

BS 8572:2018



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Procurement of facility-related services — Code of Practice

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Foreword

Publishing information

This British Standard is published by BSI and came into effect on 28 February 2018. It was prepared by Technical Committee FMW/1, *Facilities management*. A list of organizations represented on this committee can be obtained on request to its secretary.

Supersession

This British Standard supersedes [BS 8572:2011](#), which is withdrawn.

Information about this document

The initial drafting of this British Standard was produced in association with the Department for Business, Energy and Industrial Strategy (BEIS) as part of their ongoing programme of support for standardization.

This is a full revision of the standard, and introduces the following principal changes:

- a) conversion from a guidance document to a code of practice;
- b) general updating to align with, and cross-reference, recently published standards on facilities management;
- c) new provisions relating to a procurer's target operating model and integrator model;
- d) recommendations on the management of the direct cost of a service;
- e) recommendations on managing innovation and transformation in service delivery (including the use of novel devices and other disruptive technology);
- f) elaboration of provisions for the prequalification of service providers (including the outline content of a prequalification questionnaire);
- g) alignment with the recently published NEC4 Term Service Contract [\[1\]](#);
- h) new provisions covering termination of a service contract; and
- i) additional provisions for the demobilization of an existing service provider.

The standard focuses on the procurement process for the delivery of facility-related services, incorporating purchasing and supply considerations. Guidance on strategic sourcing and the development of agreements is given in ISO 41012.

Use of this document

As a code of practice, this British Standard takes the form of guidance and recommendations. It should not be quoted as if it were a specification and particular care should be taken to ensure that claims of compliance are not misleading.

Any user claiming compliance with this British Standard is expected to be able to justify any course of action that deviates from its recommendations.

It has been assumed in the preparation of this British Standard that the execution of its provisions will be entrusted to appropriately qualified and experienced people, for whose use it has been produced.

Presentational conventions

The provisions in this standard are presented in roman (i.e. upright) type. Its recommendations are expressed in sentences in which the principal auxiliary verb is “should”.

Commentary, explanation and general informative material is presented in smaller italic type, and does not constitute a normative element.

Where words have alternative spellings, the preferred spelling of the Shorter Oxford English Dictionary is used (e.g. “organization” rather than “organisation”).

Contractual and legal considerations

This publication does not purport to include all the necessary provisions of a contract. Users are responsible for its correct application.

Compliance with a British Standard cannot confer immunity from legal obligations.

In particular, attention is drawn to the following specific Acts and Regulations and any subsequent amendment thereof whilst this standard remains current:

- Equality Act 2010 [2];
- Competition Act 1998 [3];
- The Transfer of Undertakings (Protection of Employment) Regulations 2006 [4];
- The Public Contracts Regulations 2015 [5];
- Freedom of Information Act 2000 [6];
- Environmental Protection Act 1990 [7];
- Health and Safety at Work etc. Act 1974 [8];
- The Construction (Design and Management) Regulations 2015 [9];
- Modern Slavery Act 2015 [10];
- Bribery Act 2010 [11];
- Landlord and Tenant Act 1988 [12];
- Data Protection Act 1998 [13];
- The Working Time (Amendment) (No. 2) Regulations 2009 [14].

0 Introduction

Facility-related services form supporting structures to the core business of an organization. The range and extent of such services can be broad and are subject to the specific needs of the procurer and its end users. Facility-related services might include, for example, cleaning, security, waste disposal, inspection, pest control, building maintenance, building services maintenance, minor construction works, reprographics, help desk, catering, energy supplies and IT. In procuring facility-related services externally, an organization has taken the decision to outsource. However, the procurement of such services extends beyond purchase and supply decisions to represent a major and integral part of an organization's facilities management. For this reason, it is important to ensure that it is carried out in a way that is both consistent and thorough, taking into account all necessary factors that are most likely to result in end-user satisfaction and the selection of a service (or services) that demonstrates best value for money.

While this British Standard has been developed on the basis that contracts for the provision of facility-related services are likely to be awarded following a tender competition, it is also acknowledged that it is possible to procure facility-related services in other ways. For example, a contract could be negotiated with one or more service providers or a partnership could be formed between the procurer and the service provider. In such cases, procurers are not precluded from using the recommendations in this standard, but are advised to decide which clauses apply and which do not, and to communicate this to the other parties involved.

Other aspects of the procurer, such as its size and the size of its facilities, can be factors in determining the extent to which some areas of this standard apply. In such cases, the approach might be scaled so that benefits from following an integrated method and procedures are realized. Where multiple facilities or locations are involved, application of this standard across all facilities can bring additional benefits from a more consistent approach to procurement. These include improved transparency within the decision-making process and the ability to benchmark performance and costs, thus enabling inefficiencies and waste to be highlighted and removed. Ultimately, the procurer is likely to gain advantage from an increasingly efficient use of resources and a defined and streamlined approach to procurement.

