

## Board of Management Finance & Physical Resources Committee

<b>Date of Meeting</b>	<b>Wednesday 22 November 2017</b>
<b>Paper No.</b>	<b>FPRC2-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>November 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 provides the Committee with reportage on business as usual Facilities Management from August to October 2017.

## **3. Infrastructure**

### **3.1 Estates**

During the reporting period (to 31 October) the work can be split into distinct categories some of which will remain as part of the ongoing contract management responsibilities.

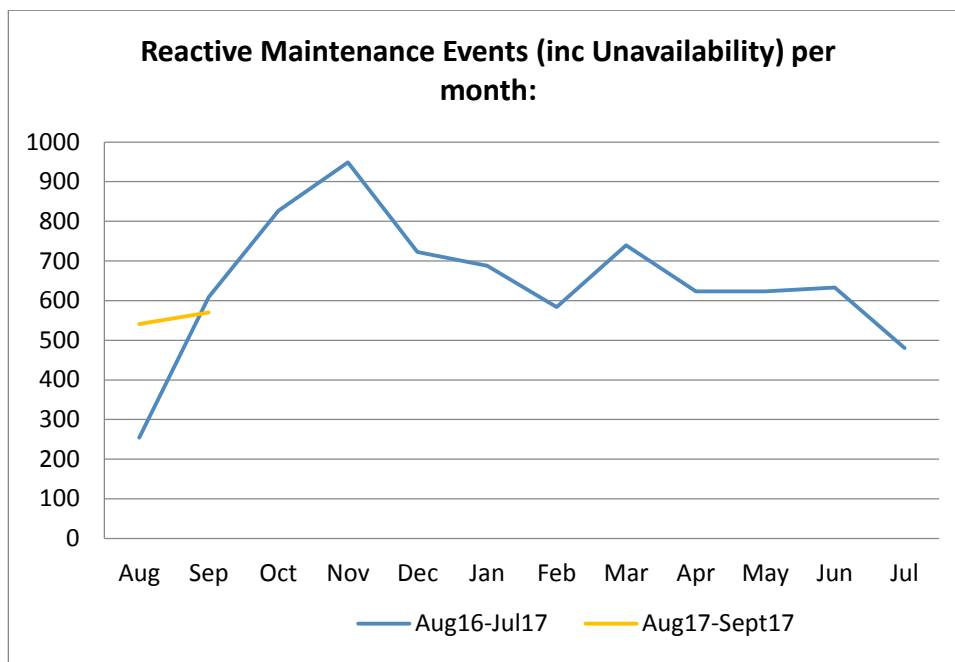
#### **3.1.1 Staffing**

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. The College has committed to employing a Fire Compliance Officer on a Temporary Basis up until July 2018. Interviews took place on 8 November and there was a successful candidate who has been offered the position.

#### **3.1.2 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 in 2016/17 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 downward trend in the number of service events placed on the helpdesk since peaking in November 2016 at 949.

The chart below compares logged calls against the same period last year. In August and September 2017 there were 541 & 570 calls logged respectively. This represents a reduction in calls logged in the same period last year.



2016/2017: The total deductions the College has applied from August 2016 to July 2017 is **£1,032,000** for contractual non-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 a now agreed figure of **£666,000 in deductions** for not meeting Contractual FM Performance Standards.

2017/2018: August and September deductions have still to be agreed.

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, however this process will simplify from September's Payment Mechanism as the only focus will be on our onsite FM contractors.

The College proposed an uplift of 10% on initial figures from January to June 2017; however January was then since agreed. The uplift was then proposed for February to July which was accepted by GLQ. The table below details the level of deductions taken from August 2016 to present. By negotiating this uplift rather than detailed review we have caught up with the monthly Payment backlog. The 10% uplift represented good value for the College when compared to the increase in the few months immediately preceding the agreement.

GLQ proposed deductions levels for August 2017 as £11,537. The College reviewed the Paymech and we are awaiting a resubmission form GLQ.

2016/2017:

<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	£30,151	£58,039
Oct 2016	£68,233	£82,072
Nov 2016	£118,700	£140,940
Dec 2016	£82,694	£91,070
Jan 2017	£55,814	59,573
Feb 2017	£35,307	£38,838
March 2017	£50,890	£55,979
April 2017	£21,955	£24,151
May 2017	£49,266	£54,193
June 2017	£30,812	£33,893
July 2017	£12,630	£13,893
<b>Proposed vs Agreed</b>	<b>£569,410</b>	<b>£665,764 (Increase £96,354; 16.9%)</b>

2017/2018:

<b>Deductions (Payment &amp; Performance)</b>		
<b>Month</b>	<b>Amount proposed by GLQ</b>	<b>Agreed deduction level</b>
August 2017	£11,537	£tbc
Sep 2017	£tbc	

