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Corporate Asset Sub (Finance) Committee (Supplementary Item)

Date: **TUESDAY, 22 JUNE 2021**

Time: **9.00 am**

Venue: **VIRTUAL PUBLIC MEETING**

14. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

a) Guildhall Chilling Plant Replacement & Steam Humidification Plant Replacement

For Decision
(Pages 3 - 58)

Item received too late for inclusion with the published Agenda.

John Barradell
Town Clerk and Chief Executive

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Committees: Corporate Projects Board *[for information]* Corporate Asset Sub-Committee *[for decision]* Resource Allocation Sub Committee - *Chamberlains Report [for decision]* Projects Sub *[for decision]*	**Dates:** 09 June 2021 22 June 2021 13 July 2021 23 June 2021
Subject: Guildhall Chilling Plant Replacement & Steam Humidification Plant Replacement **Unique Project Identifier:** 12214 & *12213*	**Gateway 2** **Issues Report** **Complex**
Report of: City SurveyorCity Surveyor **Report Author:** Edwin Birch **CS 207/21**	**For Decision**
PUBLIC	

1. Status update	**Project Description:** Guildhall Chiller Plant Replacement & Steam Humidification Plant Replacement which were considered separately but have been combined for delivery. Please note these works are funded under two separate projects: 1) 12214 - West Wing Chiller replacement - Replace the West Wing chillers and consider options to consolidate chiller plant across the Guildhall site to provide a resilient, more efficient long-term solution. 2) 12213 - Humidification Plant replacement - Provide a long-term solution to meet the humidification needs of the Guildhall Complex in the most cost-effective and environmentally beneficial way **RAG Status:** Red (Green at last report to Committee Gateway 2). Projects have gone Red as design and delivery options have been costed and are above the approved budget. **Risk Status:** Medium (Medium at last report to committee) **Total Estimated Cost of Project (excluding risk):**

	1) West Wing Chiller replacement £2,571,800 (excluding Costed Risk) Total including risk £2,999,800 2) Humidification Plant replacement £1,011,500 (excluding Costed Risk) Total including risk £1,200,000 Both Projects combined £3,583,300 (excluding Costed Risk) Total including risk £4,199,800 **Change in Total Estimated Cost of Project (if recommended option in this paper is approved) increase of £1,433,200 (including risk):** *Following the completion of the Outline Options study , all options to progress the works are over the allocated budget: However, if Members are in agreement with the proposed reallocation of funding, the recommended option, option 2a, can be delivered as follows-* **Option 2a - West Wing Chiller replacement** - Close the current Humidification Project due to essential areas being de-risked by the overlapping PSDS project which is installing localised Humidification. In conjunction, agree the funding reallocation from both the Humidification Project (£1.2m) and the Phase 1 Energy Reduction projects for the Guildhall (£233k) to allow the Chilling Plant replacement to move forward to GW3 **Total Estimated Cost of option;** £3,538,000 (excluding Costed Risk) Total including risk £4,433,000 (against a budget of £2,999,800) **VFM** Each of the options considered by the MEP Engineers have been scored against several different performance criteria to determine which is the preferred option based on the proposed criteria. Whilst there are a number of qualifications and caveats involved, the highest scoring option is the centralised chiller solution (Option 2a) with an overall score of 85% as opposed to 70% of a like-for-like replacement, and as such, based on the analysis presented in the *'Guildhall - Cooling Plant Replacement Option Study report' (Appendix 4)*, and in accordance with the scope and context of works set out in the brief, the Project Team's recommendation is on is that this option should be taken forward. Furthermore, the cost difference between a like-for-like replacement £4,346,000 (including risk) and a centralised solution £4,433,000 (including risk) has been estimated at just £87,000. **Spend to Date on both projects:** *£40,496.31* **Costed Risk Provision Utilised:** £0

<table>
<tr><td></td><td>Slippage: +16 weeks (Progress report submitted in April (CS 026/21) which details the initial 12 weeks delay. A further 4 weeks has been added for the consideration of this issues report)</td></tr>
<tr><td>2. Requested decisions</td><td>Next Gateway: Gateway 3 - Outline Options Appraisal (Complex)Gateway 3 - Outline Options Appraisal (Complex)

As both the Chilling and Humidification Plant replacement projects completed their outline options stage (GW3), given the works required it has been confirmed that the approved funding is insufficient. The City Surveyor has developed funding options with the Chamberlain which considers other work streams and enables the Chiller works to proceed.

Requested Decisions (approving the revised new budget):

<u>Corporate Asset Sub & Projects Sub Committee</u>

1) As the essential areas of the Guildhall complex are being addressed through the government grant funded PSDS project. Agree that the Humidification Plant replacement project is closed;

2) Agree the reallocation of the Energy Reduction Programme – Phase 1 funds (£233,000) to fund the chiller plant replacement project, as these works are now being undertaken through the PSDS Project

<u>Resource Allocation & Corporate Asset Sub-Committee</u>

3) As the essential areas will be addressed via the PSDS Project, as recommended by the Chamberlain agree the reallocation of the Humidification plant replacement funds (£1.2m) to support the chiller plant replacement project</td></tr>
<tr><td>3. Budget (1)</td><td>The below budget (both projects combined) was approved at Gateway 2 and £226k was approved for Fees, Staff Costs and Surveys. In order to reach GW3 with an approved funding Strategy, the following budget is required to reach GW3:

12214 - West Wing Chiller replacement

<table>
<tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr>
<tr><td>Fees</td><td>Consultant team</td><td>City Fund</td><td>£85,000</td></tr>
<tr><td>Staff costs</td><td>Client-side project management</td><td>City Fund</td><td>£6,000</td></tr>
<tr><td>Surveys</td><td>Specialist Surveys to aid</td><td>City Fund</td><td>£20,000</td></tr>
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	design development		
Total			**£111,000**

Costed Risk Provision previously agreed Gateway 2 and with no change to reach Gateway 3: £55,200 (as detailed in the Risk Register – Appendix 3 & 4)

4. Issue description	As both the Chilling and Humidification Plant replacement projects completed their outline options stage (GW3), it was clear that all options under consideration were above the approved funding strategy. The original Chilling Plant works were costed at £4.3m, against a total funding request of £3m approved in principle via the 2020/21 annual capital bid process. The direction from PSC at G2 was that savings should be made to deliver the project within the allocated funding. Even if a like-for-like system is approved this would still be over budget. The original works were costed at £4.3m, however budget of £3m was allocated with the view cost savings could be made to deliver the project within the allocated budget. Even if a like-for-like system is approved this would still be over budget.
5. Options	There are several options below for members to consider, however the City Surveyor recommends option 2a as it will fulfil the Chilling plant replacement brief and more by offering a centralised option, that covers the whole of the Guildhall complex. Options 2-4 are not recommended as problems with old plant would not be addressed and every increasing maintenance cost would continue as well as the plant being energy inefficient. **Funding for Options** The options available require reallocation of funding as outlined below: ***Humidification Plant replacement project is closed as the essential areas of the Guildhall Building are being addressed through government grant funded PSDS project:*** In January 2021 the City Surveyor's Energy Team applied to the Public Sector Decarbonisation Scheme (PSDS), a government grant scheme by the Department for Business, Energy & Industrial Strategy (BEIS) , for funding to deliver several capital projects and were awarded £9.45m. Due to this grant funding, the Energy Team are delivering a separate project that will upgrade humidification to essential areas within the Guildhall complex. For the remaining areas (initially classed as unessential) which are deemed low risk, the proposal is to close the current Humidification project, revise the brief and present the revised

	funding strategy at the next Annual Bidding Cycle, as a new project. ***Reallocation of the approved humidification plant replacement funds (£1.2m) to support the chiller plant replacement project****:* The humidification plant replacement project funding of £1.2m was approved in March 2020. The scope included the steam plant which serves the whole of the Guildhall complex. As the essential areas are now covered by the PSDS project (as per Point 1), this allows the opportunity to reallocate funds to support the chilling project, as all options are above the approved the £3m project budget (Appendix 2). ***Reallocation of £233,000 of the Energy Reduction Programme – Phase 1 funds which were approved in principle to support the chiller plant replacement project****:* Even with the reallocation of the £1.2m Humidification Plant replacement funds requested in point 2, there is a funding shortfall to proceed with the recommended option (2a - centralised plant replacement option). The recommended option for a centralised plant replacement is anticipated to provide significantly greater savings to energy costs and carbon emissions. This is primarily due to the scope of the centralised option includes replacement of the North Wing chillers, in addition to the West Wing chillers and this option removes the high maintenance costs associated with the West Wing cooling towers. Funding was approved in principle for two projects for the Guildhall (EC Fans and sub-metering) to be delivered as part of the 'Energy Reduction Programme – Phase 1' project (approved at GW2 in Apr-20) based on a spend-to-save business case aiming for a 5-year payback. These two projects are now being funded through a government grant and delivered as part of the PSDS Project. The Energy Team who manage both the Phase 1 Project and PSDS Project intend to present a G2 Progress report at Jun-21 CASC and PSC confirming these changes and the reduction in funding requirement for the Phase 1 project. The combined savings between energy costs, maintenance and electricity capacity are estimated at £92k per year. The 'Energy Reduction Programme – Phase 1' funding has been approved in principle based on a spend-to-save 5-year target. Furthermore, the additional carbon savings in association with this centralised option have been estimated to be about 78 tCO2e/year.

	Therefore, it is requested that £233,000 of the funding originally approved in principle for the Phase 1 project is reallocated to the Chiller Replacement Project. The Energy Team estimate the centralised chiller plant replacement option could provide energy cost and maintenance savings of £92k per year and therefore deliver a simple payback of 2.5 years (based on the £233k contributing funds enabling this option). ***Options:*** Note: The current funding source approved for West Wing Chiller replacement is £2,999,800 and for Humidification Plant replacement is £1,200,000 **Option 1** (West Wing Like-for- Like replacement) Total estimated cost is £4,346,000 (including risk) This requires additional funding of £1,346,200 Funding strategy, close the current Humidification Project reallocation of funding from both the Humidification Project (£1.2m) and the Phase 1 Energy Reduction projects for the Guildhall (£146k) **Option 2** (Centralised Plant) **Option 2a** (Air cooled) - Total estimated cost £4,433,000 (including risk) This requires additional funding of £1,433,200 Funding strategy, close the current Humidification Project reallocation of funding from both the Humidification Project (£1.2m) and the Phase 1 Energy Reduction projects for the Guildhall (£233k) Option 2b (water cooled) Total estimated £7,675,000 (including risk) This requires additional funding of £4,675,200 Funding strategy - source not available **Option 3** (Pause the project and revise the project brief) Total estimated cost would be confirmed once brief has been revised and approved, likely to be circa £4,346,000 (including risk) This requires additional funding of £1,346,200 Funding strategy, close the current Humidification Project reallocation of funding from both the Humidification Project (£1.2m) and the Phase 1 Energy Reduction projects for the Guildhall (£146k) **Option 4** (West Wing Like-for-like replacement & cooling tower refurb)