1 Scope

This British Standard gives recommendations and offers guidance for the procurement of a broad range of services that are required to support the physical assets making up a facility and the needs of users of that facility who are the ultimate recipients of the services, i.e. its end users. It covers both new and existing facilities.

This British Standard is applicable to organizations facing retendering of facility-related services and those entering directly into the later stages of the procurement process, notably mobilization and performance review.

While this British Standard covers the procurement of facility-related services within the private sector, it does not cover those areas of public sector procurement of facility-related services which are subject to public procurement regulations. Notwithstanding, the standard indicates where certain practices might strengthen the approach that has to be taken.

This British Standard is also not applicable to the procurement of services required to deliver a facility, including those forming an integral part of a public-private partnership (PPP) or to the provision of insourced services.

NOTE BS 8536-1 covers operational performance requirements in briefing for the design and construction of a new or refurbished facility. Those requirements provide a useful context for procuring facility-related services.

2 Normative references

The following documents are referred to in the text in such a way that some or all of their content constitutes provisions of this document. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

BS 8300 (both parts), *Design of an accessible and inclusive built environment*

NOTE 1 This standard also gives informative references to [BS 8300-1:2018](#).

[BS 9999](#), *Fire safety in the design, management and use of buildings — Code of practice*

NOTE 2 This standard also gives informative references to [BS 9999:2017](#).

ISO 41011, *Facility management — Vocabulary*

NOTE 3 This standard also gives informative references to ISO 41011:2017.

ISO 41012, *Facility management — Guidance on strategic sourcing and the development of agreements*

3 Terms, definitions and abbreviations

3.1 Terms and definitions

For the purposes of this British Standard, the terms and definitions given in ISO 41011 and ISO 41012 and the following apply.

3.1.1 access

approach, entry, internal circulation or exit, including in cases of emergency

[SOURCE: BS 8300-1:2018, 3.1]

3.1.2 accessible

capable of being independently accessed and used

[SOURCE: BS 8300-1:2018, 3.2]

3.1.3 competent person

person, suitably trained and qualified by knowledge and practical experience, and provided with the necessary instructions, to enable the required task(s) to be carried out correctly

[SOURCE: BS 9999:2017, 3.23]

3.1.4 core business

entity from which needs are derived

[SOURCE: ISO 41011:2017, 3.1.7]

3.1.5 deliverable

product or service as an outcome of a process

[SOURCE: BS 8536-1:2015, 3.1.20]

3.1.6 end user

recipient of facility-related services

NOTE Recipients include occupants and other users of a facility.

3.1.7 environmental policy

intentions and direction of an organization related to environmental performance as formally expressed by its top management

[SOURCE: BS EN ISO 14001:2015, 3.1.3]

3.1.8 e-tendering

electronic tendering process involving exchange of documentation in electronic format

3.1.9 facility-related service

service supporting the primary activities of an organization, delivered by an internal or external provider

NOTE This is the modified definition of "facility service" given in ISO 41011:2017, 3.1.3.1.

3.1.10 flash report

periodic snapshot of key financial and operational data

3.1.11 informed client function

individual or group within an organization, specifically designated to act as the client or customer in a procurement transaction, who are expert in procurement

3.1.12 innovation and transformation committee

joint management team that governs the process of managing innovation and transformation in the outsourced processes in order to enhance delivered value

[SOURCE: BS ISO 37500:2014, 3.7]

3.1.13 insourcing

delivery of a service by one part of an organization to another

[SOURCE: BS 8892:2014, 3.1.7]

3.1.14 integrator model

arrangement in which a single supply chain partner coordinates and controls key service providers across a range of business support functions

3.1.15 operational strategy

overall approach to managing production or use of a facility

3.1.16 operator

organization responsible for the day-to-day operation of a facility

[SOURCE: BS 8536-1:2015, 3.1.40, modified]

3.1.17 outsourcing

business model for the delivery of a product or services to a client by a provider

[SOURCE: BS ISO 37500:2014, 3.10]

3.1.18 performance

behaviour in service of a facility for a specified use

[SOURCE: BS ISO 15686-10:2010, 3.19, modified]

3.1.19 primary process

process identified by an organization as essential to the provision of a service or product in its value chain directly to its customers

3.1.20 procurement policy

generic policy applying to all procurements of the procurer and informing all subsequent stages of the procurement process

3.1.21 procurer

individual or body responsible for procuring goods or services

NOTE The procurer can be the owner, operator or tenant of a facility procuring facility-related services, or their authorized agent.

3.1.22 provision

functional, operational or user requirement (demand and/or preference) in relation to a facility

3.1.23 quality

degree to which a set of inherent characteristics of an object fulfils requirements

[SOURCE: BS EN ISO 9000:2015, 3.6.2]

3.1.24 RASCI chart

responsibility assignment matrix that is used to summarize the roles and functions performed in the procurement process and the activities within it

NOTE A RASCI chart can highlight gaps in available skills or competence that the procurer needs to address before proceeding and might also be used to indicate adherence to corporate governance requirements.