### 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.

### 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.

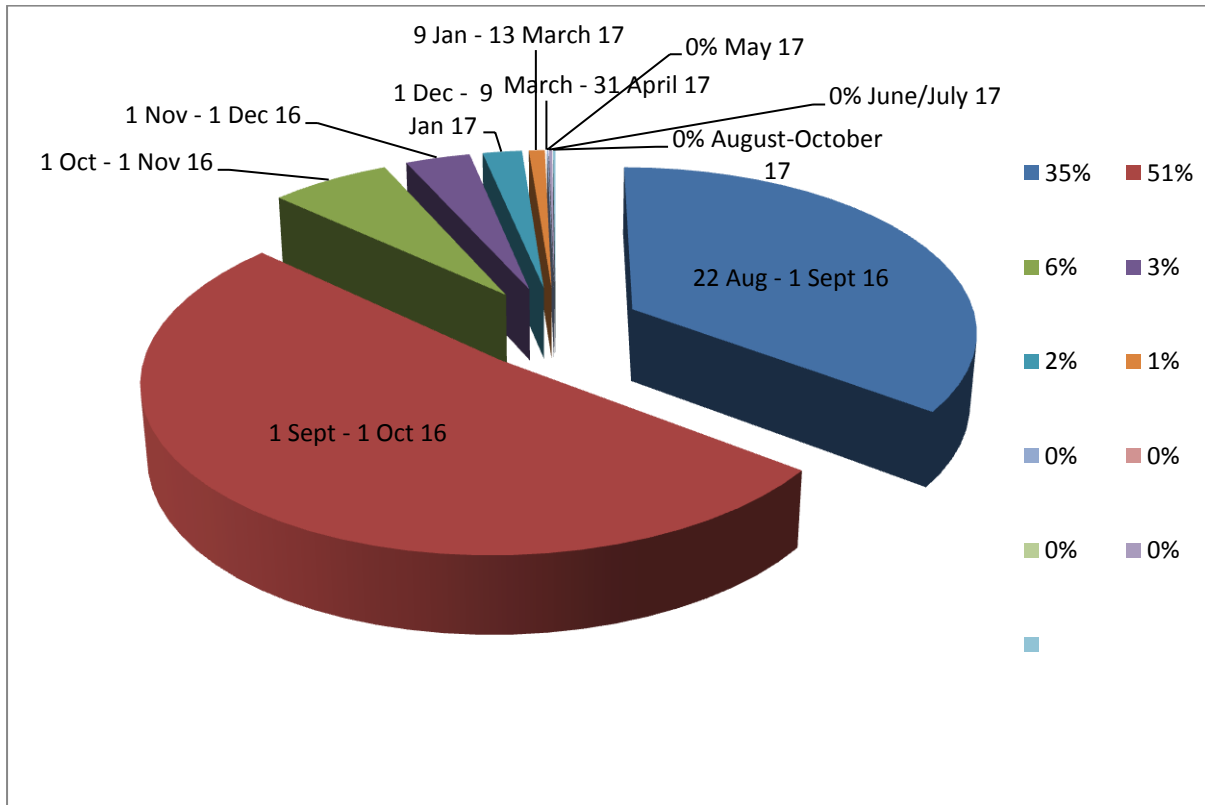
Summary of snags	Open Snags	Snags completed
August	12,223	
1 September 16	7938	4285 (35%)
3 October 16	1663	6275 (51%)
1 November 16	883	780 (6%)
1 December 16	462	421 (3%)
9 January 17	207	255 (2%)
12 March 17	104	103 (1%)
April 17	96	8 (0%)
May 17	96	0 (0%)
June/ July 17	74*	22 (0%)
October 17	6*	68 (0%)

\* These open snags all relate to Structural work for windows/cladding

### 3.14 Defects

The City campus was inspected at the end of phase 2 where 1785 defects were identified. As at 28 September this dropped to 147 with a verbal update on 3 November being 15 defects.

The Riverside campus was inspected at the end of phase 5. As at 28 September there were 23 outstanding with work planned for the October recess.



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

### 3.1.5 Management of required Changes (LVC, MVC, HVC)

The PA 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**

August 2016 - July 2017 Summary:

#### **City**

Low Value Changes raised – 199

Derogated 14, Withdrawn 24

Carried out in 2016/17 – 108 (some still to be completed)

Carried forward to 2017/18 budget – 53 (withdrawn 9, derogated 1)

New Low Value Changed raised since 1 August 2017 – 40 (of which 7 are derogated)

#### **Riverside**

Low Value Change raised – 33

Derogated 3, Withdrawn 1

Carried out in 2016/17 – 24

Carried forward to 2017/18 budget – 5 (withdrawn 2)

New Low Value Changes raised since 1 August 2017 – 12 (derogated 3)

These continue to be asked for daily and they are reviewed weekly. Only 22% 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 and Malicious Damage claims were raised from August 2016 to July 2017. We have still to be invoiced for a very large proportion of these. In August we identified LVC's which were complete and still to be invoiced and accruals were made.

