

## Board of Management

### Finance & Physical Resources Committee

<b>Date of Meeting</b>	<b>Wednesday 27 September 2017</b>
<b>Paper No.</b>	<b>FPRC1-G</b>
<b>Agenda Item</b>	<b>9</b>
<b>Subject of Paper</b>	<b>Facilities Management Report</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>F Samara, Vice Principal: Infrastructure</b>
<b>Date of production</b>	<b>August 2017</b>
<b>Action</b>	<b>For Discussion</b>

#### 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 full year of operations.

### 3. Infrastructure

#### 3.1 Estates

During the reporting period (to 31 July 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.

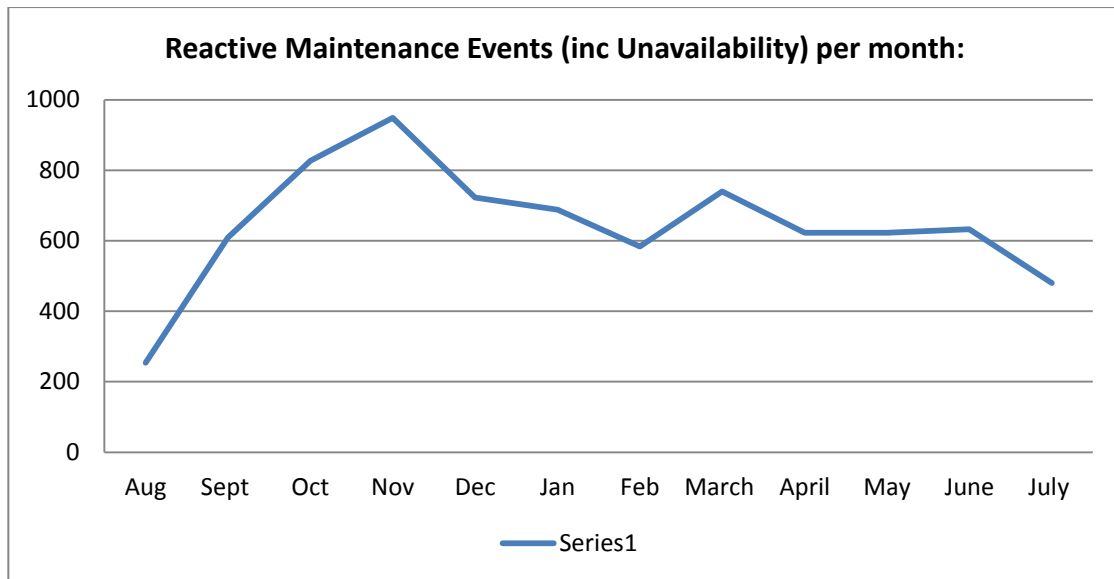
On Going	Contract Administration (Payments & Performance)
	Management of required Changes (LVC, MVC, HVC)
	Management of Health & Safety
	Management of identified Operational Snags (Help Desk)
	Management of Planned Maintenance
Completion	Management of identified Completion Snags (99% Complete)
	Management of the Agreed Derogations ( <b>deductions agreed – closed out</b> )
	Management of Campus Development and Completion (1 outstanding)

#### 3.1.0 Staffing

The H&S Compliance Manager (Andrew Neil) and the NPD Contract Compliance Manager (Heather Taylor) have been in post now for 5 and 3 months respectively and they report to the existing Head of Estates Leslie Paterson. 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 all the associated rules applied. The ELT are continuing to reflect on overall structure requirements and on additional support needs essential 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 calls logged on the helpdesk is shown on the table below, with the monthly average being 644 events. The number of work logs generated continues to prove challenging for GLQ to rectify in accordance with contractual timeframes and we continue to apply relevant deductions where applicable to drive up performance. Overall there is a slight downward trend in the number of service events placed on the helpdesk since peaking in November at 949.



The total deductions the College has applied from August 2016 to July 2017 is estimated to be at approximately **£996,000** for contractual non-performance. The College will continue to apply deductions for non-performance as we recognise that applying the legitimate deductions is a key factor in driving up level of service performance. 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 **£630,000 in ongoing deductions** for not meeting Contractual FM Performance Standards. The total figure of £996,000 does not include any deductions for July 2017 and it is likely that this figure will increase after added internal analysis and challenge.