3.1.25 risk response

action or set of actions to reduce the probability or impact of a threat, or to increase the probability or impact of an opportunity

NOTE Definition taken from APM Body of Knowledge [15].

3.1.26 scope creep

uncontrolled changes to the agreed scope of the facility-related service being provided

3.1.27 self-delivery

mode of service delivery based solely upon the provider's own resources

3.1.28 service provider

organization that delivers one or more facility services

[SOURCE: ISO 41011:2017, 3.1.5]

NOTE A service provider can be internal or external.

3.1.29 social responsibility

responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour

[SOURCE: BS ISO 26000:2010, **2.18**, modified]

3.1.30 stakeholder

person or entity with an interest in or concern about a facility

[SOURCE: BS ISO 15686-10:2010, **3.30**]

3.1.30.1 external stakeholder

individual or group outside an organization having an interest in the activities of that organization

3.1.30.2 internal stakeholder

individual or group within an organization

3.1.31 sustainability

state in which components of the ecosystem and their functions are maintained for the present and future generations

[SOURCE: BS ISO 15392:2008, **3.20**]

3.1.32 target operating model

high-level arrangement for delivering an organization's business strategy expressed in terms of the people, processes, data and technology required to deliver that strategy

3.1.33 transition

activities for migrating agreed upon knowledge, assets, liabilities, systems, processes and people from the client to the provider in order to create desired delivery capability and the reverse situation

[SOURCE: BS ISO 37500:2014, **3.24**, modified]

3.2 Abbreviations

For the purposes of this British Standard, the following abbreviations apply.

CAFM	Computer-aided facilities management
IT	Information technology
KPI	Key performance indicator
PQQ	Prequalification questionnaire
RASCI	Responsible, accountable, supported, consulted and informed
RFI	Request for information
RFP	Request for proposal
RFQ	Request for quotation
SLA	Service level agreement

4 Primary processes

4.1 Roles, responsibilities and accountabilities

Procurement of facility-related services should be regarded as a distinct function within the procurer's organization and, as such, should be covered by a designated role. This may form part of the organization's established purchasing and supply processes and procedures. Established processes and procedures should be assessed to determine whether or not arrangements covering facility-related services have been included and, if so, how these might apply.

NOTE 1 The organization is expected to have a defined function for the procurement of goods and services generally, although perhaps not specifically in relation to facility-related services. It is important to clarify this position before embarking upon the procurement of any services that are facility-related. Purchasing and supply professionals can be a valuable source of expertise on the processes and procedures associated with procurement, not least from a corporate governance perspective.

NOTE 2 Attention is drawn to BS ISO 19600, which gives recommendations for the appointment of a compliance function whose role would be to implement and actively manage procurement fraud controls identified in [BS 10501](#).

The procurer should determine where responsibilities and accountabilities rest with respect to defined roles in the procurement of facility-related services. The procurer should identify all roles that are connected with the function of procuring facility-related services, and ascertain their nature and the relationship between them, including those covered by established purchasing and supply processes and procedures. Where tasks to be performed fall outside existing roles, the organization should consider designating additional personnel for this purpose. Expert advice from purchasing and supply professionals within the organization should be sought in the first instance. Where such advice is not available, external sources should be determined to supplement internal skills and competence. Where found necessary, additional roles should be defined and incorporated alongside those existing. Where the procurer is unable to fulfil required roles, the appointment of a managing agent (or other consultant) should be considered (see [5.11](#)).

The procurer should develop an informed client function to serve its broader and long-term interests in the procurement of facility-related services. The informed client function should be maintained to enable an appropriate level of communication and cooperation between the procurer and service providers as part of a mutual commitment to continual improvement.

NOTE 3 Procurers acting as informed (i.e. expert) clients are more likely to achieve end-user satisfaction and best value for money in their procurement of facility-related services than those without an informed understanding. The informed client function applies irrespective of the size or type of organization procuring services. In the absence of an informed client function, the procurer might fail to establish the most appropriate basis or arrangement for its services as well as unknowingly under or over-specify its requirements.

4.2 Planning for procurement

A plan of the procurement process should be prepared to identify the stages involved and activities within them. The plan should take the form of a schedule in which stages, planned activities and their resources, decision points and milestones are shown.

NOTE 1 Planning for procurement is a project in its own right. A schedule can take the form of a Gantt chart or precedence diagram. Resources include finance, budgets, human resources, consumables, equipment and IT. Milestones cover commencement dates, completions and deadlines. Approvals and other key decisions are better considered as activities having durations and not as milestones since they are rarely, if ever, instantaneous events (i.e. having a duration of zero).

The plan should complement existing processes and procedures, and align with the requirements of corporate governance to identify:

- stages and decision points (or gates) in the procurement process;
- criteria for decision making;
- activities within stages and their sequence;
- sources of information and data to be used in activities;
- individuals and external organizations to be involved in activities and their roles;
- other stakeholders who might be involved;
- resources needed to support the activities; and
- deliverables (including information) at each stage and the form they should take.

