

15 Hard Facilities Management Proposal

This Hard FM Service Delivery Plan has been generated by Dawn Construction in conjunction with its general manager Mackenzie Partnership and its service delivery partner FES FM to provide the Trust with an illustrative overview of how Dawn, and its partners, intend to provide the hard facilities management and lifecycle support services at Stonehouse Hospital.

Mackenzie Partnership have been retained in the position of General managers, acting as the principal point for the service delivery partners. The Trust and Dawn. Their remit will be to coordinate, report and manage the overall service delivery, provide an overview and audit of all areas to ensure value for money and source provision are being attached. They have extensive experience in working with a number of consortia on various PPP projects, together with an understanding of the overall PPP and process.

Mackenzie Partnership will report to the SPV directors and will manage the outputs and activities of other members of the service delivery partners to ensure the most effective and efficient use of resource, together with the coordination of the reporting procedure to The Trust.

The service delivery structure will be designed in such a way that early warning of non performance is highlighted and is followed up by clear investigative procedures. In the event of service failure there will be clear reporting structures together with predetermined remedies to provide a means of acceleration to the point where matters can become quickly and satisfactorily resolved.

Mackenzie Partnership on behalf of the SPV will liaise, at strategic level, with the soft service provision management to ensure that close working procedures and building of relationships will result in a suitable seamless service provision that will minimise disruption to the Trust. The day-to-day liaison will evolve overtime and it is envisaged that FES FM will work closely with The Trust's operatives. It is also envisaged that the formation of the liaison committee, which Dawn applauds, will also assist in closer working relationships.

FES FM will provide the day-to-day Hard FM arrangements on behalf of Dawn. The service delivery team from FES shall consist of a dedicated Area Manager who shall be overall responsible for strategic, operational, environmental, quality, safety, technical and administrative functions supporting The Trust's agreement. He shall be based at the FES FM head office, but shall continually visit locations, attending all review and performance meetings. He shall manage, control and co-ordinate all of the service requirements.

These proposals are the result of co-ordination between the design, construction and the facilities management teams. Dawn, Mackenzie Partnership and FES look forward to developing these proposals further with the Trust.



Hard Facilities Management Proposal (cont'd)

Organisation

In order to support the day to day and long term strategic needs of this opportunity, the overall FM structure is detailed in the following chart. The operational structure identified in chart FMI indicates the project specific management structure proposed

Steady State/Interim arrangements

To facilitate robust communication, we will embrace technology through our web based systems, e-mail and information cascade processes to ensure continuity of the communication process. This is supplemented by regular formal and informal meetings, briefings and updates.

Dawn and their service delivery partners will actively promote continual development and improvement strategies throughout the structure. EFQM, training and development, service development et al are all sponsored by the Board and applied by designated members, all of whom are key drivers in our quest for Service Excellence.

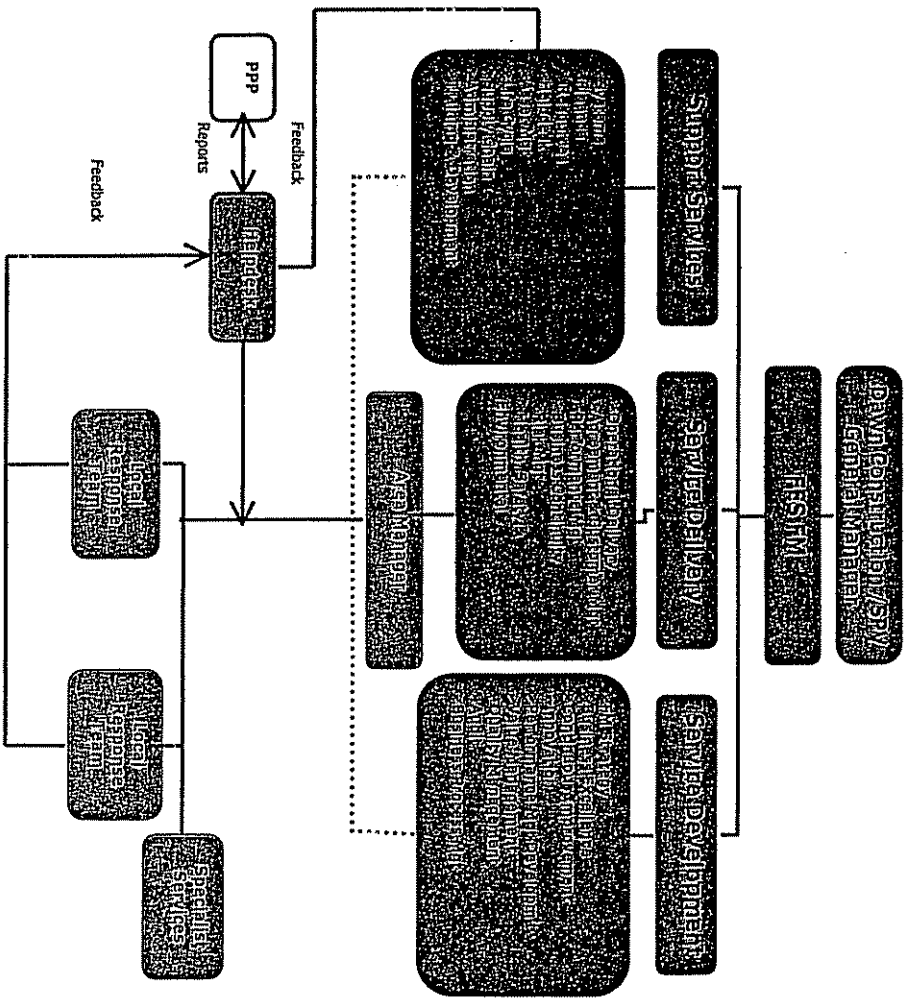
Our approach to meeting the service delivery requirements has been set out in the above structure and will be carried out to accord with our Agreement and Customer management approach, detailed in this document.

The service delivery team from FES shall consist of a dedicated Area Manager who shall be overall responsible for strategic, operational, environmental, quality, safety, technical and administrative functions supporting The Trust's agreement. He shall be based at the FES FM head office, but shall continually visit site, attending all review and performance meetings. He shall manage, control and co-ordinate all of the service requirements.

The Area Manager shall however delegate authority to the local response teams identified in the structure. They shall be locally based and shall provide local contact and first line decision making where appropriate for efficiency and effectiveness. They shall have similar responsibilities as the Area Manager for the day to day running of the agreement, but shall report directly to the Area Manager as part of the business management process. The Area Manager shall be responsible for the management, control and co-ordination of all works carried out, and shall police the works for compliance to all statutes, quality, service levels and good practice.

Local response teams shall be integrated into The Trust's operation to attend the business needs of the agreement. They shall be made up of skilled, semi-skilled and assistants to perform the duties required sustaining business continuity.