The complexities of the contract, the level of deductions involved and the multi-party process involved in getting to an agreed monthly deduction level continues to be a hugely time-consuming and challenging process with GLQ having to allocate deduction levels between parties. This process will simplify from August and the main focus will be on our onsite FM contractors.

There is PayMech recovery programme from GLQ to clear backdated reports. There has been a College proposed uplift of 10% on initial figures from January to June 2017 which is under consideration from GLQ. The table below details the position of deductions taken from August 2016. 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.

<b>Deductions (Payment &amp; Performance)</b>		
<b>Month</b>	<b>Amount proposed by GLQ</b>	<b>Agreed deduction level</b>
August 2016	£12,957	£13,123
Sep 2016	£30,150	£58,039
Oct 2016	£68,233	£82,072
Nov 2016	£118,700	£140,940
Dec 2016	£73,482	£91,070
Jan 2017	£55,814 *	tbc
Feb 2017	£35,307 **	tbc
March 2017	£50,809 **	tbc
April 2017	£21,955 **	tbc
May 2017	£49,266 **	tbc
June 2017	£30,812 **	tbc
July 2017	Figure still to be submitted	tbc

\* The College has received proposed paymech performance records which we have evaluated with figures still to be agreed with GLQ.

\*\* Whilst the College has received an indication of proposed deduction levels, we have not received paymech performance records to enable evaluation and scrutiny

### **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 22<sup>nd</sup> August 2016. As reported at previous meetings a schedule of derogations was developed as part of the completion documentation. The College accepted Service Availability on 22<sup>nd</sup> 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 applied appropriate deductions from agreed completion dates. The Derogation updated schedule was examined in detail item by item. We have now accepted a formal GLQ proposal offering £116,748.58 worth of deductions.

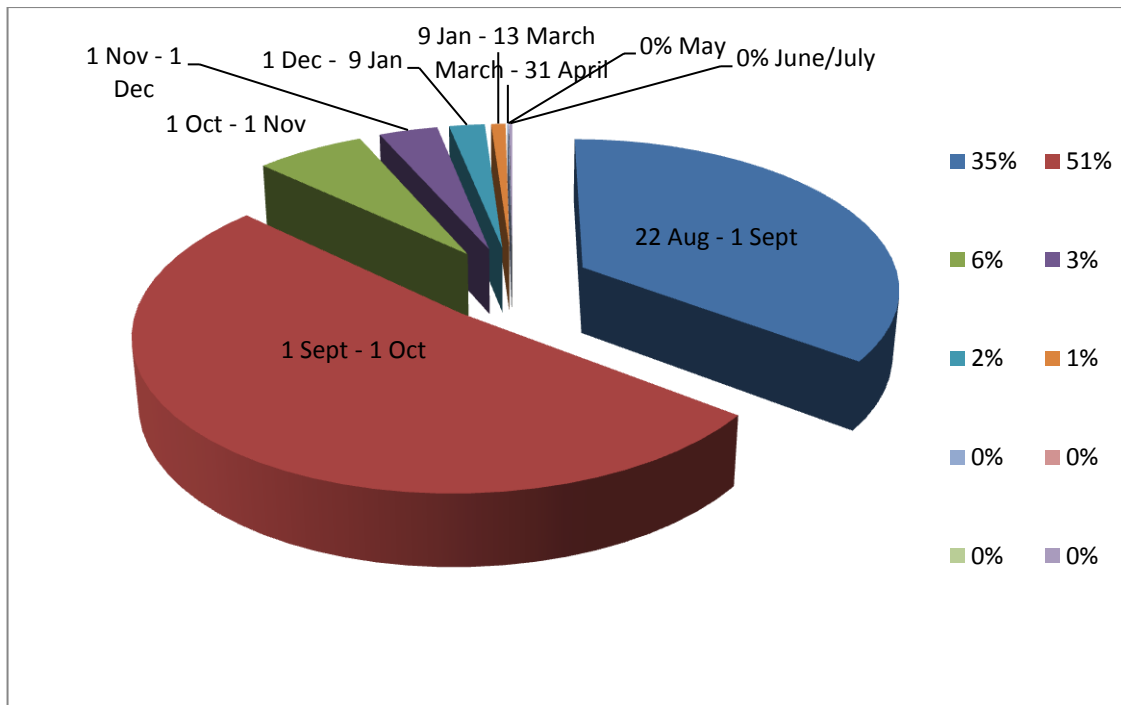
Derogations (Total Deductions £116,748.58 – credit note issued)	
August 2016	Business: 102 Comp Criteria & Other: 38 FF&E: 40 Other: 14 <b>TOTAL: 194</b>
August 2017	<b>4:</b> <ul style="list-style-type: none"> <li>• Completion of Phase 4;</li> <li>• Drainage Survey;</li> <li>• Hose testing of envelope;</li> <li>• AHU Testing.</li> </ul>

