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# Plans and programmes in the NEC Facilities Management Contract (FMC)

## OVERVIEW

The requirement that the *Service Provider* develops and maintains plans and programmes for its work is at the centre of the NEC Facilities Management Contract (FMC), as it is for all the major NEC contracts. This practice note is written to summarise the various plans and programmes which are included in the FMC and how they are used, and to highlight how important these are in this contract. Further explanation can be found in the user guides “Preparing a facilities management contract<sup>1</sup>” and “Managing a facilities management contract<sup>2</sup>” published as part of the FM suite of documents.

Where terms used refer directly to the terminology in the FMC, the NEC approach to the use of capitals and italicisation is adopted.

## PLANS AND PROGRAMMES IN THE FMC

There are many different plans and programmes stated in the FMC. They have varying levels of importance, and consequently there are different procedures and timetables for producing, accepting and revising them.

All the principal parties in the contract, *Clients*, *Service Providers* and *Service Managers*, need to ensure they understand the requirements and their obligations for each of these. They are used to manage the contracts effectively, and those not used to NEC contracts may underestimate the importance the contract places upon them.

With the exception of the clause 31 plan and X29 Project Order programme, the contract clauses do not give details of what is required in these documents. This detail needs to be specified by the *Client* in the Scope. Whilst this will be given in detail at the tender stage, remember the FMC allows changes to the Scope to be instructed by the *Service Manager*. However, this may incur a change to the cost of the *service* if the *Service Provider* can substantiate that cost.

### The clause 31 plan

At the heart of the FMC is the clause 31 plan (for convenience hereafter called the plan) and, at any point in time, the current accepted version, the Accepted Plan<sup>3</sup>. This is the document that demonstrates to the *Service Manager* that the *Service Provider* understands the work that is required, has the resources to do it, and has planned the work in such a way that the *Client* can be assured that the *service* performance will be achieved. Clause 31 gives details of the plan requirements, but these can be developed further in the Scope.

It is important to recognise that while this plan has some relationship to the time when work is going to be done, it is much more concerned with how the work is to be done. It will comprise methodology statements on the procedures the *Service Provider* will adopt for, for example, obtaining access to the asset being managed (the Affected Property in NEC terminology). For reactive/responsive work clearly the timing of work which is not yet

<sup>1</sup> “NEC user guide 2 – Preparing a facilities management contract, June 2021 (with amendments January 2023)”; Thomas Telford Ltd

<sup>2</sup> “NEC user guide 4 – Managing a facilities management contract, June 2021 (with amendments January 2023)”; Thomas Telford Ltd

<sup>3</sup> This is a defined term in the contract, which during the contract period is defined as the latest plan accepted by the *Service Manager*

instructed isn't possible, but the procedures adopted to ensure response times are adhered to can be demonstrated and assessed.

It is also important to recognise that the FMC has many procedures built around this plan, particularly assessing compensation events. It not only states when and how the *Service Provider* will undertake the service, but it identifies the actions and timetables for the *Client*, *Service Manager* and Others. As in all NEC contracts, it is considered to be critically important in managing the contract well.

### The clause 31.2 business continuity statement

The FMC does not have a special clause to provide or manage a business continuity plan. Nor is it a defined term in the contract – it does not use this term or make it a separate deliverable. Instead, it requires the *Service Provider* to demonstrate, in the clause 31 plan submitted for acceptance “a statement of how the *Service Provider* plans to provide business continuity to continue to Provide the Service following an incident which disrupts its normal operations”. Business continuity is therefore defined here as responding to an emergency, a failure of power to its IT systems for example. It is not the long term business plan.

Should the *Client* have specific requirements for this business continuity plan, they need to be stated in the Scope.

### The clause 33 mobilisation plan

The FMC separates out the mobilisation plan (and the demobilisation plan, below) from the plan. As its name implies, the mobilisation plan is a statement by the *Service Provider* of how it intends to ensure it can be ready to provide the principal work at the start of the delivery stage of the *service*.

Those new to the FMC but well acquainted with facilities management contracts should note one important point. The mobilisation plan as adopted by the FMC is not a plan of how the *service* is to be provided throughout the contract period (in the NEC, the Service Period). That's the function of the plan. Instead, it is a statement of how the *Service Provider* will be ready to Provide the Service. It follows that one outcome of the mobilisation plan is very likely to be an accepted clause 31 plan, if it does not already exist.

The contract gives no definition of this mobilisation plan, or details of what it should contain. ISO 41011 defines mobilization as the “phase to establish and implement all resources, systems, data and procedures prior to taking full responsibility for the facility services to be delivered as specified in the facility management agreement<sup>4</sup>”, and the mobilisation plan is designed to demonstrate how this is achieved. User Guide 2 gives some indications of what the *Client* could include in the Scope for this mobilisation plan<sup>5</sup>. A mobilisation plan is not a requirement of the FMC, it is optional, but there will not be many contracts without one. The issue for the *Client* is whether or not they want to bring the requirement for this mobilisation plan, and its content, within the contract obligations.

### The clause 34 demobilisation plan

In a similar way to the mobilisation plan, the FMC separates the demobilisation plan from the plan. Unlike the mobilisation plan, this plan is a requirement of the contract. A plan stating how the *Service Provider* and *Client* together will close down the contract at the end of the Service Period, this demobilisation plan is developed during the Service Period by the *Service Provider*.

