



**BOTSWANA
ENERGY REGULATORY
AUTHORITY**

Regulating Energy with Integrity

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Star Rating Program Tool

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1. Background

The Act mandates the Authority to set industry service standards as well as to determine processes and methodologies for monitoring performance of the regulated sector (section 33 (2)). In this premise the Authority is developing a star rating program as a way to encourage high performance and induce competition in the petroleum sector. A star rating program similar to what prevails in the tourism industry is used to rate facilities based on their historic performance. Performance can be measured through monitored key performance indicators (KPIs), facility inspections carried out by the Authority, consumer feedback and other compliance issues such as adherence to licence conditions and sanctions for non-compliance.

2. What is a star rating program?

A star rating program is a system of assessing licensees' performance against a well-known criterion and achieving a given performance level is represented by the awarding of a certain number of stars, where poor performance is given the list number of stars. As described the system is not a comparison or ranking system. This means retail sites are only competing against the criteria and not amongst themselves directly. Performance is determined by technical assessments conducted by the Authority (against approved standards), key performance indicators (KPIs) and consumer feedback.

3. Program Objectives

The Star Rating Program is expected to achieve the following objectives:

- ✓ Incentivise compliance thus promoting voluntary compliance;
- ✓ Improve service delivery at petroleum facilities;
- ✓ Provide information to customers in order for them to make better choices;
- ✓ Strengthen regulation through public participation;
- ✓ Reduce monitoring and compliance costs; and
- ✓ Improve the overall aesthetic value of facilities.

4. Implementations Options

The star rating program can be implemented in a variety of ways. The different options are described below and summarised in table 1 below.

a) Consumer Feedback

The program relies whole on drivers feedback. The drivers complete questionnaires from which a level of satisfaction is deduced and service providers marked and graded.

b) Timed Surveys and/or Inspections

This approach relies on hired consultants and/or officers conducting regular inspections to assesses compliance against a set criterion.

c) Hybrid systems

A hybrid system combines the first two or variation of the first two.

Table 1: Summary of Implementations options

SYSTEM	ADVANTAGES	DISADVANTAGES
Consumer Feedback	<ul style="list-style-type: none"> ➤ Less resource intensive ➤ Assess the real feeling of the consumers 	<ul style="list-style-type: none"> ➤ Depending on method of administration, they can be manipulated by the retail site ➤ May be subjective
Timed Inspections	<ul style="list-style-type: none"> ➤ Can incorporate many compliance elements ➤ Adjudicating body has full control of the process ➤ May have greater potential in moving industry towards compliance 	<ul style="list-style-type: none"> ➤ No input from the public ➤ Resource intensive
Hybrid	<ul style="list-style-type: none"> ➤ Assess the real feeling of the consumers ➤ Can incorporate many compliance elements ➤ Adjudicating body has full control of the process ➤ May have greater potential in moving industry towards compliance 	<ul style="list-style-type: none"> ➤ Resource intensive

Voluntary Compliance can be enhanced by incentivising compliance. In the Hospitality Sector, Star Rating Programs are used to achieve this. Star Rating Programs have been used in the petroleum in countries such as New Zealand, Nepal and South Africa. Most of these Programs are only based on

customer feedback. The BERA Program needs to incorporate both customer feedback and technical assessment. This will ensure that the Stars do not only speak to the quality of the service and aesthetics but will also speak to other technical aspects which might be invisible to the customers, such as designing for the environment and hence environmental protection.

5. Benefits to the Facility

- Improved consumer perceived value;
- Gaining a competitive edge; and
- Reduced cost of regulation.

6. Assessment Criteria

The hybrid option is chosen in order to balance between the regulator's assessment and the consumers' feedback. Although it may be a resource intensive method, it gives a better and clearer view of the facility's performance because it strikes a balance between two assessments that are independent of each other and are conducted by independent parties.

a. Technical Assessments (Inspections)

The Authority shall conduct inspections from time to time using its checklists. These checklists are designed to check compliance with mandatory regulatory requirements. Ideally compliance level for these should be 100%. During assessment all inspections conducted within the period under review will be considered and non-compliance will result in deduction of points under this category. Technical assessment may also look at design features of the facility whether there is compliance to applicable approved standards.

b. Key Performance Indicators

The Authority has developed Key Performance Indicators (KPIs) which each licensee is expected to report on periodically. For the period under review performance against the KPIs shall be considered.

c. Consumer Feedback

Consumer feedback will also be used to measure performance of the licensee for rating purposes. In this regard the Authority will devise a customer feedback mechanism which will afford the consumers to independently rate licensees based on the service and experience they received from the entity. The questionnaires will be designed to measure performance against the following:

- True understanding of the consumer's experience;
- General Quality of Service and motivating for improvements where necessary;
- Facility's performance against industry standards; and the
- Extent to which consumers are protected.