FMI Chart



Hard Facilities Management Proposal (cont'd)

Steady State/Interim Arrangements (cont'd)

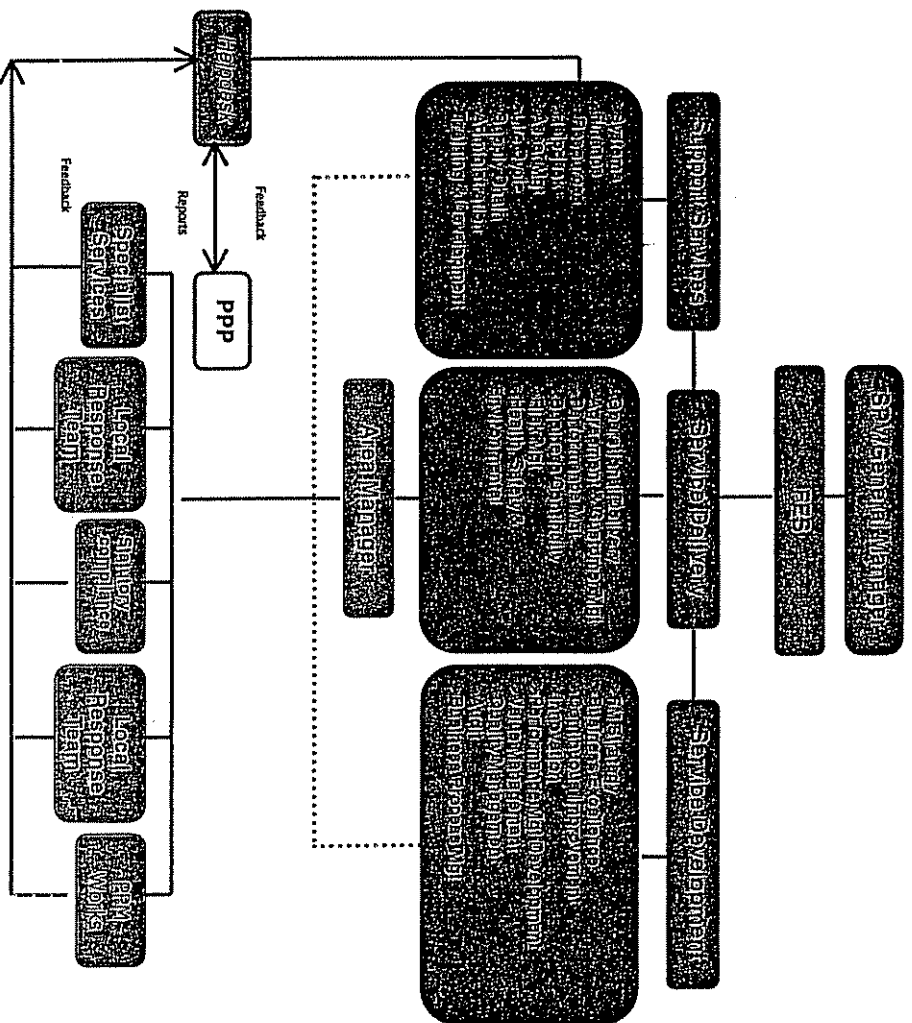
The Service Delivery team shall be fully supported by the FES FM's Support Services and Service Development personnel. This shall include the helpdesk and other supporting management functions thus providing a seamless integration to the Trust's ongoing business operations.

We actively promote and ensure successful team building and are of the understanding that an effective team is equal to more than the sum of the individuals.

It is therefore important that the FM team:

- Shares common goals and objectives
- Enjoys working together
- Makes a joint commitment to achieve these goals and objectives
- Is made up of individuals with a varying knowledge and level of expertise
- Are loyal and trustworthy.

For the period post handover, where a full FM service is deployed, we envisage the structure depicted here being in place:



Hard Facilities Management Proposal (cont'd)

Contract & Customer Management

• Relationship Management

Our approach to customer and agreement relationship management is underpinned by a management philosophy that encourages an open dialogue with The Trust, contractors, suppliers and customers utilising all available communication forums.

The Service Delivery function provides an all inclusive service and utilises integrated systems solutions that provide The Trust with comprehensive service provision reports and asset management information, that can be tailored to meet individual Client's needs.

• Interaction with Soft FM

It will be our intention to instigate regular meetings, both formal and informal with the management team of the soft services FM.

We envisage that by undertaking these meetings we can

- Understand each others objectives and business drives
- Discuss and resolve areas of conflict or potential conflict
- Encourage better working relationships
- Encourage a cross flow of ideas for the benefit of Stonehouse Hospital
- Set agendas and common goals and review procedures
- Pilot collaborative working initiatives

• Supply Chain

As an integral part of The Trusts Infrastructure, we will provide regular information in relation to service delivery performance and value for money. This includes efficiency, value and innovation flow throughout the supply chain enabling a continual drive to deliver best value year on year that is supported by all stakeholders.

Our aim is to proactively monitor and manage the performance of our suppliers, and thus ensure that the service levels in place with the Client are mirrored throughout the entire operation.

• Mobilisation Period

Immediately following Financial Closure we shall table to and agree with the Trust the management procedures which shall include:

- Reporting Requirements
- Meetings Programme
- Records and Registers
- Day to Day and strategic Programme Management

We recognise the value in both parties agreeing and developing management processes and procedures, working together utilising the best approach for efficiency of operation.

It is envisaged that the standard operation would include:

- Monthly Reporting and Review Meeting
- Quarterly Reporting and Review Meeting
- Annual Report and Review

Hard Facilities Management Proposal (cont'd)

Contract & Customer Management (cont'd)

- Reporting

Formal reporting will be paramount to the smooth running of the contract and will be in the control of our General Manager, Mackenzie Partnership who will have full responsibility for its creation and operation. Our Service delivery Partner, FES FM will assist with the data collection and production of these reports.

The exact format and content of the reports would, of course, need to be developed and agreed upon between the Trust's Representative and our General Manager. We see our input evolving as the contract develops; however, initially we would put forward the following range of topics for consideration for inclusion within reports:

- Planned Preventative Maintenance
- Reactive Maintenance
- Emergency Procedures
- A summary of expenditure to date against physical activities on site.
- Personnel changes or proposed changes
- Monthly invoice(s) with relevant supporting documentation
- Performance Measurement
- Performance
- Incident Reports
- Energy Report
- Contract Variations
- Health & Safety Matters
- Changes to Statutory Legislation
- Staff Training Plan
- Employee Attendance
- Results of Internal Audits
- Sub-Contractor Performance
- Health & Safety issues.
- Quality issues
- Specialist Item Contractors.

Performance Measurement & Reporting

It is our belief that performance measurement should be a dynamic procedure. As the contract develops, the focus and coverage will undoubtedly change and we will work with you to ensure that meaningful information is realised that will enable us to determine success areas and issues for further development.

For performance measures to be most effective, they should:

- be appropriate to the objectives of the business and the structure of the client/contractor relationship
- be meaningful as a true measure of performance
- where possible, have an external frame of reference
- be measurable without constructing complex information collection and reporting systems
- have the necessary coverage to reflect performance as a whole
- be agreed by both parties to the contract as reflecting the key criteria for success
- provide collaborative working procedures

We will work very closely with you to:

- Develop long term continuous improvement plans
- Develop flexibility and scalability within the FM operation
- Develop comprehensive service level agreements
- Develop effective and measurable service standards
- Identify opportunities for shared cost reduction benefits
- Identify productivity improvements
- Agree annual cost and quality performance target



Hard Facilities Management Proposal (cont'd)

Contract & Customer Management (cont'd)

Example Reporting and Meetings Programme

We propose the following outline procedure for reporting purposes:

Monthly Reports

- Detail and breakdown of invoices and report
- PPM schedule of works planned against completed report
- Calls received / completed per allocation / priority tasks
- Forward planner for next month's maintenance
- Call statistics analysis and interpretation
- Our perception of month's performance against SLA
- Health and Safety review and report; including legislative aspects
- Energy reporting

Quarterly Reports

- Quarterly energy/utility consumption including benchmarks and financial information
- Interpretation of results on energy/utility performance
- Remedial actions proposed for energy/utility matters and associated timescales/costs
- Overall quarterly report on performance, cost savings, quality of service and other relevant items
- Energy reporting

Annual Reports

- Total agreement review for annual period
- Finance review
- Benchmark and cost efficiency issues
- Market competitiveness of sub contracting arrangements
- Agreement improvements and best value issues
- Legislative review
- General operational review
- Energy Review