	Total estimated cost would be confirmed once condition of cooling towers has been established, works will still be in excess of the budget at circa £3,101,180 This requires additional funding of at least £101,380 Funding strategy, reallocation Phase 1 Energy Reduction projects for the Guildhall (£146k) **Option 5** - Suspend the Chilling Project and submit a new funding. Funding strategy request additional funding at the annual bidding cycle for the shortfall. **Option 6** - Stop the project and allow the Guildhall Masterplan Strategy to address the required works in due course. Funding strategy, Guildhall Masterplan. One of the additional workstreams this project has been asked to consider is the Guildhall Masterplan. The City Surveyor continues to review the Guildhall masterplan for the future of the North and West Wings, which remain under considerable strain with regards to the building fabric and services as a result of increased use and age. Condition surveys and feasibility studies for the Guildhall Chilling and Humidification plant replacement project will be reviewed in the context of any wholesale building development, and if the Guildhall masterplan strategy is not approved, then these projects will be prioritised accordingly. Due to the Guildhall Masterplan being at such an early stage in the feasibility studies process, with no approved funding and an aim to put a bid forward in an estimated 18 months' time, it is not possible to put forward temporary solutions that might assist the Guildhall Masterplan over this period. To provide some context, if the Masterplan were to proceed the approximate programme could be something like: • Q4 2021 – Commence Detailed Feasibility • Q4 2023 – Obtain Planning Permission • Q1 2024 – Commence Demolition of NW & WW (there is the possibility that the NW could be used as decant space if feasible resulting in a demolition date say starting 2 years later) • Q1 2025 – Commence Construction of NW & WW • Q1 2028 – Complete Construction of NW & WW If Members decide to choose this option, the likely consequences are: a. Increasing risk of poor performance, failure and extended down-time of chiller plant resulting in

	significant risk of exceeding comfortable conditions within offices (East and West Wings) and public spaces (Business Library, City Centre). b. Continued high maintenance cost and risk of cost increases and down-time due to increased component failures from ageing plant. c. After January 2022 the chillers will be reliant on recycled refrigerant which will increase operational costs and could affect performance. d. Increased energy consumption, costs and carbon emissions. **Option 2a is Recommended** - Close the current Humidification Project due to essential areas being de-risked by the overlapping PSDS project which is installing localised Humidification. The remaining areas will be considered in a separate, new project. In conjunction, agree the funding reallocation from both the Humidification Project (£1.2m) and the Phase 1 Energy Reduction projects for the Guildhall (£233k) to allow the Chilling Plant replacement to move forward to GW3. The centralised system (Air cooled instead of the current water cooled) would incorporate both sets of Chiller on the West and North wing roofs. The energy and sustainability savings with this recommended option are significant and include: • *>£44K Annual Energy Consumption Savings* • *>£30K Annual maintenance Savings* • *>19K savings from reduced electrical capacity requirements* It should be noted that if funding is not reallocated, then the Humidification Project can continue and address the remaining areas (unessential) of the Guildhall complex.

Appendices

Note: Appendix 2 & 3 (which are in draft format and not fully complete) have been included for information purposes only, to show what options were being considered by the project team, before it was realised that the approved funding strategies were not enough.

Appendix 1	Project Coversheet
Appendix 2	Chilling Plant Options Matrix
Appendix 3	Humidification Plant Options Matrix

Appendix 4	Guildhall - Cooling Plant Replacement Option Study report'

Contact

Report Author	Edwin Birch
Email Address	Edwinjames.Birch@Cityoflondon.gov.uk
Telephone Number	0207 332 1030

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Project Coversheet

[1] Ownership

Unique Project Identifier: 12214 & 12213 **Report Date: 26 May 2021**
Core Project Name: Guildhall Chilling Plant Replacement & Steam Humidification Plant Replacement
Programme Affiliation (if applicable): N/A
Project Manager: Edwin Birch
Next Gateway to be passed: 3

[2] Project Brief

Project Mission statement:
Chilling:
Provide a long-term solution to continue to meet the cooling supply (chilled water) needs for the Guildhall Complex site in the most cost-effective and environmentally beneficial way.

Humidity
The project is to study options for the replacement of the existing steam humidification system to ensure the continuation of humidification control.

Definition of need:
Chilling:
The four chillers located in the West Wing (which serves the West Wing and East Wing) are at the end of their economical life and the risks from failure, ongoing chilled water provision performance, and higher operating costs are increasing.

Humidity
The steam humidification systems supply ventilation systems throughout the Guildhall Complex. Steam is injected into the air flow to increase humidity when required to maintain internal humidity levels within a desired range. This service need is for both essential and non-essential reasons.

Key measures of success: <1-3 qualitative/quantitative (not, on time/budget) (Project Briefing [12])>

1) Replacement of chillers to ensure long-term continuity of cooling supplies to meet site needs
2) Reduction in the whole-life-cost for the cooling plant.
3) Reduction in the energy consumption and carbon emissions
4) Humidity control performance as expected standards for artefacts and fabric conservation.
5) Reliability and maintainability
6) Minimized installation disruption and ensured service continuity

[3] Highlights

Finance:
Total anticipated cost to deliver [£]:
1) West Wing Chiller replacement £3m
2) Humidification Plant replacement £1.2m

Total potential project liability (cost) [£]:
1) West Wing Chiller replacement £3.924m
2) Humidification Plant replacement £1.012m

Total anticipated on-going commitment post-delivery [£] 18% reduction in annualised (Capex and Opex) costs could be achieved.
Programme Affiliation [£] not known as this stage

Do not use ranges in this table. Either Highest range value or best estimate at this time.

