

Board of Management Finance & Physical Resources Committee

Date of Meeting	Wednesday 31 May 2017
Paper No.	FPRC5-H
Agenda Item	9
Subject of Paper	FM Report
FOISA Status	Disclosable
Primary Contact	F Samara, Vice Principal: Infrastructure
Date of production	May 2017
Action	For Discussion and Review

1. Recommendations

- The Committee is asked to review and discuss this report which is for noting.

2. Purpose of report

The paper is the first progress report providing the Committee reportage on business as usual Facilities Management covering the first eight months of full operations.

3. Infrastructure

3.1 Estates

During the reporting period (to May 2017) the work can be split into distinct categories some of which will remain as part of the ongoing contract management responsibilities and others listed below under completion that in time, as we get closer to 23 August 2017, will be closed out.

On Going	Contract Administration (Payments & Performance)
	Management of required Changes (LVC, MVC, HVC)
	Management of Health & Safety
	Management of identified Operational Snags (Help Desk)
	Management of Planned Maintenance
Completion	Management of identified Completion Snags
	Management of the Agreed Derogations
	Management of Campus Development and Completion

3.1.0 Staffing

Following a rigorous selection process we identified two suitable candidates to take up the post of H&S Compliance Manager (Andrew Neil) and the newly established NPD Contract Compliance Managers (Heather Taylor). Both managers will report to the existing Head of Estates Leslie Paterson. Andrew is an experienced manager and Heather has been indirectly employed by the College for over 2 years through her employer Turner & Townsend Project Management where she successfully supported the migration and transition phases of the New Campus Project.

We continue to finalise our resource requirements to ensure that our staffing structure for ongoing NPD *Contract Management* is validated and delivers a fit for purpose operating model – this is a 25 year partnership during which the signed Project Agreement (PA) remains in place, detailed dedicated resource will be essential and beneficial to ensure that all the aspects of the PA are fully understood and applied. The ELT are reflecting on additional support needs needed to ensure a suitable and sustainable Estates Management Structure.

3.1.1 Contract Administration (Payments & Performance)

The College continues to log calls via the Operational Helpdesk and the number of open calls on the helpdesk has stabilised at around 600 to 700 per month. The number of work logs generated continues to prove challenging for GLQ to rectify in accordance with contractual timeframes and we have and will continue to apply relevant deductions where applicable.

The total deductions the College has applied from April 2016 to February 2017 is estimated at approximately **£810,000** for contractual non-performance. The College will continue to apply deductions for non-performance as we recognise that this is a key factor in driving up level of service. The total figure is made up of **£116,000 deductions because of derogation** works (not ratcheted); **£250,000 deductions** because of not completing **snagging** works on time and an initial estimate of **£447,000 in ongoing deductions** for not meeting Contractual Performance Standards.

The complexities of the contract, the level of deductions involved and the multi-party process involved in getting to an agreed monthly deduction level has proved to be a time-consuming and indeed challenging process. The result of this is the longer than anticipated timeframe to get agreement. However remaining determined and setting an initial benchmark of our expectations will set a high service performance target demanded by the College. There is significant effort involved in checking the monthly PayMech reports. The exercise is worthwhile for the College evidenced by Septembers PayMech reviews. The initial submission was for £31,000 but following several iterations has increased to £58,000 following the Colleges review.

We have requested a PayMech recovery programme from GLQ to clear backdated reports.

The table below details the position of deductions taken from December 2015. Deductions from September are taking longer to be agreed because of the volume of jobs raised by the College. We have now agreed the September deductions. The College is now challenging the deduction levels reported for October 2016 (last meeting held 18 May 2016). This process is providing both time consuming and challenging. By focussing on the general principles we are aiming to catch up with the monthly PayMech and to develop a more streamlined process for agreement.

Deductions (Payment & Performance)	
Month	Amount
Dec 2015	£10,848.32
Jan 2016	£13,437.41
Feb 2016	£9,476.04
March 2016	£7,164.54
April 2016	£8,777.02
May 2016	£13,169.78
June 2016	£16,932.70
July 2016	£9,903.28
August 2016	£13,122.91
Sep 2016 *	£30,150.88 £58,195*
Oct 2016	£68,233 ** Rejected 15 May 2016
Nov 2016	£104,586***
Dec 2016	£73,482***
Jan 2017	£44,876***
Feb 2017	£36,080***

- * The initial submission was just over £30,000 which has increased to £58,000 following detailed internal review.
- ** We are agreeing the principles that will be applied to ensure that the process of arriving at a performance figure is more efficient.
- *** No detailed review.