The reports could be augmented by both parties meeting at the same frequency to discuss the contents of the reports in addition to the following key areas:

Monthly Meetings

- Improvement Areas/Suggestions
- Conflict resolution

Quarterly Meetings

- Customer Satisfaction Levels
- Change Request Summary
- Resource Planning
- Progress against agreement objectives

Annual Meetings

- Strategic Overview – looking backwards and forwards
- Critical Review of successes and failures
- Progress against the year's objectives
- Forthcoming annual objectives

In addition we fully support the development requirements and propose the following reports such that the learning position is enhanced, the Performance Management System is adhered to and we can readily contribute to the development of the services provided to and by the Trust:-

- | | |
|--|--------------------|
| • Service Levels | Quarterly Review |
| • Quality Service Report | Quarterly Review |
| • Technical Audit | Six Monthly Review |
| • Quality Audit | Six Monthly Review |
| • Business Continuity Planning | Six Monthly Review |
| • Value Management & Innovation Activity | Six Monthly Review |

In the interests of making best use of resources these reports will be combined with the relevant Quarterly and Annual Review Reports and presented at the appropriate meeting. We would discuss and agree the reporting structure prior to the financial close.

Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Delivery and Development

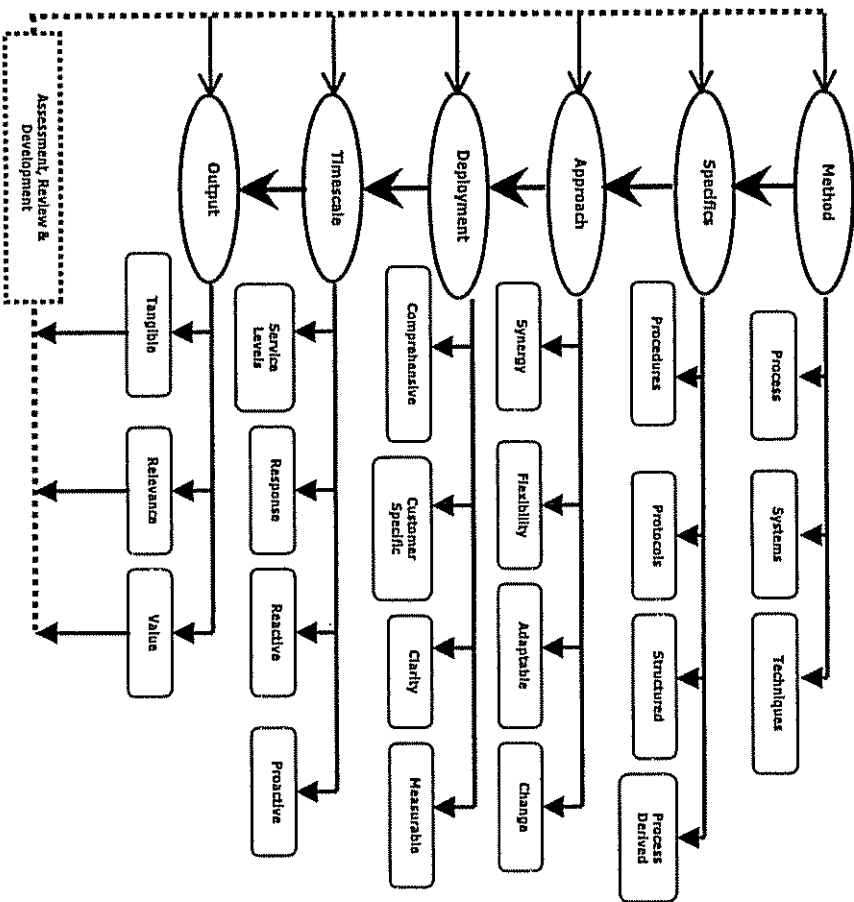
Underpinning the Service Delivery and Development are the principles of Business Excellence, hence the our approach follows the RADAR logic whereby each service is systematic in its delivery and development, as highlighted in the model below.

FM RADAR Model

This approach will be beneficial to The Trust, as by using this framework, services are tailored towards supporting the core business objectives of the Client organisation, and deliver against stakeholder requirements. We will use this model to assist the Trust in terms of assessing service levels and performance of the services such that the services actually provided are at the actual level required.

The dynamics of this approach ensure that we contribute to both the delivery and development of the services. Going forward, this involves working in partnership with both the Trust and suppliers to improve service levels, and adding value at every opportunity. This systematic methodology allows us to fully support the strategy and objectives of the Client organisations.

In practice this permits us to self-assess the delivery of the services offered.



Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Programme

Assuming the successful financial closure, we would propose to initiate a mobilisation period, detailed below, at which time a period of learning and evaluation for a more tailored solution can be identified, for the Operational Delivery Strategy, whilst aiding a more gradual and seamless transition from the present operational framework to a new tailored strategy which would allow the Trust to be in a position to receive any improved service and operational efficiencies at the earliest date.

Pre-start Period (Prior to operational handover)

- Ice breaker/familiarisation meetings
- Mobilise and Induct FM teams in the strategic and operational requirements to meet the agreement delivery.
- Mobilise administration and central support services in preparation of go-live start date.
- Mobilise any specialist support services and Induct on operational and strategic requirements.
- Implement program of site familiarisation.
- Develop detailed support strategy.
- Develop operational Health & Safety
- Develop strategy and communication protocols.

Go-Live and Mobilisation Period (From Day One)

Mobilise local response teams and Management teams to provide the following:

- Continuity of critical operational support.
- Implement Health & Safety procedures.
- Migrate to helpdesk and administration systems.
- Implement steady state maintenance strategy to recognised standards to provide continuity from existing maintenance strategy, ensuring provision to meet statutory obligations whilst maintaining critical operational demands and supporting the Trust and its Clients' personnel.
- Implement program visit to each location with a brief to identify the following:
 - all assets
 - condition report
 - critical business impact assessment
 - O&M asset information
 - "as installed" drawing availability
 - log books
- Collate and assess all information, updating and developing O&M information.
- Review, discuss and develop an optimum maintenance strategy, based on the findings of the surveys, which shall provide the Trust and its Clients with the best value strategy supported by rational and cost benefit analysis against business risk and business impact assessments.
- Review, discuss and develop assessment of existing operational and technical improvements against potential business risk, points of failure and investment opportunities for operational cost reductions through innovation and technical improvements.
- Present findings and proposals to the Trust discussing rationale, business impact, risk and a strategy to move forward providing short and long term solutions.
- Establish and implement continual communication and reporting protocol.
- Develop reporting forum, strategy and format.
- Establish program for business continuity process for live testing and scenario planning, developing disaster recovery contingency plans.
- Review operational and strategic processes applied from day one and amend if required.