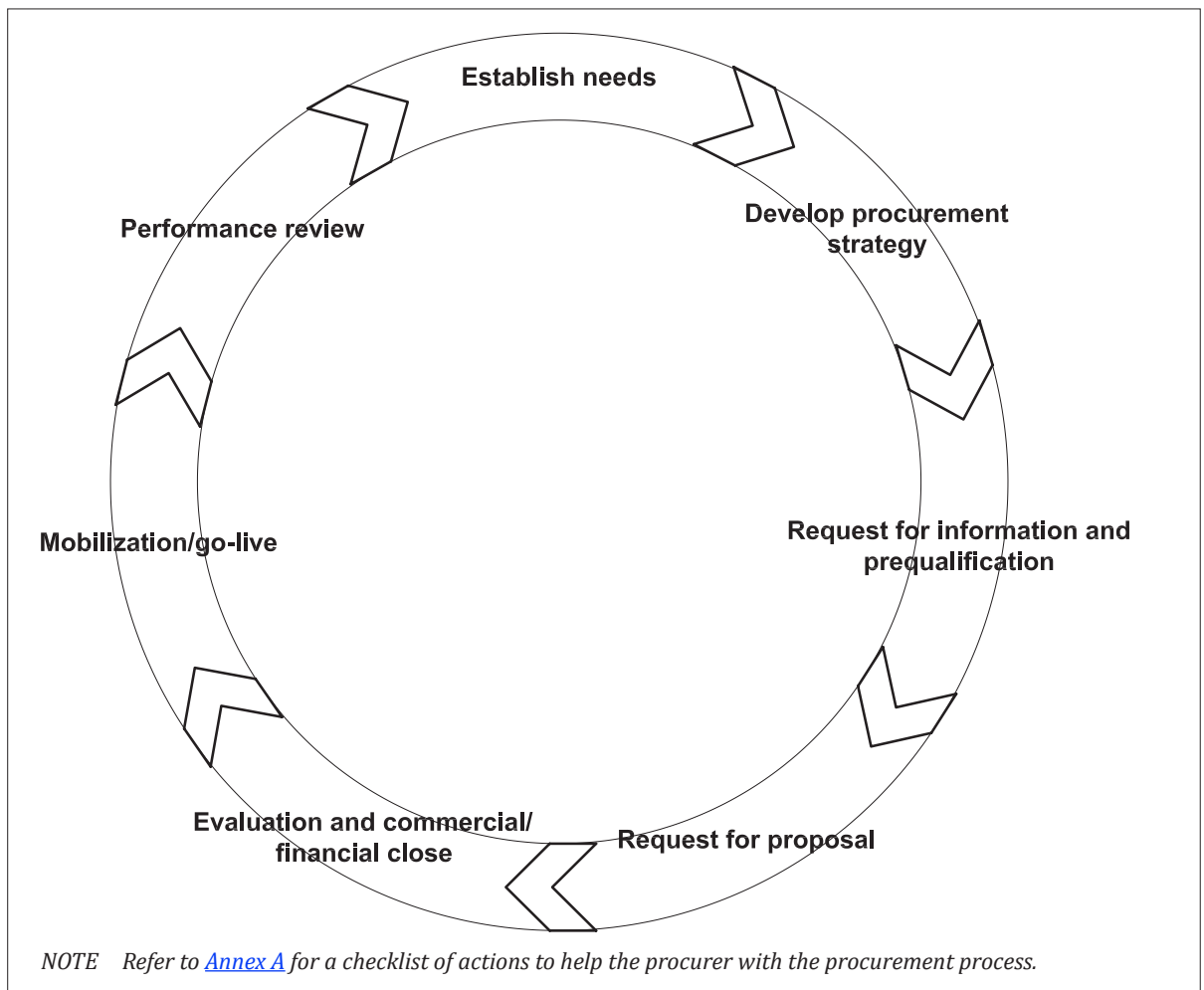
The plan should incorporate the tendering process and procedures to be adopted (see [6.6](#)).

NOTE 2 The plan serves as a roadmap for the procurer in helping service provision to progress from where it currently stands to where it is intended to be. A well-prepared plan provides transparency and can aid the correct application of the recommendations and guidance given in this British Standard.

NOTE 3 Stakeholders can be a rich source of ideas, advice, information and data (see [5.5](#)). End users of facility-related services are one such stakeholder group whose interests and needs are central to procurement (see [5.6](#)). Attention is drawn to statutory obligations relating to stakeholder engagement, such as those arising in connection with planning, employment and equality legislation (see Commentary on [5.14](#)).