### **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 - complete
- External furniture £134,000 - complete
- Plastering Workshop £24,000 - complete
- Porch for Scholars - *withdrawn*



- Laundry Air conditioning £7,000
- Construction RoD costs, (largely landscaping)- £60,671

### **Riverside**

- CHP regeneration £27,000 - complete
- Reconfiguring renewables workshop £34,000 - complete
- Removal of internal wall for HoR – *withdrawn*
- Oil fired Steam Boiler – £70,000 (est)

### **Malicious Damage**

2016/17:

City - 138

Riverside – 9

2017/18:

City – 19

Riverside - 5

Total of 147 malicious damage incidents raised in 2016/17 with a further 14 raised since 1 August 2017. These continue to be challenged where appropriate. GLQ have not as yet invoiced the College for any malicious damage works completed despite repeated requests.

## Facilities

## Utilities

**Monthly meetings have now been reduced to quarterly utility meetings with GLQ / FES FM further to receipt of monthly reports.**

### **College Consumption for 2016/17:**

<u>Utility</u>	<u>Riverside (Inc HoR &amp; MSC)</u>	<u>City</u>	<u>Total Consumption</u>	<u>Cost</u>	<u>Total Cost</u>
Electricity (Kwh)	2,186,580	5,438,500	7,625,080	9.5p/Kwh	£724,383
Gas (Kwh)	2,713,961	9,869,043	12,583,004	1.7p/Kwh	£213,911
Water (m3)	10,600	20,348	30,948	£1.54/m3 plus £131,409 fixed charges	£179,068
<b>Total</b>					<b>£1,118,551</b>

**Actual consumption covering the period 1 August 2017 to 31 October 2017 within the table below.**

<u>Utility</u>	<u>Riverside (Inc HoR &amp; MSC)</u>	<u>City</u>	<u>Total Consumption</u>	<u>Cost</u>	<u>Total Cost</u>
Electricity (Kwh)	568,544	1,368,769	1,937,313	9.5p/Kwh	£184,045
Gas (Kwh)	474,114	1,417,803	1,891,917	1.7p/Kwh	£32,163
Water (m3)	1,929	4,918	6,847	£1.54/m3 plus £131,409 fixed charges	£141,953
<b>Total</b>					<b>£358,161</b>

## **Summary**

### Electricity

Riverside - Up by 7.6% on last year. This could be related to increased activity or colder weather.

City - Data for 2016/17 didn't cover 1-22 August 2016, therefore it would appear that consumption is up drastically. This is not the case. Looking at data for September and October, consumption has actually reduced.

## Gas

Riverside – Up by 1.8% on last year.

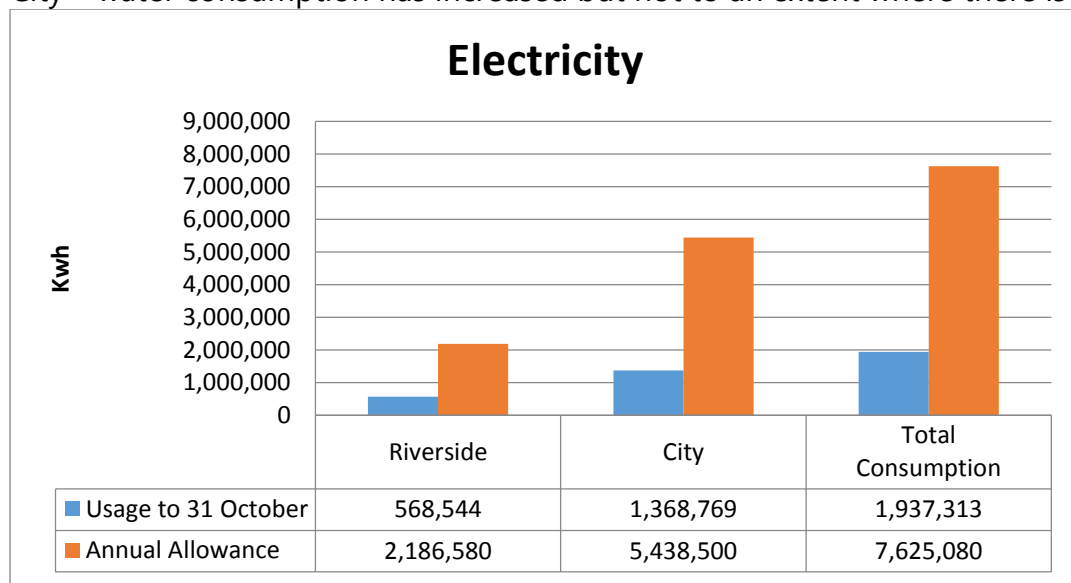
City – consumption has decreased slightly.