7. Rating Criteria






The following criteria will be used to allocate points:

Criteria	Percentage	Points
Technical Assessments	100%	10
	80% ≤ 99%	7
	70% < 79%	5
	60% < 69%	4
	50% < 59%	3
	40% < 49%	1
	< 39%	0
Key Performance Indicators	100%	10
	80% ≤ 99%	7
	70% < 79%	5
	60% < 69%	4
	50% < 59%	3
	40% < 49%	1
	< 39%	0
Consumer Feedback	100%	10
	80% ≤ 99%	7
	70% < 79%	5
	60% < 69%	4
	50% < 59%	3
	40% < 49%	1
	< 39%	0

Once points have been allocated the following formula shall be used to weigh and find the aggregate score:

$$\begin{aligned}
 \text{Aggregate Score} &= (0.4 \times \text{Technical Points}) + (0.4 \times \text{KPI points}) \\
 &+ (0.2 \times \text{Consumer Feedback points})
 \end{aligned}$$

After applying this equation aggregate points will be used to allocate stars as follows;

Aggregate Score	Stars	Explanation
30		Excellent performance
25 - 29		Good Performance
20 - 24		Good Performance
15 - 19		Fair Performance
10 - 14		Ok performance
<10	No stars	Licence must be suspended

8. Program implementation

In implementing the following shall be applied:

- The assessment and rating should be done annually;
- The country will be divided into different sections to ease inspections load and the inspections will be done on rotational bases;
- Assessment will allow for requests in the event of licensee wanting a re-evaluation envisaging a possible upgrade. However, the upgrades will only be allowed after completion of all previous remedial work. Where the Authority charges for voluntary inspection the same charges shall be applied for request for an assessment where a previous assessment has already been conducted;
- Inspections will be conducted in two ways, i.e. Technical assessment inspections and the use of mystery shoppers;
- The Technical assessment shall cover an onsite inspection/audit against available standards and legislative requirements as well as an evaluation of customer feedback collected by a facility;
- To ensure transparency of the process, the outcome of both inspections should be communicated to the licensee at the end of the assessment, and the licensee's representative should append a signature to the prescribed form;
- Once the assessment results are compiled, the recommendation for the number of stars to be awarded will be submitted to the Regulatory Committee for consideration, review and award;
- The awarded stars will be publicly displayed (by the Authority) at the filling station where all motorists could see them and a certificate from BERA indicating this rating will be issued and is to be displayed alongside the licence at all times;

9. SUMMARY AND CONCLUSION

This system will incentivise compliance throughout our licensees whilst enhancing quality of service. Recent compliance assessment and monitoring by the Authority revealed that of the inspected facilities are only 40% compliant on average. A Star Rating Program will go a long way in addressing not only non-compliance but also providing benefits to the licensees. While Star Rating initiatives are predominantly present and commonly utilised in the Hospitality Sector, some countries have implemented them in the Petroleum Subsector e.g. New Zealand, Nepal, Zambia and South Africa.

For filling stations to operate they will need to have at least one star, that is attain at least 10 points of the aggregate score. Below this mark the licence will be suspended for a specified period to allow for remedial action. Failure to complete the remedial actions within the specified period will result in the facility completely closed and the licence revoked.

10. SCHEDULES

The following schedules are attached:

- Technical Inspections Forms
- Mystery Shopping Form
- Consumer Feedback Questionnaire
- Summary of results form

PETROLEUM RETAILERS HSE INSPECTION FORM

This Inspection Checklist is based on and should be used in conjunction with the Botswana Energy Regulatory Authority (BERA) Act of 2016 as well as the applicable parts of the BOS 580 standards. This Checklist has been developed to help both the Inspectors and the Operators control the risks and hazards associated with the Storage and Handling of Petroleum Products. It does not, however, cover all aspects of a facility's Safety Management System such as managing theft, but will help identify deficiencies in the Site's Operational Safety relating to Fuel Storage and Handling.

