

7 April 2022

Procurement Policies Department  
Business Development Group

Dear Sir/ Madam,

## **FACILITIES MANAGEMENT (FM) PERFORMANCE APPRAISAL FRAMEWORK FOR FM COMPANIES**

### **Objective**

This circular informs Government Procuring Entities (“GPEs”) on the launch of FM performance appraisal framework for FM companies (FMCs).

### **Background**

2 The FM01 Workhead for FMCs providing Integrated Facilities Management (IFM) and/ or Managing Agent (MA) services for the public sector was introduced under BCA’s Contractors Registration System (CRS) for new tenders called on and after 1 April 2020. To provide a Whole of Government (WOG) performance appraisal database to collect past project performance of FMCs, the procurement taskforce under the tripartite Facilities Management Implementation Committee (FMIC)<sup>1</sup> has developed the FM performance appraisal framework to place stronger emphasis on quality and to assess the performance of FMCs. FMCs will be assessed regularly throughout the contract lifecycle and upon the completion of contract. This will provide a quality feedback loop on their performance and allow GPEs to better distinguish good performance and raising standards of the FM industry.

### **FM performance appraisal**

3 Key features of the appraisal are summarised below:

<b>Key principle</b>	<b>Features of FM performance appraisal framework</b>
<b>Distinguish and encourage good performance of firms</b>	<b>Firm-level scoring of FMC</b> to reflect its overall performance of FM contracts handled
	<b>6-monthly performance assessment</b> throughout contract duration to collect more regular data and to encourage good performance by FMC
	<b>Evaluation Framework</b> <ul style="list-style-type: none"> <li>a) Fixed criteria as a common yardstick for performance among different contracts</li> <li>b) Flexibility for GPEs to decide the Key Performance Indicators (KPIs) to meet the desired outcome under each contract</li> </ul>

<sup>1</sup> The FM Implementation Committee (FMIC) comprises representatives from building developers and owners from both public and private sectors, FMCs, Trade Associations and Chambers (TACs) and unions. It brings together major stakeholders to co-develop initiatives to transform the FM sector.

4 More information on the FM performance appraisal framework can be found in Annex A. The framework may be updated periodically for relevance. Please refer to this link: <https://go.gov.sg/bca-procuring-fm-services>

### **Submission of performance assessment**

5 GPEs shall assess and submit the performance appraisal for all completed (within the last 6 months) and on-going public sector FM contracts<sup>2</sup> starting from the first appraisal period (AP1) in Jul 2022 (i.e. assessment period from 1 Jan to 30 Jun). The AP and submission periods are as follows:

	Assessment Period	Submission period
AP1	1 Jan to 30 Jun	1 Jul to 31 Jul
AP2	1 July to 31 Dec	1 Jan to 31 Jan

- a) For on-going contracts, GPEs would need to submit performance assessments for contracts which has commenced for at least 3 months. GPEs should discuss and make clear the assessment criteria and performance target to FMCs so that FMCs can work towards the targets and ensure a more transparent assessment.
- b) For completed contracts, GPEs would need to submit the performance assessments for the last 6 months of the contract.

6 This allows us to build a database for procurers to reference FMCs' performance of FM contracts and allow those which had performed well in past contracts to be recognised during tender evaluation subsequently.

7 We seek GPEs' assistance to nominate a representative to be the point of contact in collating and submitting the performance appraisal for your agency. GPEs can send their nomination to [BCA\\_PPD@bca.gov.sg](mailto:BCA_PPD@bca.gov.sg) by 30 April 2022. A link will be sent to the main contact person for the template and submission of performance appraisal form.

### **Further information**

8 We will be organising a briefing session for GPEs and FMCs separately on the FM performance appraisal framework and more details will be announced later. For suggestions and clarifications on this circular, please send them through [BCA\\_PPD@bca.gov.sg](mailto:BCA_PPD@bca.gov.sg).

Thank you.

Yours faithfully

Ng Man Hon  
Director, Procurement Policies Department  
Building and Construction Authority

(Transmitted via email)

<sup>2</sup> FM contracts to include IFM and integrated M&E maintenance contracts. IFM refers to the provision of at least two distinct maintenance services by the same company. Integrated M&E refers to amalgamation of few M&E services.

