

ECC FM market engagement

29th Feb 2024

summary of the findings

11/03/24

Market engagement key learnings (1/2)

24 providers with various specialisms and sizes came to the in-person market engagement event on 29th February 2024 and shared their views on 5 themes.

1. Contracts terms and key clauses

- ✓ Long term contracts are preferred by the FM providers to allow the achievement strategic goal, build relationship and encourage investment
- ✓ For the FM providers, the initial period should be from 5 and up to 10 years; extension vary in format (1+1+1... or 3+1+1) and duration from 50% to 100% of the initial term; Programme Management providers would find shorter contracts acceptable due to the size of the teams
- ✓ Flexibility needs to be built-in with price indexation mechanism, regular work schedule reviews and change control process
- ✓ Other clauses that were discussed: concerns around uncapped liability, insurance levels, KPI holiday for the 1st year

2. Capability of the market

- ✓ The width and breath of the services in the current contract cannot be delivered solely by one provider, without subcontracting (subcontracting degree vary a lot)
- ✓ Estate management and Utility management are the least commonly available inhouse from the TFM
- ✓ Splitting Security and Business services would not be a deal breaker for the FM providers, however further market engagement is needed to confirm interest of the specialist providers
- ✓ If several contracts, there is a need for ECC to purchase a CAFM system and add extra internal resources to manage this.

Market engagement key learnings (2/2)

3. Potential benefits of consolidating volumes with other Essex districts and boroughs councils

- ✓ Without a standardised specification and clarity on volumes, no saving on price would be achieved; however, a joint procurement would reduce sourcing effort
- ✓ Fluctuation of volumes and sporadic needs are difficult to manage for the providers, especially where there is workforce issues
- ✓ It was mentioned that ECC could offer print and post services to other public bodies or school to maximise the use of existing resources

4. North / South split of the contract

Benefits / opportunity	Risk and issues
<ul style="list-style-type: none">✓ Access to more innovation✓ Increased resilience in case of supply failure	<ul style="list-style-type: none">✓ Discrepancy of services and extra management resources✓ PMO and Estate management: underutilisation of staff when teams can work remotely✓ North on its own is also much less attractive to providers
Suggestion to have a single provider with a delivery split between North and South	

5. Future market engagement

- ✓ Providers are willing to review draft options, contract and tender documents as well as discuss criteria and weighting for award
- ✓ Larger organisations have asked that ECC shares key information on the contract early so they can start their own engagement and governance process and obtain approval to bid
- ✓ Request to have more background information on the current contract and state of the buildings with sites visits