Case study

UNITED UTILITIES

Proving Value: How Barkers Supported United Utilities' Contract Strategy

Sector: Water and Wastewater Utilities. Contract period: December'17 – February'18

Ensuring supplier contracts deliver real value is critical for both performance and regulatory assurance. Barkers supported United Utilities in independently reviewing their major FM and capital delivery arrangements.

Summary

United Utilities asked Barkers to review the value for money achieved from their facilities management (FM) contract with Emcor, compared with what would be considered best value across the UK market. In parallel, we were also asked to review their Capital Delivery Partner (CDP) framework contracts to support a decision on whether to award a five-year extension into Asset Management Plan 7 (AMP7).

Using our Procurement Transformation service, Barkers completed a comprehensive FM and CDP review within a three-month period. Our findings provided United Utilities with clear, evidence-based insight into contract performance, market alignment, and future procurement strategy.

Business Challenge

United Utilities wanted confidence that their existing facilities management contract with Emcor was delivering best value for money for both shareholders and regulatory stakeholders. This required an objective assessment of how the contract compared to wider industry benchmarks and market standards.

At the same time, the organisation was preparing for AMP7 and needed to determine whether extending the existing CDP framework contracts for a further five years was the most effective option. Any decision had to be supported by performance evidence, lessons learned from previous delivery phases, and current market conditions.

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Our solution

To assess the level of value being delivered through the FM contract, Barkers carried out a structured review based on four primary tests:

1. The supplier's commercial perspective on the account.
2. The original contract award decision.
3. Compliance with the terms of the awarded contract.
4. A wider study of the facilities management market.

This approach enabled Barkers to evaluate not only contractual compliance, but also how the commercial arrangement compared to prevailing market practices and pricing models.

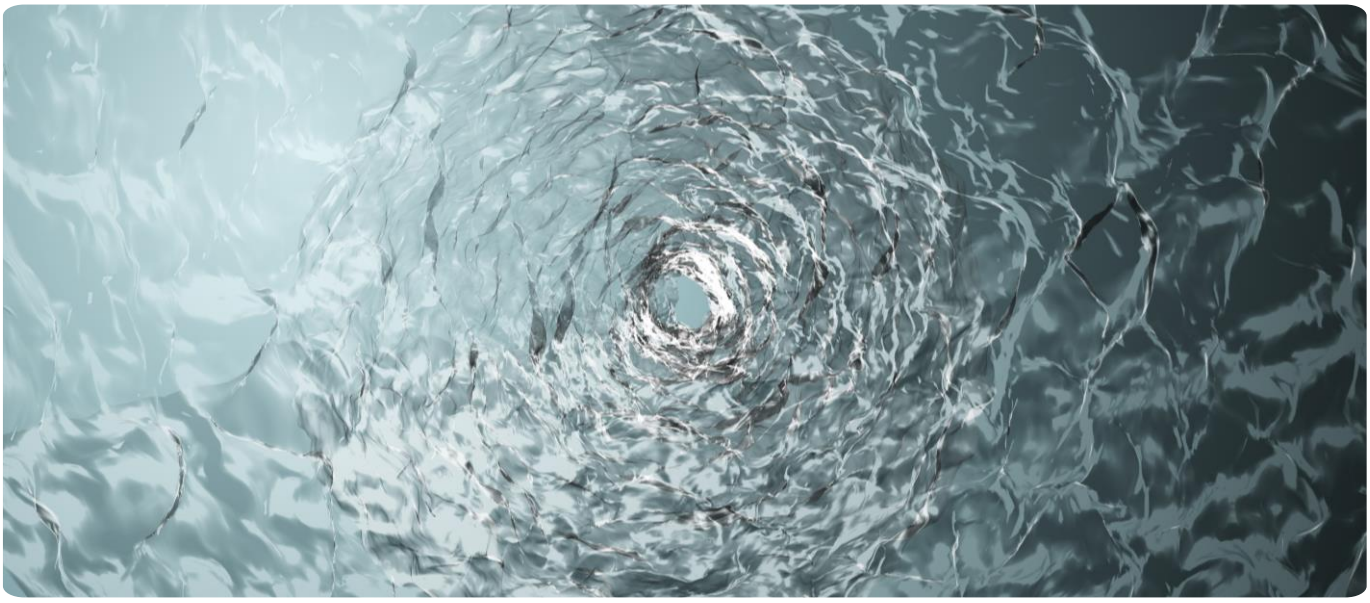
Our review of the CDP framework focused on whether the current contracts remained fit for purpose for AMP7. This included:

1. Analysis of the UK construction market and relevant trends.
2. Review of performance across existing contracts.
3. Assessment of the optimal procurement strategy for AMP7.

We also considered lessons learned from AMP6 to ensure future delivery could benefit from previous experience and best practice.

The results

Barkers confirmed that United Utilities' facilities management contracts represented good value for money and were fully justified to both shareholders and regulatory bodies.

Based on contract performance, market insight, and procurement analysis, we also recommended extending the CDP framework contracts into AMP7. This gave United Utilities the confidence to move forward with a clear, evidence-led strategy for their next asset management phase.

> An asset to anyone with complicated renegotiation or procurement requirements.
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> John Sharkey, Head Of CIO Business Partners, United Utilities