



## Report to Policy Committee

**Author/Lead Officer of Report:** Jason Peck – Contract Manager

**Tel:** 0114 2735621

**Report of:** *Ajman Ali*

**Report to:** *Strategy & Resources Committee*

**Date of Decision:** *(7<sup>th</sup> September 2023)*

**Subject:** *Air-Conditioning and Air-Handling Service Commission*

Has an Equality Impact Assessment (EIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
If YES, what EIA reference number has it been given? 2134				
Has appropriate consultation taken place?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Has a Climate Impact Assessment (CIA) been undertaken?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Does the report contain confidential or exempt information?	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below: -				

### Purpose of Report:

This report sets out its statutory duties to maintain and inspect air conditioning and air handling equipment.

This report goes on to explain how the services have been delivered to date and the importance of service continuity.

This report will then justify the commissioning of an external service provider to service, maintain and inspect air conditioning and air handling equipment.

**Recommendations:**

That the Strategy & Resources Committee approves the commission of an external service provider to deliver the servicing, inspection, and maintenance of air-conditioning and air-handling equipment, with an estimated value of £390,000, for a period of 3 years, as set out in this report.

**Background Papers:**

*(Insert details of any background papers used in the compilation of the report.)*

Lead Officer to complete: -		
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.	Finance: Holly Nicholl
		Legal: <i>Richard Marik</i>
		Equalities & Consultation: Louise Nunn
		Climate: N/A
	<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	<b>SLB member who approved submission:</b>	<i>Ajman Ali</i>
3	<b>Committee Chair consulted:</b>	<i>Tom Hunt</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Committee by the SLB member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.	
	<b>Lead Officer Name:</b> <i>Jason Peck</i>	<b>Job Title:</b> <i>Contract Manager</i>
	<b>Date:</b> <i>14 August 2023</i>	

## **1. PROPOSAL**

- 1.1 This report details the proposal to commission of an external provider for the service, inspection, and maintenance of air-conditioning and air-handling equipment, with an estimated value of £390,000 for a period of 3 years.
- 1.2 Operational Services has a reliance on external providers to deliver specialist goods and services that cannot be delivered by in-house staff as well as providing additional resource to help manage fluctuating workloads in some key areas.
- 1.3 To meet this responsibility, the service must engage a flexible and sustainable supply chain to help support the in-house delivery, thereby ensuring compliance with numerous areas of legislation, keeping building users safe, maintaining service delivery and future proofing the estate.
- 1.4 The proposal is to commission the statutory compliance testing and maintenance services in respect of Air Conditioning and Air Handling Units for Sheffield City Council (the Council) for use in the main by the Corporate Statutory Servicing & Repairs Service (CSSR). Other Council departments may also occasionally use the contractor appointed for any or all the services covered. All requirements will be captured in the contract.

### **Background**

- 1.5 Legislation and Guidance on the management of air conditioning systems is contained within the Energy Performance of Buildings (England and Wales) 2012 Regulations as amended 2020 and the Fluorinated Greenhouse Gas Regulations.
- 1.6 In addition to scheduled maintenance, regular inspections must be undertaken on all air conditioning systems with an effective output of more than 12kW as defined in the Chartered Institution of Building Services Engineers (CIBSE), 'TM44: Inspection of air conditioning systems: a guide to EPBD compliance'. These inspections must be undertaken by an accredited air conditioning energy assessor. The purpose of the air conditioning inspection report is to ensure that the building owner or manager is provided with information regarding the efficiency of the air conditioning systems that they control, together with advice on how to improve the energy efficiency of the system, to identify opportunities to save energy and carbon and to reduce operating costs.
- 1.7 The CSSR team are responsible for statutory legal and compliance requirements, health & safety, and upkeep requirements across all buildings within the corporate estate. This responsibility involves

ensuring statutory compliance in various areas relating to building safety. UK health and safety legislation places a clear responsibility on the Council to manage health and safety risks within its buildings. Breaches of health and safety legislation are an offence that can lead to criminal prosecution. Where possible statutory compliance works are undertaken in-house by Council staff, but in areas where we lack the required technical competence or experience the services are contracted out to specialist external contractors.

- 1.8 Regular maintenance and inspection of air conditioning and air handling systems is essential to ensure that they continue to operate efficiently and safely. Failure to maintain systems regularly and to a specific standard can lead to increased risk of catastrophic failure and high repair or replacement costs. Air conditioning and air handling systems have a number of moving parts (i.e., fans) which require regular inspections to ensure they are operating freely and without obstruction. Build-up of debris and contaminants within systems can present a risk of fire in addition to the proliferation of air borne diseases. Some of the Councils strategic IT infrastructure is protected by Air Handling/Air Conditioning units and a failure in this context could have severe Council wide impact.
- 1.9 The commission also covers the maintenance of refrigeration systems (i.e. Medico Legal Mortuary) which must be maintained to ensure they work as designed and maintain the required low temperatures to prevent microbial growth.
- 1.10 There are over 800 individual items of plant located throughout the Corporate and School estates that require servicing and maintenance under this service. The service will include the service and maintenance of air conditioning and air handling units located in 68 Sheffield schools (48 Maintained and 20 Academies) that subscribe to the Service to Schools package.
- 1.11 This arrangement along with several other statutory compliance related services are offered to Sheffield Schools, they opt into these services and have assured on service levels, a programme that meets their full compliance requirement and the benefit of cost based on a much larger estate compared to a bought in cost for one school through economies of scale. This is a fully managed service provided by Corporate Repairs and Maintenance Service and costs are fully covered by the individual schools for this service.

