



Outsourcing FM | UC Case Study
Dr Alison Fincher-Johnson
Director, Estate Management, University of Canberra
September 2013



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UC outsourcing

UC has an appetite for lean business models and outsourced delivery of support services

- 2009 - selection of University administrative services outsourced to India (current)
- 2010 - FM and Security outsourced through comprehensive service delivery contract
- 2011 - Grounds Maintenance partially outsourced
- 2012 - service delivery quality reviewed
- 2013 - development and tender of some new contracts

UC outsourcing

2013 - FM contract re-tendered; new FM contract includes comprehensive maintenance and cleaning service provision

2013 - Grounds maintenance contract varied to be comprehensive

2013 - Security contract separately tendered to address shortcomings in previous extent and quality of service provision

2013 - Potential to add some Estate Management services to India contract being considered

first UC FM outsourcing experience

- UC didn't know what it didn't know
- 'other admin areas are outsourced - why not FM?'
- insufficient consultation
- partial outsourcing outcome
- personnel with corporate knowledge left the University
- contract inexplicit, scope of service not clearly defined
- levels of acceptable/unacceptable performance unclear
- team skills not developed
- contract management tools were promised but not delivered

first UC FM outsourcing experience

result

- internal team lacked contract management tools and capabilities
- limitations of contract exploited
- UC internal personnel became more involved
- conflicts arose between internal and external teams
- quality of FM performance was unacceptable
- customers were unhappy
- some management processes re-established



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new contract structure

performance based contracts

- overarching agreement with terms and conditions
- agreed schedule of services
- agreed KRAs and KPIs
- agreed definitions of quality of performance
- agreed assessment approach
- incentives and disincentives for good or poor performances

management tools

- balanced scorecards for regular assessment
- agreed format for monthly reporting
- model premised on 'partnership' not 'adversarial' approach

new contract structure

new contract management approach

- expectations are more clearly defined
- both internal and external teams 'own' the performance management system

contract management process

- service provider regularly self-inspects
- UC routinely audits
- outcomes managed through assessment of performance against KPIs
- results rolled up to balanced scorecard
- contract includes incentives and disincentives
- regular audit, review, meetings and reporting

defining expectations

Seven platforms for performance management

- cleaning
- customer satisfaction
- planning
- reporting and invoicing
- service provider efficiency
- sustainability management
- work place HSE

KPIs set at a high standard, not just 'satisfactory'.

Success will depend on integrated team, aligned focus, strong partnership.

team capabilities

the team needs

- relationship management skills
- contract management skills
- problem solving and technical capability
- strong communication capabilities
- responsiveness and a customer focus
- agreed shared management tools
- ongoing commitment to maintaining a positive relationship

integration

one example of the extent to which we plan to integrate the internal and external teams

no internal UC works management system

- provider to manage planned and requested works through their in-house system
- analysis and reports to be provided to UC as required
- UC still owns the data
- data already in system - no duplicate work required for UC management reports



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Buildings 1, 2, 3, 4
Chancery, Refectory
Student Centre
Library 1, 2, 3, 4
Hydro
Library

contract management tools

Agreed performance metrics

External Walls, Columns and Doors within 15m of entry point

Are the walls, columns and doors clean? Inspect all walls, columns and doors within 15m of the entry point in the assessment zone.

Answer Satisfactory if: the walls, columns and solid doors has no more than 3 of the following:

- a) Unacceptable level of scuff marks (note some scuff marks cannot be cleaned and require repainting)
- b) Liquid spills (drinks, water etc along wall)
- c) Sticky Tape 23 pieces of sticky tape per wall deemed acceptable)
- d) Skirting boards have fluff balls greater than 1cm x 1cm

University of Canberra - Facility Management KRAs

KRA	KPI	Measure	Scoring Question	Target	Review
Cleaning	Cleaning audits	Minimum of three building section self-audits plus one escorted building section audit (with a member from Estate Management) utilising a non subjective balanced score card. All buildings must be audited twice in a 12 month period.	Does the audit 1 score meet or exceed the target?	75% for first year of contract reviewed annually from contract start date.	Monthly scoring, averaged annually. Scoring applicable for final quarter in first year only to allow for minimum performance level to be brought to acceptable standard.
			Does the audit 2 score meet or exceed the target?		
			Does the audit 3 score meet or exceed the target?		
			Does the audit 4 score meet or exceed the target?		
Customer Satisfaction	Customer feedback	Feedback obtained direct from customer via phone interview, email or other means as to satisfaction on completion of works. Feedback should be linked to work request number and provide detail on priority and service provider efficiency.	Was feedback for 5% of requested works obtained, or a minimum of 5, whichever is the greater?	5% requested jobs clarified with customer or minimum of 5 per month	Monthly
	Quality of work	No. of re-occurring faults and works corrected under warranty, subcontract arrangement or work order reference measured on a rolling three month average.	Were there less than 10% rework items listed within the last three months?	<10% by volume	Monthly
Planning	Schedule of works	Schedule reviewed and updated to incorporate all required buildings and assets as per manufacturer, University or Australian Standards.	Does evidence of works schedule review exist?	100%	Quarterly
	PPM	PPM Schedule achieved within month. Asset and lifecycle planning to be included within schedule on a biannual basis.	Were all scheduled PPM tasks completed within the month?	100%	Monthly
	Compliance Rectification	Scheduled rectifications from PPM completed if within agreed monthly ad hoc limit, or quoted and tabled for LUC consideration if monthly limit exceeded.	Have all compliance rectifications identified and tabled for the reporting month, been either completed or quoted dependent on value?	100%	Monthly
Reporting & Invoicing	Monthly report	Report to be issued by COB on the 6 th working day of each month, complete with KPI data, invoices, budget tracking, monthly statutory compliance documentation, cleaning summaries, asset list additions & deletions, and other information as requested.	Report is submitted and complete	100%	Monthly
	Reactive works invoicing	All invoices for reactive works to be received within 60 days from the end of the month works are completed.	Are there any reactive works invoices received in the monthly batch for works carried out more than 60 days prior?	100%	Quarterly

