

**– Risk Register –**

**Facility Management Contract - 2007 Re-Tendering**

This risk review was carried out on 16<sup>th</sup> January 2007 by the personnel below. The next risk review is due: 28<sup>th</sup> March 2007

Person	Title	Organisation	Role
Parvis Khansari	Assistant Director	Wiltshire County Council	
Mike Swabey	Strategy Manager	Wiltshire County Council	
Mike Horgan	Strategic Procurement Manager	Wiltshire County Council	
Andrew Manning	Principal Contracts Manager	Wiltshire County Council	

No	Threat	Underlying Cause	Severity L,M,H	Probability L,M,H	Comments & Control Development	Actions	Responsibility	Status
(A)	<u>Legal Risks</u>							
A1	Resolve TUPE transfers	Extent of transfers and liabilities unknown	H	M	Requires appropriate legal information	1. Receive Legal advice	1. Amy Auton	
(B)	<u>Financial Risks</u> WCC Corporate Risk R41 September 2004							
B1	1. Funding procurement of contract	1. No funding available currently	M	M	Secure funding	1. Invest to save bids, and a method of charging to services	1. Mike Horgan	
	2. Updating contract documentation	2. Existing contract may be out of date anticipated legislative requirements	M	M	Update our information on legislation	2. Legal services to review legislation	2. Amy Auton	
	3. Forecasting legal input to the process	3. Original project plan and as information is collated for 2. this will need reviewing	M	M	Consider increasing resources allocation	3. Estimating & Resourcing Legal Input	3. Amy Auton	

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B2	Increase cost of replacement contracts	Service cost held artificially low due by RPI contract mechanism. When services are exposed to current market, prices cost will go up reflecting increased labour costs.	M	M	Secure additional funding. Alternative, lower contract specification and reduce standards (or cut) the services. Political impact of this.	1. Encourage innovation on contract  2. Build flexibility into procurement route eg. Levels of service/affordability  3. Affordability analysis prior to ITT  4. Explore existing sources of data for benchmarking  5. Contingency in budget	1– 5. Mike Horgan	
B3	Funding of Contract Management	Lack of funding provided to allocate sufficient resource to manage the contract post award	H	L	Budget for industry standard of 2.5% of contract value for contract management	Estimate and approve funding and recharge mechanism to clients	Mike Horgan	

(C)	<u>Management and Marketing Risks</u>							
C1	Exit strategy from Sodexo contract	Drop in Sodexo's standards, staff leaving etc.	M	L	Need to ensure a smooth transition of service and avoid extra costs	1. Check contract documentation and handover obligations 2. Manage relationship with supplier 3. Agree Exit Strategy	1-3. Andrew Manning	
C2	Engaging appropriate suppliers	Variation in range of possible suppliers in the market	L	H	Focus on shortlisting the right suppliers, linking in to Wiltshire land based industries	1. Engage with Industry 2. Scope the new contract 3. Supply chain development/ power of wellbeing	1. Mike Horgan 2. Mike Horgan 3. Andrew Manning	
C3	Inadequate infrastructure and capacity of school kitchens	Condition of equipment not being adequate to meet the new National Standards. Schools closing kitchens down.	H	H	Identify funds to improve kitchens or cost of contract increases as Contractors pick up cost of investment and development.	1. Secure funding to improve kitchen facilities.	1. Mike Horgan	
		Uncertainty in facilities and hardware to transfer to new arrangement	H	L	Identify all assets relevant to contract	2. Determine what information is needed by client/new contractor re hardware, facilities and assets 3. Engage with Sodexo to agree the equipment they would be leaving behind if unsuccessful. 4. Agree mechanism for handover	2 - 4. Andrew Manning/Mary Higgins	

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C4	Manage stakeholder expectations.	Stakeholders will have different opinions on contract specification. Project is to develop corporate contracts ie., one size fits all. Passive, non committal and apathetic responses from stakeholders.	M	H	Extended resource prohibitive consultation and negotiations with stakeholders and service users.	1. Liaise with Departmental Senior Managers.  2. Discuss with Richard Parker a minimum nucleus target for schools inclusion in contract, if nucleus not achieved, service withdrawn from arrangements	1 -2. Parvis Khansari and Mike Swabey	
C5	Impact of other initiatives on the letting process	Other Wiltshire Customer First Partnership procurement activities e.g. Grounds maintenance contract is set up elsewhere, WWDC is providing this facility and new contract will be let in December 2007	M	M	Explore and study other activities being undertaken elsewhere	1. Engage with WCFP re overlap  2. Focus on what is currently being developed and explore if proposed grounds maintenance could be added to WWDC proposal  3. Discuss at WPF	1. Mike Swabey/ Andrew Manning/ Mary Higgins  2. Andrew Manning/ Mary Higgins  3. Mike Horgan	

(D)	<u>Technical Risks</u>							
D1	Service specification	Has a significant effect on contract price	H	L	Achieve right balance between process and output	1. Develop contract 2. Develop specification	1, 2 Mike Horgan, Andrew Manning	
D2	Premises floor area	Incorrect information for calculating payments	M	L	Either improve asset information, or develop contract not relying on asset information	1. Form a strategy for the contract in relation to premises	1. Mike Horgan	
D3	Future changes to WCC premises	WCC likely to be rationalising its estate over the next few years	M	H	Flexibility is needed in the new contract	1. Build flexibility in the new contract	1. Mike Horgan	
D4	Replacement Contracts not meeting the required timescales affecting stakeholders.	Availability of resources and appropriate staff.	H	H	Effective project management  Early allocation of resources and training to allow sufficient time to deliver the Project.	1. Early reporting of project slippage to executive board  2. Application for funding  3. Removal of recruitment freeze and allocation of resources/ decisions on priorities  4. Develop contingency (temporary extension!)	1. Mike Horgan  2. Mike Horgan  3. Parvis Khansari  4. Parvis Khansari/ Mike Swabey	

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D5	Stakeholders challenging costs.	Data and volumes being incorrect.	M	H	Stakeholders must be given the opportunity and time, to warrant the data before it is sent out to contractors to bid on.	<p>1. Forward planning allowing sufficient time for checks to be made by budget holders and signed authorization of acceptance of data requested.</p> <p>2. Sign off is required for the specification, data, volumes and service location</p>	1-2. Andrew Manning/ Mary Higgins	
D6	Operational Lessons Learned not being designed into the process				Identify lessons learned and design controls to remedy their reoccurrence.	<p>1. Produce a list of problems experienced at letting stage/ duration of the contract.</p> <p>2. Produce a list of remedies/solutions and commence implementation</p>	1-2. Andrew Manning/ Mary Higgins	

**Key**

Severity  
H = High  
M = Medium  
L = Low

Probability  
H = High  
M = Medium  
L = Low