The procurer should consider adopting the following stages in its procurement process, as shown in [Figure 1](#):

- a) establish needs (see [4.4](#) and [Clause 5](#));
- b) develop procurement strategy (see [4.5](#) and [Clause 6](#));
- c) request for information (RFI) and prequalification (see [4.6](#) and [Clause 7](#));
- d) request for proposal (RFP) (see [4.7](#) and [Clause 8](#));
- e) evaluation and commercial/financial close (see [4.8](#) and [Clause 9](#));
- f) mobilization/go-live (see [4.9](#) and [Clause 10](#)); and
- g) performance review (see [4.10](#) and [Clause 11](#)).

Figure 1 — *The procurement process*

4.3 Facilities management strategy

The procurer's approach to facilities management should be summarized and documented in a facilities management strategy. This should include the following:

- business strategy, objectives, outcomes, main drivers and constraints (see [5.2](#) and [5.3](#));
- split between core and non-core business (see [5.2](#));
- target operating model (see [5.2](#));
- geographical location (see [6.3](#));
- organization culture (see [7.3](#));
- sustainability policy (see [7.4](#));
- social responsibility policy (see [7.6](#));
- scope of services (see [5.4](#) and [5.8](#));
- special service requirements and hazardous operations, where applicable (see [5.4](#));
- end users and other stakeholders (see [5.6](#) and [5.5](#) respectively);
- access, inclusion and equality objectives and strategies (see [7.5](#));
- portfolio (including condition of assets/facilities) and space provision (see [5.7](#));
- existing basis and arrangements for service provision (see [5.8](#));

- threats and opportunities (see [5.10](#));
- plan and process for procuring and managing services (see [4.2](#));
- resources for procuring and managing services and their cost (see [4.2](#));
- source of finance or budgets for procuring and managing services (see [4.2](#)); and
- management of information for planning and controlling services (see [10.7](#)).

A summary of these categories should be made available throughout the procurement process and updated when any modifications are made to the facilities management strategy or when additional information regarding its content is made known.

NOTE 1 The facilities management strategy is the cornerstone of facilities management. Managing facilities efficiently and effectively requires the development of a robust strategy that can accommodate change without losing sight of the procurer's business objectives and other strategically-important considerations. It provides context for the definition, specification and delivery of facility-related services.

NOTE 2 Service contracts are normally awarded on a multi-year basis and so draw on finance in different accounting periods.

4.4 Establish needs

The procurer should determine current and likely future needs in regard to facility-related services (see [Clause 5](#)).

4.5 Develop procurement strategy

The procurer should develop a procurement strategy with attention paid to the form of service provision and type of service provider (see [Clause 6](#)).

4.6 Request for information (RFI) and prequalification

An RFI or a PQQ should be prepared by the procurer and used to determine the suitability of prospective service providers (see [Clause 7](#)).

4.7 Request for proposal (RFP)

An RFP should be prepared in outline for each single service or multiple (or bundled) services (see [Clause 8](#)).

4.8 Evaluation and commercial/financial close

The procurer should define the criteria by which each tender as represented by an RFP is evaluated and judged suitable as a basis for a service contract (see [Clause 9](#)).

4.9 Mobilization/go-live

The procurer should implement plans for delivering the specified service and check that there are sufficient and adequate resources for delivering it (see [Clause 10](#)).

4.10 Performance review

The procurer should schedule and carry out regular performance reviews to identify any corrective actions that might be necessary (see [Clause 11](#)).

5 Establish needs

5.1 General

A baseline should be set by the procurer for the procurement of facility-related services. This baseline should serve both as the starting point for procurement and as a subsequent reference for comparing

actual performance in service provision (see [5.7](#), [5.8](#) and [5.9](#)) with that established or planned at the start of the process. The procurer should be realistic about its needs and should differentiate between services that are absolutely necessary and those that are desirable or which might be, for example, justifiable or affordable at a later date without detriment to normal operations in the meantime.

The procurer should determine and document current and likely future needs in regard to facility-related services, including any phasing or deferral until a later date. The following subjects should be considered:

- business strategy, objectives and outcomes (see [5.2](#));
- target operating model (see [5.2](#));
- main drivers and constraints (see [5.3](#));
- scope of services (see [5.4](#));
- stakeholder engagement and communication (see [5.5](#));
- end-user needs (including feedback from post-occupancy evaluations) (see [5.6](#));
- portfolio (including condition of assets/facilities) and space provision (see [5.7](#));
- current arrangement for the provision of services (see [5.8](#));
- market for services (including acceptable market-testing practice) (see [5.9](#));
- threats and opportunities (see [5.10](#));
- options for service provision (see [5.11](#));
- criteria for evaluating options (see [5.12](#));
- outsourcing policy (see [5.13](#)); and
- constraints or limitations imposed by current or pending legislation (see [5.14](#)).