## Water

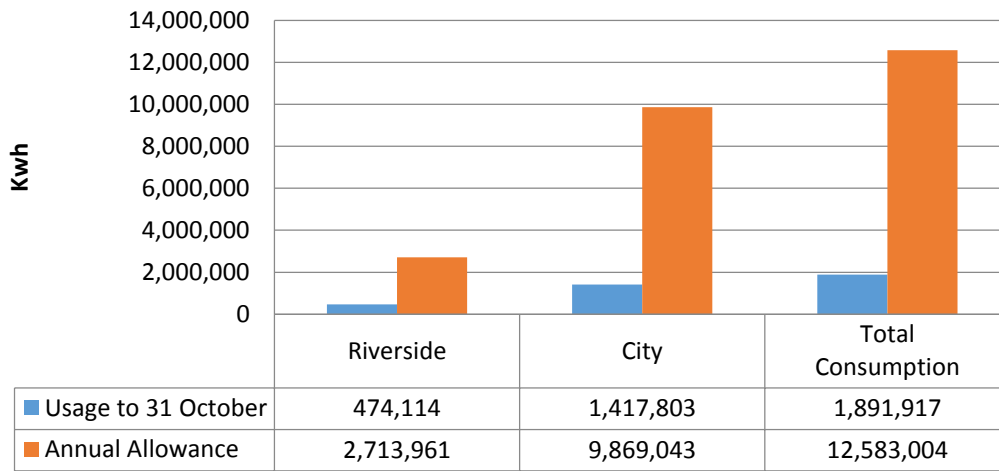
Riverside – consumption reduced by 29.1% on last year. Until we receive accurate figure, it could potentially be assumed that we reduced the figure not from reduced activity but from grey water from rain water harvesting.

Note: Riverside Campus has one main meter per utility. GLQ provide sub-meter details in splitting the Halls of Residence annually. Therefore, for the purposes of this report we have used main meter data only. It should also be noted that we receive a rebate for the HOR as domestic water is non-chargeable. This was agreed with Scottish Water via Anglian Water as 6,000m<sup>3</sup> for 2016/17 which equates to £9,240. Anglian Water has asked Scottish Water for an agreed figure for 2017/18.

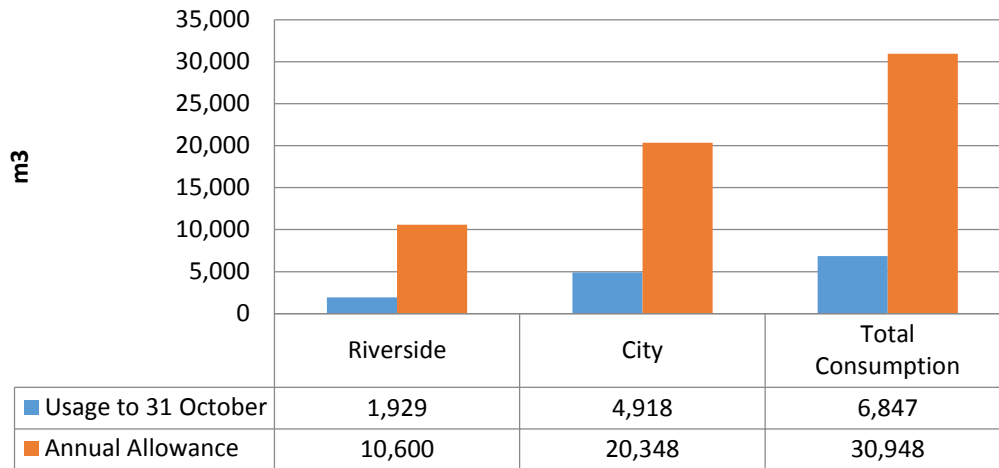
City – water consumption has increased but not to an extent where there is concern.