3.1.2 Management of the Agreed Derogations

Practical Completion of City Campus was achieved in late August with the campus formally handed over on 22nd August 2016. As reported at previous meetings a schedule of derogations was developed as part of the completion documentation. GLQ are well aware of their responsibilities re incomplete works. The College accepted Service Availability on 22nd August, however there was a significant number of areas unavailable and jobs which could not be considered as snagging and declared as still outstanding – this set of jobs has become known as the schedule of derogations. The schedule was formally agreed and the College is applying appropriate deductions from agreed completion dates. We have been in discussions using the availability and performance failures to agree a cost failure. The Derogation updated schedule was examined in detail item by item. We have now received a formal GLQ proposal offering £116,748.58 worth of deductions – we are minded to accept this figure to bring to a close the issue of derogations.

Derogations (Total Deductions £116,748.58 – credit note issued)	
22 August	Business: 102 Comp Criteria & Other: 38 FF&E: 40 Other: 14 TOTAL: 194
18 January	8 (as of 18 Jan)
Feb/March	4
April	3
Outstanding	1 Completion Certificate for phase 4

3.1.3 Management of Identified Completion Snags

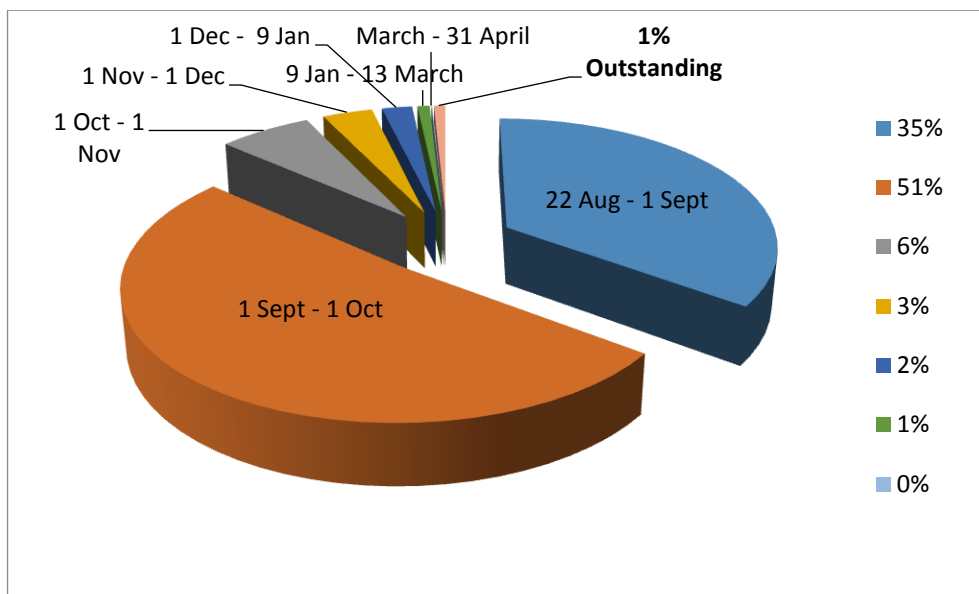
Steady progress on the close out of snagging has been maintained with a very limited number of 'long lead snags' remaining for sign off.

The College continues to work closely with GLQ and Independent Testers, Currie & Brown to review progress relative to close out and to deal with any non-compliances in addition to any College initiated changes.

In general the College view is that there has been slippage in addressing some snagging issues and we are also experiencing a high number of faults, defects and non-compliance issues raised via the Operational Helpdesk. These are reported in more detail elsewhere in this report. A significant programme of remedial work was undertaken during the Easter Holiday to address issues which particularly impacted on delivery of the curriculum. It should be noted that the College has exercised its rights under the contract and is actively applying 'Availability' and 'Performance' deductions as appropriate for all incomplete or unavailable spaces in addition to where reportage is received later than the contractual obligation. It is thought that the level of these deductions should incentivise the contractor to progress any outstanding issues. Offer received from GLQ by email (17 May 2017) that we are minded to accept:

*I attach the revised workbook and the revised preamble page to reflect these amendments. The total for Snagging is now **£249,966.09**. I would be grateful if you could formally review both elements and confirm acceptance/agreement by return (reply to all). On agreement of both elements, I shall arrange for a further credit note (in addition to credit note already issued £116,000 for derogation) to be issued for the outstanding sum of £249,966.09. In the meantime, if there is any further information you require, please let me know.*

Summary of snags	Open Snags	Snags completed	
22 August	12,223		
1 September	7938	4285 (35%)	
3 October	1663	6275 (51%)	
1 November	883	780 (6%)	
1 December	462	421 (3%)	
9 January	207	255 (2%)	
12 March	104	103 (1%)	
	8	96 (0%)	All Structural Related



3.1.4 Management of required Changes (LVC, MVC, HVC)

The project agreement provides a mechanism to manage any request to make changes. According to the PA changes can fall into one of 4 classifications:

- Derogated (managed by the college)
- Low Value (< £5,000)
- Medium Value (< £100,000)
- High Value (> £100,000).