[A] Budget Approved to Date*	[B] New Financial Requests	[C] New Budget Total (Post approval)
281,200	N/A	N/A
[D] Previous Total Estimated Cost of Project	**[E] New Total Estimated Cost of Project**	**[F] Variance in Total Estimated Cost of Project (since last report)**
4.2m	4,433m	233k
[G] Spend to Date	**[H] Anticipated future budget requests**	
40,496.31	3	

Headline Financial changes:

Since 'Project Proposal' (G2) report: ▲◄►▼ <[£approved budget at G2] + short explanation of any changes to next gateway, max 4 lines>
Since 'Options Appraisal and Design' (G3) report: N/A

Project Status:
Overall RAG rating: RED
Previous RAG rating: Green

[4] Member Decisions and Delegated Authority
N/A

[5] Narrative and change

- As both the Chilling and Humidification Plant replacement projects completed their feasibility options stage (GW3), it was clear that all options under consideration, were above the approved funding strategy.

- The preferred chilling option is a centralised system (Air cooled instead of the current water cooled which would incorporate both sets of Chiller on the West and North wing roofs.

Headline Scope/Design changes, reasons why, impact of change:

Since 'Options Appraisal and Design' ▲ Options are above agreed funding strategy

Timetable and Milestones:

Expected timeframe for the project delivery: August 23

Milestones:

1) GW3 – TBC
2) GW4 – TBC
3) Contractor Procurement - TBC

Are we on track for this stage of the project against the plan/major milestones? No

Are we on track for completing the project against the expected timeframe for project delivery? No

Risks and Issues

Top 3 risks: <things that have not come to pass>

R38	Partial or complete failure of existing chiller plant prior to installation of replacement chiller plant
R35	Brexit impact - Labour shortage and / or materials shortage or delays with deliveries due to the impact of Brexit
R38	Partial or complete failure of existing steam system/plant prior to installation of replacement plant/system

See 'risk register template' for full explanation.

Top 3 issues realised <risks which have come to pass:>

Issue Description	Impact and action taken	*Realised Cost*

No issues to report

Has this project generated public or media impact and response which the City of London has needed to manage or is managing?

No

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Options Appraisal Matrix

Option Summary	*Option 1 (West Wing Like-for- Like replacement)*	*Option 2 (Centralised Plant)*	*Option 3 (Pause the project and revise the project brief)*	*Option 4 (West Wing Like-for-like replacement & cooling tower refurb)*
1. Brief description of option	• *Replacement of the WW (&EW) chillers and cooling towers to a more modern system.* • *Continue to meet current demands*	• *Consolidation of all chiller equipment and services into one plant centre serving the NW, EW & WW.* • *Location of plant centre TBC.*	• *Stand down the design team to consider the parallel workstreams currently underway* • *Assess the impact of the future masterplan options for the Guildhall.* • *Confirm and update the project brief incorporating the latest information and project requirements to ensure correct solution.* • *Reengage the design team once this is known and proceed through the GW process.*	• *Replacement of WW (&EW) chillers to a more modern system* • *Refurbishment of the existing cooling towers* • *Continue to meet current demands.*
2. Scope and exclusions	• *NW chillers remain in place and continue to serve the NW areas. No*	• *Water-cooled vs Air-cooled TBC following further analysis*	• *Project to re-enter into the capital building cycle with confirmed and consolidated brief.*	• *Review and refurbish the existing cooling towers to meet demands of new*

Option Summary	***Option 1 (West Wing Like-for- Like replacement)***	***Option 2 (Centralised Plant)***	***Option 3 (Pause the project and revise the project brief)***	***Option 4 (West Wing Like-for-like replacement & cooling tower refurb)***
	update to these assets.	• *Location of plant centre TBC.*	• *Revisit budgets to confirm allocation depending on confirmed scope.*	*chiller system. No renewal.* • *NW chillers remain in place and continue to serve the NW areas. No update to these assets.*
Project Planning				
3. Programme and key dates	• GW 4 - Nov 21 • GW4C – March 22 GW5 – Sept 22	*Same as option 1*	• *Revise Brief and seek Chief Officer sign off July 21.* • *Capital Bidding Cycle – August 21 – January 22.* • *Following approval, Gateway 2 March 22; Outlined Options - Gateway 3 July 22.*	• *Same as option 1*
4. Risk implications	• *NW chillers are approaching end of life. If they are not upgraded as part of these works then there will be further works in the short/medium-term.*	• *Project budget insufficient* • *Guildhall Masterplan could include the demolition and redevelopment of the Guildhall which would render the project output obsolete.*	• *EW & WW chillers are currently at end of life and are costing c. 30-50k p.a. to maintain. Risk of failure in the coming years could lead to expensive interim solutions or*	• *Risk that the refurbished cooling towers lack efficiency. Risk of not meeting decarbonisation goals* • *Risk of failure of existing chillers*

