

COMMITTEE: Finance and Resources

DATE: 17th June 2010

DIRECTOR: Gordon McIntosh

TITLE OF REPORT: Oldmachar Academy HVAC Refurbishment

REPORT NUMBER: EPI/10/166

1. PURPOSE OF REPORT

This report highlights the financial requirements to carry out the necessary refurbishment and upgrading of the Heating, Ventilation and Air Conditioning (HVAC) systems at Oldmachar Academy to achieve a level of comfort and healthy working environment which is within the regulatory standards.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) acknowledge the funding arrangement put in place to deliver the first phase of the replacement Heating, Ventilation and Air Conditioning system within Oldmachar Academy for which the contract has been awarded to allow works to be undertaken during the course of the school summer holidays
- b) to consider the funding required to complete the second and final phase as part of the non-housing capital programme review for 2011/12 and future years and as part of the Council's asset management plan.

3. FINANCIAL IMPLICATIONS

The funding for this project (£ 875,000) is identified within the Non-Housing Capital Plan approved at the Council meeting on 13th February 2010.

The original scope of the works was costed by a number of contractors and all of the returns were well above the available budget. Therefore a limited number of contractors were asked to retender based on a revised scope for the works. The revised scope can be achieved within the school summer holidays and will mean that further works will be required, the timing of which will have to fit with available budgets and suitable times to access parts of the building. The overall costs for the project are now £979,645. As the proposed works will reduce energy consumption within the building the project is eligible for a Central Energy Efficiency Fund (CEEF) grant of £104,645 which has to be repaid over 5 years from the energy savings made.

4. SERVICE & COMMUNITY IMPACT

The proposed improvement to be undertaken can be considered as contributing the National Outcomes 4,5,10,12 and 14.

In terms of Vibrant Dynamic and Forward Looking the proposals fit within the following policy commitments:

- Ensure Aberdeen's pupils and teachers have school buildings fit for 21st century
- Allocate additional resources to support for learning, targeted to areas of greatest need
- Adopt an effective asset management system

5. OTHER IMPLICATIONS

New replacement HVAC plant incorporated into a modern scheme design will reduce the energy demand consumption considerably. This, in conjunction with some other steps to manage building use, should produce a saving of £21,000 a year out of the school's current energy budget of £87,780. Not only does this produce a direct cost saving which will be used to repay the CEEF grant, but it also contributes towards the Council's carbon reduction commitments.

Should the energy savings not be generated to repay the CEEF grant there would be a requirement for the top up funding to be made available from the budget allocated to the school.

The major risk would be an overrun of site installation activities beyond the end of school summer holiday period.

6. REPORT

For some time there have been a number of complaints by staff and pupils regarding the adequacy of the heating, ventilation and air conditioning system within Oldmachar Academy. The original system was introduced when the school was constructed and an independent survey of the systems operation showed that there were major problems with the temperature control and circulation of air meaning that there 'stale' air was being trapped in classrooms.

The Council meeting on 13th February approved funding for a replacement system and over the weeks that followed that decision a new system was identified and specification developed with input from the Headteacher and senior officers within Education, Culture and Sport.

The original specification was tendered in February 2010 however due to the limited time available to complete the works during the school holidays the prices received meant that the works were not affordable, and contained a high risk that the works could over-run. A review of the scope of the works allowed the costs to be brought back closer to the available budget. However this means that the overall project has had to be split into two phases, with the second phase of lesser priority than the initial works.

As the nature of the scheme is about more efficient and effective controls on heating etc it was considered suitable for funding from the Central Energy Efficiency Fund. As members will know this fund effectively works as a 'spend to save' initiative where the monies saved in terms of energy efficiency are reinvested back into the fund thereby allowing more schemes to come forward. As long as a project can 'repay' any grant within 5 years it is considered eligible.

As the project involved an element of heat capture and better controls there are estimated to be significant efficiencies that can be achieved, estimated at £21000/year from this scheme directly and other modifications to existing systems.

Based on the original tender and the revised costs for Phase 1 it is estimated that the second phase will cost £350000. It is proposed that this be evaluated along with other schemes as part of the development of the future non-housing capital programme of works and the Corporate Asset Management Plan.

7. REPORT AUTHOR DETAILS

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8. BACKGROUND PAPERS

1. Consultants report. May 2009
" Report on the Standard & Condition of the Heating & Ventilation plant.
Oldmachar Academy "
2. Internal preliminary report March 2009.
"Oldmachar Academy - Heating & Ventilation "