### 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 remaining snagging works relate to the external envelope of the building and there have been significant works completed over the summer recess to close these items off. The College believes most of the 74 open snags are now complete but we continue to report them as being open until officially reported as complete.

Summary of snags	Open Snags	Snags completed
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%)
April	96	8 (0%)
May	96	0 (0%)
June/ July	74*	22 (0%)

\* these open snags all relate to Structural work for windows/cladding and should be completed by end of August



As reported previously the College exercised its rights under the contract and applied 'Availability' and 'Performance' deductions for all snaggings. It is thought that the level of these deductions should incentivise the contractor to progress any outstanding issues. The total deductions for Snagging reported at the last FPRC meeting was accepted as **£249,966.09**.

### 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 22<sup>nd</sup> August 2016:

City 154, of which 90 complete = 58%

Riverside 28, of which 16 are complete = 57%

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

Only 18% have been returned costed by GLQ in the 5 day compliance window. The College continues to press GLQ for a quicker response time for costing and completing the work.

Approximately £270,000 of LVC's were raised from August 2016 to July 2017. We have still to be invoiced for a very large proportion of these and these figures will have to be accrued.

## **Medium Value Changes**

Medium Value changes raised: City 5, Riverside 3

### **City**

- Additional Toilets adjacent to Multi-purpose room and sports hall-withdrawn
- Warm air curtains to assisted entrance doors level 0 and 2- on hold
- CHP regeneration £37,000
- External furniture £134,000
- Plastering Workshop £24,000

### **Riverside**

- CHP regeneration £27,000
- Reconfiguring renewables workshop £34,000
- Removal of internal wall for HoR- on hold

## **Malicious Damage**

Total of 138 malicious damage incidents raised. These continue to be challenged where appropriate. GLQ have not as yet invoiced the College for any malicious damage works completed.

## 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 & MSC)	City	Total Consumption	Cost	Total Cost
Electricity (Kwh)	2,352,996	5,915,916	8,268,912	9.5p/Kwh	£785,547
Gas (Kwh)	2,950,844	11,700,000	14,650,844	1.7p/Kwh	£249,064
Water (m3)	13,071	32,866	45,937	£1.54/m3 plus £131,409 fixed charges	£202,152
Total					£1,236,763

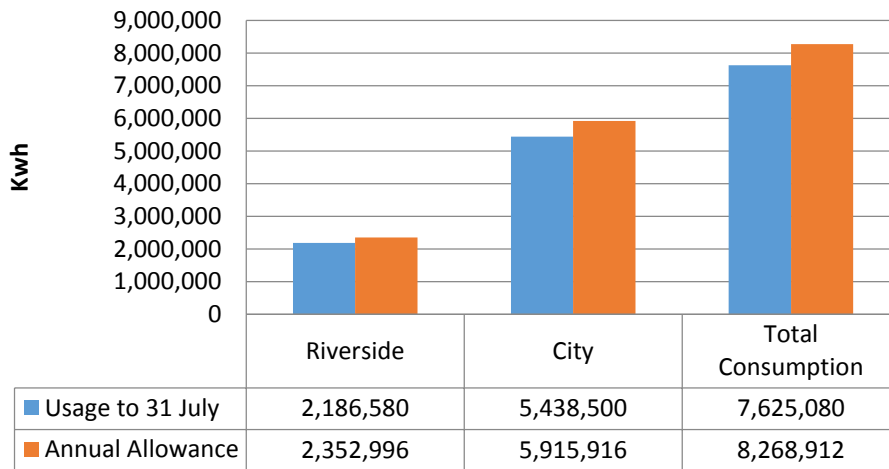
From review of actual consumption covering the period 1 August 2016 to 31 July 2017 (from 22 August 2016 for City) within the table below, electricity, gas and water consumption are all under target consumption and budget.