Option Summary	*Option 1 (West Wing Like-for- Like replacement)*	*Option 2 (Centralised Plant)*	*Option 3 (Pause the project and revise the project brief)*	*Option 4 (West Wing Like-for-like replacement & cooling tower refurb)*
	No realisation of efficiencies of scope/scale. • *Guildhall Masterplan could include the demolition and redevelopment of the Guildhall which would render the project output obsolete.*	• *Project programme potentially longer which would put pressure on the EW & WW chillers which are at end of life.*	*failure to meet internal conditions.* • *Programme delays to the chiller replacement project* • *Potential additional design team fees for re-engagement and revisiting previously completed work.*	• *Guildhall Masterplan could include the demolition and redevelopment of the Guildhall which would render the project output obsolete.* • *NW chillers are approaching end of life. If they are not upgraded as part of these works then there will be further works in the short/medium-term. No realisation of efficiencies of scope/scale.*

5. Stakeholders and consultees	• *Chamberlains,*
	• *Corporate Property,*
	• *Town Clerks,*
	• *City Surveyors, including:*
	  ○ *Energy Team;*
	  ○ *PPG;*
	  ○ *FM & R&M*
		• *Same as option 1*	• *Same as option 1 but also including Citigen*	• *Same as option 1*

Option Summary	*Option 1 (West Wing Like-for- Like replacement)*	*Option 2 (Centralised Plant)*	*Option 3 (Pause the project and revise the project brief)*	*Option 4 (West Wing Like-for-like replacement & cooling tower refurb)*
	• *Departments occupying or using the Guildhall.*			
6. Benefits of option	• *Project budget approved and acceptable CAPEX of the 2 replacement options (compared to option 2)* • *Able to quickly replace the EW and WW chillers to bring up to standard and meet the requirements of the Guildhall complex.* • *Upgrade to the EW/WW chillers would provide a more efficient water-cooled system* • *No spatial issues as would sit within the same plant areas.*	• *The most energy efficient solution being proposed. Able to upgrade all 'inefficient' assets to modern standard. This would meet the Citys decarbonisation aspirations.* • *Reduced OPEX outlay as all systems would be upgraded.* • *Futureproofing the cooling requirements of the Guildhall complex, bringing the systems up to standard and securing a c. 20 year life.* • *New system would not be reliant on the soon to be redundant refrigerant*	• *Will allow the City to completely review and confirm requirements and project brief in the context of wider workstreams and aspirations.* • *No redundant expenditure pursuing an upgrade to the existing systems in the event they become obsolete.*	• *Project budget approved and lowest CAPEX of the 3 replacement options.* • *Able to quickly replace the EW and WW chillers to bring up to standard and meet the requirements of the Guildhall complex.* • *Upgrade to the EW/WW chillers would provide a more efficient water-cooled system* • *No spatial issues as would sit within the same plant areas.* • *Further reduction in cost compared to option 1.*

Option Summary	***Option 1 (West Wing Like-for- Like replacement)***	***Option 2 (Centralised Plant)***	***Option 3 (Pause the project and revise the project brief)***	***Option 4 (West Wing Like-for-like replacement & cooling tower refurb)***
7. Disbenefits of option	• *Does not address the NW chillers which are approaching end of life. Both in terms of efficiency and ongoing OPEX to keep the NW chillers running.* • *Will not realise the maximum efficiencies and decarbonisation targets.* • *NW chillers would be reliant on the soon to be redundant refrigerant. Would likely see an uplift in ongoing regular maintenance.*	• *Project budget will need to be reviewed and potentially increased to meet requirements. Most CAPEX outlay.* • *Spatial requirements are most intensive to accommodate the full footprint of the plant centre.*	• *Significant delay to programme* • *Potential for faults with EW & WW chiller systems if not addressed.* • *Abortive design team fees.*	• *Does not address the NW chillers which are approaching end of life. Both in terms of efficiency and ongoing OPEX to keep the NW chillers running.* • *Will not realise the maximum efficiencies and decarbonisation targets.* • *NW chillers would be reliant on the soon to be redundant refrigerant. Would likely see an uplift in ongoing regular maintenance.* • *Does not address cooling towers which are out of date. Only refurbishment.*
Resource Implications	***Option 1 (West Wing Like-for- Like replacement)***	***Option 2 (Centralised Plant)***	***Option 3 (Pause the project and revise the project brief)***	***Option 4 (West Wing Like-for-like replacement & cooling tower refurb)***

Option Summary	*Option 1 (West Wing Like-for- Like replacement)*	*Option 2 (Centralised Plant)*	*Option 3 (Pause the project and revise the project brief)*	*Option 4 (West Wing Like-for-like replacement & cooling tower refurb)*
8. Total estimated cost	*Total estimated cost is £3,918,000 (excluding £428,000 of CRP)*	***Option 2a** (Air cooled) Total estimated cost £3,538,000 (excluding £895,000 of CRP)* ***Option 2b** (water cooled) £6,780,000 (excluding £895,000 of CRP)*	*Unknown at this stage and once brief has been revised and approved then initial costing can be put forward.*	*To be determined (TBD) once condition of cooling towers have been established.*
9. Funding strategy	*To be determined (TBD)* *The current funding source of the approved 3m is split across three funds:* *1. City Fund £1.860m;* *2. City Cash £0.990m,* *3. BHE £0.150m)*	*To be determined (TBD)*	*To be determined (TBD)*	*To be determined (TBD)*
10. Investment appraisal	*To be determined (TBD)*	*To be determined (TBD)*	*To be determined (TBD)*	*To be determined (TBD)*
11. Estimated capital value/return	*N/A at this point*	*N/A at this point*	*N/A at this point*	*N/A at this point*
12. Ongoing revenue implications	*To be determined (TBD)*	*To be determined (TBD)*	*To be determined (TBD)*	*To be determined (TBD)*