5.2 Business strategy, objectives and outcomes

A statement of the procurer's business strategy and objectives, including any planned extensions and additions or closure of business operations, should be prepared. The content of the statement should distinguish between core and non-core business and define the outcomes that the procurer intends to achieve. The contribution of the facility or facilities in support of the core business should be outlined. Special requirements that have to be met should be included in the statement, together with key milestones and other material facts that might help to define the basis for procuring facility-related services. These requirements may be expressed subsequently in the form of a target operating model, which should incorporate details about the people, processes, data and technology required to deliver the business strategy, objectives and outcomes, as far as these are known.

COMMENTARY ON 5.2

As a support service to the core business of an organization, facilities management exercises a pivotal role in the achievement of business objectives and outcomes. Where facility-related services are procured independently of the facilities management function, there is the danger of compromising business objectives and expected outcomes. Alignment between the objectives implicit in delivering facility-related services at the operational level and the facilities management strategy (see [4.3](#)) and business strategy and objectives is essential to enabling facilities, and management thereof, to support the core business. The contribution of facilities to the success of the procurer's organization in meeting its business strategy and objectives and achieving the expected outcomes has to be explicit if informed decisions are to be made and appropriate arrangements put in place, not least those concerned with the procurement of facility-related services, including the management of service delivery and the systems

necessary for this purpose. ISO 41001¹ details the requirements for a management system for facilities management. A generic approach to the management of assets can be found in BS ISO 55001.

The procurer should identify factors that are critical to the successful operation of its core business within its business strategy and objectives statement, and explicitly state the extent to which its facility or facilities and, in particular, the facility-related services are expected to contribute to them (see 5.3). It is necessary to state the basis for measuring progress towards achieving these critical success factors (see 8.5 and 11.7).

A target operating model can be a useful way of encapsulating the requirements needed to fulfil a given business strategy which might, or might not, have given rise to a change management project where the outcome is a new operating model for the business or part thereof. The model can also be used to describe the goal state for the procurer's organization, including a definition or redefinition of the relationship between non-core business functions and the core business. Instead of treating facilities management as a non-core, support function, it can be used to add value to the core business. This requires a close coupling between facilities management and the core business where the former becomes embedded in the normal day-to-day operations of the business.

5.3 Main drivers and constraints

Factors driving or constraining the current and likely future business of the procurer's organization should be identified. These factors represent external and internal impacts on the business and should be understood before embarking upon procurement. Internal drivers and/or constraints include personnel, tasks and information, whereas external drivers and/or constraints include availability of resources, competition for goods and services, finance and credit.

Other influences can result from technological innovation and changes in working methods (see 5.15) and in society. The procurer should be aware of the extent to which these and other factors can impact on the core business, its operations and support services. Factors that are critical to the success of the business should be distinguished from those that are important but of low potential impact.

Identified drivers and constraints should be considered in each stage of the procurement process in terms of how they might negatively or positively impact decision making and outcomes (see 5.10).

5.4 Scope of services

The extent of facility-related services needed by the procurer should be outlined, with each service separately identified. The broad expectations of the facility's end users in this regard should be summarized for each service (see 5.6).

An all-encompassing expression or statement of needs that represents the entire scope of services to be provided should be created, documented and kept up to date. This should include a definition of the scope of each service, noting relationships and interfaces with other services such as shared responsibilities and contingency arrangements, as well as explicit declarations of any assumptions and exclusions. Account should be taken of any service requirements or hazardous operations that might warrant special consideration.

COMMENTARY ON 5.4

The procurer's facilities management strategy (see 4.3) serves as a continual reminder of the broader context within which needs and expectations are considered. Together with a summary of business objectives, drivers and constraints, the procurer is well-placed to assess needs and expectations in terms of the required scope of facility-related services.

¹ Currently in preparation.

One way of capturing the scope of services is to use a mapping (or mind mapping) tool. Advantages of creating a map include the ability to spot possible gaps and overlaps between services, as well as the connections between them. A challenge in this task is in delineating services so they can be defined both individually and collectively as would occur when a number of services are bundled (see Clause 6).

5.5 Stakeholder engagement

Stakeholders should be involved in discussions about the arrangements for facilities management in general and facility-related services in particular to an extent that is determined by the outcome of a stakeholder impact assessment. Stakeholders should be involved in specifying facility-related services if their needs, including those identified during the preparation of the facilities management strategy (see 4.3) and in regard to end users (see 5.6), are to be properly addressed and communicated. A communication plan should be prepared to assist in this task.

Effective communication between the procurer and service providers (another stakeholder group) should be maintained to enable the implementation of a facilities management strategy (in terms of the broad approach to the procurement of services) which is both understood and capable of being acted upon.

NOTE Clear and regular communication is required to develop relationships.

Where applicable, the appointment of a managing agent (see 5.11) or other consultant to fulfil the role of procurer (see 4.1) should be made in sufficient time to allow consultation with stakeholders to take place.