contract management tools

measure performance consultatively

Done Auditing Discard

LEVEL ONE Score 3.5/9

"Carpeted Areas" Are carpeted areas clean? Inspect any carpeted floor areas in the asse...	Satisfactory	U	NI	NA
"Hard Surfaces" Are the hard surfaces clean? Inspect any hard surfaced floor areas in...	Satisfactory	U	NI	NA
"Internal glass accessible from floor level <1.8m"	Satisfactory	U	NI	NA
"Walls, Columns and Solid Doors"	Satisfactory	U	NI	NA
"Signage, Frames, Pictures, Directory Boards, *	Satisfactory	U	NI	NA
"Lights / Wall Lights / Air Conditioning Registers"	Satisfactory	U	NI	NA
"Washrooms"	Satisfactory	U	NI	NA
"Vertical Transport"	Satisfactory	U	NI	NA
"Furniture"	Satisfactory	U	NI	NA

Additional photos of Level 1


Additional comment on Level 1:
Overall presentation of level one is satisfactory.

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contract management tools

Report on performance


**UNIVERSITY OF
CANBERRA**

**Programmed Facility Management
Monthly Performance Summary**

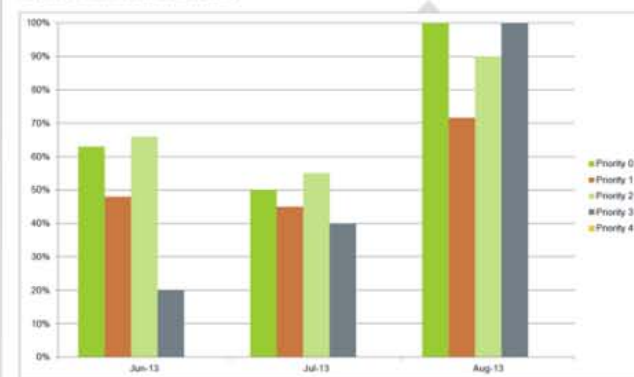
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Performance	●	●	●	●	●	●	●	●	●	●	●	●
Clearing	●	●	●	●	●	●	●	●	●	●	●	●
Customer Satisfaction	●	●	●	●	●	●	●	●	●	●	●	●
Planning	●	●	●	●	●	●	●	●	●	●	●	●
Reporting & Invoicing	●	●	●	●	●	●	●	●	●	●	●	●
Service Provider Efficiency	●	●	●	●	●	●	●	●	●	●	●	●
Sustainability Management	N/A	N/A	N/A	N/A	●	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Work Place HSE	●	●	●	●	●	●	●	●	●	●	●	●

● Meets Expectations
● Needs Improvement
● Unsatisfactory

Note that monthly KPI scoring is relevant to the assessment items for that month, and an average of the monthly scores will not necessarily reflect annual scoring. This is due to weightings for the different KPIs within KRAs being calculated

3.3.1 Work Order Response Times

4. (Below chart reflects data from 3.3 table)



Priority	Jun-13	Jul-13	Aug-13	Average
Priority 0	63%	50%	99%	71%
Priority 1	48%	45%	72%	55%
Priority 2	66%	55%	95%	70%
Priority 3	20%	40%	100%	53%
Priority 4	0%	0%	8%	0%
Average	59%	58%	80%	59%

Note: The above percentage figures reflect only the work orders that had become due for collection during the month of August and may contain work orders raised in the preceding month. KPI data will only reflect the percentage results of P2, P3 & P4 works.

issues encountered

- time delays the biggest issue
- internal team organisational structure changed concurrently with new contracts
- delays due to changing personnel
- time under estimated to make data sufficiently comprehensive
- time under estimated to develop KPIs and assessment measures
- time under estimated to prepare comprehensive documentation of all the above

so far

- the new model has only just been put in place
- we believe it will work well
- both internal and external are working hard to make the partnership a success
- although it is taking time we are almost agreed on the contract, associated KRAs, KPIs and management tools
- we aim to define expectations more clearly this time around to give us all the best chance of success
- we will report on progress at a future TEFMA event!



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