Option Summary	*Option 1 (West Wing Like-for- Like replacement)*	*Option 2 (Centralised Plant)*	*Option 3 (Pause the project and revise the project brief)*	*Option 4 (West Wing Like-for-like replacement & cooling tower refurb)*
13. Affordability	*This option is overbudget by £1,532,380*	*This option is overbudget between £1,274,672 (Option 1) or £4,516,380 (Option 2)*	*N/A*	*This option is overbudget by £101,380*
14. Legal implications	*None*	None	None	None
15. Corporate property implications	*Consolidated site chiller options would consider early replacement of other site chiller plant. Chiller plant locations will need to be considered against site plans.*	*Consolidated site chiller options would consider early replacement of other site chiller plant. Chiller plant locations will need to be considered against site plans.*	*To be determined (TBD)*	*Cooling tower would need to be replaced as a separate project.*
16. Traffic implications	*Plant installation is likely to require a partial short-term road closure of either Basinghall Street and/or Aldermanbury.*	*Plant installation is likely to require a partial short-term road closure of either Basinghall Street and/or Aldermanbury.*	*To be determined (TBD)*	*Plant installation is likely to require a partial short-term road closure of either Basinghall Street and/or Aldermanbury.*
17. Sustainability and energy implications	*New water-cooled chillers to serve the WW & EW would be more energy efficient than the existing chillers, but relatively inefficient air-cooled chillers serving the NW would be retained.*	*A centralised water-cooled chiller solution is would be the most efficient option overall, but a centralised air-cooled chiller solution would also perform well as a result of replacing the existing inefficient NW chillers.*	*To be determined (TBD)*	*As with Option 1, new water-cooled chillers to serve the WW & EW would be more energy efficient than the existing chillers, but relatively inefficient air-cooled chillers serving the NW would be retained. In comparison to*

Option Summary	***Option 1 (West Wing Like-for- Like replacement)***	***Option 2 (Centralised Plant)***	***Option 3 (Pause the project and revise the project brief)***	***Option 4 (West Wing Like-for-like replacement & cooling tower refurb)***
				Option 1 there would be some embodied energy savings as a result of refurbishing rather than replacing the cooling towers.
18. IS implications	*None.*	*Same as option 1*	*None.*	*None.*
19. Equality Impact Assessment	*An equality impact assessment will not be undertaken.*	An equality impact assessment will not be undertaken.	An equality impact assessment will not be undertaken.	An equality impact assessment will not be undertaken.
20. Data Protection Impact Assessment	*The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.*	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.
21. Recommendation	*Not recommended*	*Recommended*	*Not recommended*	*Not recommended*

Options Appraisal Matrix

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
1. Brief description of option	• Stand down current design development • Revisit GW 2 report to revise, accounting for parallel workstreams including localised humidifier installations to essential areas. • Incorporate alternate options and recommence design development as a single project.	• Installation of local ultrasonic humidifiers alongside a new central water treatment plant to control the water quality throughout the system.	• Installation of localised steam humidification utilising existing ductwork and infrastructure in combination with new chiller/ventilation system. • Electronic steam production then injected into ventilation system. • Controlled volume throughout the Guildhall Complex
2. Scope and exclusions	• Project to re-enter into the capital building cycle with confirmed and consolidated brief. • Revisit budgets to confirm allocation depending on confirmed scope.	• To include the following close control 'essential areas: ○ TBC by MD. • Excludes main circulation areas and office spaces. • Installation of water treatment plant at a	• Serves both essential and non-essential areas. • Would require element of water treatment from mains fed system.

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
		central location to feed decentralised humidifiers	
Project Planning			
3. Programme and key dates	• Revise Brief and seek Chief Officer sign off July 21. • Re-submit GW3 report with updated outlined options appraisal – Oct 21 • GW4 – Feb 22 • GW5 – Sept 22	• GW 4 - Nov 21 • GW4C – March 22 • GW5 – Sept 22	• GW 4 - Nov 21 • GW4C – March 22 GW5 – Sept 22
4. Risk implications	• Programme unable to meet requirements of the grant funding which means the monies are lost. • Current humidification system fails, which could impact the required close	• Project budget to be considered against option. • May put additional load on chiller systems in office spaces if humidification is not used to enhance comfort.	• May not be able to meet CoLC's decarbonisation goals. • Working within heritage environment to install local humidifiers. • ACM's within the building fabric

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
	control conditions required in the 'essential' areas.	• Obligation on CoLC to properly maintain the system. Expertise may not currently exist given the existing system. • ACM's within the building fabric • Current condition of the distribution pipework and system • Working within a heritage environment	• Current condition of the distribution pipework and system
5. Stakeholders and consultees	1. Chamberlains, 2. Corporate Property, 3. Town Clerks, 4. City Surveyors, including: a. Energy Team; b. PPG; c. FM & R&M 5. Departments occupying or using the Guildhall.	Same as Option 1	Same as option 1

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
6. Benefits of option	• Clear consultation and a consolidated project brief. No double handling of information/workstreams • Potential efficiencies and cost savings if the grant application funds can be used during this project.	• Low energy and low carbon solution if used with green electricity generation. • Small and quick installation • Efficient reactions to change in demand. • Can reduce loads on chiller energy during mid-season thus representing a further saving. • Further reductions due to reduced requirement throughout the Guildhall complex vs option 2b. • Comparatively lower operating costs	• Lowest capital cost • Hygienic system • Simple to retrofit to match existing infrastructure. • Use standard mains water, but comparatively reduced requirement for water treatment. • Flexible mounting position and locations.

