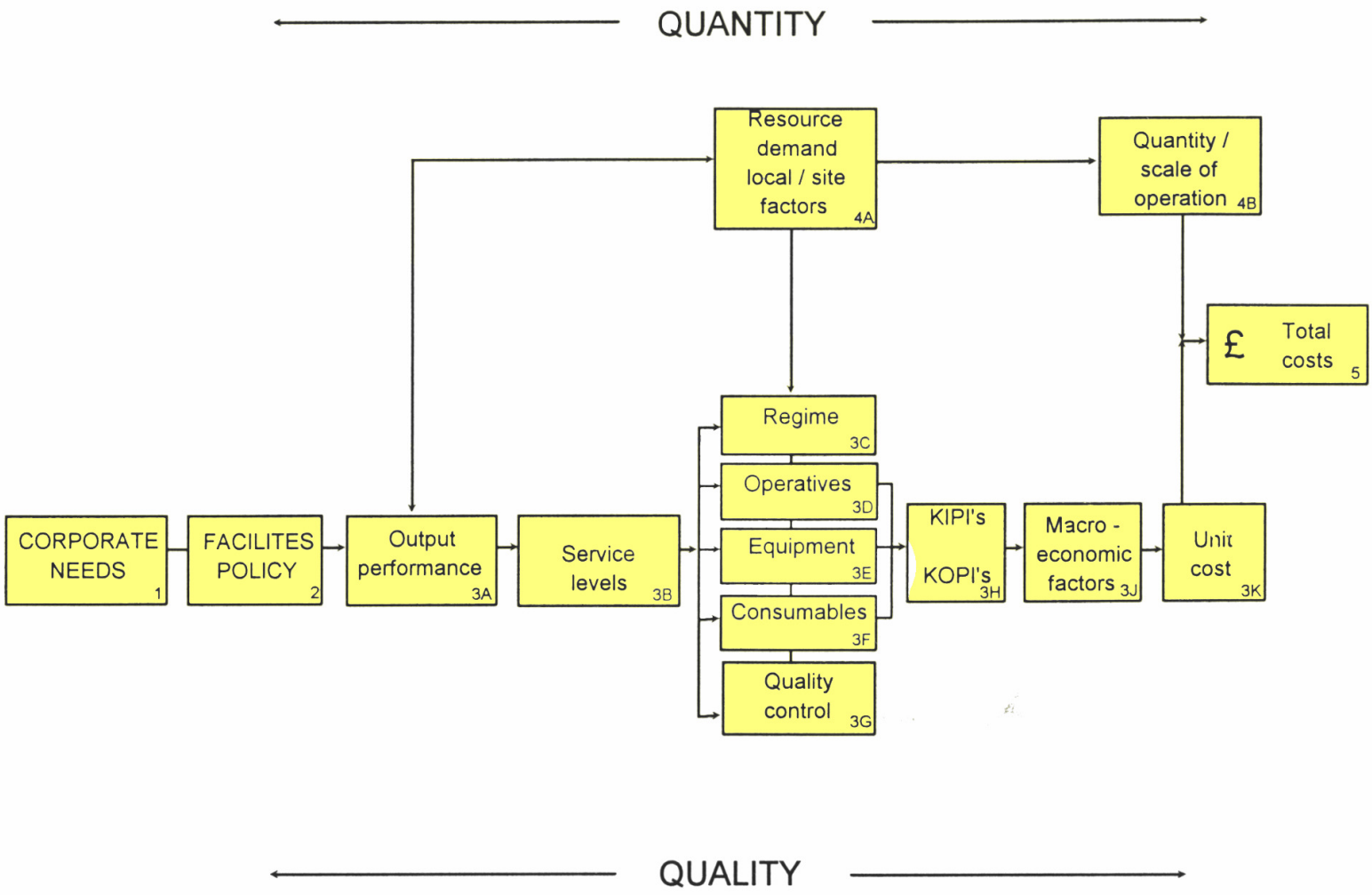
Figure 1.3.B – Factors influencing the cost of facilities



Boxes 1 and 2 reflect the starting point in the value management process as discussed in more detail in Chapter 2.2.4. The facilities policy determines both the output performance and the extent of risk which core business is prepared to accept in respect of the level of support it receives from its facilities.

