

Facilities Management Industry

A Client Side View

By Lieutenant Colonel Warren G Parke

Built Environment

- Legacy of boom period 1940-50s
- Central Govt reforms (~~Min of Works~~, Tomorrow's Schools, User Pays, Leaky Buildings)
- Under funded – deferred through life maintenance
- Reactive (limited preventative maintenance)
- Lack of Recapitalisation of Public Estate
- Low Productivity in Construction Sector (Productivity Partnership - 20% improvement by 2020)
- Adversarial Contracting
- Lack of Whole of Life approach (Treasury directed)
- Lack of Asset Management

Facilities Management (FM)

FM integrates the operation, maintenance, improvement and adaptation of buildings and infrastructure with the people, place, processes and technology to create a built environment that strongly supports the primary objectives of an organisation.

Derived from definitions provided by Barrett and Baldry, Facilities Management - Towards Best Practice, 2nd Ed, 2003 and IFMA

The Contract Environment

- Performance based, KPI structures with margins at risk, longer term
- Increasing focus on performance
- KPI structures with stretch
- Added value for money being demanded
- Focus on customer service
- Emphasis on better asset mgnt
- Contractor subject to performance penalties
- Demand for real time information
- Long Term Contracts



Partnering

In the beginning and the natural state of things

- Client/ Contractor Interaction
 - client wants to get a better service and reduce costs while the service provider wants to maximise their profit.
 - This creates tension and can be viewed as mutually exclusive objectives.

Partnering arose as a mgnt philosophy in the 1990s along with FM as a profession

Old School

Prescriptive Contracts

They better have scoped the contract right, cause I'm going to hold them to it!

I'll tell you what to do and when. I know best.

Yes boss. What about my profit?

We might have to reduce service quality to stay profitable!

Win?