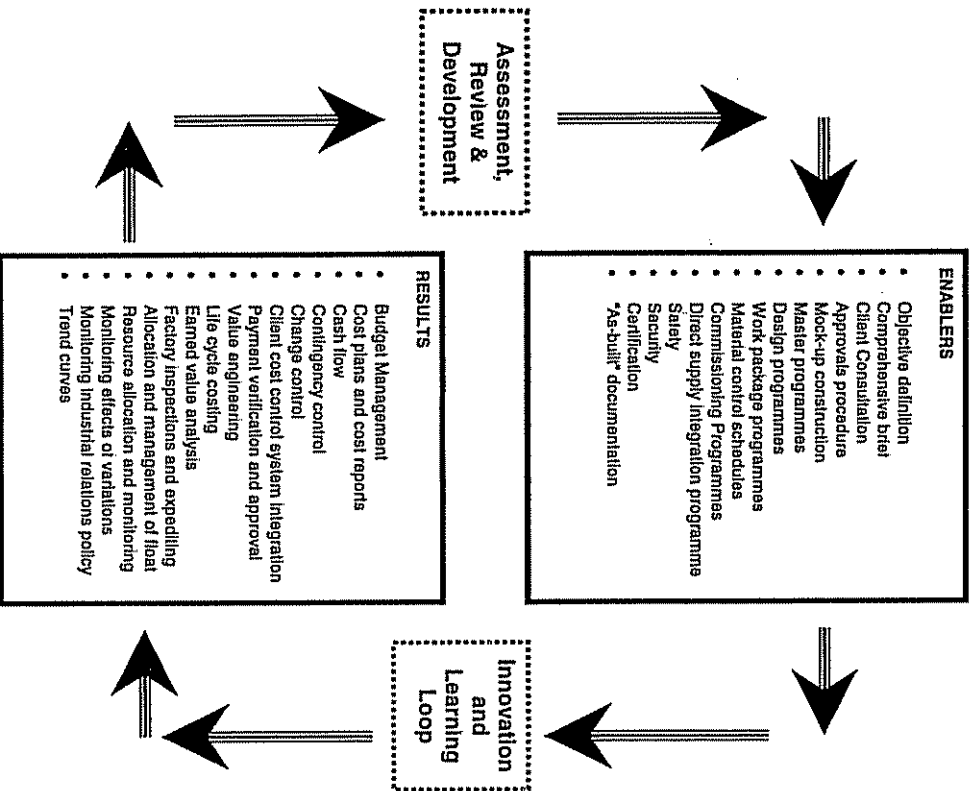
Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Outline Delivery Strategy

Each service delivery team member will be aware of the FM RADAR model and how it is transferred into an operational framework comprising time, cost and quality elements, and how they work together in an integrated manner.

In effect this relates to the Enablers and Results criteria within the Excellence Model, and is illustrated below:



Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Outline Delivery Strategy (cont'd)

The key roles, for the collective FM personnel which form the management structure, aim to deliver the following:

- Management of operational and strategic property needs.
- Responsibility for delivery of defined support services.
- Auditability and accountability at all stages.
- Introduction and proliferation of good practice methodologies by utilisation of benchmarking analysis tools.
- Continued communication and interface with the Trust and its Clients and people.
- Sound financial records, planning and accountability.
- Strategic and operational forward planning in both the short and longer terms.
- Identification, implementation and testing of business continuity plans.
- Agreement review and audit processes.

Specifically, we will view the critical success factors for this agreement to be:

- Fixed price for agreement operation and maintenance.
- Commitment to share in operational improvements between the Trust its Clients and The SPV and its partners.
- Robust arrangements for service delivery for PPM and FMR activities.
- Achievement of KPO's, KPI's, SLA's and value added aspects.
- Utilisation of recognized and relevant industry benchmarks.
- Continuation of existing plant history and maintenance records.
- Ongoing upkeep of site specific documentation.
- Technical advice and support.
- Approved Continuous Improvement plan and associated standards utilised throughout the agreement period.

As part of the continued review of the agreement, we will strive to achieve the following:

- Continual ability to deliver innovation.
- Review of documentation including processes, policies, procedures and quality systems.
- Cyclical process of continuous improvement.
- Benchmarking to industry data / internal data.
- Efficiency gains in FM Service delivery.

- Interaction with, and site management of, other service providers to allow the Trust and its Clients to focus on core business activities.
- Full Health and Safety responsibilities.
- Provision of technical advice and support to assist the Trust and its Clients and protect their interests.
- Energy and Utility management.
- Timely and adequate responses to meet and exceed, whenever possible, the Trust and its Clients' required service standards.
- Achievement of corporate critical success factors.

- Regular bespoke reporting and site breakdown information.
- Fluidity of agreement to allow continuous review of coverage as required by changing needs of the Trust's property.
- Achieve a safe and acceptable environment for Staff and Pupils.
- Provisions of a high quality standard of service in all facets of the Agreement operation.
- Direct contact and interface with the Trust, its Clients and other service providers on site.
- Ensure that statutory requirements are met by provision of a safe working environment.

- Benchmarking and market testing of sub-contracted elements to obtain "Best value".
- Embracing advances in technology.
- Changes in output specification to optimise maintenance spend.
- Potential integration of additional support services within our remit.
- Collaborative relationship between the Trust the SPV's General Manager and the service provider partner, FES to identify and participate in best value cycle.

Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Maintenance

In line with the Facility Management Industry's best practice, the executing of planned works minimise the risk of failure and subsequent disruption to the Trust and their Clients. Regular reviewing, executing and updating of the planned maintenance increases the performance requirements delivered under this agreement.

The critical operating requirements of the Trust and its Clients shall be underpinned utilising both planned and reactive maintenance regimes, which are fully detailed below.

Planned Preventative Maintenance (PPM)

The purpose of planned works is to maximise the useful life of plant and equipment to ensure and efficient mode of operation to minimise down time and reactive attendances, whilst providing compliance with relevant guidance.

We envisage maintaining both duty and standby equipment and plant, to protect The Trust and its clients from potential disruption and to ensure continuity of service provision. Such equipment will be subject to routine testing, inspection, monitoring and reporting to the HVCA standard. Where necessary, duty and standby items will be routinely switched over to ensure the continued availability and operational status of plant and equipment.

Proactive maintenance and servicing will be carried out by our service partner FES FM and relevant approved specialist sub-contractors where applicable, to minimise the risk of plant failure arising. All sub-contractors shall operate within the required site rules and be subject to the prevailing site security and H&S arrangements.

Waste Management

We have assumed that the waste management function would be retained within the duties of the soft services provision and have therefore excluded this from our bid.

Specialist Item Contractor

We know from experience in the healthcare and other sectors that there are certain services that are business critical to Clients, such as The Trust. For example:

- Pest Control
- CCTV
- Alarm Systems

To this end, it is our intention that all the "specialist" contractors will be procured in the manner described for Planned Preventative Maintenance (PPM). These contractors, if appropriate for the project, will be well known and respected names, carrying all the necessary insurances, guarantees etc. They will undertake the PPM work to industry or hospital standards. They shall be employed under the same terms and conditions as FES FM.

Preventative maintenance shall include building fabric and finishes, specialist services and conventional M&E services. This will include for the replacement of components on a life cycling basis/ forward planning framework, again reducing the risk of significant plant failures.

In order to achieve the abovementioned we shall ensure the following:

- Preventative services are correctly undertaken with appropriate supervision, to avoid service interruptions.
- Effective management processes and procedures are in place.
- Significant forward consultation and planning of maintenance appointments to ensure maintenance activities do not unnecessarily disrupt The Trust and its Clients.

Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Service Delivery of Planned Maintenance

The following protocol shall apply in delivering the planned maintenance service.

We would propose that the majority of PPM works shall be conducted during normal working hours where possible. This shall include all non intrusive works to either business critical function or people, with all intrusive works being arrange at appropriate times to fit with business needs. This shall minimise interruption to The Trust and its Clients and maximise the efficiency of operation across the site.

All planned maintenance works shall be delivered by utilising skilled, semi skilled, multi-skilled staff for non-specialist routine PPM tasks, supplemented by trained operatives and specialist sub-contractors where required for non-routine tasking.

All planned works shall be co-ordinated and agreed in consultation with The Trust to minimise disruption to business operations, its Clients' representatives and customers – in accordance with the agreed notification periods. With reactive works, we believe this should be a fluid arrangement to best accommodate the ever changing needs of the Trust and its Client.