### **Commission**

- 1.12 The Air-conditioning service and maintenance are currently being provided by Mattair and this arrangement shall expire at the end of March 2024

- 1.13 It is therefore proposed that the Council commission an external provider to deliver the services for a period of 3 years, for an estimated value of £390,000, in order to ensure service continuity.
- 1.14 The commissioned services will cover all the required services currently being undertaken which are detailed below:
- Inspect Service and Maintain Air Conditioning Units including commercial cleaning, drainage and filter replacements at manufacturer recommended intervals.
  - TM44 Inspections (see paragraph 1.6)
  - Inspect, Service and Maintain Commercial refrigeration installations such as those located at the Medico Legal Service.
  - Inspect and clean Commercial ventilation systems associated with Air Handling in specific high use areas such as the Markets
- 1.15 The suitable contractors will work in line with the Council's overarching client specifications, site-specific operating instructions, and our robust health & safety requirements.

## **2. HOW DOES THIS DECISION CONTRIBUTE?**

### **2.1 Strong economy**

Local Economic Impact will be assessed as part of the total Social Value offering in line with the Council's award winning Ethical Procurement Policy.

### **2.2 Better health and wellbeing**

Continued statutory inspections of air-conditioning and air-handling units will help ensure their safe operation and consequently the safety and wellbeing of users of this equipment.

### **2.3 Thriving neighbourhoods and communities**

In delivering good value and quality services, these contracts will contribute towards thriving neighbourhoods and communities.

### **2.4 Tackling inequalities**

The Council's properties are available to all. Ensuring their safe operation means they continue to be so.

### **3. HAS THERE BEEN ANY CONSULTATION?**

- 3.1 No external consultation is required / has taken place as the proposed commission is for the provision of goods and services for internal Council departments, to support the service in the delivery of its day-to-day services.

### **4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION**

#### **4.1 Equality Implications**

- 4.1.1 Overall, there are no significant differential, positive or negative, equality impacts from this proposal. It will ensure transport services for children with special educational needs is maintained.

#### **4.2 Financial and Commercial Implications**

- 4.2.1 All the proposed contracts are within existing budgets and will commit the Council to a spending figure of £390,000. Forecast spend figures are based on the future projection of spend based on historical spend data. The spend is to be monitored within existing budgets.

#### **4.3 Legal Implications**

- 4.3.1 Air-conditioning inspections must be undertaken on air-conditioning systems with an effective rated output of more than 12kW in accordance with Part 5 of the Energy Performance of Buildings (England and Wales) Regulations 2012 (as amended by the Energy Performance of Buildings (England and Wales) (Amendment) Regulations 2020). Inspections should align to the Chartered Institute of Building Service Engineers TM44 Guidelines and systems must be regularly inspected by an accredited energy assessor. The inspections must be no more than five years apart.
- 4.3.2 As an employer, the Council has a duty to ensure, so far as is reasonably practicable, the health, safety and welfare at work of all its employees under the Health and Safety at Work etc. Act 1974.
- 4.3.3 As an employer, the Council also has a duty to conduct its undertaking in such a way as to ensure, so far as is reasonably practicable, that persons not in its employment who may be affected thereby are not thereby exposed to risks to their health or safety under the Health and Safety at Work etc. Act 1974.
- 4.3.4 The proposed commission of the services will go some way to ensuring that the Council meets this duty.

4.3.5 The contracting arrangements in this report are facilitated by the Local Government (Contracts) Act 1997.

4.3.6 The proposed arrangement with schools and academies under the Services to Schools package are permitted under the Local Authorities (Goods and Services) Act 1970.

#### 4.4 Climate Implications

4.4.1 A Climate Impact Assessment has been completed and the overall impact of this procurement is neutral. The assessment of potential contractor's bids for the contract will be assessed with regards to their sustainability credentials and their overall policy with regards to managing the environmental impact of their activities.

#### 4.5 Other Implications

*(Refer to the decision-making guidance and provide details of all relevant implications, e.g. human resources, property, public health).*

4.5.1 *None*

### **5. ALTERNATIVE OPTIONS CONSIDERED**

5.1 *Do nothing* – this is not an option as the Council has the ongoing requirement and legal responsibility to safely manage equipment within our properties. The current contract for this service is due to expire at the end of March 2024.

5.2 *Self-Deliver* - this is not an option; the service has neither the capacity or expertise to deliver these goods and services.

5.3 *Further extend existing contracts* – this is not an option. As ever, Council must adhere to the Public Contract Regulations (2015) thus further variations (value and duration) are not deemed easily reconcilable with the provisions set out within PCR.

### **6. REASONS FOR RECOMMENDATIONS**

6.1 *Preferred option* – to commission the service in the manner described in section 1 of this report. This will enable the Council to continue to provide essential services to manage and maintain equipment within our properties.

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