The output performance (Box 3A) of a new facility, eg cleaning, relates to the quality of the end product whereas the local site features (Box 4A), eg environment and accessibility, impact upon the specification and possible frequency of the operation.

In the case of cleaning in, say, administration buildings (see Fig. 1.3.A) one of the quantitative resource drivers is the extent of fenestration; when expressing cleaning costs per unit of the floor area (in this case the gross internal area - see Chapter 4.1.2) the ratio of windows to the gross internal area (GIA) is a useful measure of quantity. The use of such ratios for rapid cost estimating is described in Chapter 6.3.3 or 6.3.7. In the 'normal' ranges in Fig. 1.3.A the component of cleaning that relates to the windows will be between say 5 and 15% of the total. Within the range a normal ratio of windows-to-floor area in administration buildings would be about 1:3, ie 1 sq m of windows to 3 sq m GIA.

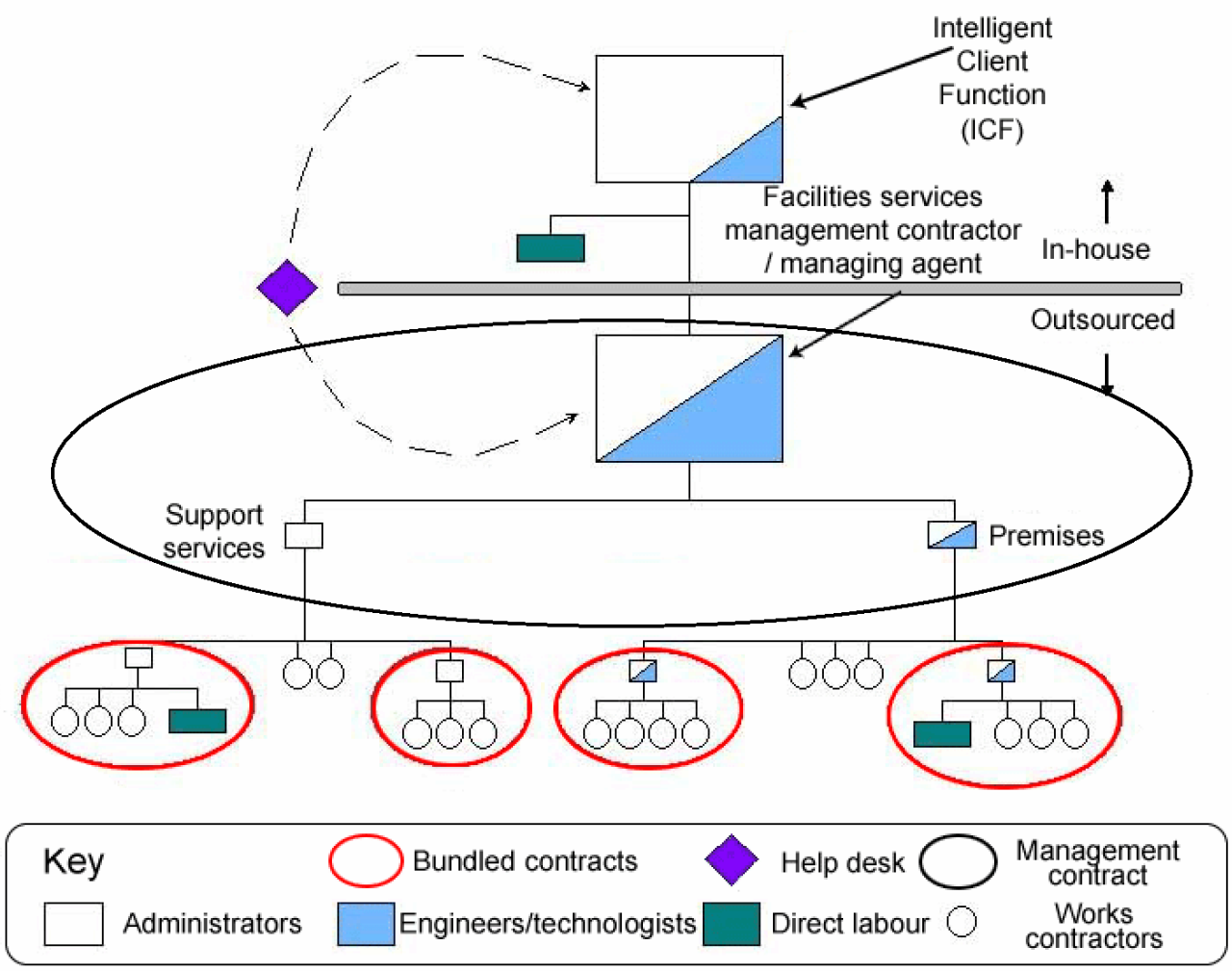
So, for high level interpolation of the costs in Fig. 1.3.A any building with an abnormally high ratio of windows to floor area would tend towards the top end of that part of the cleaning costs which is in the window cleaning and vice versa. Of course, if the required output performance were considerably above the norm the service levels (Boxes 2 and 3) would be raised towards the highest level of costs; the combined effects of a large area of windows and a policy of near-immaculate cleanliness would mean that window cleaning costs would almost certainly be at the top of the range.