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
7. Disbenefits of option	• Negative impact on delivery programme as GW 2 would need to be revisited. Work done to date would be somewhat redundant • Increase in design team fees to revisit and re-do design/options appraisal work.	• Still a requirement for a centralised water treatment plant • Higher initial capital cost • Pre-heating of space required vs no pre-heat required in isothermal system. • Local builders work required at each handling unit. • Impact on environmental conditions in 'non-essential' areas	• Comparatively higher operating costs and regular maintenance costs. • Highest energy usage with exception of centralised steam system • Expensive replacement items.
Resource Implications	**Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)**	**Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)**	**Option 3 (Steam Humidifiers to serve all areas)**
8. Total estimated cost	To be determined (TBD)	£898,042 (excluding £163,958 CRP)	£1,483,384 (excluding £270,912 CRP)

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
9. Funding strategy	To be determined (TBD)	The funding source is split across three funds: 1. City Fund £0.744m, 2. City Cash £0.396m, 3. BHE £0.060m	To be determined (TBD)
10. Investment appraisal	To be determined (TBD)	To be determined (TBD)	To be determined (TBD)
11. Estimated capital value/return	To be determined (TBD)	To be determined (TBD)	To be determined (TBD)
12. Ongoing revenue implications	To be determined (TBD)	To be determined (TBD)	To be determined (TBD)
13. Affordability	To be determined (TBD)	This option is within budget but there is substantial change in brief that would require a formal change instruction to be issued with the outcome leaving a number of areas classed as	This option is overbudget by £283,384 (excluding risk)

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
		'Unessential,' left without any humidification support.	
14. Legal implications	None	None	None
15. Corporate property implications	To be determined (TBD)	To be determined (TBD)	To be determined (TBD)
16. Traffic implications	None	None	None
17. Sustainability and energy implications	To be determined (TBD)	To be determined (TBD)	To be determined (TBD)
18. IS implications	None	None	None
19. Equality Impact Assessment	An equality impact assessment has not been undertaken	An equality impact assessment has not been undertaken	An equality impact assessment has not been undertaken

Option Summary	*Option 1 (Revisit brief and amend the scope to cater for alternate work streams undertaken through the government grant scheme)*	*Option 2 (Local ultrasonic humidifiers (plus water treatment system and controls modifications) to serve 'essential' areas only)*	*Option 3 (Steam Humidifiers to serve all areas)*
20. Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.
21. Recommendation	Recommended	Not recommended	Not recommended

London Guildhall - Cooling Plant Replacement: Option Study

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

STEENSEN VARMING

Document Revision and Status

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Tom Taylor
Associate

tom.taylor@steensenvarming.com

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

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4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

1.0 Executive Summary

Steensen Varming have been commissioned to develop a design for the replacement of cooling and steam humidification plant at the Guildhall.

This report presents the findings of a high-level analysis of chiller replacement options that have been considered, alongside a recommended strategy to be progressed at Concept Design stage.

Three options have been considered:

1. A like of like replacement of the East/ West Wing chillers
2. The introduction of a centralised plant strategy in place of the existing East, West and North Wing chillers
3. The implementation of a hybrid approach previously recommended in a report produced by Beveridge Associates.

Each of the above options have been scored against a number of different performance criteria to determine which is the preferred option based on the proposed criteria.

Whilst there are a number of qualifications and caveats involved, the highest scoring option in the centralised chiller solution (Option 2), and as such, based on the analysis presented in this report, and in accordance with the scope and context of works set out in the brief, Steensen Varming's recommendation is that this option should be taken forward.

Whilst the options appraisal presented in this report has been undertaken in accordance with the scope and context set out in the project brief, we are aware that there are other chiller replacement options which could be considered, and there are other factors which are likely to have an impact on the preferred strategy which have not been assessed. As such, we would recommend that if possible, the scope of the project should be reviewed in the context of these other options and site factors to ensure that the final recommendation and agreed strategy will be in the best long-term interests of the Guildhall and the City of London.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

2.0 Introduction

Steensen Varming have been commissioned to develop a design for the replacement of cooling and steam humidification plant at the Guildhall.

This report is focussed on the cooling element of works, and more specifically, on presenting an analysis of potential chiller replacement options and a recommendation as to which strategy should be taken forward, taking into consideration the project brief and the information available at the time of writing.

The assessment is based on the fundamental choice between proceeding with a like for like replacement of the existing chiller systems or implementing a new centralised chiller strategy to serve the site.

In addition to the like for like replacement and centralised plant options, a third option has been included as part of the options appraisal. The 3rd option has previously been put forward in a report produced by Beveridge Associates, which formed part of the original briefing documents for the project.

It should be noted that this report was originally intended to address some additional chiller replacement options and take into consideration a number of factors in the appraisal process that have subsequently been removed following confirmation that the assessment should not go beyond the original scope for the project as confirmed in the original briefing documents.

The following sections of this report provide further information on the scope and context of the works; the basis of the assessment; the existing systems that form part of the review; and the work previously undertaken by Beveridge Associates before then presenting the findings of the options appraisal, the associated recommendations, and possible next steps.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

3.0 Project scope and context

The project scope calls for two options to be investigated:

1. Like for like replacement of the West Wing (and East Wing) chillers and associated cooling towers
2. Potential consolidation of plant into a single, more efficient plant centre.