Enc: Annex A

**DISTRIBUTION (via e-mail)**

All firms registered in BCA's Contractors Registration System (CRS) under FM01 Facilities Management (FM) Workhead

All Government Procuring Entities (GPEs)

FM Implementation Committee (FMIC)

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# **Annex A: Facilities Management (FM) Performance Appraisal Framework for FM Companies**

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# 1. Introduction

## 1.1 General

The facilities management (FM) performance appraisal framework is for service buyers to assess and submit information on the performance of FM Companies (FMCs) in their service delivery of Integrated FM (IFM)<sup>3</sup> contracts.

## 1.2 Key principle and features of the FM performance appraisal framework

Key principle	Features of FM performance appraisal framework
<b>Distinguish and encourage good performance of firms</b>	<b>Firm-level scoring of FMC</b> to reflect its overall performance of FM contracts handled
	<b>6-monthly performance assessment</b> throughout contract duration to collect more regular data and to encourage good performance by FMC
	<b>Evaluation Framework</b> <ul style="list-style-type: none"><li>c) Fixed criteria as a common yardstick for performance among different contracts</li><li>d) Flexibility for service buyers to decide the Key Performance Indicators (KPIs) to meet the desired outcome under each contract</li></ul>

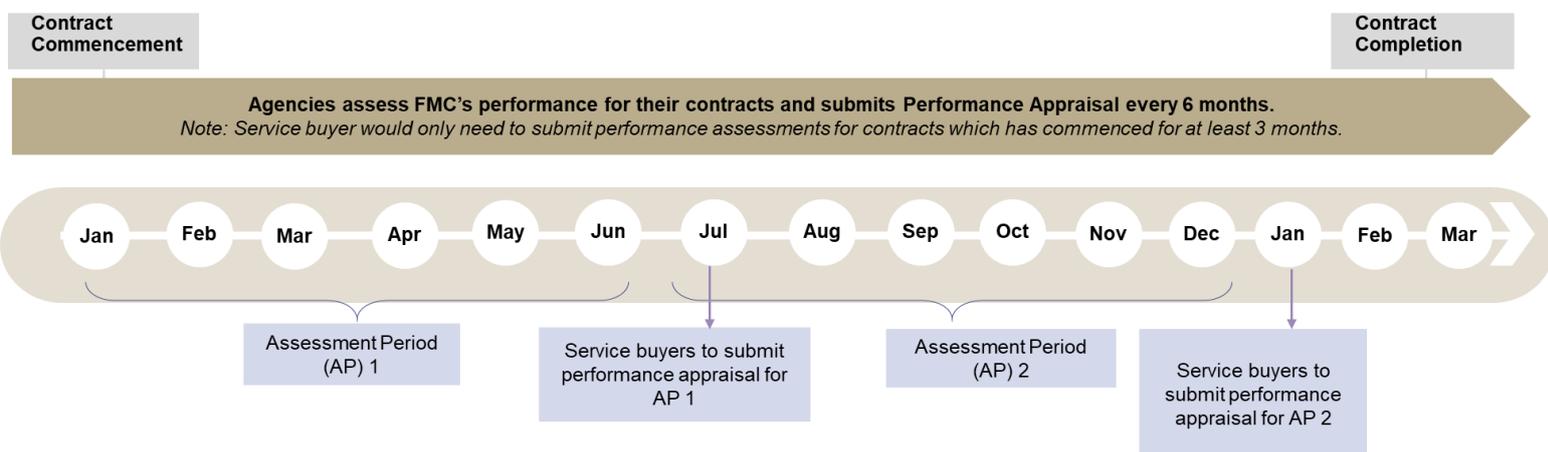
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<sup>3</sup> IFM refers to the provision of at least two distinct maintenance services by the same company. Contracts for integrated Mechanical and Electrical (M&E) maintenance services (i.e. amalgamation of few M&E services) will also be required to submit the performance appraisal.