All planned works shall be controlled and tracked by the proprietary software package to: -

- Generate work cards.
- Build historical database of works undertaken to enable asset interrogation.
- Allocation of costs to relevant cost centres and subsequent management reporting needs.
- Asset valuation through provision of NPV, residual values, depreciation via life cycle costings.
- Integration with other software packages to facilitate portability and sharing of source

In line with the KPO and KPI matrix, we shall notify where, upon investigation, items are identified as being beyond economic repair.

As part of the integration of PPM information, all results and reports arising from planned works shall be utilised to upgrade the Forward Maintenance Register (FMR). This document shall be continually updated.

Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Utilities

Dawn and its service partners, undertake to ensure that within the site, supplies of electricity, gas and water are maintained to the standards required for full and efficient operation of Stonehouse Hospital. In addition we will ensure that drainage systems are fully functional to the point of connection with the local authority network.

Whilst we cannot accept responsibility for mains failure, in this event a standby generator would supply total backup. Measures would be implemented to maximise the certainty of maintaining supplies by duplication of equipment and by separate routes of cable.

Furthermore we would work with The Trust to produce a comprehensive disaster recovery and contingency plans which will be allocate responsibilities for action and outline the agreement on cost strategy.

We would propose that such plans be drawn up in partnership with The Trust during financial close.

The emergency installation would comply with the requirements of SHTM 2011.

Reactive Maintenance

We consider this to be corrective maintenance, undertaken to re-instate or repair items of plant to reinstate their operation and availability, arising from intermittent failures or deviations from agreed standards.

Reactive maintenance is deemed to include all aspects of the building and environment in which The Trust and its Client operate; and its purpose is to minimise downtime and impact on the end users and core business operations – without compromising safety or the integrity of service delivery.

We believe that a prompt "first line" response is required from all the site/locally based operatives and relevant approved sub-contractors to maintain a safe and satisfactory condition of operation during business operations; with additional intrusive/ invasive reactive works being undertaken at agreed times with The Trust and its Clients to minimise disruption wherever possible to core business operations.

In emergency situations, where reactive works are required, we shall make safe the relevant items and implement required remedial/ business continuity plans in conjunction with The Trust, its Client and the SPV FM management.

Service Delivery of Reactive Maintenance

The following protocol shall apply in delivering the reactive maintenance service:

- All reactive calls shall be placed via our help desk service during core times, with emergency call out for out of hours situations. This facility will log and co-ordinate a response from the required FM skill.
- We shall provide full reactive cover throughout The Trust's Client's agreed core times, whilst recognising that this shall be a 24-hour operation on a number of sensitive locations.

Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Service Delivery of Reactive Maintenance (cont'd)

- This level of cover shall minimise the need for emergency call out staff whilst minimising reaction time. We propose to have a core of staff available to support The Trust's Client business needs and attendance requirements.
- Over the weekend periods, FES FM staff shall generally be on site carrying out planned/ project works; and as such will be available to respond to all reactive needs at this time. To supplement this, our emergency 24 hour "on call" and escalation procedures shall be available to ensure continuity of cover and service delivery to The Trust and its Clients.

Emergency/Holiday Cover

We are aware of the needs of The Trust and its Client and the relevant KPO and KPI must achieve sustained availability for operational critical aspects of the Client's core operations, and their related services during specific timeframes. Our aim is to enhance existing provisions by investment in a robust FMR and planned preventative maintenance; coupled with sound contingency plans should system failures occur.

The FM team would acquaint themselves of the site constraints during the construction and commissioning phase this information being supplemented during the "mobilisation period" and via our daily interaction with The Trust and Client personnel over a period of time.

Our "on call" provision for The Trust and its Clients would be drawn exclusively from within the team serving on the local properties, and assisted where necessary by our wider on-call network.

The wider "on call" provision shall also be inducted, trained and shall be adequately competent to work on The Trust/NHSIS properties – as well as being aware of the requirements of the service provision required under the contractual framework.

By virtue of our operational works, there will be a reduced requirement for call outs, due to our continued on site presence.

Each "on call" operative shall have access to relevant emergency contact details for sub-contractors and management staff to ensure a suitable response is effected to minimise disruption to The Trust and their Clients.

This shall be embraced as part of our strategic alignment of contractors to offer a full and rounded service to The Trust and its Clients.

Feedback on all emergency arrangements and incidents shall be provided to The Trust and relevant staff as per our KPO's and KPI's within the Performance Management system.

By recording all reactive calls on the help desk system, we are able to provide continuous feedback to The Trust and its Clients that originated the calls, as well as providing a sound basis for accountability, finance and audit trails for all such works. This can then be recorded for the planning of future work.

We shall log and prioritise all calls as per the response matrix here to achieve a suitable and acceptable response to a reactive call, as shown in the table here:

Emergency	Immediate initial response Resolution within 12 hours
Urgent	Within 15 Minutes for initial response Resolution within 24 hours
Routine	Within 2 Hours for initial response Resolution within 36 Days
Low	Within 48 hours Resolution within 10 days

Hard Facilities Management Proposal (cont'd)

Service Delivery & Development (cont'd)

Emergency/Holiday Cover (cont'd)

By utilising our site operating staff, supplemented by our 24 hour "on call" procedure we are able to offer an economical service which can match these required response intervals

Where a reactive call requires additional follow up works, we shall integrate this – wherever practicable – within our planned works programme – to maximise financial expenditure and minimise down time to The Trust and its Clients.

We believe these proposed arrangements are instrumental in implementing and executing the forward planning works required to operate such a robust maintenance service.

Where we identify that reactive follow up works are significant or beyond economic repair, we shall notify The Trust as per our Performance Management requirements.

In order, to minimise down time, we shall identify, in liaison with the trust, a stock of strategic spares to achieve the following:

- Minimised down time.
- Maximised resilience.
- Positive measures, which enhance service delivery to the benefit of The Trust and its Clients, whilst minimising risk and interruption to The Trust's core business operations.

All FM personnel shall be empowered to identify and initiate additional works that may be required as they go about their normal day-to-day duties. This "proactive" measure augments the reactive service provision and encourages a feeling of ownership throughout the entire organisation.

All proactive works identified in this manner shall be recorded and logged through the helpdesk to co-ordinate and ensure a suitable outcome, whilst providing historical information for management review and future development.

Any responsive works undertaken, shall automatically lead onto an update of the site/ plant history information and ensure a robust asset history is maintained.

Projects

Any project works arising during our agreement term, whether significant PPM, FMR or additional capital projects, will be resourced by supplementing from within our Parent Company resources including our project management expertise, which shall increase our service delivery to The Trust and its Clients.

We shall utilise competent, site familiar staff to deliver a complete turnkey project solution. At all stages they shall be accountable to the SPV, the General Manager and most importantly, to The Trust and its Client.