Utility	Riverside (Inc HoR & MSC)	City	Total Consumption	Cost	Total Cost
Electricity (Kwh)	2,186,580	5,438,500	7,625,080	9.5p/Kwh	£724,383
Gas (Kwh)	2,783,864	9,869,043	12,652,907	1.7p/Kwh	£215,099
Water (m3)	10,600	20,348	30,948	£1.54/m3 plus £131,409 fixed charges	£179,069
Total					£1,118,551

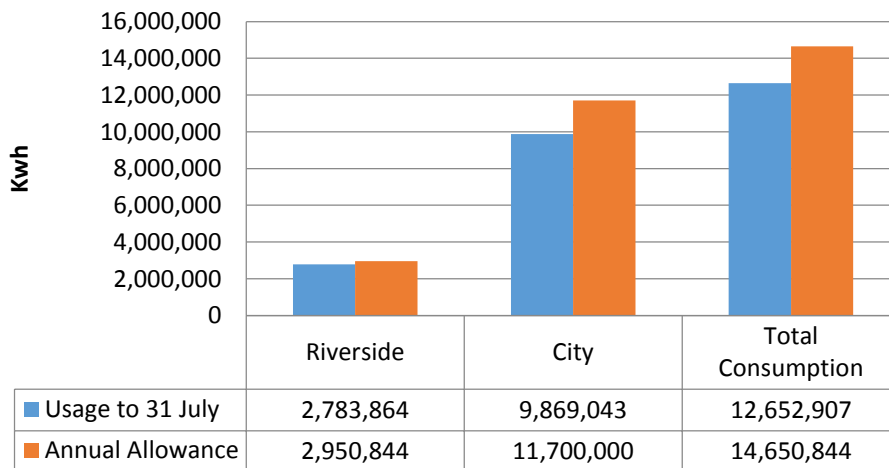
Note: Riverside Campus has one main meter per utility. GLQ provide submeter details in splitting the Halls of Residence annually. Therefore, for the purposes of this report we have used main meter data only.