## 2. Process flow of FM Performance appraisal framework

Service buyers would need to assess and submit the performance appraisal on a half-yearly basis. This allows regular monitoring of FMC to encourage better performance. The information collected from the performance appraisals will help form a database of FMCs' performance which will be used for future tender evaluation.

FM Performance Appraisal Process



FM Performance Appraisal Timeline

## 3. Overview of FM Performance appraisal

### 3.1 Firm level rating- FMC overall performance rating

Firm's overall performance rating will be based on the average of the cumulative performance ratings of applicable projects. The FM performance appraisal will allow service buyers to apply filter fields for more accurate comparison between different contracts of similar fields when sufficient data are collated. (i.e. comparing performance of different firms with contracts of similar type of FM service, building type). Refer to Annex A for examples of deriving FMC overall performance rating and applying filter functions.

$$\begin{aligned}
 &\textbf{Firm's Overall Performance Rating} = \\
 &\frac{\text{Sum of all applicable projects' performance ratings}}{\text{Total no. of applicable projects}}
 \end{aligned}$$

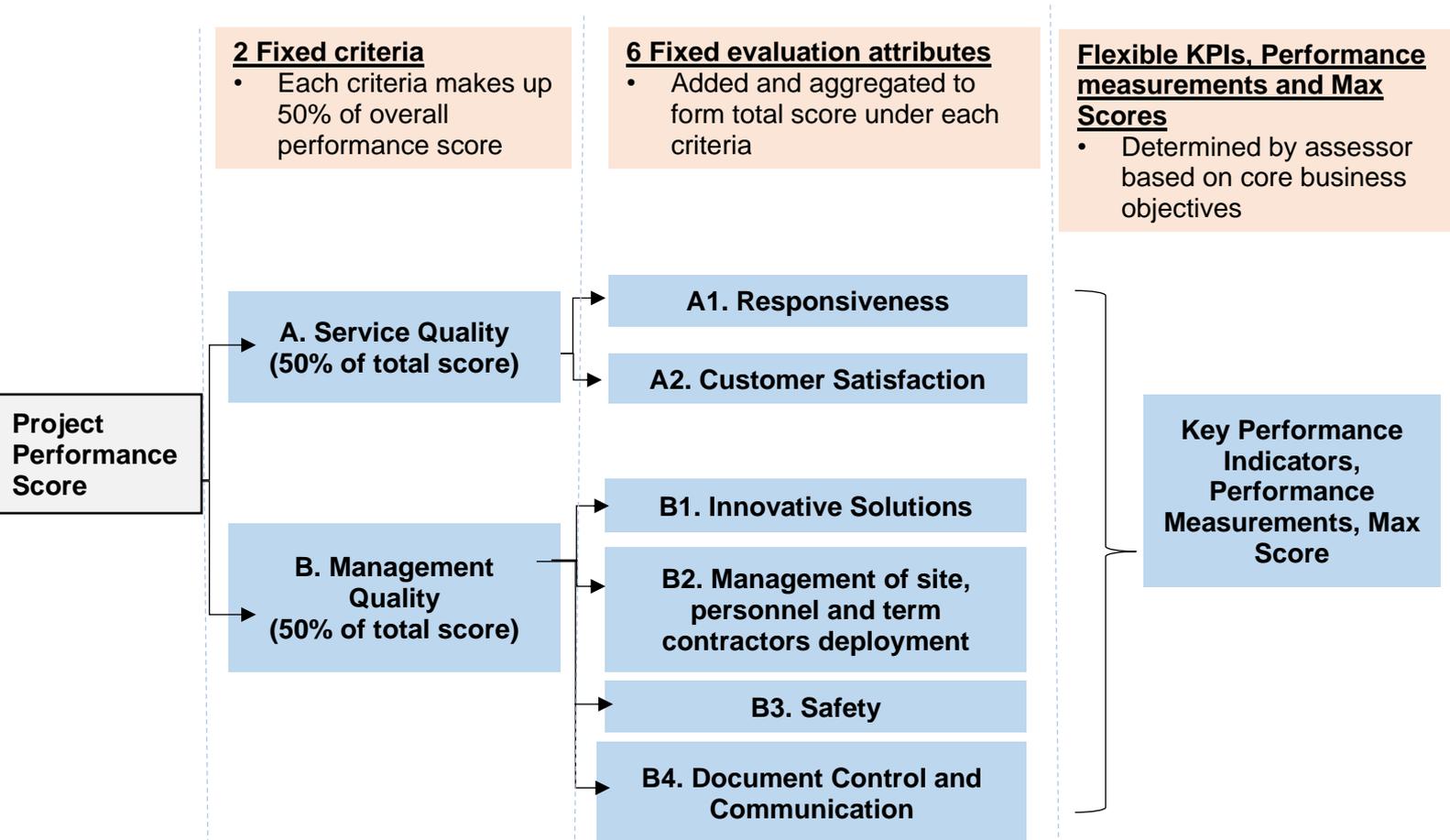
### 3.2 Project level rating

The performance grade of the FMC will be determined by benchmarking the total performance scores against the performance target set by service buyers under the contract. There will be 6 performance grades (Excellent, Very Good, Good, Satisfactory, Poor, Very Poor), to be assigned according to how well the service providers have performed against the performance target.

Project Performance Appraisal Grade (table below as seen in guide on FM procurement)		Project Performance Rating
Project Performance score attained by FMC	Project Performance Grade	Performance Rating
PT + (>5 points)	Excellent	6
PT + (>3 points to 5 points)	Very Good	5
PT + (up to 3 points)	Good	4
PT - (up to 2 points)	Satisfactory	3
PT - (>2 points to 10 points)	Poor	2