Almost certainly, but not necessarily. If only it were that easy.

In this example, one application of Box 4A, i.e. the extent of window cleaning, is driven by one of the local factors - in this case the shape and size of the building. The consequence of this resource driver does not affect the service levels at Boxes 3C to G but is brought into play in Box 4B. However, another local feature might be excessive exposure to pollution in the atmosphere, eg a sea-front location or a site next to the cement works. In this case the frequency of cleaning would need to be greater to achieve a level of cleanliness comparable to that obtainable in an unpolluted location, eg a 'greenfield' site.

The effect here would be to increase the service level regime (Box 3C), ie the frequency and diligence of window cleaning would also increase the unit cost of the operation.

Figure 2.1.F – Total facilities outsourcing – management contract



Effectively this is the structure of so-called 'partnering' arrangements, the main difference in the latter being that the intention of the parties to work together to mutual benefit is normally expressed in a mission statement, signed by both sides but with little or no contractual significance.

One recent innovation is known as 'bundle-management' in which there is no single external facilities services manager. Instead there are groups of task contractors 'bundled' together under the overall contractual umbrella of one of their number who takes contractual responsibility for their individual and collective performance. Such an arrangement is shown at Figure 2.1.G.

Note that the liaison function between the facilities sponsor and each of the bundle managers becomes partly of a directive nature compared with the single point responsibility of an external facilities services management regime. Getting the balance right in the ICF to ensure that its strategic role is not compromised by too much 'hands-on' activity is make-or-break for such an arrangement.