COMMENTARY ON 5.5

For ease of classification, stakeholders can be divided into internal and external. The procurer's external stakeholders are those affected by the facility, but not directly involved in the operation of it; for example, neighbours, the community and general public. Internal stakeholders are generally dominated by those defined as the end users of services. Other stakeholders include senior managers with responsibility for core business activities, as well as landlords and head tenants, where applicable. Attention is drawn to statutory obligations relating to stakeholder engagement, such as those arising in connection with planning, employment and equality legislation (see Commentary on 5.14).

The operation of a facility can affect a variety of interests. Various positive effects include creating better communications, a healthier and safer workplace and higher standards of productivity. Even so, a new or altered facility brings change at the operational level affecting end-user interests. Stakeholders, as the representatives of these interests, are an integral part of the process of consultation. Early involvement of all affected stakeholders is necessary to enable views and concerns to be actively canvassed and adequately taken into account.

Since contracts for facility-related services involve the delivery of services within occupied environments, the way in which services are delivered and the manner in which stakeholder communication occurs becomes increasingly important as the services embed themselves into day-to-day operations. Maintaining a clear understanding between the procurer, end users and service providers of operational requirements, as well as the obligations of each stakeholder group, is a continual process of engagement through communication.

5.6 End-user needs

All stakeholders should be involved in defining their needs and the level of performance that is acceptable. This task includes:

- involving stakeholders, as far as practicable, in identifying their needs through, for example, the use of questionnaire-based surveys (e.g. post-occupancy evaluations) and in contributing to the drafting of service specifications and service levels (see 8.3 and 8.4, respectively);

- identifying diversity of need such as when seeking to include people with disabilities or other individuals' specific needs;
- NOTE* Attention is drawn to the Equality Act 2010 [2].
- ensuring the adequacy of arrangements for accommodating personnel (including their materials and equipment) engaged in the delivery of services;
 - prioritizing the needs of stakeholders; and
 - controlling stakeholder input and changes once service specifications and service levels have been agreed in order to avoid scope creep.

COMMENTARY ON 5.6

The end users of facility-related services are in a unique position to be able to provide feedback and make judgements on the extent to which services satisfy or are likely to satisfy requirements. They might not, however, be best placed to form a view on whether or not the procurer is achieving best value for money in the procurement of those services. Nonetheless, end users might be able to offer insights into how a given service might be performed differently, better and potentially at lower cost.

Questionnaires can be effective tools for eliciting information from stakeholders and are commonly used in post-occupancy evaluations where formal feedback is sought from end users on the operational performance of the facility or facilities from their perspective. Care is necessary when drafting questionnaires to enable respondents to provide information that the procurer requires to form a deep understanding of needs, as opposed to answers that might be of superficial interest only. Closed questions that result in "yes" or "no" answers are unlikely to probe deeply enough. On the other hand, questions that require a response to a statement against a scale from, for example, "totally agree" to "totally disagree" are likely to result in a more informed understanding. Questionnaires that seek opinions and impressions are therefore preferable to those of an exclusively quantitative nature.

Prioritization of needs by stakeholders helps to focus on those attributes of a service that are considered to be more important than others. The procurer might find it necessary to mediate between different or competing priorities in the interest of economy and/or practicability, and can do so on the basis of reliable survey results.

Some procurers might find that they are defining their needs for the first time. In such cases, there is the chance they might unknowingly specify a higher level of service than is necessary and that, as a result, tenders might subsequently prove to be higher than forecast. Discussion with prospective service providers might reveal over-specification which can be corrected without sacrificing quality/performance or compromising health, safety, security and sustainability.

5.7 Portfolio and space audit

Significant changes in the portfolio should be embodied in the statement of the procurer's business objectives (see 5.2). An audit of the procurer's portfolio should be undertaken to assist in establishing the extent of the assets/facilities and space that qualify for service provision, noting the condition, compliance requirements and kind of services involved. Account should be taken of the utilization of space (i.e. space efficiency) when determining the level of servicing requirement. Allowance for growth and/or reduction in the demand for space and its phasing into the future should be incorporated, as far as practicable, in the assessment of this provision. Space for service provision should also be assessed and conform to BS 8300 (both parts) and BS 9999 in order to achieve an inclusive environment that anticipates the needs of people with disabilities and others with equalities-related needs.

The requirement for maintenance can impact negatively on the beneficial and economical use of space. The nature, extent and frequency of maintenance should be assessed to help determine

whether or not space is appropriate to support current and likely future needs. The cost of providing space, maintaining and upgrading it should be reviewed alongside the cost of servicing (see [5.6](#)).

Events that might impact the procurer's use of space negatively and positively should be investigated. Threats and opportunities should be monitored continuously and managed through a risk register, which should be kept up-to-date for each facility (see [5.10](#)).

COMMENTARY ON 5.7

The extent to which facility-related services are required depends on, amongst other things, the type, number and size of assets/facilities for which the procurer is responsible, i.e. the portfolio. Details of the procurer's assets/facilities are often held in an asset information system or, at the very least, in an asset register (see BS 8536-1 and BS ISO 55001). Such an arrangement can be used to record, update and retrieve information about service requirements, operational performance and space efficiency among other matters.

