

Outsourced FM Contract Health Check Self-Assessment

Our Health Check Self-Assessment provides a structured and insightful review of your outsourced Facilities Management contract provision. It highlights symptoms which are potential red flags and will enable you to assess and identify any areas which may be cause for concern.

1.	Could your contractor have priced the contract too cheaply, effectively buying the contract?	YES/NO
SIGNS OF THIS INCLUDE	• Fee mark-up % very low (< 5%) • Significant disputes on intended scope • Lots of change requests tabled • Minimal focus in Year 1 on long-term cost saving initiatives or cost reductions	
2.	Has your new contractor been squeezed by lack of time between awarding the contract and commencing service?	YES/NO
SIGNS OF THIS INCLUDE	• Contractor struggling to mobilise new staff to contract • Significant variances on expected performance in first 6 months - KPI's down • Noises from TUPE'd staff suggest a lack of contractor control and organisation	
3.	Has your contractor failed to embed proper processes and controls in the first six months of the contract?	YES/NO
SIGNS OF THIS INCLUDE	• Poor or no contractor management information • Late or no applications for payment • Contractor using their own work management systems with client systems being ignored or criticised • Lack of clarity on who does what	
4.	Are the savings promised by the contractor unrealistic?	YES/NO
SIGNS OF THIS INCLUDE	• Reducing contract cost year on year • No "shared" savings schedule • Lack of savings discussions in meetings or via management information • Continuous improvement ideas or initiatives are generally lacking	
5.	Does the contractor fail to produce variance analysis against clearly defined plans for achieving savings and against budget, which would allow you to effectively challenge performance?	YES/NO
SIGNS OF THIS INCLUDE	• Budgets are not properly forecast i.e. annual cost ÷ 12 rather than by month linked to seasonal requirements • Monthly report inadequately reveals over/under spends and little related commentary • Look at out-turn forecast for year in question	

Outsourced FM Contract Health Check Self-Assessment

6.	Do you and the contractor fail to agree on basic interpretation of the contractual terms, i.e. is the scope clear as to what is covered by the contract?	YES/NO
SIGNS OF THIS INCLUDE	- Contractor constantly referring back to tendering errors - Contractor interpreting all client instructions as "change" - Contractor making early noises about two year price negotiations	
7.	Do you have concerns that resources paid for under this contract aren't properly segregated to ensure they are only used on this contract?	YES/NO
SIGNS OF THIS INCLUDE	- Contractor has lots of other contracts managed out of the same office - Contractor staff work in close proximity on other contracts - Resources quickly emerge/are borrowed in crisis situations - Senior staff who are 100% dedicated do not seem fully focussed or are not always available	
8.	Are you concerned about the experience and stability of the contractor's operational, commercial and finance staff, and the effectiveness of supervision of the operation?	YES/NO
SIGNS OF THIS INCLUDE	- High turnover of staff across all pay grades - Lots of agency personnel being deployed not PAYE - Lack of pride/ownership by contractor staff on the contract - Lack of investment in front line operations in terms of quality supervision & innovation	
9.	Are you disappointed in the quality of the contractor's Application For Payment, and the level of confidence you obtain from your own cost verification activity?	YES/NO
SIGNS OF THIS INCLUDE	- Application poorly supported by lower level transactions - Transparency issues/concerns on key items such as staff/labour pay - AFP is based on "in month" transactions only not a running total of "cumulative" positions - Poor clarity on core scope cost versus change related cost - Cost checking draws incomplete conclusions - Contractor is overly slow at presenting accountancy records to support costs	
10.	Does the contractor regularly fail to meet standards of performance required under the contract. For example KPI, SLA, QSM scores?	YES/NO
SIGNS OF THIS INCLUDE	- Performance report not produced or contractor hides behind data availability/accuracy problems - Performance scores failing benchmarks and contractor explanations lack credibility - Contractor disputes any independent customer scoring scheme as biased or unfair	