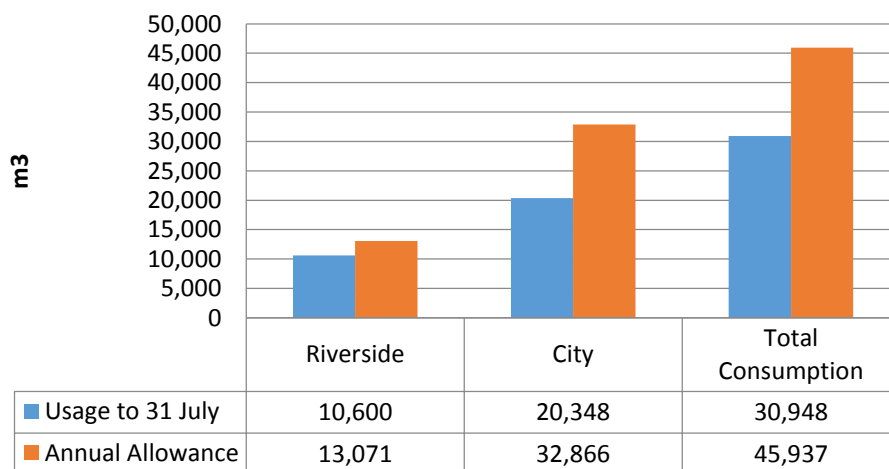
## Electricity



## Gas

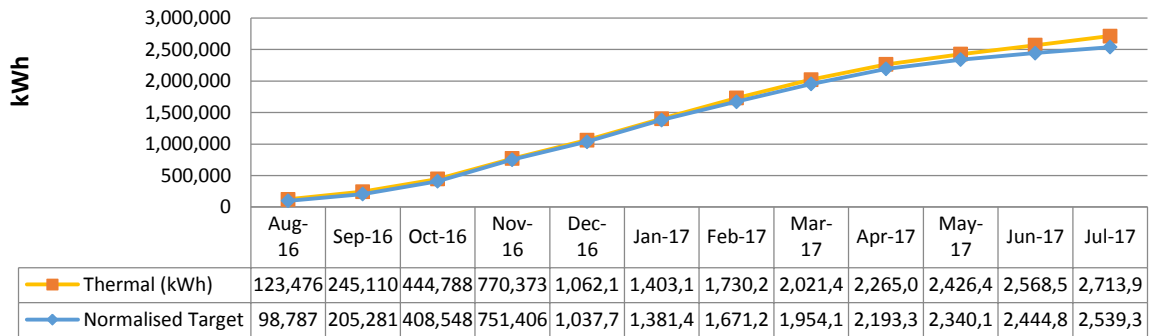


## Water



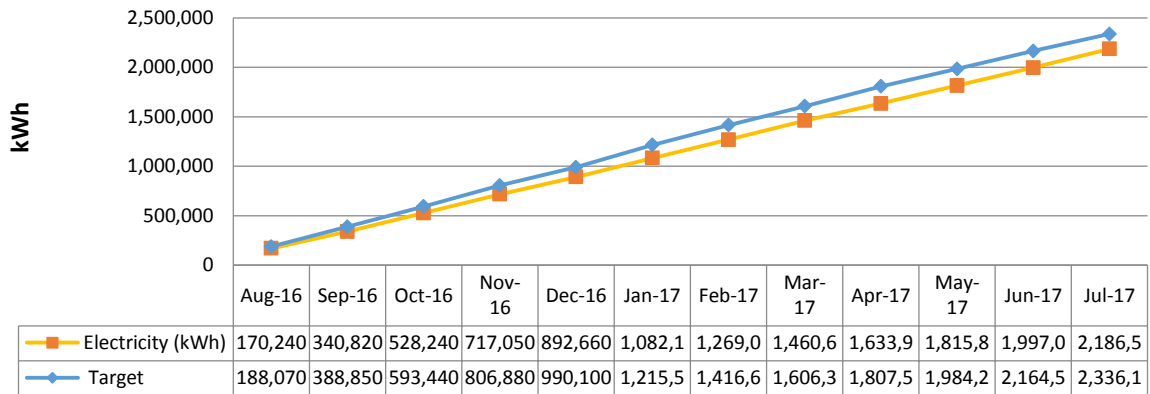
## Riverside Gas

**Thermal Energy consumption is currently 6.9% above target consumption**



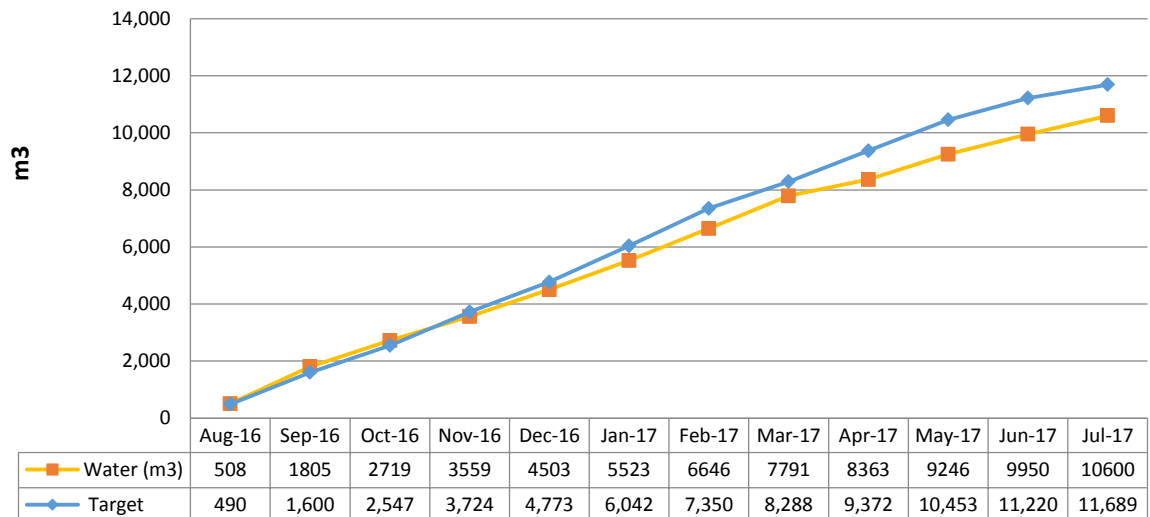