PT - (>10points)	Very Poor	1
<b>Illustration</b>		
PT set by service buyer	80 pts	
Performance score attained by FMC	88 pts which is 8 pts higher than the PT of 80pts, (i.e. PT + 10%)	
Performance grade	Excellent	
Performance Rating	6	
<i>PT refers to Performance Target</i>		

### 3.2.1 Determining project performance score

The performance scores are calculated based on the achievement of the key performance indicators (KPIs) set by service buyers under the contract. To provide a common yardstick for performance measurement among different contracts, service buyers will be required to set their specific KPIs against 2 common evaluation criteria (i.e. service quality and management quality) and 6 corresponding fixed evaluation attributes under the performance appraisal framework.



## 4. Evaluation framework

For illustration

Fixed (a)	Fixed (b)	To be determined by service buyers under contract (c)				(d)
Criteria	Evaluation attributes	Key Performance Indicators (KPI)	Measurement of KPI	Max. score	FMC Performance Score	
<b>Service Quality (50%)</b>	Responsiveness	% of feedback responded/ closed within stipulated time	>95% = 20 pts 90%-95% =10 pts <90% =0 pt	20 pts	20 pts	
	Customer Satisfaction	Number of compliments received per year	1 point per compliment	20 pts	18 pts	
		Number of cases of complaints	0 complaints = 10 pts 1-2 complaints = 7 pts 3-4 complaints = 4 pts > 4 complaints = 0 pt	10 pts	7 pts	
<b>Management Quality (50%)</b>	Management of site, personnel and term contractors deployment	No. of lapses resulting in significant impact on operations	5 pts deduction per case	15 pts	43 pts	
	Safety	No. of major accidents	15 pts deduction per case	20 pts		
	Document Control & Communications	Audit on data system to ensure data Integrity (e.g. no. of data breaches, misuse, missing data, etc.)	5 pts deduction per non-compliance	10 pts		
	Innovative solutions	Improvement initiatives or enhancement work to resolve FM issues	Quality of solutions and implementation (assessment metric determined by service buyers)	5 pts		
Total performance scores					<b>88 pts</b>	