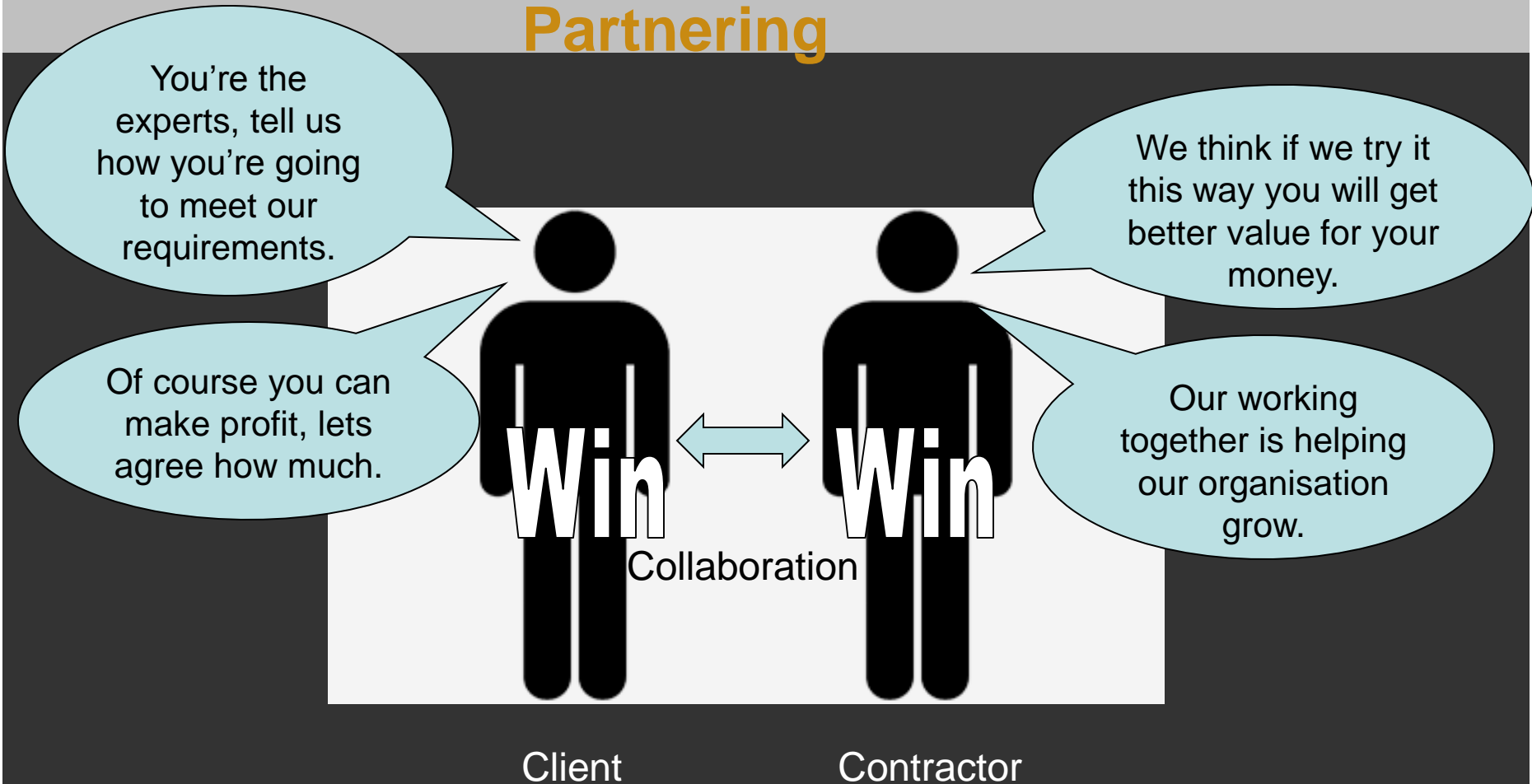
Lose

Tension/ Adversarial

Master/ Client

Servant/ Contractor

Outcomes based Partnering



Partnering

Then what is Partnering?

‘A method of working with suppliers (and service providers) to enable both parties to share in the benefits arising from a close working relationship that strives for cooperation and improvement. This method can and should still contain a competitive element, but can be an effective counter to traditional adversarial working practices.’

Elements of NZDF FM Contract

- Mainly Outcomes
- Specified Sched Main for uncommon specialist assets e.g. confidence courses, abseiling towers, aviation lighting etc
- Longer duration (5 + 5) to encourage service provider investment in equip and attract quality trades staff
- Unsched Maint
 - No more risk transference for Unsched Maint; Risk with NZDF
 - Contractor reacts to issue without need for consultation if work <\$1000
 - Bill NZDF unshed maint bill each month with itemised list for auditing
- Deliver project work up to \$250k in value per project without market testing
- Partnering, corporate involvement
- Structured Reporting, Monthly, 1/4ly, and Annual
- Contractor Annual Business Plans
- KPI Balanced Scorecard
- Profit Margin at risk mechanism