ABOUT RETAIL OUTLET	<i>full names</i>	<i>age</i>
SITE OF OPERATION		
PHYSICAL ADDRESS		
CONTACT PERSON	<i>full names</i>	<i>contact number</i>
OWNER	<i>full names</i>	<i>contact number</i>
TERRITORY MANAGER	<i>full names</i>	<i>contact number</i>

S/N	ELEMENT/CRITERIA	Possible Score	Actual Score	COMMENTS
1.	Is training provided for each newly appointed person? Does initial training include a thorough review of hazards, risks and incidents associated with the job? (provide records)	20		
2.	Are all staff members on site wearing appropriate working attire? Is the attire properly maintained and used regularly?	10		
3.	Is House-keeping in and around the Facility okay? <ul style="list-style-type: none"> • Free of debris • Free of litter • Proper stacking • No blocked entry/exit? 	10		
4.	Are the Material Safety Data Sheets (MSDS) available and been communicated for all the products stored (fuels, lubes, coolants)?	20		
5.	Are there Standard Operating Procedures available which addresses as a minimum? <ul style="list-style-type: none"> • Filling of the storage tanks • Dispensing of fuel • Maintenance of the tank 	30		
6.	Is the Emergency Response Plan (ERP) readily available and accessible? Does it include (but not limited to) the following?	30		

S/N	ELEMENT/CRITERIA	Possible Score	Actual Score	COMMENTS
	<ul style="list-style-type: none"> Procedure to follow in case of Emergency? Training/appointment of personnel to carry out Fire Safety duties & conducting Fire Drills? Has it been communicated to all staff members?			
7.	Is there a placard with a list of Emergency Telephone Numbers and is it prominently displayed? <ul style="list-style-type: none"> Fire Brigades Ambulance Services Hospital/Clinic Other Emergency Responders 	10		
8.	Are the Fire Extinguishers adequate, of the right type and fully accessible? Has training on the use of the equipment been carried out? Have all the site staff participated in actual fire-fighting drill?	30		
9.	Are there applicable Safety Signs and Symbols displayed around the Forecourt? <ul style="list-style-type: none"> Switch Off Engine No Smoking No Naked Flames No Mobile Phones No Unprescribed Containers? Are customers aware of the importance of observing such signs?	10		
10.	Are the Filler Point Caps and Filler Box Seals in good condition? Are the Fill and Dip Point Markers correct and located for each tank?	20		
11.	Has Botswana Bureau of Standards (BOBS) done the calibration of the Pumps? Are the Weights & Measures Calibration Certificates available and valid?	10		
12.	Are the Pump Island Crash Barriers or Impact Protection provided to protect against vehicular collisions, where possible?	10		
13.	Is the Forecourt Entry & Exit clear of hazards, properly marked? Is the drainage adequate?	20		
14.	Is there provision for the Hydrocarbons Spillage Containment (Oil Interceptor/Separator)? Is it working properly? How often is it checked and drained?	40		
15.	Is the Emergency Shut Off Switch installed, clearly labelled, visible and accessible?	10		
16.	Have the Leak Monitoring Wells been sunk? Is the Underground Water Quality monitored for any contamination?	40		
17.	Are Inductions and Training of the employees done on site? Are there any records pertaining to that?	10		
18.	Is there an Emergency Assembly Point and do employees know about it?	10		
19.	Is there a First Aid Box available, fully equipped and inspected at prescribed intervals? Are First Aid supplies replenished as necessary?	5		

