation of the lodge card and Debtor’s account | 95% | Monthly |  | 15.5 |
| The credit card statement/Debtors account statement will be accompanied by invoices and will be reconciled accordingly | 95% | Daily/Weekly |  | 15.5 |
| TMC to process all invoicing for air immediately | 95%of all air bookings | Daily |  | 15.5 |
| TMC to process all invoicing for third party bookings within 3-7 days of receipt of the original invoice from the supplier. | 95% of invoices within 3-7 days | Ongoing |  | 15.5 |
| All Credit notes to be processed within 2 working days | 95% of all credit notes within2 days | Ongoing |  | 15.5 |
| All finance related queries to be logged in a queries register and all queries to be resolved within 2 business days | 100% queries registered.  90% queries resolved within 2 days | Monthly/Quarterly Review |  | 15.5 |
| TMC will immediately report Lodge Card fraudulent transactions to the Department. | 100% | As soon as a fraudulent transaction or suspicion thereof is noticed |  | 15.5 |
| **TECHNOLOGY, MANAGEMENT INFORMATION AND REPORTING** | | | | | |
| Technology, Management Information and Reporting | Three Standard Reports in line with National Treasury Cost Containment Instruction | 100% | Monthly |  | 15.6.4 |
| Accuracy of reports | 95% | Monthly |  | 15.6.3 |
| Monthly travel management reports to be presented to the client’s travel manager and finance manager. The report to include (not limited):   * Summary of total travel spend * Total expenditure by Air Carrier * Detailed accommodation facility spend * Cost savings report * Exception reports * Unused ticket report * Uninvoiced voucher report * Invoices not paid within 30 days | 95% accuracy | Monthly/Quarterly Review |  | 15.6.8 |
| **ACCOUNT MANAGEMENT** | | | | | |
| Handling of Compliments and Complaints | All complaints related to TMCs service to be recorded as a ratio of complaints to number of transactions. The ratio must be less than 1%. | Ratio of number of complaints to number of transactions to be less than 1% | Monthly/Quarterly Review |  | 15.7.4 |
| Where possible all complaints to be acknowledged within 3 hours of receipt | 95% of all complaints within 3 hours | Monthly/Quarterly Review |  | 15.7.4 |
| Complaints related to TMC to be addressed within 24 hours | 95% of all complaints within 24 hours | At time of complaint.  Monthly/Quarterly Review |  | 15.7.4 |
| All complaints related to a supplier’s service will be addressed with the supplier involved and resolved within 3 days | 95% of all complaints within 3 days | At time of complaint.  Monthly/Quarterly Review |  | 15.7.4 |
| All complaints and compliments to be logged in a register and all complaints to be resolved within 2 business days | 100% complaints and compliments registered.  90% complaints resolved within 2 days | Monthly/Quarterly Review |  | 15.7.4 |
| Customer Satisfaction | Agree and manage customer satisfaction surveys | 80-100% satisfaction | Quarterly |  | 15.7.3 |
| Travel policy enforcement | TMC to ensure Travel Policy is enforced. Manage with exception reports. | Exception reports | Monthly/Quarterly Review |  | 15.7.5 |
| **VALUE ADDED SERVICES** | | | | | |
| Travel value added services | Customer satisfaction surveys to measure value added services to travellers | 80-100% satisfaction | Quarterly |  | 15.7.3  15.8.1 |
| **COST MANAGEMENT** | | | | | |
| Cost Containment | Cost effectiveness of travel arrangements. Savings generated /  Savings missed / Cost reduction / Cost avoidance | ±3-5% of travel spend | Monthly/Quarterly Review |  | 15.9 |
| Proposals made by the TMC to improve travel behaviour and save money. | Number of proposals and resultant improvements | Quarterly/ Annually |  | 15.9 |
| **QUARTERLY & ANNUAL REVIEWS** | | | | | |
| Quarterly Reviews | Quarterly reviews are required to be presented by the Travel Management Company on all travel activity in the previous three-month period. These reviews are comprehensive and presented to the Procurement and Finance teams as part of the performance management reviews based on the service levels. | 4 Reviews | Quarterly |  | 15.10.1 |
| Annual Reviews | Annual reviews are required to be presented by the Travel Management Company on all travel activity in the previous twelve-month period. These reviews are comprehensive and presented to the Procurement and Finance teams as part of the performance management reviews based on the service levels. | One Review per annum for the duration of the contract | Annual |  | 15.10.2 |
| **OFFICE MANAGEMENT** | | | | | |
| Back office support and skilled TMC personnel | The TMC to ensure high quality service to be delivered at all times to the travellers. The TMC is required to provide highly skilled and qualified human resources. | 80-100% satisfaction | Quarterly |  | 15.11.1 |