

GUIDANCE NOTES
FACILITIES MANAGEMENT CONTRACT

Option X29 Climate Change

Option X29 is intended to reduce the impact of the operation, maintenance and demolition of the Affected Property on climate change.

IDENTIFIED AND DEFINED TERMS

Three additional defined terms are added when Option X29 is incorporated into the contract.

Climate Change Requirements

Climate Change Requirements are stated in the Scope and are therefore things the *Service Provider* has to provide or comply with in order to Provide the Service in accordance with the Scope. A failure to do so will be a breach of the *Service Provider's* obligation stated in clause 20.1 and a Service Failure (clause 11.2(16)) that the *Service Provider* will have to correct. The Climate Change Requirements do not need to be in a specific section of the Scope, but it may assist the parties in administering X29 to have a specific section in the Scope or to identify parts of the Scope that are considered to be Climate Change Requirements.

Careful consideration has to be given as to the content of the Climate Change Requirements to make sure they are achievable and do not place undue risk upon the *Service Provider*. If the Climate Change Requirements are unduly onerous this may lead to bidders refusing to bid for the contract or including substantial risk allowances within their bids.

Climate Change Requirements could include things such as levels of recycling, use of renewable power or electric vehicles, reducing waste generation, etc. It may also cover requirements to be included in the Climate Change Plan or details over what information relating to climate change that the Parties may use, disclose and publicise. The Climate Change Partners are also identified in the Climate Change Requirements.

The Climate Change Requirements are likely to be set by the *Client* but some or all could be requested from the bidder. They could also be developed jointly between a bidder and the *Client* depending on the procurement process used.

COLLABORATION

Clause X29.2 requires the *Service Provider* to collaborate with other Climate Change Partners identified in the Climate Change Requirements. These can be identified as specific companies or by work type or activity they will undertake. The *Service Manager* has the power to change the Scope and so can revise the list of Climate Change Partners as necessary, for example when other service providers, contractors or consultants are engaged by the *Client*. Where there are multiple parties involved in the delivery of a service consideration may also be given to using X12 multiparty collaboration. However, the interface between the Key Performance Indicators in the Schedule of Partners in X12 and the content of the Performance Table would need to be carefully considered.

EARLY WARNINGS

Early warnings are to be notified for events which may impact the achievement of the Climate Change Requirements.

CLIMATE CHANGE PLAN

The Climate Change Plan sets out the *Service Provider's* strategy for achieving the Climate Change Requirements (e.g. setting out stakeholders, roles, timescales, key milestones, tools and tasks to get there). Detailed requirements in respect of the form and content and of the Climate Change Plan can be included in the Climate Change Requirements.

In many cases a Climate Change Plan will be submitted by a bidder and included in the Contract Data at the Contract Date. However, there is also the option for a first climate change plan to be issued, within a fixed period of time after the Contract Date. It should be noted that there is no financial sanction on the *Service Provider* if they fail to submit a first Climate Change Plan. If the *Client* wants to ensure that a Climate Change Plan is in place early in the contract, they can make this a part of the tender process and include it in Contract Data at contract award.

The Climate Change Plan may need to be revised as the *service* progresses due to, for example, changes in the ordering and timing of the *service*, the *Service Provider's* methodology or changes in Scope. The *Service Manager* and the *Service Provider* can instigate a revision and reissue of the climate change plan at any time and should do so when the current plan is out of date. There are no clauses that would lead to a default of acceptance of the climate change plan if the *Service Manager* fails to reply to the *Service Provider's* submission. The *Service Provider* and *Service Manager* should work together to get the Climate Change Plan in place in keeping with the requirements of clause 10.2.

There are no direct contractual sanctions if the *Service Provider* fails to comply with the Climate Change Plan. It is a statement of intent, a plan of how the *Service Provider* intends to achieve the Climate Change Requirements and it is a failure to deliver those Climate Change Requirements that will be addressed under the contract.

DISCLOSURE

A specific clause has been included to allow for information relating to climate change to be used, disclosed and publicised to Others in accordance with the Climate Change Requirements. This reflects that clients and service providers are increasingly required to report and publicise their climate change credentials. This also potentially allows for good practice to be shared with the wider industry.

CONTRACTOR'S PROPOSALS

Clause X29.6 is included to allow the *Service Provider* to propose changes to the Scope in order to reduce the impact of the operation, maintenance or demolition of the Affected Property on climate change. The process requires the mutual agreement of the *Service Provider* and the *Service Manager* to proceed, in that the *Service Provider* may propose changes but does not have to, and the *Service Manager* can choose not to accept the proposal for any reason. However, one would expect that the parties would want to work together to enable a viable proposal to proceed if it will deliver climate change benefits. The clause also protects the *Service Provider* in that the Scope cannot be changed as proposed by the *Service Provider* unless the *Service Provider's* quotation is accepted.