<sup>4</sup> “International standard ISO 41011 - Facility management — Vocabulary”; published by ISO copyright office, Geneva, Switzerland, 2017; page 4

<sup>5</sup> “NEC user guide 2 – Preparing a facilities management contract, June 2021 (with amendments January 2023)”; Thomas Telford Ltd; page 64

ISO 41011 defines demobilisation as the “phase to transfer facility services back to the demand organization or to a new *Service Provider* as specified in the facility management agreement<sup>6</sup>, and again User Guide 2 gives some indications of what the *Client* could include in the Scope for this demobilisation plan<sup>7</sup>.

### The clause 40 quality plan

The FMC requires the *Service Provider* to operate “a quality management system which complies with the requirements stated in the Scope” (clause 40.1). As part of this system the *Service Provider* is required to provide a quality plan which will demonstrate how the *Service Provider* is going to achieve the quality required and the processes necessary.

### The Option X10 information execution plan

Option X10 allows for the adoption, development or use of information modelling in the contract. The use of BIM, building information modelling, in the UK would be adopted through this Option. The information execution plan is the plan that shows how the *Service Provider* will comply with the Information Model Requirements; the requirements identified in the Scope for creating or changing the Information Model.

Essentially, this will be a plan showing how the *Service Provider* manages, updates and perhaps even creates an information model for the asset. As such it is very specific to this Option, and will only be required if the Option is adopted. One possible use of the Option, and therefore the need for the X10 plan, is where the *Service Provider* is taking on the maintenance and repair of a new or recently constructed building which has an information model ready to be passed to it at the start of the FM contract. In this situation, the *Service Provider* may be required to maintain the information model for the duration of the Service Period as part of the service.

### The Option X27 Project Order programme

The FMC includes an Option, X27, which allows the *Service Manager* to instruct a separate, significant piece of work as a Project. For example, the refurbishment of a lift in a lift maintenance contract or the replacement of an extraction system in a laboratory. One defining feature of a Project is that the *Service Provider* is required to create and submit a Project Order programme for the work in that Project (clause X29.13). This programme as well as all the details set out for the main plan for the service must also show the sequencing of the work, demonstrating the logic and float within the programme. Clause X27.14 lists all the details required, which follow those required for the clause 31 plan but include requirements for float and the order and timing of the work. Those who know the Engineering and Construction Contract (ECC) programme will recognise these requirements.

A separate Project Order programme is required for each Project.

### The Option X29 Climate Change Plan

Option X29 allows the *Client* to bring climate change requirements to the fore by specifying Climate Change Requirements that are of concern to it through both the operation of the contract and the impact it has on the day to day business of the *Client* and *Service Provider*. The *Service Provider* is required to demonstrate how it proposes to achieve or work towards achieving these requirements, and this is given in the form of a Climate Change Plan. As for all Options, this plan will only be required if Option X29 is adopted.

<sup>6</sup> “International standard ISO 41011 - Facility management — Vocabulary”; published by ISO copyright office, Geneva, Switzerland, 2017; page 4

<sup>7</sup> “NEC user guide 2 – Preparing a facilities management contract, June 2021 (with amendments January 2023)”; Thomas Telford Ltd; page 64

## MANAGING THE PLANS AND PROGRAMMES

The process of management, update and acceptance of these plans and programmes by the *Service Provider* (SP) and *Service Manager* (SM) differs, and in part indicates the relative importance that the contract gives to each plan. The table below details the principal actions:

	CL 31 PLAN	BUSINESS CONTINUITY PLAN	MOBILISATION PLAN	DEMobilISATION PLAN	QUALITY PLAN	X10 PLAN	X27 PROGRAMME	X29 PLAN
Is the plan/programme submitted by the SP for acceptance?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Does the contract specify in detail what is included in the plan/programme apart from details in the Scope	Yes	No	No	No	No	No	Yes	No
Is there a specified acceptance procedure, giving reasons for non-acceptance?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Can the plan/programme be treated as accepted if the SM fails to respond?	Yes	Yes	No	No	No	Yes	Yes	No
Is there a clause requiring or enabling revisions to the plan/programme?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

It can be seen that the differences between the plans and programmes lie in two areas: the degree of detail that is specified in the contract clauses rather than the Scope; and whether or not the *Service Provider* can obtain acceptance of the plan if the *Service Manager* simply takes no action.

The degree of detail specified indicates the importance the contract places on these plans. The contractual ability to have plans and programmes treated as accepted reflects the importance that these plans have within the compensation event process.

One further demonstration of the importance of these plans is that failure to Provide the Service in accordance with the clause 31 Accepted Plan, the mobilisation plan or the demobilisation plan is specifically stated to be a Service Failure which therefore needs to be corrected<sup>8</sup>.

## CONCLUSION

A key objective of NEC contracts is the effective management of those contracts. Much of this relies on good planning and clear processes around the content, acceptance and revision of those plans. *Clients* and *Service Providers* adopting the FMC need to have the necessary resources and experience to produce and understand these plans and programmes to achieve the full benefit of the contract.

<sup>8</sup> "Service Failure" is a defined term, as stated in clause 11.2(18).

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