## Gas

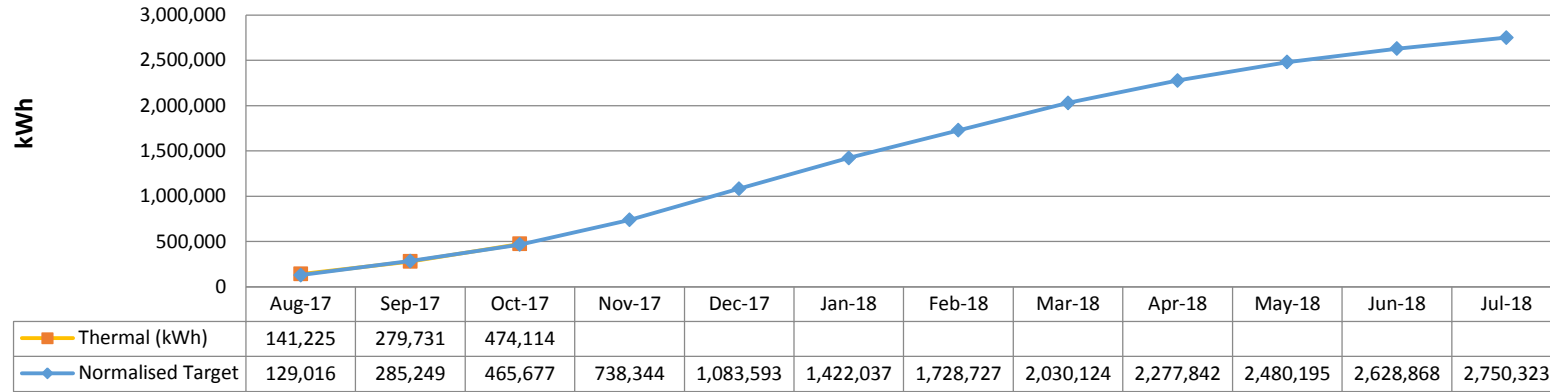


## Water



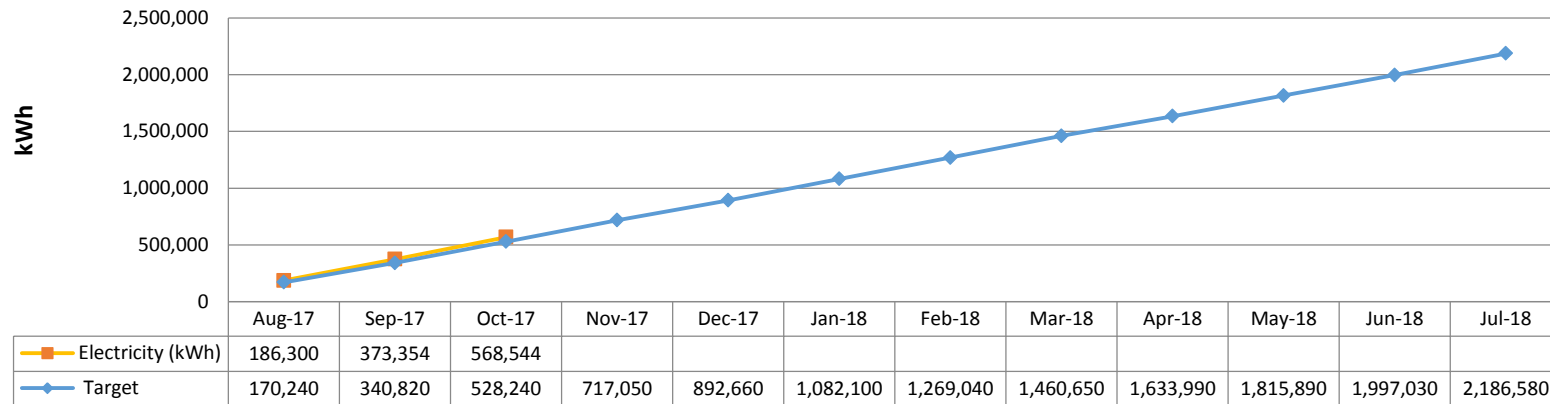
## Riverside Gas

Thermal Energy consumption is currently 1.8% above target consumption



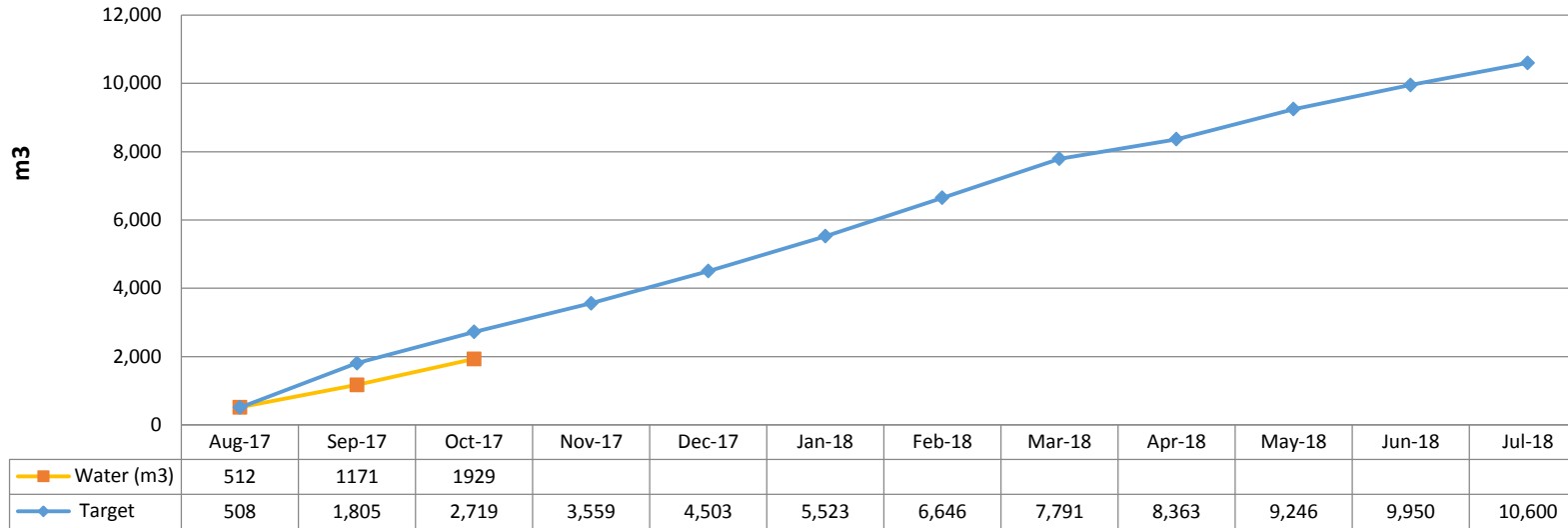
## Riverside Electricity

Electricity consumption is currently 7.6% above target consumption



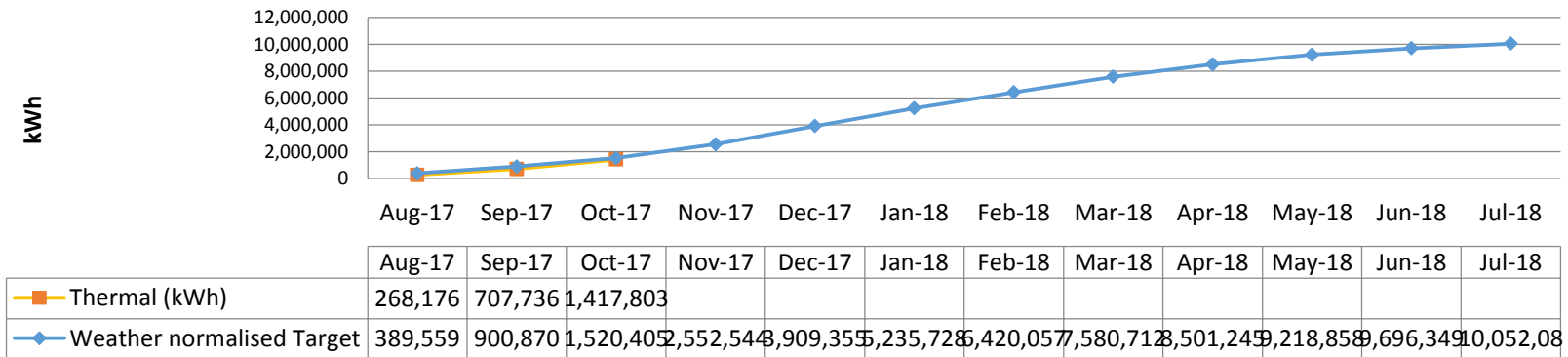