Figure 2.1.G – Bundle management contracts

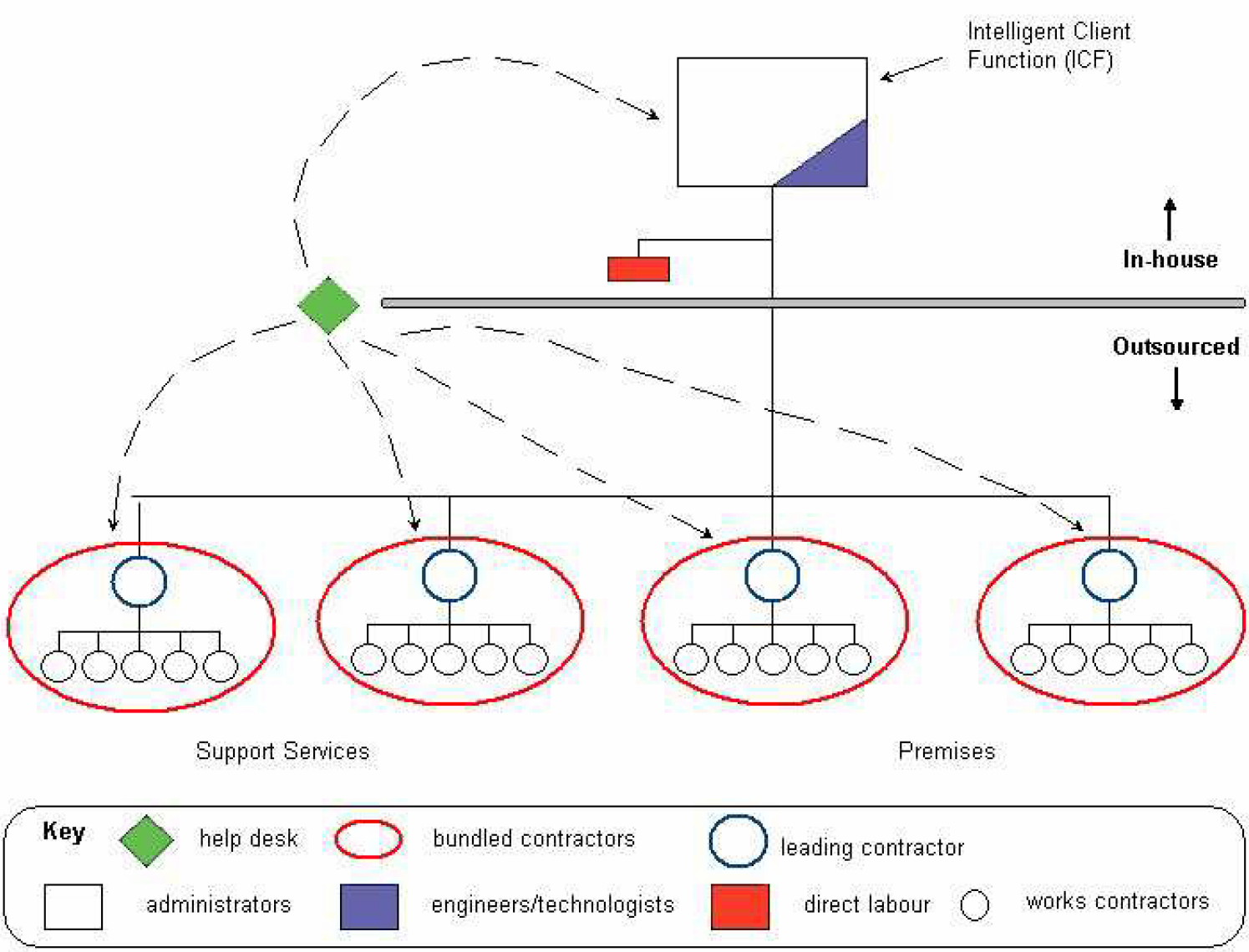
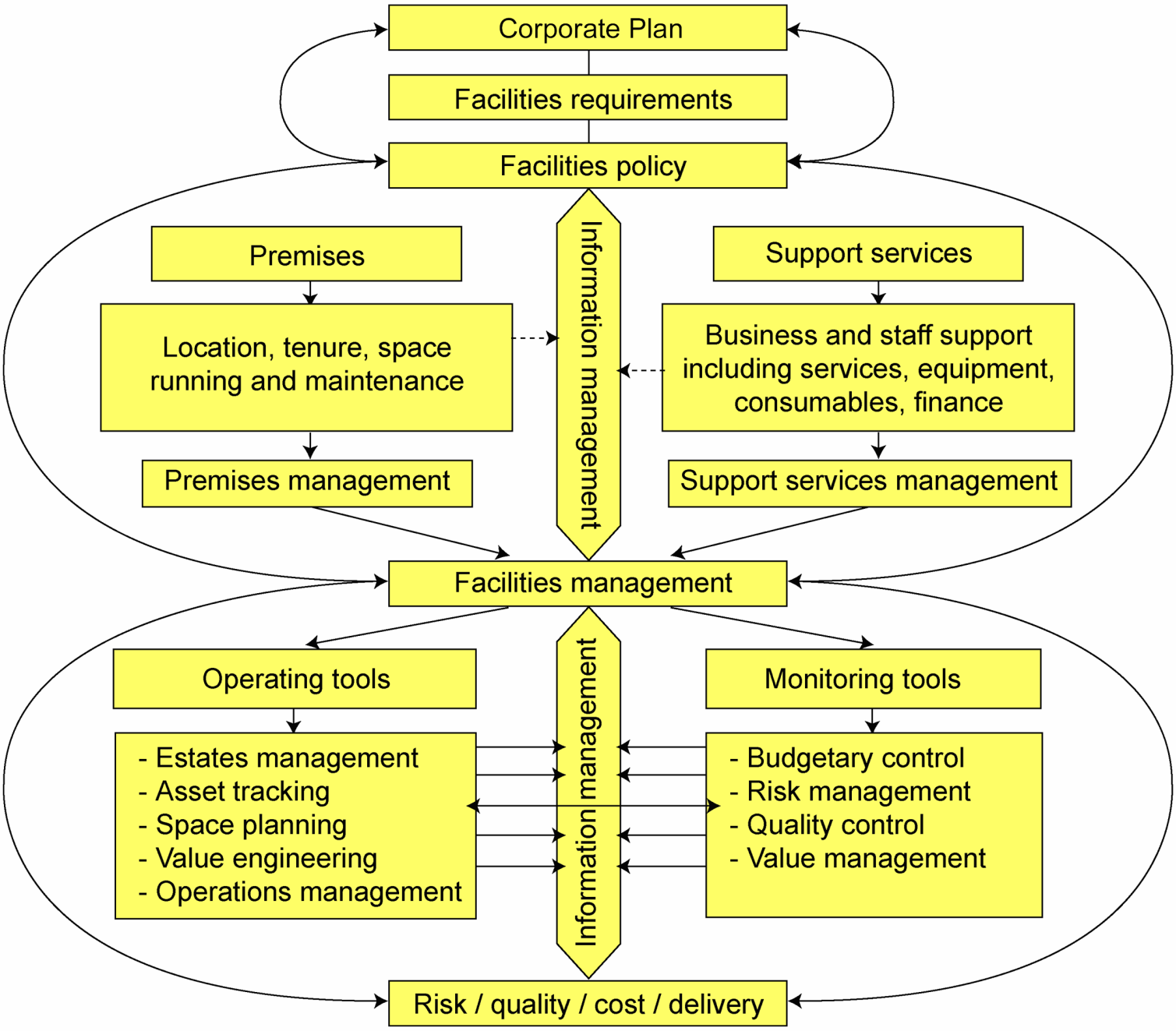


Figure 2.6.C illustrates the concept of a 'data-spine' in which all the information emanating from the design of the building to the provision of supplier services and inventories, ie short-term assets - see Chapter 2.7.4, is retained and set up to receive and disseminate information emanating from the various facilities management applications.

Figure 2.6.C – Facilities management – an integrated approach to information and application management



This concept of integrating information and application management via a data-spine has been researched and in some cases developed for individual facets of facilities management. Also there are numerous maintenance management packages which link the information from a condition survey to and from on-going maintenance activity to ensure that application and information work in tandem.

However, maintenance is only a minor component of facilities management in financial terms and a system to handle the arrangement at Figure 2.6.C has yet to be fully developed in respect of the whole range of facilities management applications.