

TONBRIDGE & MALLING BOROUGH COUNCIL

CABINET

07 February 2012

Report of the Director of Central Services

Part 1- Public

Executive Non Key Decision

1 **GIBSON BUILDING WEST – REPLACEMENT HEATING BOILERS AND CIRCULATORY PIPE WORK**

Summary

This report seeks Members approval of a Fast Track Capital Scheme to allow the replacement of Gibson Building West heating boilers and circulatory pipe work during Summer 2012.

1.1 Introduction

- 1.1.1 This report seeks to inform Members of the results of our Heating Consultant's investigations into the best way forward in the replacement of ageing heating boilers and circulatory pipe work in Gibson Building West.
- 1.1.2 This follows the consideration by the Council's Management Team last autumn of a general Energy Survey of the building which covered, amongst other things, recommendations on the use of more efficient boilers and improved heating zone controls. This tied in with existing plans to replace the boilers in 2012 and associated financial provision in Capital Renewals.
- 1.1.3 A small sub-group of officers was subsequently established under my Chairmanship to discuss the detail of any proposed way forward. Subsequently a Heating Consultant (Mervyn Hayes Associates) was appointed to investigate fully the whole heating and circulation network in Gibson Building West, assess its condition and make recommendations on a phased approach to its replacement based on condition and business continuity factors.
- 1.1.4 Members will find at **Annex 1** the completed Fast Track Evaluation Form for this project and the detailed report of the Heating Consultant at **Annex 2**.

1.2 Existing Situation

- 1.2.1 When considering the detail of the report Members should be aware that the existing boiler (originally installed in 1983), is at the end of its life and currently operating on only 8 of the original 12 burners with some vital parts no longer available. It is therefore essential that the boiler is replaced during the summer of 2012 as planned.
- 1.2.2 Investigations have revealed that the main circulation pipe work running through the central under-croft appears to be original circa 1945 vintage and lagged with asbestos containing materials. Attempts to repair any leaks which may arise in the future would be very difficult and time consuming to achieve and may involve the ad hoc removal of areas of asbestos lagging.
- 1.2.3 The remaining circulatory pipe work throughout the central area and east and west wings appears to be of slightly better condition with mainly circa 1970s vintage radiators. On an ongoing basis we have replaced leaking radiators and pipe work as and when required. This has been made easier in these areas by much of the pipe work being surface mounted and not being lagged with asbestos containing materials.

1.3 Proposed Way Forward

- 1.3.1 Members will see from the consultant's report that he has surveyed the entire heating system and has made recommendations on the way forward over future years for the replacement and updating of the entire network to a modern, effective, efficient and reliable system.
- 1.3.2 Acknowledging the current financial climate, the need for prudent spending and based on risk assessment, he has identified a phased approach over a number of years starting with the most essential works for summer 2012. The following four estimated costed options (excluding fees) have been developed:

Option 1 – Replacement of boilers with new equipment sited both in the central area and decentralised to the east and west wing lofts

£147,100

Option 2 – As above, plus renewal of all radiators and pipe work in the east and west wing offices

£232,500

Option 3 – Replacement of boilers with new equipment remaining in the central area

£90,300

Option 4 – Replacement of boilers with new equipment remaining in the central area but linked to new distribution pipe work in the under-croft set up with four independently controllable zones. These zones would separately control the east and west wings, public areas (including meeting rooms) and the remaining central areas.

£158,500

1.3.3 The officer sub-group and Management Team both considered the report and options in detail, welcomed the energy savings that would arise from a more efficient heating system and noted the business continuity implications of not replacing ageing pipe work. Therefore Option 4 (replacing boilers centrally together with the main circulatory under-croft pipe work) appears the best way forward, acknowledging the following issues:

- Existing ageing pipe work and radiators will remain in the east and west wings although introducing four zones will allow easier repair and replacement as issues arise.
- Existing ageing pipe work and radiators will remain in the central area although limited additional insulation will be applied where cost effective. It should be noted that several areas of pipe work serving the Mayor's Parlour, Committee Room and Council Chamber were replaced a couple of years ago.
- Replacement of the main circulatory pipe work will allow the creation of four separate heating zones enabling better control of heating within the building at all times and particularly when evening meetings take place.
- The use of modern condensing boilers will result in estimated significant savings on gas expenditure of circa £6,500 per annum. The saving to the Council will obviously increase as energy prices rise or the authority gets caught by any revisions to the Government's Carbon Reduction Commitment (CRC) initiative.
- Modern boilers and associated new gas supply will be fitted with the latest automatic safety features that will reduce the risk of fire within the building.
- The Heating Consultant's report has assessed the option of installing sustainable/ low carbon equipment such as thermal solar panels, photovoltaic (and hybrid pv) solar panels, air-to-water heat pumps, ground source heat pumps and bio-mass boilers none of which were considered practical, appropriate or cost effective for this building. However all design work for pipe work and radiators had taken into account the possible use of similar such technologies in the future.

