



safma

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ISO 41012 - Sourcing

Why relevant to your organisation

- Improved SLAs lead to improved service delivery
 - *You can make any agreement work in practice if you ignore the cost in time and poor service delivery.*
- Standardisation
- Best practice

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A. History and Context

B. Content of 41012

B.1 Terminology

B.2 Sourcing / Due diligence

- Process flow chart

B.3 SLAs

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A. History & Context

- Part of ISO 41000-suite of FM standards
- Some 40 nations participate
- Process
 - NWIP – 2013
 - Working Draft
 - Committee Draft - 2015
 - Draft International Standard - 2016
 - Approval
 - Publication - 2017

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- What is it about?
- Sourcing
 - Established international best practice re:
 - Due diligence in decision-making re sourcing
 - Service Level Agreements
 - User-friendly and useful standard

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B. Table of Content

B.1 Terminology

- FM terms and definitions
- Professionals speak the language
- Some examples

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B.1. Terminology - Terms and definitions

- **Service level agreement**

document which has been agreed between the demand organization and the service provider on performance, measurement and conditions of services delivery

- **Outsource**

process of procuring an external service provider to deliver and/or manage a range of services

- **Out task**

provision of a single service from an external provider

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B.1. Terminology - Terms and definitions

- **In-house**

delivery and management of a service wholly by staff employed by the demand organization

- **Demand**

stated requirement for a service or goods to be delivered

- **Need**

statement, specific or abstract, from the demand organization which is essential to enable the achievement of the core purpose and key objectives

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B.1. Terminology - Terms and definitions

- **need**

statement, specific or abstract, from the demand organization which is essential to enable the achievement of the core purpose and key objectives

- **requirement**

need or expectation that is stated, generally implied or obligatory

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B.1. Terminology - Terms and definitions

- **demand**

stated requirement for a service or goods to be delivered

- **Specification**

detailed description of the essential performance and/or technical requirements for services or goods and processes set out by the demand organization to make clear to the service provider the requirements to be met

- **Service level**

complete description of requirements of a product, process or system with their characteristics

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B.1. Terminology - Terms and definitions

- **Deliverable**

specific service or goods which are demanded from a service provider

- **Agreement**

statement agreed between the demand organization and the service provider

- **Facilities service**

Support provision to the primary activities of an organization, delivered by an internal or external provider

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B.1. Terminology - Terms and definitions

- **Method statement**

agreed document in which the service provider translates the demands set out in the specification and service level agreement into a delivery plan with resources, allocations and methodologies

- **Deliverable**

specific service or goods which are demanded from a service provider

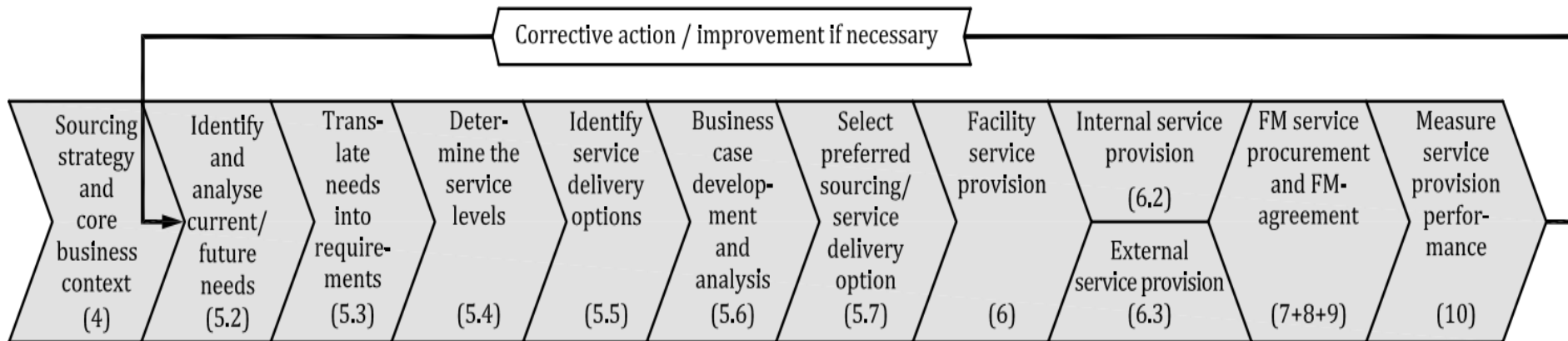
- **Agreement**

statement agreed between the demand organization and the service provider

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B.2 Sourcing / Due diligence

- Sourcing = procurement
- Requires due diligence
- 41012 provides a Work flow process to guide us



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B.2 Sourcing / Due diligence