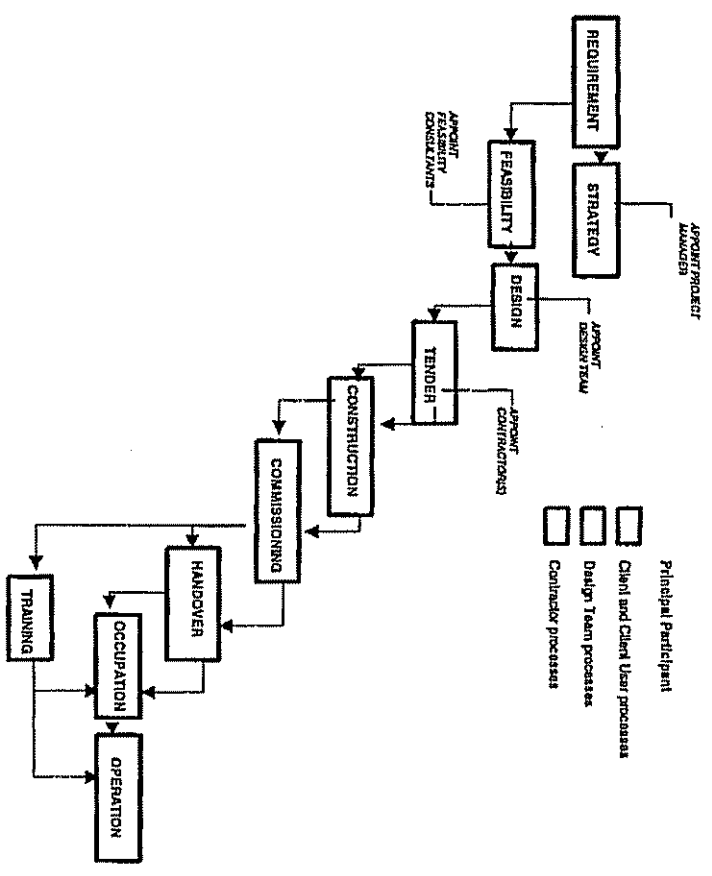
We shall also ensure that the following outputs are achieved: -

- A professional Project Management service is delivered.
- Project Planning takes place at all times.
- Cost Benefit analysis and financial planning are undertaken.
- Utilisation of third party consultants when necessary for an impartial perspective.
- Provision of Internal handover and documentation to BSM agreement Manager.
- Project Planning to integrate to The Trust's Clients timescales and business needs.
- Compliance with H&S and other requirements such as CDM, Building Control etc

Hard Facilities Management Proposal (cont'd)
Service Delivery & Development (cont'd)

We propose to undertake a phased approach to the delivery of the services such that after the mobilisation period, will be in a position to propose a strategy which we consider will deliver the best solution to the Trust in terms of meeting its obligations to its Client. The strategy will be developed using our expertise and experience with Stonehouse PPP. Our approach is dynamic such that the services delivered under the agreement will be continuously developed and improved with the emphasis on delivering value at every opportunity.

Project Process Schematic



Hard Facilities Management Proposal (cont'd)

Performance Management

The performance management system we intend to adopt, mirrors and reflects the service delivery and development framework, providing the vehicle for learning, and embracing the fundamental concepts of Business Excellence.

The system that we intend to use is dynamic and has been designed to both deliver and, develop the services. This invokes a culture of continuous improvement and is used to self-assess both internally and externally. The management system proactively uses performance management information to analyse the data required to report to all stakeholders on the following:

- Customers
- Corporate
- FM delivery

- Suppliers/Partners
- Regulators

We will not just gather information, but use this information to learn, inform and develop:

- Customers - services are managed effectively and customers are provided with the information they require to demonstrate to their core business the value added to their organisation.
- Corporate - the information is used to ensure it is congruent with the SPV corporate planning and underpins the Excellence Model.
- People - the information is used to develop our resources.
- Suppliers/Partners - as a key part of the service infrastructure the information is used to develop partnerships improving both FM and its supplier's performance.
- Regulators - information to demonstrate compliance with statutory obligations and to address areas of non-conformance.

Supporting the proactive learning ethos, we will commit to frequent review meetings with customers, suppliers, and internally with its own employees. The review meetings and reporting are detailed within the Contract and Customer Management section of this document.

Our view is that these meetings present an opportunity to listen to Clients, and obtain their views and perceptions of what the customer thinks of the service.

The parameters of measurement to be adopted are:

- Service Delivery
- Service Development
- People – Customers and SPV Personnel
- Management – Internal and Contract

- Finance
- Information and Technology
- Business Process Management

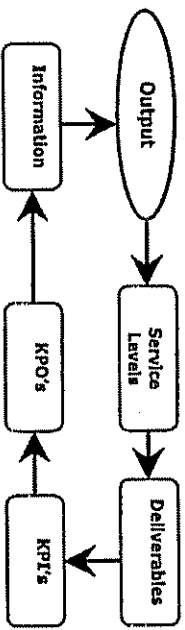
Hard Facilities Management Proposal (cont'd)

Performance Management (cont'd)

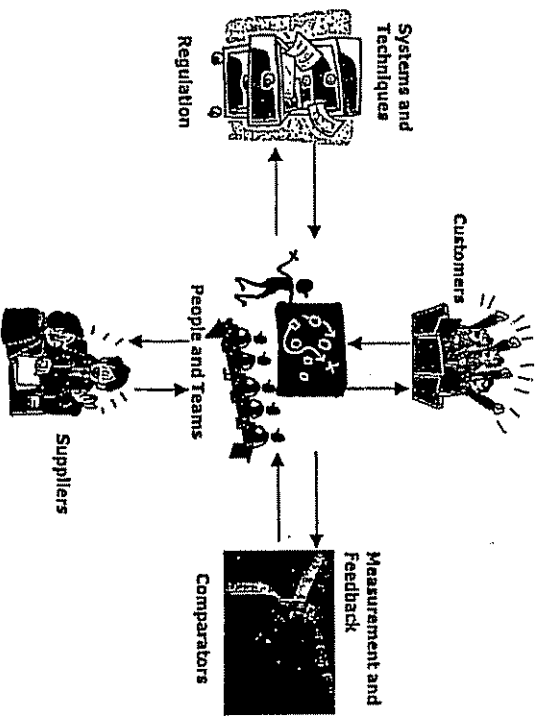
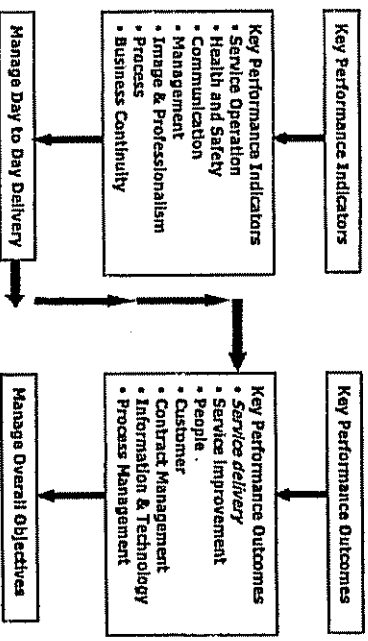
FM Measurement Schematic

These measurement parameters allow us to support the position of learning, and are used internally and externally, as depicted in the displayed schematic:

This system complements FES FM's service delivery and development framework, and is designed to work with output specifications.



Performance Management System



The performance management system inputs are derived from the output requirements of the service, which are in turn translated into service levels and measured against a series of Key Performance Indicators (KPI's), used to measure actual service delivery. In addition, a series of Key Performance Outcomes (KPO's) support a holistic approach to client service, follow the overall principles of business excellence, and collectively manage the complete infrastructure; all are used to deliver and develop the services accordingly.

Performance Management, as with all areas of the FM service, is fully underpinned by management information systems and processes. In effect performance is managed at two levels:-

- Day to day Service Delivery – KPI's
- Overall High Level Objectives – KPO's

We detail here the expected linkages these being key linkage is that the Service Delivery KPO is a consolidated measure derived from the KPI's.

Hard Facilities Management Proposal (cont'd)

Health, Safety & Environmental

Health & Safety Policy Statement

It is the policy of the SPV to promote a Health and Safety culture throughout which is committed to the prevention of injuries and ill health of our employees, sub contractors and others who may be affected by our work activities and to prevent any damage or loss to property, plant and equipment.

The highest standards of Health and Safety will be reflected in the design and/ or installation of systems and equipment to The Trust and its Clients.

We believe that the policy can be achieved by compliance with statutory requirements and the provision of competent resources for the control of Health and Safety risks.

A system of communications will be developed to ensure that mandatory instructions, reports and guidance on all Health and Safety matters are effectively circulated to appropriate levels of staff.

A Health and Safety plans and set performance standards will be produced.