## Riverside Water

Water consumption is currently 29.1% below target consumption

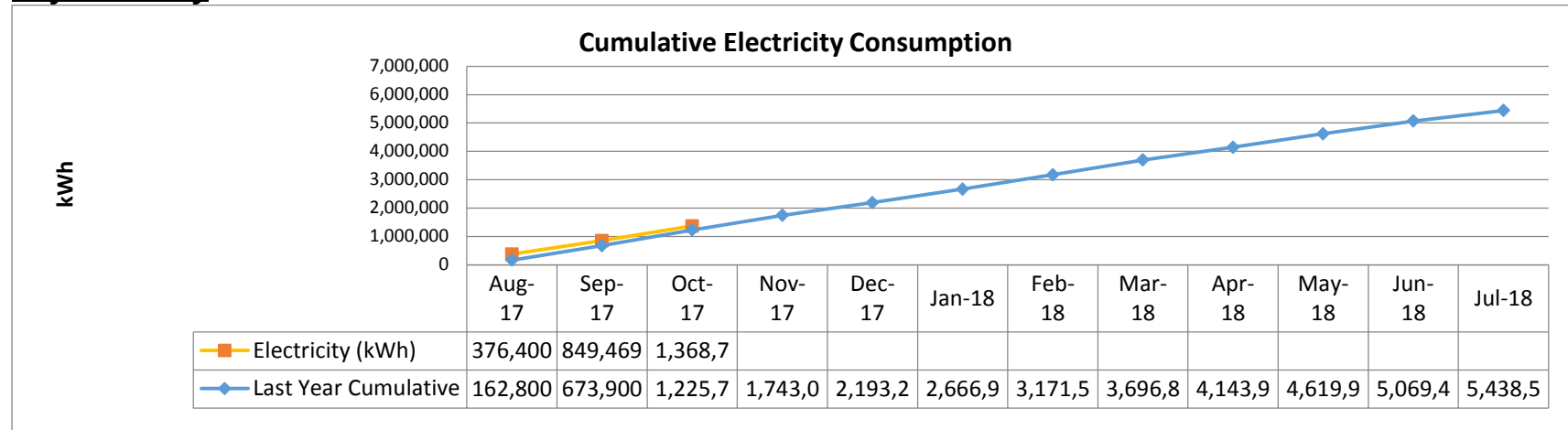


## City Gas

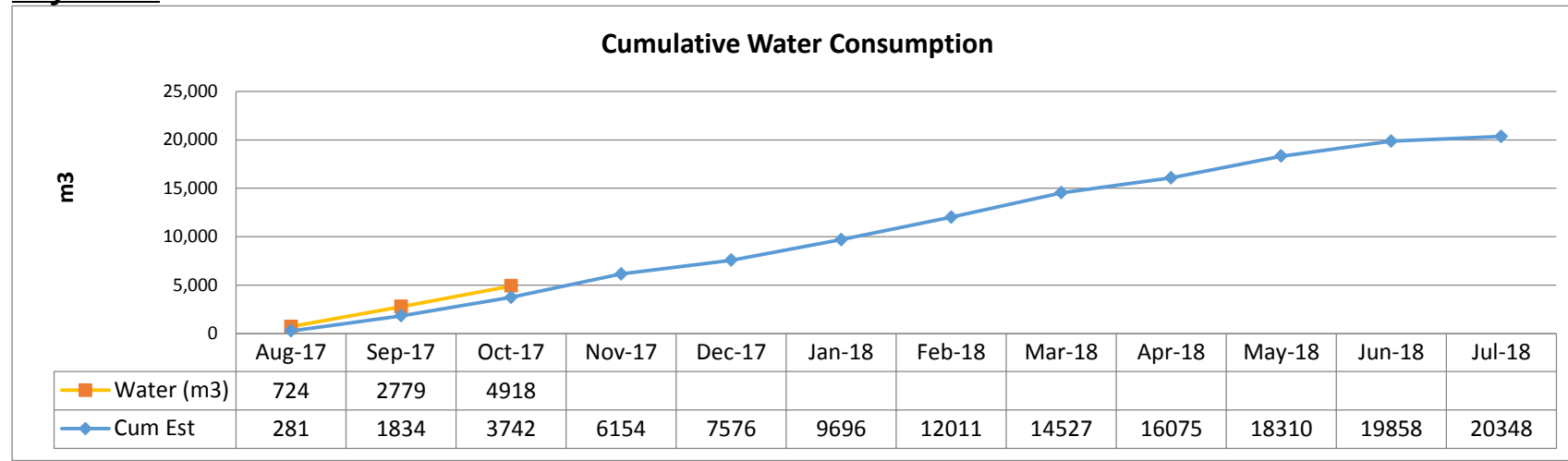
Cumulative Thermal Consumption



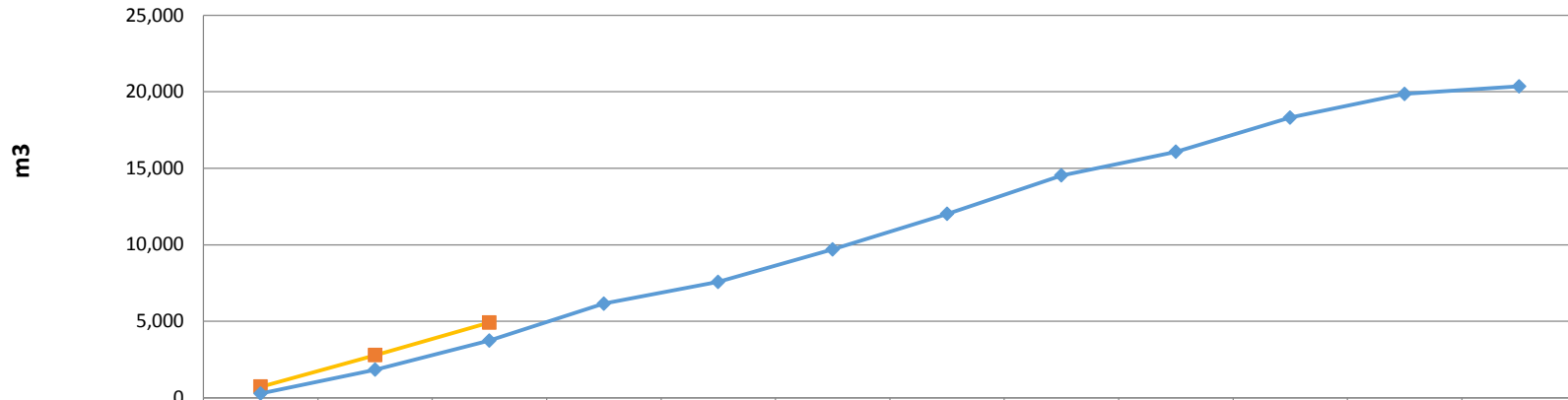
## City Electricity



## City Water



### Cumulative Water Consumption



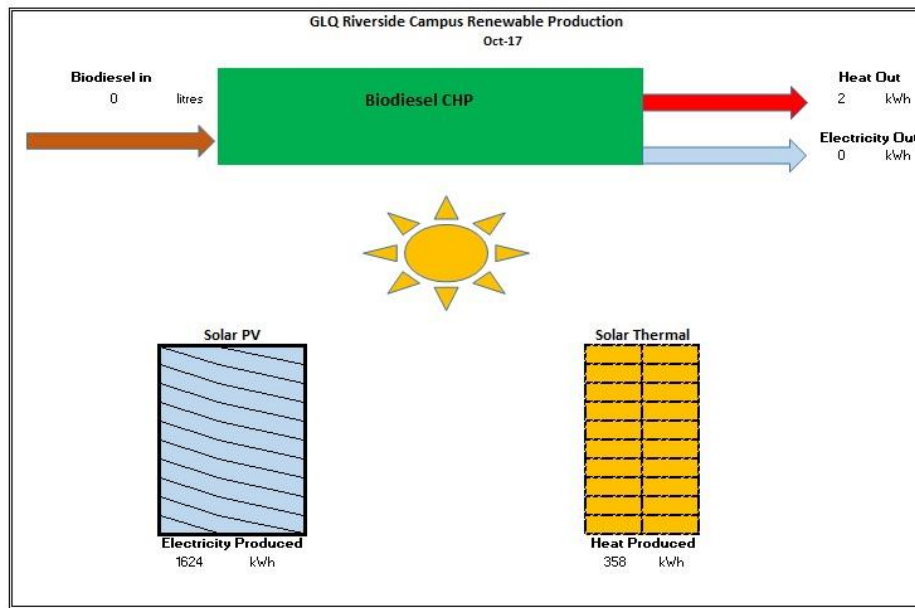