The Project Agreement is explicit as to the process which should be followed.

Low Value Changes

Low Value changes since 22nd August:

City 116, of which 63 complete = 54%

(142 raised post 22/08, 14 withdrawn, 12 derogated = 116)

Riverside 20, of which 11 are complete = 55%

These continue to be asked for daily and they are reviewed weekly.

Only 20% have been returned costed by GLQ in the 5 day compliance window

Medium Value Changes

Medium Value changes raised since 22 Aug: City 4, Riverside 3.

City

- Additional Toilets adjacent to Multi-purpose room and sports hall
- Warm air curtains to assisted entrance doors level 0 and 2
- CHP regeneration
- External furniture

Riverside

- CHP regeneration
- Reconfiguring renewables workshop
- Removal of internal wall for HoR

Malicious Damage

Total of 84 malicious damage incidents raised. These continue to be challenged where appropriate. Only 4 received in the last 2 months.

3.2 Soft Services (Facilities Management)

3.2.1 Staffing

Following a selection process we appointed a dedicated Cleaning Manager who started 22 November 2016 and a Soft Services Manager who started 16 January 2017. The cleaning manager is tasked with improving and monitoring. At the latest service review, the Cleaning Manager has been commended for the proactive style with which he has approached this task and his impact has been immediate and noticeable. The Soft Services Manager has been tasked with ensuring that he is managing among other contracts the Utilities Contracts:

- Electricity (EDF Energy)
- Gas (Total Gas and Power)
- Water (Anglian Water)
- Gas Oil (Scottish Fuels)
- Marine Oil (Scottish Fuels)
- Bio-Diesel (Scottish Fuels)
- Review of sustainability
- Review of PPM
- Review of waste management

Facilities

Utilities

Monthly utility meetings are held with GLQ / FES FM further to receipt of monthly reports.

Consumption is monitored and is generally on target apart from Gas at City.

College Consumption/Budget Projections for 2016/17:

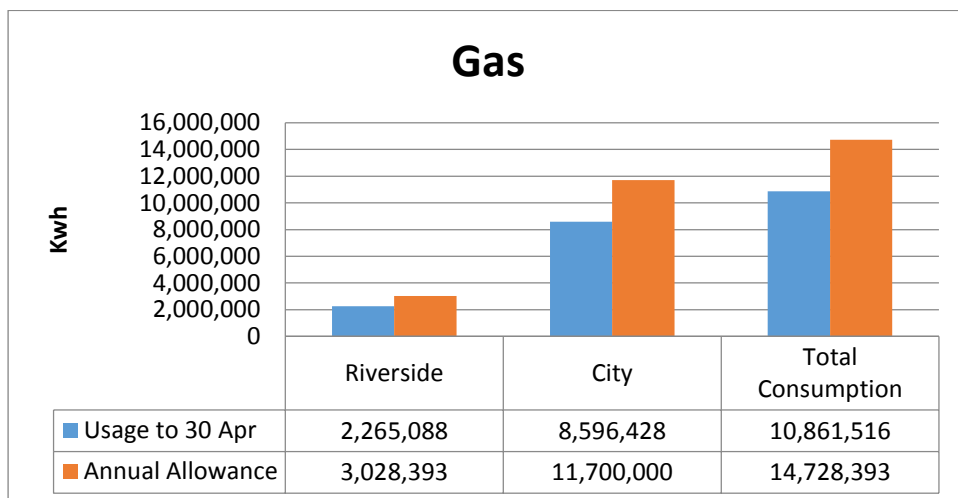
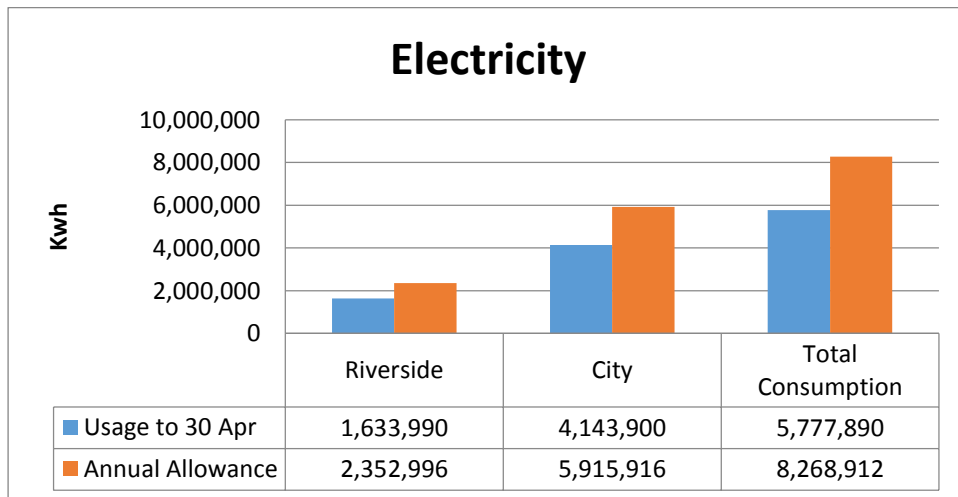
Utility	Riverside (Inc HoR)	City	Total Consumption	Cost	Total Cost
Electricity (Kwh)	2,352,996	5,915,916	8,268,912	9.5p/Kwh	£785,547
Gas (Kwh)	3,028,393	11,700,000	14,728,393	1.7p/Kwh	£250,383
Water (m3)	13,071	32,866	45,937	£1.54/m3 plus £131,409 fixed charges	£202,152
Total					£1,238,082