- 41012 provides a Work flow process to guide us
- 1) Sourcing strategy & understanding core buss. context
- 2) Id & analyse current & future DO needs & expectations
- 3) Translate needs into requirements
- 4) Determine the service levels
- 5) Identify service delivery options
- 6) Business case development and analysis
- 7) Select preferred sourcing/service delivery option
- 8) Facility service provision
 - Internal
 - External

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B.2 Sourcing / Due diligence

- Phases for development of a FM agreement and RFI / RFP-process
 - 1) Preparation phase
 - 2) Pre-qualification phase (RFI)
 - Criteria
 - 3) Proposal -phase (RFP)
 - Criteria
 - 4) Agreement preparation phase
 - 5) Signature phase
 - 6) Implementation phase

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B.2 Sourcing / Due diligence

6. Implementation of FM agreement

- i) Mobilization – All preparation, transition, mobilisation of all resources, systems, data, authorizations & procedures prior to taking full responsibility for the services to be delivered as per agreement

- ii) Validation - confirm the validity of the information provided to build the agreement. Adequate testing of information exchange mechanisms necessary to ensure the required output.

- iii) Operational phase

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B.2 Sourcing / Due diligence

6. Implementation of FM agreement

- iii) Operational phase
 - a) Implementation and stabilization
 - b) Optimization
 - c) Preparation for terminating the agreement

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B.3 SLAs

Document agreed between the demand organization & service provider on performance, measurement and conditions of services delivery.

ISO 41012 covers:

- Main Characteristics of SLAs
- Service Level Specification
- Performance Metrics
- SLA Structure
- Quality
- Key Attributes of SLAs
- Risk Analysis

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ISO 41012 covers: Service Level Specification

The SLS provides specific, measurable, attainable realistic and timely (SMART) performance measures and expectations on the contractual agreement.

Each SLS composed of:

- A definition of the metric and what is being measured
- A description of the reason for measuring the metric
- A description of the method and process for capturing the data
- A statement of the timing interval for measurement

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ISO 41012 covers: Performance metrics

Define performance measurement criteria and targets e.g. quality, quantity, compliance, cost, frequency and timeliness.

- budget compliance/ variance;
 - response times (e.g. emergency, urgent, and routine work);
 - work completion rates / productivity rate
 - amount of proactive versus corrective (i.e. reactive) work;
 - preventive maintenance compliance;
 - safety inspection and testing compliance;
- **What you can't measure you can't be managed -
Drucker**

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ISO 41012 covers: Performance metrics (more)

- staff/contractor utilization/productivity;
- level of cleanliness; processes vs levels
- system or equipment reliability;
- interruptions to operation;
- utilisation of space or vacancy rates; energy conservation performance;
- life cycle performance of assets
- benchmarking

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ISO 41012 covers: SLA Structure

– close to 100 recommendations listed

SLA Structure

General Clauses	
General description	Risks and responsibilities
Primary activities requirements	Insurances
General conditions	Force majeure
General provisions	Dispute resolution process /methods
Termination conditions	
General obligations of the DO	Specific Clauses
General obligations of service provider	General description
Transfer of personnel	Common organization processes
Asset replacement & project activity	General conditions
Timing and main dates	Structure and communication
Auditing	Definition and clarification
Agreement price, payment & accounting	Obligations and requirements
Changes of the agreement	Price, payment and accounting
Default by a party	Appendices

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ISO 41012 covers: Quality

Selection of performance measures KPIs / CSFs (for measuring of effectiveness :

- quality – measured performance comparable to the descriptions & agreed services levels
- customer satisfaction (clients and or end-users);
- compliance to regulations – statutory & governance
- cost – cost measurements of each service should relate to the agreed service level / timeliness
- response times & times to complete services in accordance with agreed upon service levels
- performance-based remuneration systems

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ISO 41012 covers: Key attributes of successful SLAs

- define the scope of the services
- define the boundary conditions and parameters
- establish the level of service - quality of the output
- establish the way in which the services are provided
- provide performance measurement criteria and targets
- define acceptable delivery times & possibly cost of delivery
- establish conflict or gap resolution processes
- describe how to deal with non-compliance - agreed procedures & results

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Comprehensive risk analysis

- data / inventory on portfolio / assets,
- information on initial and long-term cost implications,
- capacity and competences resources, including funding,
- health, safety and environment,
- fire safety,
- security,
- ICT system, hardware & communication technology / integration,
- coordinated disaster recovery planning
- legislative and regulatory compliance,
- business continuity planning & management
- corporate governance requirements

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SLA must provide

- Information re response times for various work priorities
- Target times for deficiency / service interruption or resolution
- Processes and guidelines for problem escalation
- Mechanisms for managing expectations & communication
- Criteria for periodic reporting of performance
- Long-term guidance to enable continuous improvement

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- Questions
- End

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B.3 SLAs

ISO 41012 covers: Main Characteristics

- Term
- Subcontracting
- Allocation of management responsibility
communication
- Termination of agreement