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18
Water (m3)	724	2779	4918									
Cum Est	281	1834	3742	6154	7576	9696	12011	14527	16075	18310	19858	20348



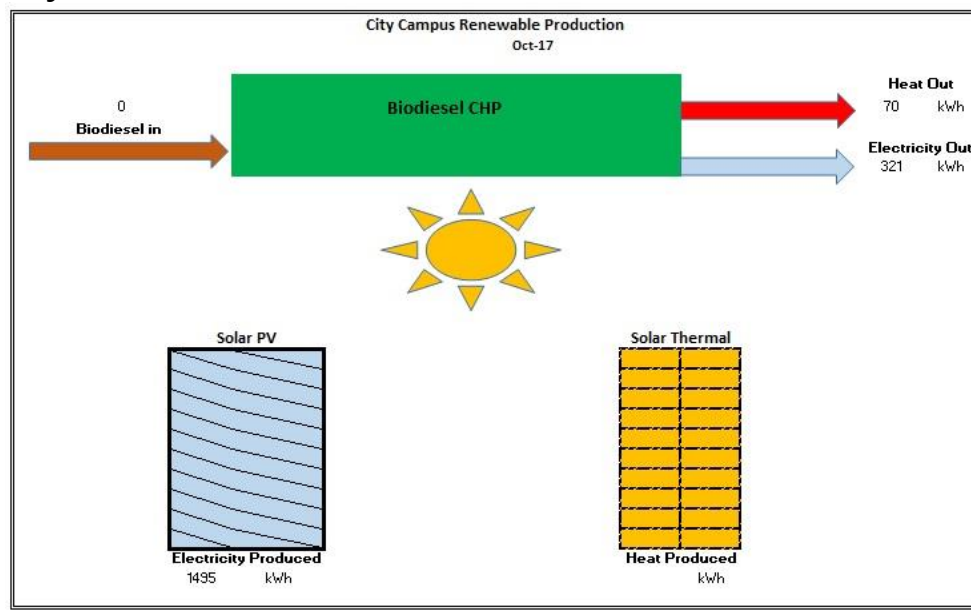
## Renewables

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

### Riverside



### City



## Quarterly Meetings

We continue to work with GLQ / FES FM to refine reporting to allow the College to closely project targets. Therefore; the structure of this Utilities report will develop over the next 6 months.

Now that our CHP (Bio-Diesel) – City and Riverside are both fully operational, we will look very closely at the running costs and attempt to complete a cost (total life) vs benefits analysis.