- The removal of asbestos from within the under-croft will give a better working environment for other contractors dealing with cabling and other services running through this area and preclude the need for us to continue undertaking annual asbestos monitoring surveys. Prices for the removal of asbestos have been included in the Option 4 scheme costings to the sum of £13,000.
- Close co-operation with our colleagues in Planning Services has ensured that the proposed works would not appear to alter the listed building in a manner that would affect its character as a building of special architecture or historic interest. On this basis it is concluded that no application for listed building consent is required for these works.
- Under Building Regulation legislation there are several requirements regarding improving the efficiency of the replacement heating system and the efficiency of the fabric of the building. The additional works that are being proposed to improve the zoning of the new pipe network satisfy the need to improve the efficiency of the heating system. However further work may still be needed by way of improved insulation of the walls and/or roofs of Gibson Building West to improve the structure's fabric. One of the key considerations in determining the extent and nature of these works will be any effect on the fabric and character of the Grade II listed building. It is intended that this aspect will be addressed in the next year or two. These additional insulation works, if required, have not been included in the report's costings but should in themselves have a reasonable payback period.
- It should be noted that the current budget costs included in the report (and listed at 1.3.2) do not cover fees which are estimated to be in the region of 10 – 12% depending on which option is finally adopted.

1.4 Procurement

- 1.4.1 Now that we have identified that the circulatory pipe work in the under-croft is circa 1945 and insulated with asbestos containing material it is imperative that the work is carried out promptly this summer. In addition the reliability of the boilers is continuing to give concern now that key parts are no longer available from the manufacturer and we are having to make repairs using cannibalised second-hand parts.
- 1.4.2 The time constraints of analysing the large number of questionnaires that may be received following public advert in order to obtain three written tenders (which would be the minimum requirement under our standard Contract Procedure Rules) would potentially delay the required start date for the works.

- 1.4.3 With the agreement of the Chief Executive, Director of Finance and Monitoring Officer, we have therefore obtained a waiver under Contract Procedure Rule 13.1 to select five contractors from the Kent County Council (KCC) Approved List.
- 1.4.4 Our intention is to invite tenders from KCC Approved List contractors Hadene Building Services, DMA Mechanical & Air Conditioning Ltd and Invicta Building Services Ltd. These three were tendering companies recommended from a recent similar heating contract at the Hazlitt Theatre managed on behalf of Maidstone Borough Council by our consultant. In addition we will select two further contractors at random as required of users of the KCC Approved List.
- 1.4.5 As normal, tenders received will be opened by the Council's Cabinet Member for Finance and appropriate officers.

1.5 Budget Implication

- 1.5.1 Members will note from the report that the estimate prepared by our consultant for recommended Option 4 totals £158,500 excluding fees.
- 1.5.2 It is considered that the removal of asbestos insulation (costed at £13,000) could be regarded as a routine maintenance item and reasonably funded through the Council's Building Repairs Revenue Expenditure Plan.
- 1.5.3 Fees are estimated at 12% (on a net expenditure of £145,500 excluding asbestos removal costs) resulting in a capital funding requirement of £162,960 for this scheme.
- 1.5.4 Members will be aware that all of the above figures are estimates and the full cost will only be identified once tenders are opened.

1.6 Legal Implications

- 1.6.1 The contract will be let in accordance with the Council's Contracts Procedure Rules.

1.7 Financial and Value for Money Considerations

- 1.7.1 There are on-going revenue savings associated with the provision of more efficient boilers and zoning controls.
- 1.7.2 Best value will be obtained by inviting tenders for the work in accordance with Contract Procedure Rules.

1.8 Risk Assessment

- 1.8.1 The existing boilers and under-croft pipe work requires replacement this summer to ensure business continuity associated with having a building meeting minimum temperatures during the winter seasons.

1.9 Equality Impact Assessment

1.9.1 See 'Screening for equality impacts' table at end of report

1.10 Policy Considerations

1.10.1 Climate Change (12a)

1.10.2 Resources – Property (18a)

1.11 Recommendations

1.9.1 Following consideration of the heating consultants report, Members are requested to:-

- (1) Endorse Management Team's view that the best way forward is to:-
 - (a) adopt Option 4 (replacement with centralised boilers and new pipe work through the under-croft creating a four zone heating system with modern controls serving Gibson Building West).
 - (b) acknowledge that although the principle requirement within Building Regulations to improve the heating system has been met, further, as yet un-costed, works to improve the insulation of the fabric of the building may still be required.
 - (c) acknowledge that the proposed scheme for 2012 is the first phase of what may be an ongoing commitment to replacing other areas of pipe work and radiators depending on system reliability and funding available in future years and,
- (2) Endorse the waiver approved under Contract Procedure Rule 13.1 to allow the invitation of tenders from five companies selected from the KCC Approved List of Contractors.

Background papers:

contact: John DeKnop

File 2652 (A7)

Julie Beilby

Central Services Director

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	N/A	
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.