From review of actual consumption covering the period 1 August 2016 to

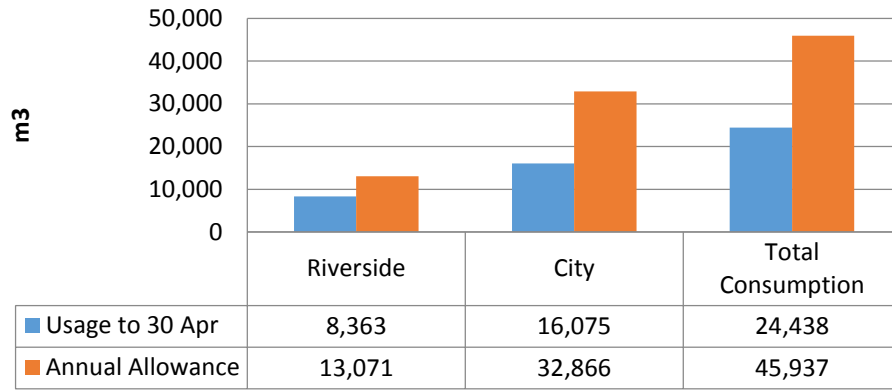
30 April 2017 within the table below, electricity, gas and water consumption are on target.

Utility	Riverside (Inc HoR)	City	Total Consumption	Cost	Total Cost
Electricity (Kwh)	1,633,650	4,143,900	5,777,890	9.5p/Kwh	£548,867
Gas (Kwh)	2,265,088	8,596,428	10,861,516	1.7p/Kwh	£184,646
Water (m3)	8,363	16,075	24,438	£1.54/m3 plus £131,40 9 fixed charges	£169,044
Total					£902,577

Note: Riverside Campus has one main meter per utility. GLQ provide submeter details in splitting the Halls of Residence annually. Therefore, for the purposes of this report we have used main meter data only.

