Here is a checklist that you can use as best practice when conducting due diligence on suppliers for facilities management contracts:

By using this checklist, your company can ensure teams have conducted best practice due diligence when selecting suppliers for contracts. This, in turn, can lead to improved service quality, cost control, and enhanced business performance.

1. Background Checks | Conduct comprehensive background checks on potential suppliers, including reference checks, financial reports, and site visits. | ☐
2. Evaluation Criteria | Establish a structured and consistent set of criteria for evaluating potential suppliers, including experience, certifications, financial stability, and reputation. | ☐
3. Regulatory Compliance | Ensure that suppliers comply with relevant regulations and standards, such as health and safety, environmental, and labour laws. | ☐
4. Supplier Relationship Management | Establish clear processes for managing relationships with suppliers, including regular communication, performance reviews, and addressing any issues that arise. | ☐
5. Risk Assessment | Conduct a thorough risk assessment, including operational, financial, and reputational risks. | ☐
6. Contingency Planning | Establish a contingency plan for supplier failure and communicate it clearly to all stakeholders. | ☐
7. Technology Capabilities | Verify that suppliers have the necessary technology capabilities and infrastructure to manage the facility effectively, such as building automation systems and work order management software. | ☐
8. Sustainability | Assess suppliers' sustainability strategies and track record of sustainable practices. | ☐
9. Insurance and Liability | Verify that suppliers have adequate insurance coverage and liability protection. | ☐
10. Health and Safety | Assess suppliers' health and safety record, policies, and procedures. | ☐
11. Performance Monitoring | Establish a process for monitoring supplier performance regularly and identifying any issues. | ☐
12. Licenses, Permits, and Certifications | Verify that suppliers have appropriate licenses, permits, and certifications. | ☐
13. Financial Stability | Assess suppliers' financial stability and ensure that they have a sound financial track record. | ☐
14. Supply Chain Management | Evaluate suppliers' supply chain management practices and assess their ability to manage their own suppliers effectively. | ☐
15. Staffing Levels and Skills | Verify that suppliers have appropriate staffing levels and skills to manage the facility effectively. | ☐
16. Audits | Establish a process for conducting regular audits of suppliers' operations and compliance with regulations and standards. | ☐
17. Meeting Deadlines | Assess suppliers' track record of meeting deadlines and delivering on their commitments. | ☐
18. Quality Management | Verify that suppliers have appropriate quality management processes in place and are committed to continuous improvement. | ☐
19. Contractual Terms and Conditions | Establish clear contractual terms and conditions, including service level agreements and key performance indicators. | ☐
20. Stakeholder Commitment | Ensure that all stakeholders, including suppliers, employees, and customers, understand and are committed to the due diligence process. | ☐

You can easily track your progress and ensure that you have covered all the necessary items in your due diligence process.

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