ANNEXURE A4

SERVICE LEVEL INDICATORS

First Edition

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SERVICE LEVEL INDICATORS

1. **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.

2. **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?**

    o   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.

    o   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.

o   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.

o   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.
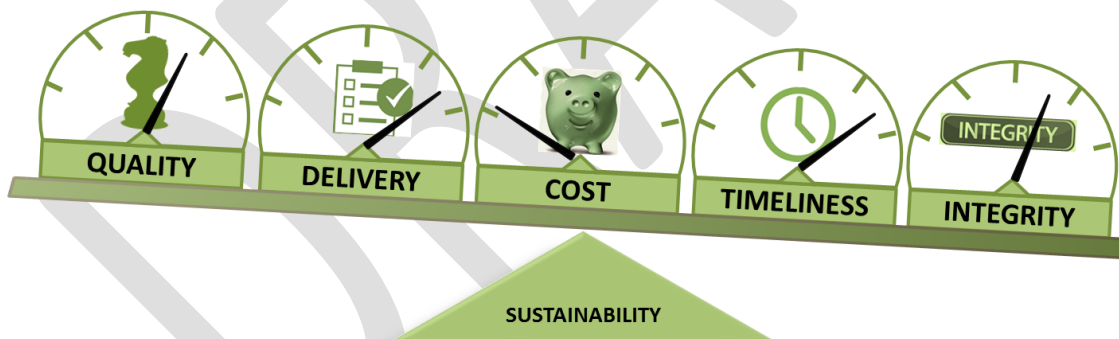
3.   RANGE OF SERVICES

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

4. 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)

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
	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)

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
	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)

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
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)

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
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

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
	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

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
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

Key Service Area	Description of Service	Target	Frequency of Measurement	Weighting of Service	Reference
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