S/N	ELEMENT/CRITERIA	Possible Score	Actual Score	COMMENTS
20.	Are there trained and appointed First Aiders and records of training maintained (there shall be at least one (1) First Aider per shift)?	10		
21.	Do all Employees know how to get First Aid assistance when needed? Do the First Aiders know when and to which Hospital/Clinic an injured person should be taken?	10		
22.	Are the Safety Meetings held (at least monthly) and all the records (minutes) kept? Are all the site staff involved?	10		
23.	Is there a comprehensive Incident Reporting and Investigation System in place? Does it show the Incident Reports for the last 6 months?	20		
24.	Are the Sand Buckets provided, filled with sand and is the number adequate? Are they clearly marked and with no rubbish inside?	10		
25.	Is the Spillage Control Kit readily available on site to guard against accidental product spillages?	10		
26.	Are the changerooms clean, functioning and the hand washing facilities present? <ul style="list-style-type: none"> • Sink & Soap (Hand Washing) • Adequate Signs • Hand Dryer 	10		
27.	Is the compressor room kept clean, tidy and proper water drainage? <ul style="list-style-type: none"> • No materials stored inside • Lights working properly? 	5		
28.	Is the Electrical Room kept clean? <ul style="list-style-type: none"> • No loose wires • All breakers completely labelled Is the ELCB is available, fully functional & regularly tested?	5		
29.	Is the Generator Room kept clean and tidy? <ul style="list-style-type: none"> • Proper water drainage • No materials stored inside • Lights around the generator working properly 	5		
30.	Is the level of light adequate for safe and comfortable performance of the work? Is Emergency Lighting adequate and regularly tested?	10		
31.	Has the retail sites resolved all previous non compliances on time	20		
32.	Grand Total	460		

REMARKS/COMMENTS:

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Facility Representative Name and Signature

.....
BERA Inspector's Name and Signature



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PETROLEUM RETAILERS MYSTERY SHOPPING INSPECTION FORM

ABOUT RETAIL OUTLET	<i>full names</i>	<i>age</i>
SITE OF OPERATION		
PHYSICAL ADDRESS		
CONTACT PERSON	<i>full names</i>	<i>contact number</i>
OWNER	<i>full names</i>	<i>contact number</i>
TERRITORY MANAGER	<i>full names</i>	<i>contact number</i>

Criteria	Possible Mark	Actual Mark	Comments
Friendliness of Attendants (greeting and introduction)	10		
Cleanliness of site	10		
Was the consumer called and directed to the pump?	10		
Was product for the car clearly identified before filling?	10		
Was the product to be filled confirmed with the consumer prior to filling?	5		
Time waited to be served (5 to 10mins)	10		

Were they any auxiliary services (etc pressure, screen cleaning) offered?	10		
Was he/she requested to switch of engine?	10		
Was he/she given/offers a receipt?	10		
Overall satisfaction with the service	10		
Grand Total	95		

REMARKS/COMMENTS:

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Facility Representative Name, Signature and Date

.....
BERA Mystery Shopper's Name, Signature and Date



PETROLEUM RETAILERS CONSUMER SURVEY QUESTIONNAIRE

BRAND OF RETAIL OUTLET	<i>full names</i>						
PHYSICAL ADDRESS							
CONSUMER	<i>full names</i>				<i>contact number</i>		
DATE	<i>full names</i>				<i>contact number</i>		
Criteria	5	4	3	2	1	0	N/A
Ambience of the Filling Station							
Services (Free Air Refill, Vehicle Cleaning/ Check Up etc.)							
Quantity of fuel							
Assured Quality of fuel / Unadulterated							
Less congestion							
Availability of fuel(24x7)							
Convenient Location / Proximity							
Cleanliness of site							
Visibility/Can be seen							
Was the consumer called and directed to the pump?							

Was product for the car clearly identified before filling?							
Was the product to be filled confirmed with the consumer prior to filling?							
Time waited to be served (5 to 10mins)							
Response to consumer complaints							
Was he/she requested to switch of engine?							
Was he/she given/offers a receipt?							
Overall satisfaction with the service							

TOTAL MARKS =



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PETROLEUM RETAILERS INSPECTION SUMMARY OF RESULTS FORM

ABOUT RETAIL OUTLET	<i>full names</i>	<i>age</i>
SITE OF OPERATION		
PHYSICAL ADDRESS		
CONTACT PERSON	<i>full names</i>	<i>contact number</i>
OWNER	<i>full names</i>	<i>contact number</i>
TERRITORY MANAGER	<i>full names</i>	<i>contact number</i>

Criteria	Actual Mark (%) (B)	WEIGHTING (C)	WEIGHTED (D) (C X B)	POINTS
TECHNICAL ASSESSMENTS (1)		40%		
KEY PERFORMANCE INDICATORS		40%		
CONSUMER FEEDBACK (AVERAGE OF SURVEY FORMS + AVERAGE OF MYSTERY SHOPPERS)		20%		
TOTAL POINTS				
RECOMMENDED NO. OF STARS				

REMARKS/COMMENTS:

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DIRECTOR INSPECTIONS, Signature and Date