1	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
	Group	Category	Objective	Measure	Target	Results	1st mth	2nd mth	3rd mth	4th mth	5th mth	6th mth	Group Weighting (Note 7)	Target Weighting (Note 8)	6 Month Score (Note 9)	6 Month Weighting Result (Note 9)	Comment/Summary
2																	
3	High Level	Health and Safety	To avoid harm to individuals or disruption or risk to operations from regulatory non-compliance	Number of serious accidents	Number of serious accidents causing harm to individuals that result in individuals not being available for work for substantial periods greater than 14am Working Hours. Green - No such accidents in the 6 month reporting period Red - 1 or more such incidents recorded in the 6 month reporting period	0	0	0	0	1	0		8.00%	2	1.33%	An incident in Feb where a cleaner got cleaning product in her eye, investigation har led to a change in procedure. Incident in May where a carpenter cut himself with a power saw, one week off work. Investigation har led to better work practice.	
4				Number of minor accidents to individuals	Number of accidents to individuals requiring medical attention and that result in not being available for work for substantial periods from 14am Working Hours. Green - 1 - 4 such accidents in six month reporting period Amber - 2 such accidents in six month reporting period Red - 3 or more such accidents in six month reporting period	1	0	0						8.00%	12	8.00%	
5				Number of 'near miss' incidents (Note 2)	Number of unclassified 'near miss' incidents that might have caused harm to individuals. Green - 1 - 2 such incidents in six month reporting period Amber - 3 - 5 such incidents in six month reporting period Red - 6 or more such incidents in six month reporting period	0	1	1	1	1	0				Not assessed for margin at risk		
6		Legislative Compliance	Number of occurrences of regulatory non-compliance	Number of occurrences of regulatory non-compliance resulting from any and/or omissions by the Service Provider in the delivery of the Services. Green - No such incidents in the 6 month period Red - 1 or more such incidents recorded in the 6 month period										8.00%	8	5.33%	
7		Security	To avoid access to, or disclosure or use of, classified information	Compliance with the security requirements	Number of unclassified instances of the Service Provider (or its facilities) not complying with the security requirements specified in the Contract. Green - No such incidents in the 6 month period Red - 1 or more such incidents recorded in the 6 month period								40%	8.00%	6	0.52%	
8	Default	To reduce NZDF's cost and effort of Facility Management	Number of incidents of miscellaneous non-compliance (Note 2)	Number of unclassified incidents of non-compliance including cleaning, security, and legislative defaults (these included services are covered elsewhere in the contract). Green - No such incidents in the 6 month reporting period Amber - 1 such incident recorded in the 6 month reporting period Red - 2 or more such incidents recorded in the 6 month reporting period									8.00%	4	2.67%		
9	End User Satisfaction	Level of end user satisfaction with the level of Service and care of dealing with the Service Provider	Level of end user satisfaction with the level of Service and care of dealing with the Service Provider Green - end user satisfaction rated equal to or greater than 85% Amber - end user satisfaction rated equal to or greater than 80% but less than 85% Red - end user satisfaction rated less than 80% (If no response recorded, scored as Amber)										Not assessed for margin at risk				

Example Only

PARTNERING CHARTER
for the
FACILITIES MAINTENANCE CONTRACT FM XXXX
(MANAWATU REGION FACILITIES)
between
NZ DEFENCE FORCE and XXXXXX

Mission Statement

To deliver the Facilities Maintenance Contract (FM XXXX) within agreed budgets, in a safe and environmentally sustainable and efficient manner, to agreed quality standards and to maximise both parties benefits.

Method

Benefits will be achieved through our commitment, collaboration, professionalism, innovation and use of cost effective solutions. The relationship will be based on team work, mutual respect, honesty, integrity, confidentiality, trust and clear prompt communication in order to consistently deliver the best project/contract outcome.

Shared Objectives

Business Relations

- Value for money
- Potential for Supplier to make a reasonable profit
- Reasonable and justifiable claims
- Prompt attention to duties and responsibilities

Interpersonal Relationships

- Professional
- Friendly
- Respectful
- Fair
- Trust

Quality Assurance

- Minimise rework
- Fault checking
- Customer feedback
- Continual improvement
- Innovative practices

Safety

- No harm to anyone at any time

Information Sharing

- Early communication of changes
- Potential opportunities
- Business developments
- Corporate Knowledge
- Clear and concise communication

Prompt Resolution of Issues

- No surprises environment
- Utilisation of the resolution process
- Acknowledgement of other party's perspective
- Proactive issue resolution
- Setting realistic time frames for action

Insert Supplier logo

Insert service logos

Facilities Management Association of NZ (FMANZ)

- New organisation (few yrs of operation)
- Affiliated with overseas equivalents
- Inaugural annual conference May 12
- Chapters in main centres
- Website



The screenshot shows the FMANZ website homepage. The main heading is "fmanz.org" with the tagline "Promoting excellence in facilities management". The navigation menu includes "About FMANZ", "Membership", "Education", "Events", "Resources", "Forum", "Sponsors", "Jobs", and "Contact Us". The "About FMANZ" section is highlighted, showing a sidebar with links to "Strategic plan", "FMANZ governance", "FMANZ structure", and "FMANZ Foundation". The main content area describes FMANZ as New Zealand's leading not-for-profit membership association for the facilities management profession, with more than 400 members nationally. It lists benefits for members, such as gaining sound facilities management practices, increased awareness of standards of conduct, certification of skills, access to professional development programmes, and the opportunity to participate in multiple networks. A "Register for newsletter" section is also visible, along with an "About us" section that outlines the association's goals: to promote FM as a recognized profession, to develop FM practices within New Zealand, and to take a leadership position on key matters.

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