- (a) **Criteria- 2 fixed criteria (Service Quality and Management Quality)**, to standardise evaluation of firms' performances across all contracts. Both criteria are equally weighted, with each forming 50% of the FMCs total performance score. This is to provide a basis of comparison across different projects and service buyers.
- (b) **Evaluation attributes- 6 Fixed evaluation attributes** to provide common areas of evaluation for all projects. The scores of each evaluation attribute under each criteria will be added together and aggregated to form the 50%. E.g. Service Quality Score = (Responsiveness Score + Customer Satisfaction Score) will have a maximum of 50 points.
- (c) **KPIs- The KPIs and Performance Measurements**, which are determined by service buyers, give flexibility to service buyers in assessing areas critical to their core business objectives. Scores of the KPIs under each evaluation attribute will be totalled to form the evaluation attribute's score

- (d) **Scoring of KPIs- The Maximum Achievable Score and FMC's Performance Score** are determined by service buyers to give flexibility in meeting their needs. Allocating higher maximum achievable score for individual critical KPIs would increase their weightage to total score. Service buyers will assess the FMC's performance and enter the score achieved.

**FMC Project Performance Score:**

$$\begin{aligned} \text{Overall Score (max 100 points)} &= 50 \text{ points for Service Quality} + 50 \text{ points for Management Quality} \\ &= \\ &50 \text{ points for (Responsiveness Score + Customer Satisfaction Score)} + \\ &50 \text{ points for (Management of site personnel and term contractors deployment + Safety + Document} \\ &\quad \text{Control \& Solutions + Innovation Solutions)} \end{aligned}$$

## 5. FM Performance Dashboard

The data submitted from the performance appraisal will form a database of the FMC's performance which can be used for future tender evaluation. Subsequently when sufficient data are collated, service buyers can apply filters in deriving the performance ratings of FMCs. The list of applicable filters include:

- a) Firm's overall performance rating
- b) Type of FM services (e.g. cleaning, security, M&E)
- c) Type of building
- d) Project status (ongoing or completed) Projects' Duration (Commencement and Completion Date)
- e) Annualised contract sum (range)
- f) Awarded contract sum
- g) Agency

## Annex A- Deriving FMC Overall Performance rating using filters

### Example 1- Calculating FMC overall performance rating (based on all projects):

Projects	Building Type	FM Services Provided	Cumulative Performance Grade	Project Performance Rating
Project 1	Office Building	M&E Maintenance, Cleaning, Security, Building Maintenance	Excellent	6
Project 2	School	Integrated M&E Maintenance	Good	4
Project 3	Shopping Complex	Cleaning, Security	Very Good	5
Project 4	Industrial Complex	M&E Maintenance, Building Maintenance	Satisfactory	3
<b>Overall Performance Rating = <math>\frac{6+4+5+3}{4} = \frac{18}{4} = 4.5</math></b>				

### Example 2- Calculating FMC overall performance rating (based on building typology):

If service buyers choose to view overall performance rating of an FMC for contracts dealing with office buildings, the filter will select the applicable projects in deriving the FMC overall performance ratings.

Projects	Building Type	FM Services Provided	Cumulative Performance Grade	Project Performance Rating
Project 1	<b><u>Office Building</u></b>	M&E Maintenance, Cleaning, Security, Building Maintenance	Excellent	6
Project 2	School	Integrated M&E Maintenance	Good	4
Project 3	Shopping Complex	Cleaning, Security	Very Good	5
Project 4	Shopping Complex	M&E Maintenance, Building Maintenance	Satisfactory	3
<b>Overall Performance Rating = 6</b>				

**Example 3- Calculating FMC overall performance rating (based on type of FM services)**

If service buyers choose to view overall performance rating of an FMC for contracts dealing with cleaning services, the filter will select the applicable projects in deriving the FMC overall performance ratings.

Projects	Building Type	FM Services Provided	Cumulative Performance Grade	Project Performance Rating
Project 1	Office Building	M&E Maintenance, <b>Cleaning</b> , Security, Building Maintenance	Excellent	6
Project 2	School	M&E Maintenance	Good	4
Project 3	Shopping Complex	<b>Cleaning</b> , Security	Very Good	5
Project 4	Shopping Complex	M&E Maintenance, Building Maintenance	Satisfactory	3
<b>Overall performance rating = <math>\frac{6+5}{2}</math></b> <b>= 5.50</b>				