## Riverside Electricity

**Electricity consumption is currently 6.4% below target consumption**

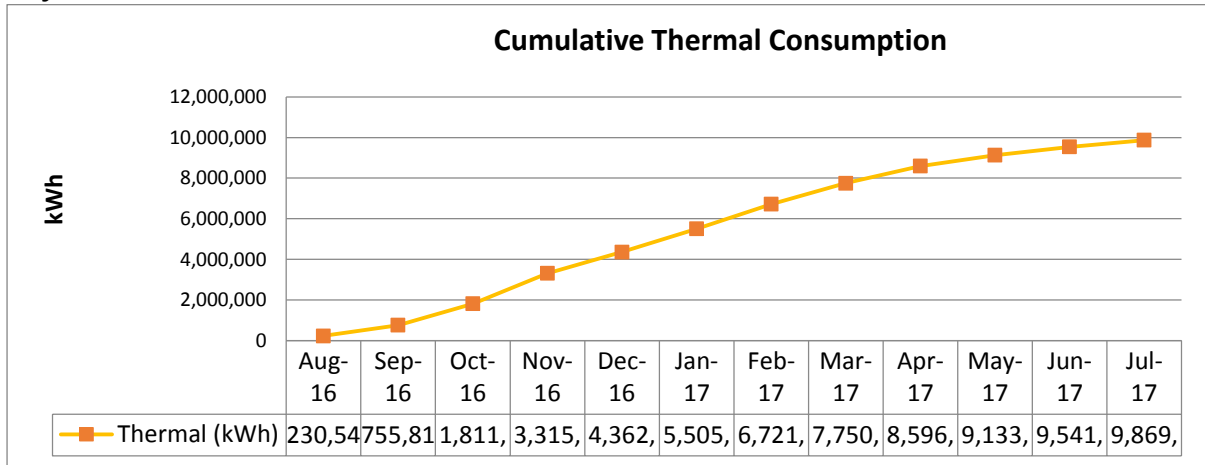


## Riverside Water

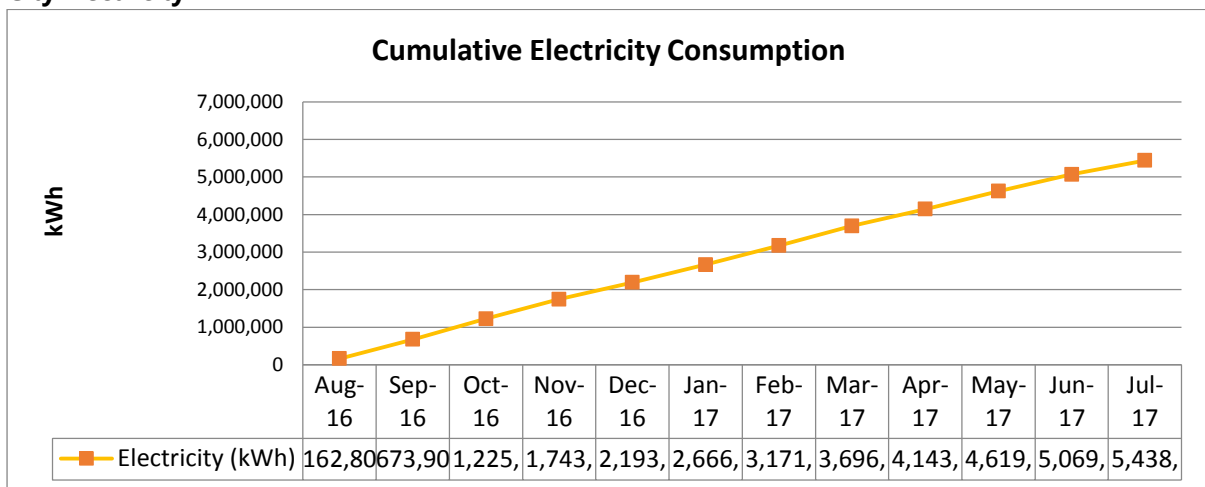
**Water consumption is currently 9.3% below target consumption**