The planning will provide for the following:

- Identifying hazards and assessing risks, and specifying the measures to eliminate or control them.
- Design of safe systems of work i.e. Method Statements.
- Training and supervision.
- Assessment and approval of sub-contractors and other agencies.
- Dealing with serious danger and emergencies.

Dawra FM partner FES FM will establish and maintain an organisational structure with clearly defined responsibilities for individuals in the effective control of Health and Safety, and this will actively promote employee participation in the establishment and observance of measures to improve their Health and Safety at work.

The General Manager, Mackenzie Partnership, will monitor and measure Health and Safety performance to ensure that standards are being met and management controls are working by means of:

- Inspections of premises, places of work and systems of work.
- Inspections of plant, tools and equipment.
- Investigation of any serious accidents, fires and dangerous occurrences.
- Recording of health surveillance, injuries, ill health and accident loss.

Every employee must co-operate with us to enable all statutory duties to be complied with the successful implementation of this policy requires total commitment from all levels of employees.

Each individual has a legal obligation to take reasonable care for his or her own Health and Safety and for the safety of other people which may be affected by his or hers acts or omissions. Each employee must not consume alcohol on works premises or attend works premises under its influence. The use of illegal drugs is strictly prohibited.

Full details of the organisation and arrangements for Health and Safety will be set out in separate documents.

This policy will be regularly monitored to ensure that all objectives are achieved. It will be reviewed and if necessary, revised in the light of legislative or organisational changes.

Hard Facilities Management Proposal (cont'd)

Health, Safety & Environmental (cont'd)

Health & Safety Organisation

Head office support extends to a team dedicated to the management of Health & Safety. The site based Safety Supervisor is entrusted with site-specific responsibilities and has full and unimpeded access to the Health & Safety support team.

It is the policy of Dawn to promote a Health and Safety culture throughout all levels of the company and offer empowerment and ownership as far as practicable to all of its people. This policy is enabled through regular safety briefings and an open door approach to issues arising.

Competence and Supervision

The competence of all operatives and subcontractors will be assessed and assured at all times. No one will be tasked with works out with their sphere of competence. The correct level of supervision with reference to the complexity of the task and possible impact to the Client's business will be maintained at all times.

Control of risks

The assessment of risk will be carried out as required by all engaged on site. Risk assessments and the like will be scrutinised by the management team to ensure that they are suitable and sufficient.

Documentation

All Health & Safety documentation will be held on site for the purposes of the company. These documents will be made available to The Trust or the Client at all times.

Compliance with Statutory Regulations

In accordance with the duty of care placed upon all companies by the Health & Safety at Work etc Act (1974) and subsequent regulations, we will undertake the required actions in pursuance all relevant Statutory and Mandatory Acts, Regulations and Approved Codes of Practice, including but not limited to, the following non-exhaustive list of Regulations, Acts, Revisions and Amendments:

- The Factories Act and all Regulations made there under (1961).
- The Offices, Shops and Railway Premises Act (1963).
- The Health & Safety at Work Act and all Orders & Regulations made there under (1974).
- The Control of Pollution Act (1974).
- The Electricity at Work Regulations (1989).
- The Noise at Work Regulations (1989).
- The Health & Safety (First Aid) Regulations (1981).
- The Technical Standards Regulations for Building Standards (Scotland) (1980).
- The Environmental Protection Act (1990).
- The Management of Health & Safety at Work Regulations (1992).
- The Workplace (Health, Safety & Welfare) Regulations (1992).
- The Personal Protective Equipment at Work Regulations (1992).
- The Provision & Use of Work Equipment Regulations (1992).
- The Manual Handling Regulations (1992).
- The Construction (Design & Management) Regulations (1994).
- The Control of Substances Hazardous to Health Regulations (1984).
- The Construction (Health, Safety & Welfare) Regulations (1996).
- The Special Waste Regulations (1996)
- The Lifting Operations and Lifting Equipment Regulations (1998).

This is detailed further by our supporting operational documentation, which we shall augment during the preferred bidder stage.

Hard Facilities Management Proposal (cont'd)

Health, Safety & Environmental (cont'd)

Environmental Aspects

We have an awareness of the importance of environmental issues – especially to the types of Client that The Trust has.

To this end, we are keen to develop environmental policies, processes, procedures and standards with The Trust. We firmly believe this shall have a positive impact upon the immediate environment of The Trust's Clients, whilst providing market advantage and positive publicity for the ongoing business development of The Trust, its Clients.

We would confirm Board level commitment to achieving this target.

Systems

Our FM provider, FES FM currently operates a number of management information systems (Helpdesk, Asset Management, Finance and Human Resources) and form part of the supporting infrastructure used to deliver services. This programme is detailed below:

- **Helpdesk System**

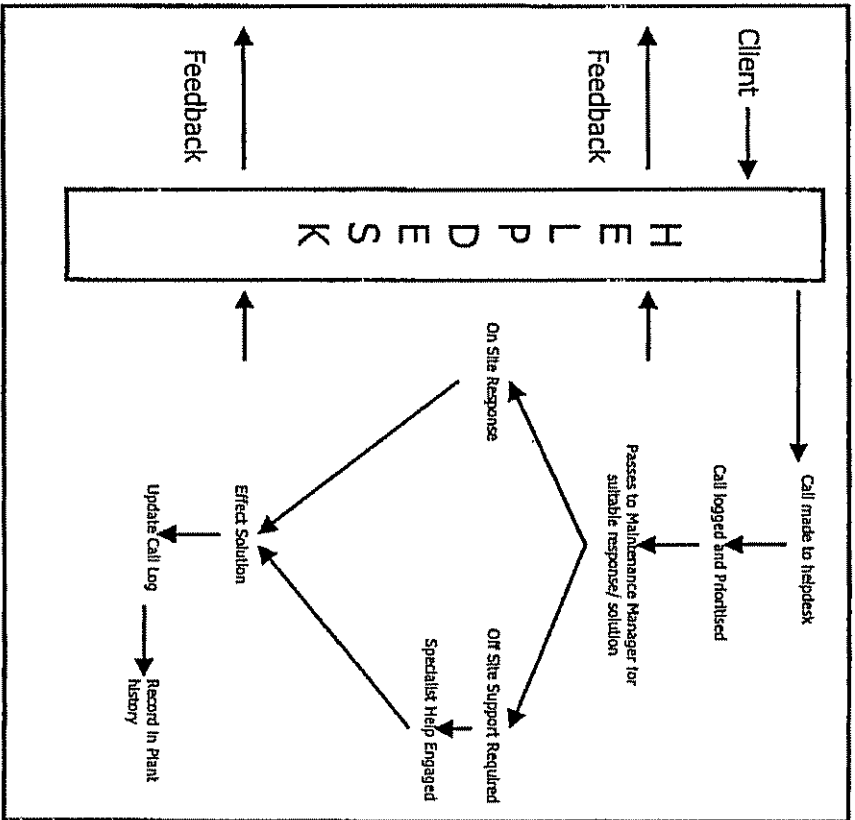
The helpdesk is the primary point of interface between Dawn's service provider FES FM and The Trust's Service, where operational service requirements are reported, logged, service delivered and records maintained.

It is our intention that all calls for assistance shall be routed to our helpdesk for logging and prioritisation using agreed protocol. Each log is uniquely identifiable and incorporates a robust audit trail of accountability at all stages, including ongoing customer feedback, both during and after the service provision window.

We propose that resources are structured over a staggered shift pattern to afford maximum coverage to The Trust, taking account of the need for additional numbers of helpdesk personnel to absorb increased call traffic during identified peak periods throughout the working day.