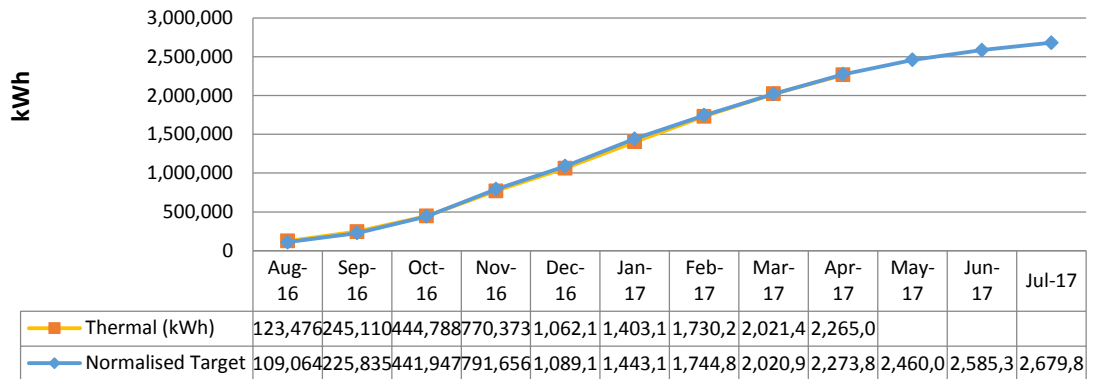


Water



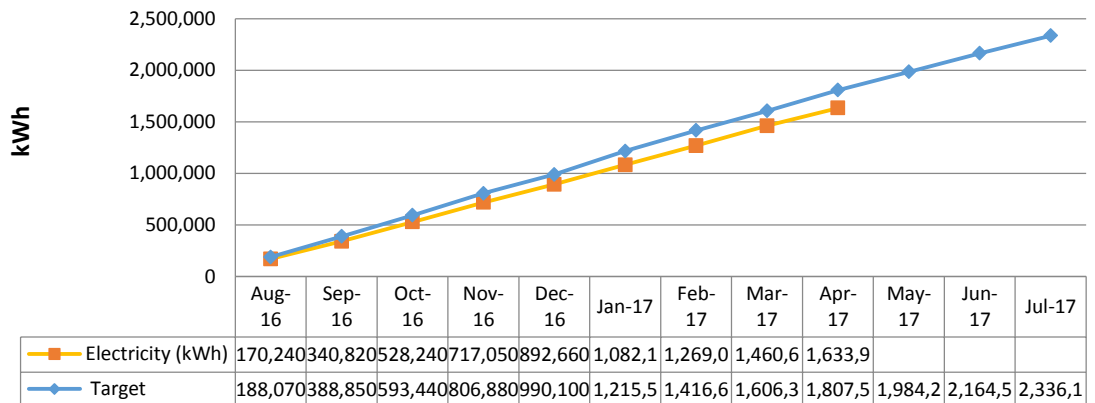
Riverside Gas

Thermal Energy consumption is currently 0.4% below target consumption

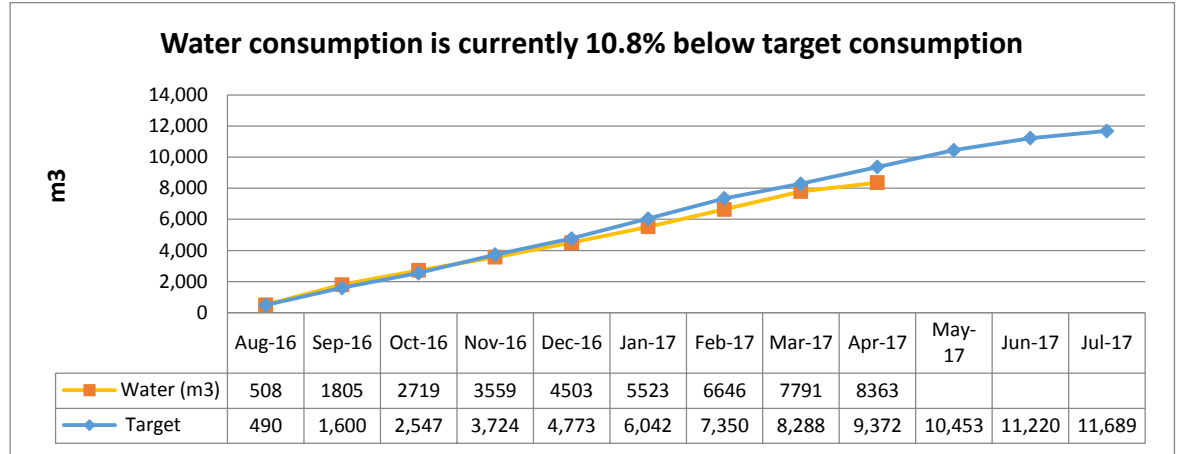


Riverside Electricity

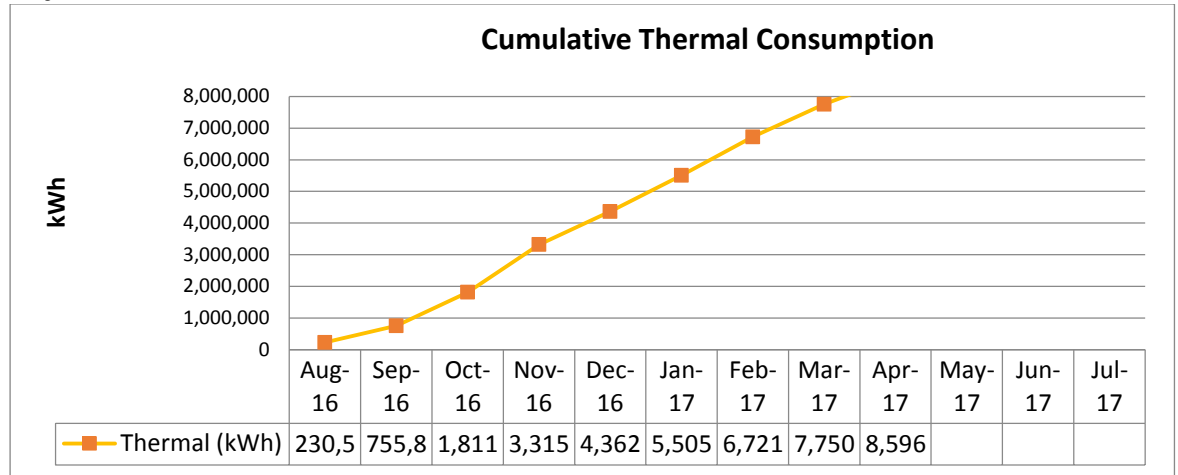
Electricity consumption is currently 9.6% below target consumption