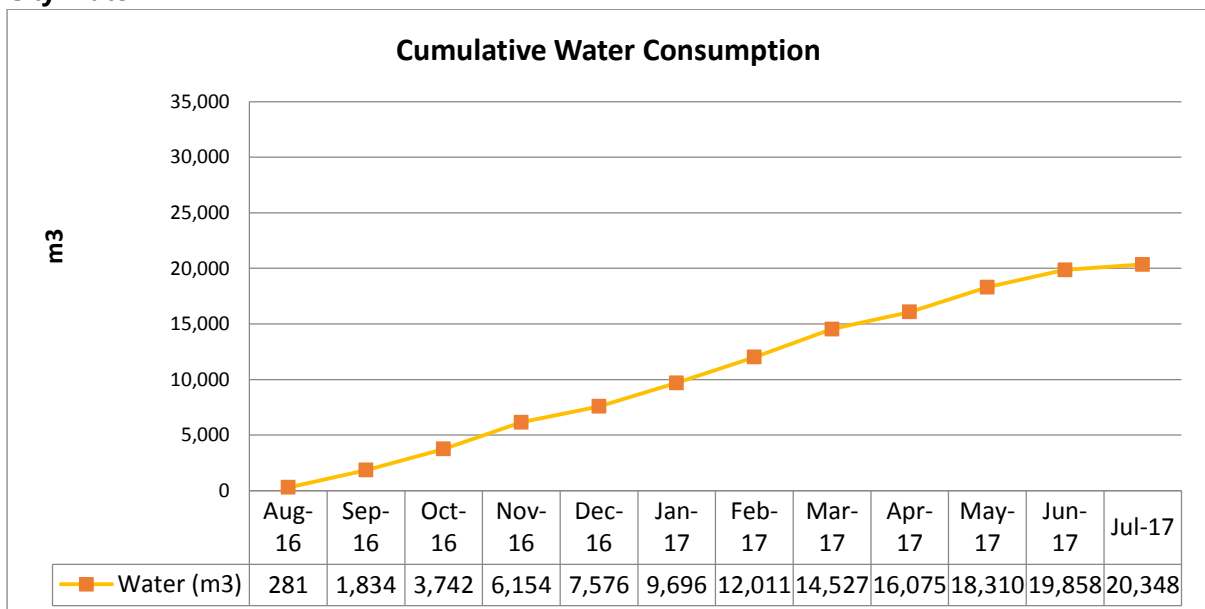
### City Gas



### City Electricity



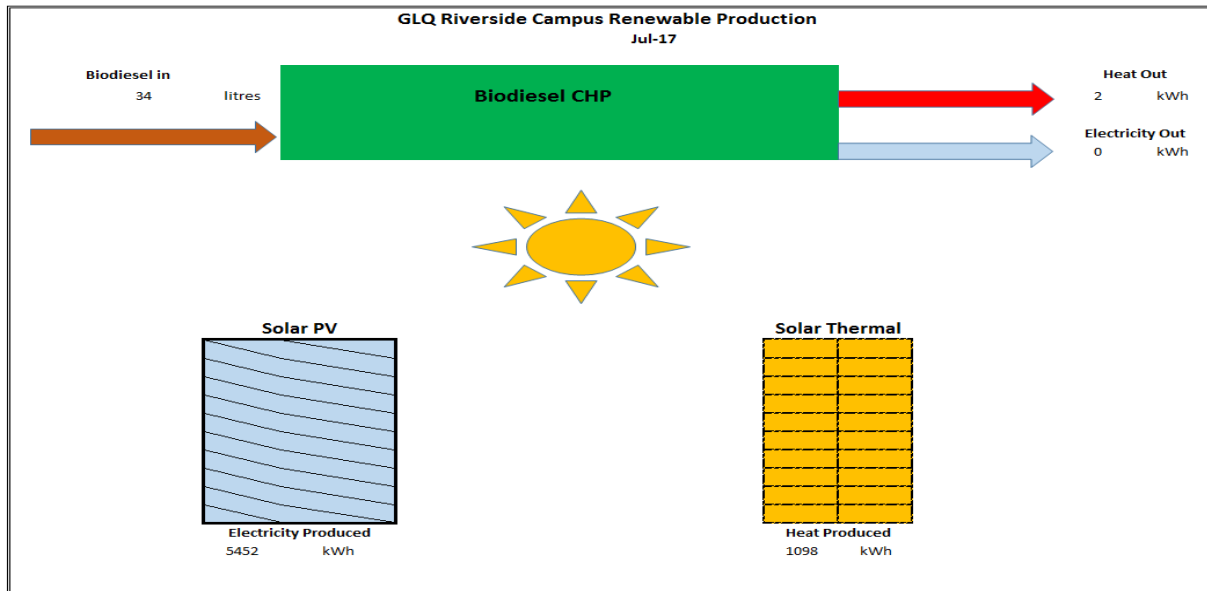
### City Water



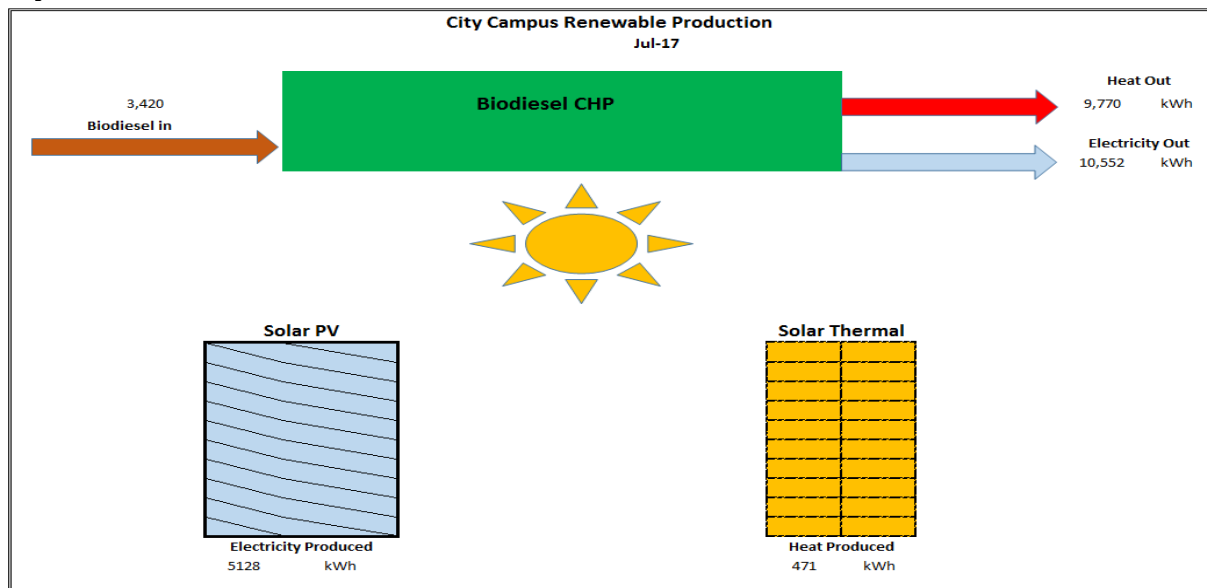
## Renewables

For 2017/18, working with FES FM, we will include accumulative data for all renewable sources which will also include rainwater harvesting.

### Riverside



### City



### Bio-Diesel – City and Riverside

Engine at City is now fully operational and over that last 6 weeks has been running as expected well.

Engine at Riverside has been cleaned and commissioned. Replacement PCB has been fitted and another fault identified. Part was due to be fitted on Monday 28 August 2017. FES FM chasing.

It was agreed with Scottish Fuels that we would run both engines for a period of 6 weeks, provide them with samples of the fuel and if the engines were still operating correctly, they would take our case forward against Argent (supplier). A meeting will be held with Scottish Fuels w/c 25 September 2017 in progressing this as the engine at City will have run for over 6 weeks at that time.