

Guide on Facilities Management (FM) Procurement

Procurement by FM service buyers such as building owners and public sector agencies is the key enabler to FM transformation. This guide provides good practices on FM procurement which will encourage FM service providers to deliver better value to FM service buyers.

WHO is this guide for?

Private and public sector FM service buyers (e.g. building owners) and FM service providers

FM today

Procurement of separate, single service (e.g. cleaning, security, landscaping, building maintenance)

Prescriptive, headcount-based requirements



Desired end state

Procurement of Integrated FM (IFM) services, where possible

Outcome-based requirements driving performance and technology adoption



WHICH FM services does this guide apply to?



FM01 Integrated FM (IFM) & Managing Agent (MA) Services



ME01-ME12 Mechanical & Electrical Maintenance Works



CR01/CR09 Building Maintenance & Repairs



FM03 Landscaping

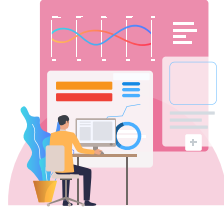


FM04 Pest Control

WHAT does this guide cover?



**Stage 1:
Pre-Tender Stage**
Determining the procurement approach and minimum contract period



**Stage 2:
Tender Preparation Stage**
Preparing tender specifications with outcome-based requirements



**Stage 3:
Tender Evaluation Stage**
Evaluating price and non-price components to select the best service provider



**Stage 4:
Post-Tender Stage**
Assessing the performance of Facilities Management Companies (FMCs) throughout the contract period

Stage 1: Pre-Tender Stage

What is Integrated FM?

It is the provision of at least two distinct FM services from the same company. The company may either deliver the service or outsource to subcontractors and manage them.



Benefits:

Consider requirements and **determine procurement approach**



Consider benefits of **Integrated FM (IFM)** and **Outcome-Based Contracting (OBC)**

Adopt minimum **3+3 year contract duration** for optimal value



Examples of IFM Contracts

JTC

Cleaning, Waste Management, Pest Control, Landscaping, M&E for industrial buildings

Singapore Polytechnic

M&E, Swimming Pool, Lifts, Building Tradesman Maintenance for campus buildings



Less resource intensive contract supervision and management



Greater economies of scale through aggregation of demand for common/similar services within the facility



Increased productivity with more flexibility and autonomy to streamline processes and adopt smart FM solutions



Improved responsiveness from a one-stop service provider



Optimised FM service delivery, which could translate to better service quality and lower costs

Stage 2: Tender Preparation Stage

How to draft an Outcome-Based Contract

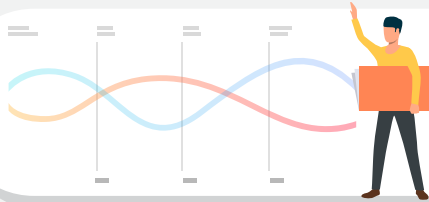
Set desired outcomes

Spell out end results expected from service providers



Use outcome-based statements

Set out the scope of services, what is to be achieved, the desired performance standard and the service quality required



Indicate Key Performance Indicators (KPIs)

Measure performance using KPI scores and monthly performance targets

Reward with performance-based payments

Encourage service providers to meet or perform beyond their performance targets



Stage 3: Tender Evaluation



Evaluate tenders based on both price and quality for the best value



Design evaluation criteria that will differentiate quality of service providers

Total Score = Price Score + Quality Score



PRICE

Deter price diving using "Abnormally-low-bid Curbing Mechanism" (ACM)

QUALITY

Look for quality attributes such as:

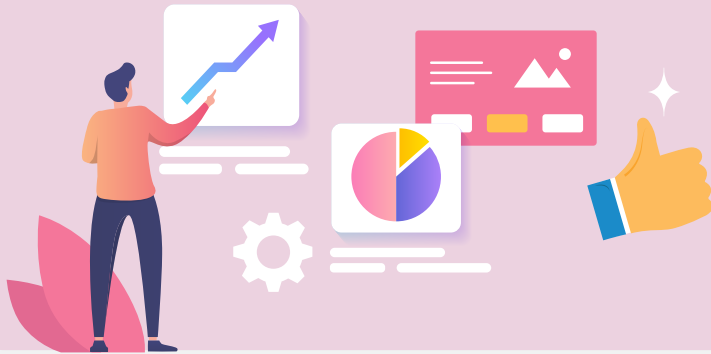
- ✓ Innovation
- ✓ Smart FM solutions
- ✓ Past performance in providing FM services
- ✓ Meeting the buyer's desired outcomes

Place greater emphasis on quality to attract better quality FM service providers

Component	Weightage
PRICE	40% - 60%
QUALITY	60% - 40% correspondingly

Stage 4: Post-Tender Stage

Evaluate performance of the service on a yearly basis or even more frequently throughout the contract duration; and upon completion of the project



Public agencies are required to submit performance appraisals of service providers to BCA. Private projects can also submit to BCA on a voluntary basis.

We seek the active participation of all stakeholders in the implementation of this guide to achieve more efficient operations and improved delivery of FM services.

WHAT do early adopters for IFM and OBC say?

//

The outcome-based approach allowed CBRE to **re-engineer the work process through higher utilisation of specialised skills and future-proofing the workforce**. We are also highly motivated to support Singapore IFM transformation agenda by serving clients above and beyond the contract through innovation and productivity improvements. CBRE is **inspired by the flexibility afforded by IFM as this empowered us to create and effect innovative solutions that result in a win-win solution** for our clients. The outcome-based and IFM approaches have enabled CBRE-JTC team to be recognised as the Facilities Management Team of the Year in 2020.

//

Mr Loh Wei Loon

Senior Managing Director, Singapore and South East Asia
CBRE | Global Workplace Solutions

//

As our assets grow into larger portfolios, we can leverage **IFM as a force multiplier to procure and manage more strategically**. The amalgamation of FM works has enabled us to manage our products at a portfolio level thus, **opening new possibilities** to conduct big-data analytics to **enable financially and fundamentally sound FM contracting decisions**.

//

Mr Jason Foo

Director, Facilities Planning & Advisory Division
JTC Corporation



Download the full guide here

<https://go.gov.sg/bca-procuring-fm-services>