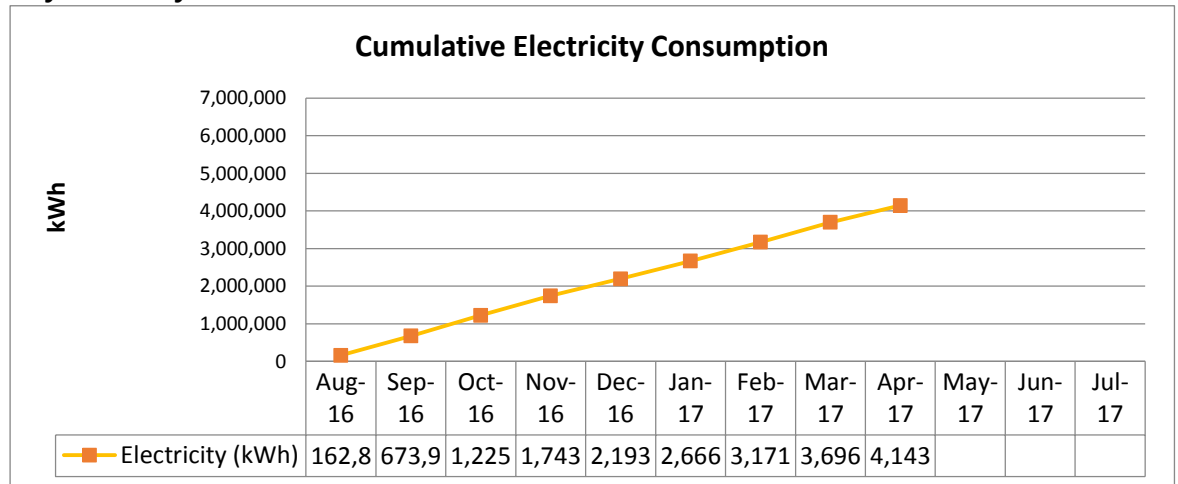
Riverside Water



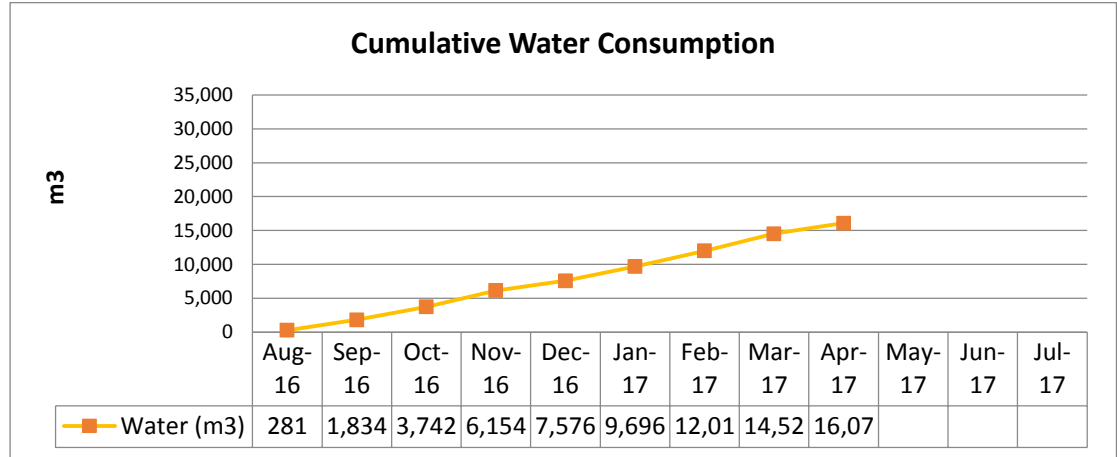
City Gas



City Electricity



City Water

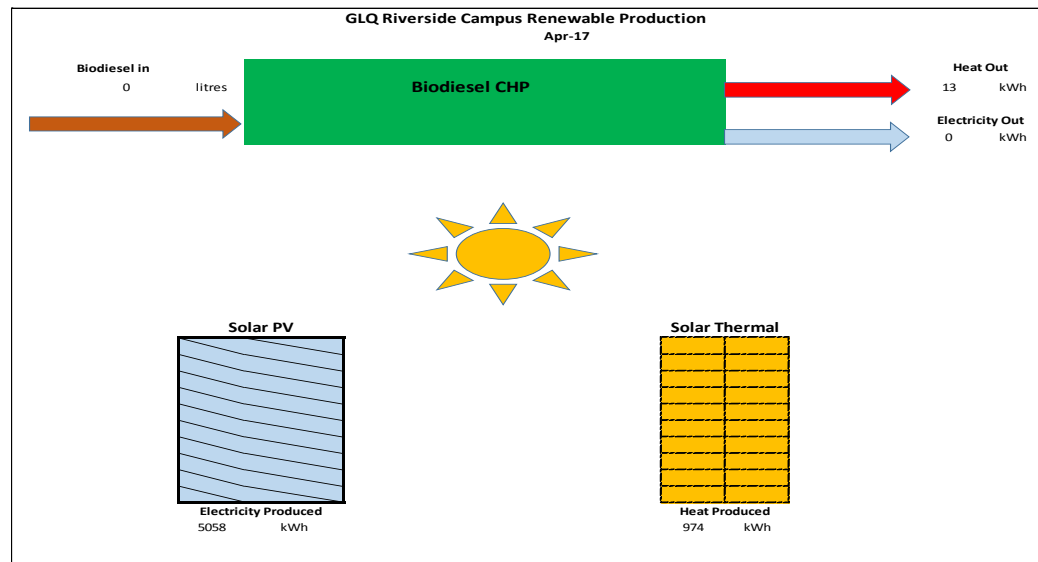


Renewables

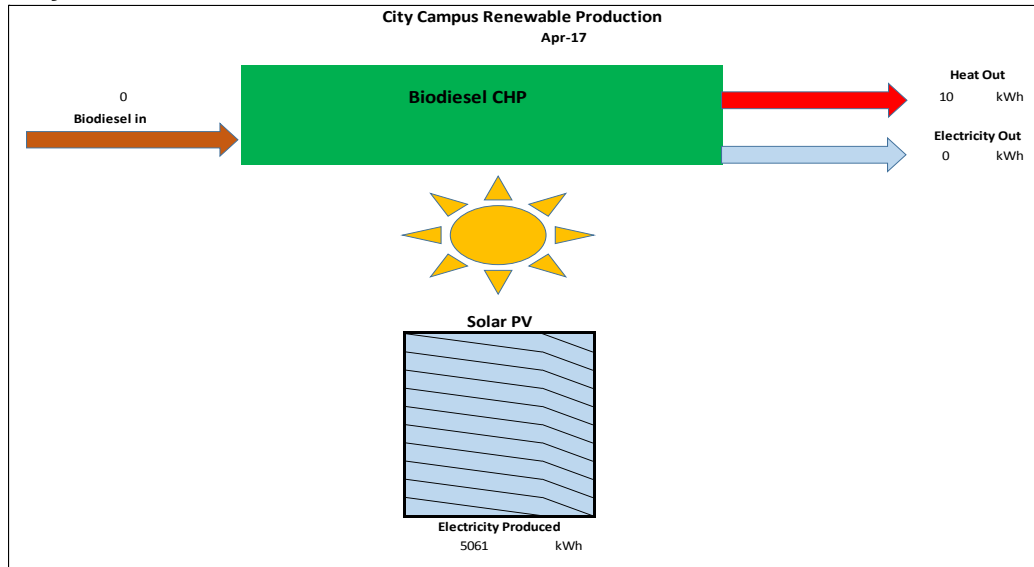
Reporting will now include output from renewable sources. Working closely with FES FM, we have requested accumulative data for all sources. We have also asked for rainwater harvesting data demonstrating efficiencies obtained.

At City, FES FM is awaiting a heat meter to be installed on the solar thermal apparatus. Once this has been completed, we will include with report.

Riverside



City



Bio-Diesel – City and Riverside

A Medium Value Change (MVC) submitted to GLQ on 14 February 2017 was split into 2 parts due to a delay in receiving costs from Energi (Engine Commissioning). On 20 April 2017, we received a cost of £20,845.49 exclusive of VAT to empty, clean and dispose of fuel from both fuel tanks. This was accepted on 25 April 2017. **Works has been scheduled to take place on 31 May and 1 June 2017.**

On 10 May 2017, we received costs at £24,007.10 exclusive of VAT to commission the tanks. A full scope of works has been requested and from there we are confident the works will be accepted and arranged to take place in early June 2017.