Changes in the use of technology, especially IT, can impact upon the type and amount of space required, although not necessarily in terms of a decrease. Space is rarely provided without charge and so superfluous space represents waste. The servicing of space can represent a significant cost item within the overall budget for operating and managing a facility. It is important that the procurer is able to establish that it has the space it needs and can afford. Comparing the cost of different spaces might reveal situations where some space is inefficient and/or uneconomical. Benchmarking can help to raise awareness among stakeholders of the cost of providing, servicing, maintaining and upgrading space.

5.8 Services audit

Where applicable, the procurer should critically review the current delivery of facility-related services by considering, as a minimum, the following aspects.

- *Policy.* An examination of existing policy in terms of corporate guidelines and standards, performance standards, quality assurance, health, safety and security and any relevant statutory obligations, human resources, finance and approvals.
- *Processes and procedures.* Definition of business processes, including budgeting, procurement, purchasing approvals and payments.
- *Service delivery.* Audit of all aspects of service delivery, including its basis, cost and relationship with end users, especially in regard to quality/performance.

In carrying out a review of such aspects, the procurer should consider making use of benchmarking as a method for measuring current levels of performance, outputs and outcomes. Account should be taken of the extent to which service providers rely on the use of subcontractors for service delivery as opposed to “self-delivery” of services and the associated quality/performance experienced by end users.

NOTE 1 Subcontracting is common in the delivery of facility-related services. It is important for procurers to understand the extent to which service providers draw on their own resources, i.e. self-deliver, or subcontract work (see [5.11](#), [6.5](#) and [10.5](#)).

NOTE 2 Measuring a process, as in the case of benchmarking, is an aid to understanding that process and can provide insights into how it might be improved. BS EN 15221-7 provides guidance on performance benchmarking in the context of facilities management.

5.9 Market audit

The procurer should establish whether it is necessary to test the market at intervals to determine the extent to which current service delivery matches that available, including the cost of services (see [6.5](#)). Frequent attempts to test the market can prove counterproductive and should be avoided.

The procurer should inform prospective service providers of the reason for seeking technical or cost information.

COMMENTARY ON 5.9

Understanding how the market for services is developing and what trends might be emerging provides the procurer with insights into potential innovations and opportunities, as well as highlighting possible threats. Discussion with existing and prospective service providers extends understanding by enabling judgements to be formed on the capability and capacity available to meet the procurer's planned demand for services. Increasingly important in this regard is the development and deployment of innovative technology and changes in working methods, where the potential exists for improvements in productivity and performance.

Appropriate use of the market can include comparisons of current prices and rates for services using published data, indicative cost estimates from service providers and benchmarking (see BS EN 15221-7) with other organizations having similar facility-related needs. An awareness of the state of the market for services means that at any time a judgement can be formed as to whether or not a preferred option (see 5.11) is the most appropriate. Some of the requisite information, however, might already be contained within market audits carried out during the preparation of the portfolio and space audit and services audit (see 5.7 and 5.8 respectively). Inappropriate use of the market occurs when service providers are given the impression that they are being considered, or might be considered, for inclusion in a select list of tenderers, but when it is no more than a means for obtaining cost estimates for free. In such cases, service providers waste resources that are ultimately reflected in higher tender figures than would otherwise be the case. Better procurers will make clear the reason why they are seeking a cost estimate. If it is largely to keep abreast of market conditions, it is reasonable for the procurer to meet, or contribute towards, the cost of providing the estimate.

The terms cost and price are sometimes used interchangeably. Even so, it is important to distinguish between cost, being a sum that the procurer might use for budgetary purposes, and price being the sum paid to the service provider for delivery of the service.

5.10 Risk management

NOTE BS ISO 31000 contains guidelines on risk management. BS EN 31010 outlines risk assessment techniques.

Factors or events that could have a potentially negative (i.e. threat) or positive (i.e. opportunity) impact on the delivery of facility-related services should be identified. This task should cover the procurement process in its entirety and should not be confined to service delivery following contract award. In the case of threats, the procurer should establish prior criteria for judging whether or not they might be classified as significant. Significant threats should be assessed and the most appropriate risk response (e.g. avoid, prevent, transfer, accept and mitigate), including the party best able to manage each threat, should be determined, implemented and recorded. The procurer should include cost contingency in budgets and time contingency in schedules based on the outcome of assessments.

Opportunities should be assessed in terms of their potential to enhance service delivery such as an improvement in end-user satisfaction, the achievement of better value for money or other benefits deemed desirable by the procurer.

All threats and opportunities should be recorded and managed through a risk register which should be kept up to date.

COMMENTARY ON 5.10

A serious attempt to identify threats and opportunities is likely to produce a large number of items in a short time. Risk is embedded in commercial undertakings and the environment that surrounds them. It can prove impractical to assess and evaluate all but those risks which are deemed significant in the