We have over the past number of years obtained an invaluable knowledge of call handling, which is routed through the help desk. We are therefore in a unique position, whereby we can resource the helpdesk effectively to deal with the variable call load as economically as possible and thus produce the best value to The Trust.

We perceive the operation of the help desk facility as per the diagram on the right:



Hard Facilities Management Proposal (cont'd)

Systems (cont'd)

• Human Resources

We will operate a bespoke system for all Human Resources related activity including:-

- Training records
- Pension details
- Personnel records
- Holidays, sickness, etc.

• Financial

We will operate a fully integrated financial system and this ensures that all budget management is achieved and reports can be tailored to export information to other proprietary systems.

• Procurement

We utilise a supply chain management and service provider assessment process which is fully integrated with the Quality Systems data collection/management process.

• Asset Management

We will integrate with The Trust's Asset Management system and commits to transferring The Trust's data onto this system, where appropriate all Planned and Reactive maintenance shall be recorded and transferred onto the Trust's system, where appropriate.

• Intranet and Internet

The use of information technology will be core to the success of service delivery. The use of the intranet will be the vehicle on which the SPV and its partners provide information to its people in a dynamic and ever evolving environment. We commits to placing its entire workflow management system on the intranet.

• Health & Safety and Environmental

• Systems Development

We will:

- Within the mobilisation period, review the helpdesk system in conjunction with The Trust and recommend the best way forward for all concerned.
- Establish a Technology think tank within the mobilisation period of the agreement to bring commercial advantage to both parties.
- Within the first 6 months, monitor and manage all data resources to ensure support in the provision of reporting system to The Trust.
- Within the first 6 months, manage, operate and control the Maintenance system, regarding Asset software management change control, deletion and addition.
- Implement, monitor and review quality management and local working procedures regarding data storage/ software control within the first 12 months of the agreement.
- Within the mobilisation period, establish and publish an IT policy document
- Manage, review and update IT infrastructure disaster recovery procedures within the first 6 months in compliance with Quality Management, local working and agreement requirements.

Hard Facilities Management Proposal (cont'd)

Continuous Improvement

- **Excellence Policy**

It is our aim that we provide the Trust with a service that meets or exceeds its Client's stated quality, performance and continuous improvement requirements and comply with all statutory regulations.

The service will be provided in a manner that is cost effective for the company and gives value for money to The Trust.

To support this policy, Management Systems, processes and procedures will be developed and established, in conjunction with The Trust and maintained to fulfil:

- The expectations and needs of The Trust.
- The quality and organisational goals of the company.
- The satisfaction of EFQM criteria.

To meet these aims, the dedicated team and our organisation in support, will have:

- Adequate resources, including suitably qualified, experienced and well-motivated people, to manage, execute and verify the work assigned to them.
- Processes and procedures that are designed to integrate our operations with those of The Trust operations.
- Sub-contractors, who have been evaluated and selected on the basis of their ability to meet the quality and health and safety requirements of both our organisation and the Trust.

Site procedures will be issued where local requirements require amplification or variation to a Management Procedure.

Quality Plans will be prepared to define how the requirements for each individual project, managed under the agreement, are to be met.

Through out the system documentation the meanings of basic terms relating to quality concepts will be as specified in BS4778, "Quality Vocabulary".

Induction training, on going discussion and education will ensure that all employees are aware of and understand the system, compliance with which is mandatory.

The Trust representatives will be afforded reasonable access to relevant parts of the Management System, including documentation concerning work carried out by subcontractors.

A programme of systematic review shall be implemented by the General Manager to ensure compliance of the EFQM system and to ensure continued effectiveness in providing quality of the product to the Company's and The Trust's satisfaction.

Hard Facilities Management Proposal (cont'd)

Continuous Improvement (cont'd)

- Strategy

In support of the above policy, we are committed to a Continuous Improvement Strategy that supports the achievement of the Corporate and Business Plans, and also serves to link other supporting strategies to avoid initiative overload and confusion.

The emphasis of this strategy is on the achievement of results and provides tangible evidence of achievement by being evidence based, hence the RADAR approach. The strategy is underpinned by the EFQM Excellence Model.

The objectives of this strategy are flexible as the needs of the business change; however, it will also be mature enough that it shall stay aligned with overall corporate goals.

The objectives are 3-fold and comprise:

- Provision of the Management System to facilitate the planning, direction and integration of all continuous improvement activity
- To act as a framework for change management and organisational development
- To focus directly on the achievement of results
- Value Management and Innovation

We will adopt a structured approach to innovation, and this will outline the steps to be undertaken on the road to Business Excellence.

Quite simply, this means that any idea will be given the opportunity to become implemented within the company, and it is based on the premise that there is always a better way of performing tasks. We believe that, the open nature and environment in which the people work, encourages suggestions for improvement.

Business Continuity Planning

- Planning

We recognise and comprehend the importance placed on Business Continuity planning that is required in modern business, not just for the continuity of services, but also to minimise the risk that any non-delivery would have on the core business.

We will develop in conjunction with the Trust to review key business processes, map these and develop in conjunction with the Trust a dedicated plan. We envisage that this will include the following areas:

- Identification of key personnel within the Continuity Team, and ensure that adequate training is given to enable them to carry out their emergency duties.
- Implementation of Business Continuity Planning;
- Contribution of ideas on the Business Continuity Strategy;
- Organisation of any scenario planning in order to quantify risk and to ensure that sufficient and rigorous examination has been given to the risks which may be incurred;
- Ensure that key records are kept at more than one physical location;
- Establish and maintain communications within the Continuity Team;
- Give visibility to the continuity planning to core business, thus shortening the lines of communication in the event of a disaster;
- Identification of key suppliers and partners that are critical for the continuity of services;
- Emergency processes and procedures.

Hard Facilities Management Proposal (cont'd)

Business Continuity Planning (cont'd)

• Process

It is proposed that the Business Continuity Process will comprise six stages in its application; however, this process will be agreed with The Trust during the mobilisation period of the agreement. The six stages are as follows:

- Identification of risk;
- Categorisation of risk for impact on the organisation;
- Categorisation of risk for likelihood of occurrence;
- Risk mitigation strategy planning;
- "Live testing" to test and develop reaction to any disaster(s);
- Audit and Review, in order that the lessons learned will be used to amend policy, process or procedure accordingly

Change Management

We will operate a change management process to ensure that all changes are dealt with correctly, and that they are researched and proven beneficial before being implemented.

We propose that the process diagram (shown on the right) be adopted when dealing with changes.

The diagram forms the skeleton for the change procedure and we would working consultation with the Trust to develop this further. Our proposed Change management is designed to maximise the benefits of the partnership between Dawn, its service partners and The Trust, which could be influenced from:

- Performance measurements dictating that a change is required.
- Further planning is required prior to embarking upon a defined task.
- Corrective action is required as a result of a fault within the existing system.
- Historical data and lessons learned state that the service must be altered.

No major changes to the services without the prior approval of the Trust will be undertaken except where the change is required for Health & Safety or where there is an immediate threat to business continuity. Where any change has been made for these reasons, we would inform The Trust within an agreed timescale. These timescales will be formalised during the mobilisation period.

All change requests shall be documented in an agreed format, and will be subject to the "continued communication" methodology. The format shall be agreed and the form operational within the mobilisation period of the agreement.

Any additional, change or new service shall be agreed by both parties and this process will be established during the mobilisation period of the agreement.

Areas Requiring Clarification

In development of this agreement and prior to agreement start there are a number of areas that we consider further clarification and discussion is required. These are outlined below and are related to Risk Management:

- Our liability relating to service down time
- Asset condition and service levels
- Client and other parties Function – R&R
- Report process
- Central operating centre
- Works during hours
- Identify all management R&R