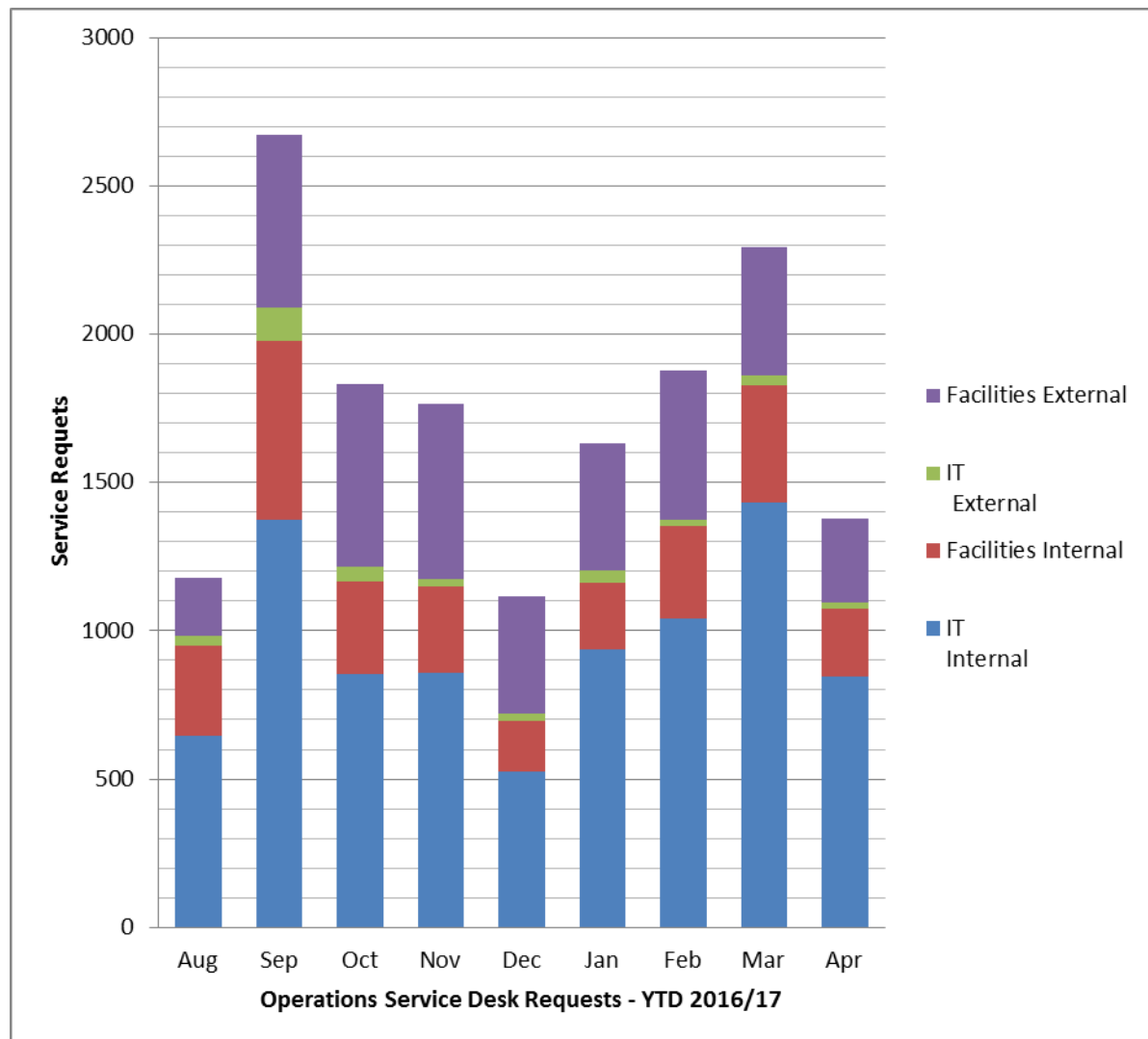
The College responded to Scottish Fuels by letter dated 30 March 2017 further to their letter on 28 February 2017 looking to come to an amicable solution. The College to date have not received a replay. A follow up letter is being drafted encouraging an amicable solution. Should that fail, we fully intend to seek legal advice in an attempt to resolve the matter.

3.3 Operational Help Desk

Development of a feature to link service requests from Enquirer to FES's service desk tool Maximo has been implemented, allowing our Service Desk staff to quickly and easily cross-reference activity logs and statutes for jobs passed to FES for action.

Service improvements identified from the recent Performance Review process are also being developed, including new Key Performance Indicators for IT Technician and Facilities staff service delivery and Call Management / telephony. Customer satisfaction measures such as surveys are also planned for introduction during next academic year.

Service Desk Requests



Please note that all external (GLQ) jobs registered on our internal help become the means by which the performance contract is measured and monitored.