Based on discussions to date, we understand that in practice, the potential scope of works associated with Option 2 would mean the replacement of both the West Wing and North Wing chillers with new chillers, in a central location.

The justification given for replacing the West Wing chillers is that they are approaching end of life and are increasingly expensive to maintain.

The reasoning for considering the replacement of the North Wing chillers alongside the West Wing chillers is that the North Wing chillers are not considered to be energy efficient by modern standards, and that there may be efficiencies to be realised in switching to a central plant solution.

It has been suggested in previous discussions with the client team that the North Wing chillers may also be considered to be approaching end of life due to increasing maintenance issues, however, since the initial project brief states that the North Wing chillers should only considered for replacement on the grounds of making potential improvements in energy efficiency, the replacement of these chillers is not considered an essential outcome for this project.

It is known that some there are some masterplan proposals currently in development for the site, which could impact upon the proposed chiller replacement strategy. However, the details of these proposals are currently unknown, and Steensen Varming have been asked not to take account of these proposals in developing the chiller replacement strategy, hence no further consideration has been given to these plans or their potential implications for the project.

As part of the options appraisal process, initial contact was made with Citigen regarding the potential to connect the Guildhall to the existing district cooling network which serves a number of buildings in the local area, and has pipework already installed up to the Guildhall boundary, but as this option is not one of the options put forward for investigation in the project brief, we have made no further comment on this option in this report.

In summary, this report has been produced to provide an initial high-level options appraisal of the options that have been put forward for investigation as part of the original brief for this project, within the context that has been set out in the brief for this project. Whilst this approach has been confirmed as the correct approach to follow by the client team, we have some concerns as to whether this approach will provide value because some aspects and potential findings of the review based on the original scope and associated context of the works have already been superseded by other developments, and any recommendations may be at risk of soon becoming outdated based on other proposals for the site that are currently in

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

development. In addition to missing out on the opportunity to investigate other options that may be feasible for the site (e.g. connection to the Citigen system), there is a risk that any recommendations made within the context of the information given in the brief for this stand-alone project may not be appropriate when considered in the wider context of other projects that are being progressed across the site (e.g. the site masterplan), and in light of the status of other systems which will have a direct impact on this project (e.g. replacement of building controls systems in the West Wing) but have not been considered.

In light of these concerns, Steensen Varming would recommend that consideration is given to reviewing the current scope of works and the associated design programme before progressing with the Concept Design stage. In particular, it may be worth considering updating the scope to reflect:

1. The potential change in status of the North Wing Chillers to being considered as end of life
2. The end-of-life status of the controls systems serving the West Wing
3. The potential for connection to the Citigen District Cooling System.

In addition, we would recommend that the project be considered in the wider context of proposals across the rest of the site, including the site masterplan, with this project potentially even being paused until more is known with regards to future plans for the site which could impact on the preferred chiller strategy.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

4.0 Basis of assessment

As noted in the previous section, the assessment has been undertaken in accordance with the scope and context set out in the original briefing documents for the client.

To confirm, the original briefing documents included:

- Mechanical and Electrical Engineer's & Principal Designer Services Scope (V7) - Guildhall Cooling Plant Replacement & Steam Humidification Plant Replacement Services
- Appendix 3 – Additional Information (Guildhall Steam Generator Plant Replacement)
- Programme (Oct 20)
- Beveridge Associated Feasibility Study Report

Since being appointed, a significant volume of further information has been made available to inform the study, including:

- Previous Airedale Proposals/ Quotations
- Information on the East Wing, West Wing and North Wing cooling systems, including: schematics; layout drawings; asset register; design criteria; O&M manuals
- Energy and BEMS data and analysis, including: electricity consumption data; logging data for cooling coil valve positions
- 2020 Air Conditioning Inspection Report
- Previous Feasibility Study undertaken by WSP
- Floor plans for the whole site
- Further details on the ventilation systems across the site

Whilst a significant volume of information has already been provided, Steensen Varming have requested further information to enable a full review to be undertaken to consider the performance of the central plant in parallel with the internal environmental conditions (temperature and humidity) that are achieved across the site.

The full set of data will help us to understand where there are any issues with maintaining design conditions, and the extent to which the central plant may be contributing to any issues, be it due to a lack of capacity of ineffective controls. We also hope to be able to use the full set of data to help determine the peak cooling demands across the site.

To confirm, the information requested covers the performance of the NW/WW/EW chillers, the WW condenser water system and the steam generators; details on the operation of AHUs across the site; and temperature/ humidity readings for a number of areas across the site. Ideally, 12 month's data over the same period is required for each of these elements.

As the above information is still in the process of being collected, it has not been possible for the information to feed into analysis that has been undertaken to

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

produce this report. Instead, this report considers the potential chiller replacement options against a range of high-level criteria in order to provide an overview of the main advantages and disadvantages of each option with the aim of seeking an agreement on which option should be progressed during the Concept Design Stage.

If available, the above data will feed into the Concept Design when we will be looking to confirm the size/ capacity of the proposed plant. Ideally, this process would be informed by a review of a comprehensive set of data on the existing building systems and their performance, but should the information not be available we will proceed on the basis of the information received to date, supplemented by additional modelling and calculations to determine predicted loads as required.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
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e : info@steensenvarming.com

5.0 Existing systems

There are five separate chilled water systems serving different areas of the site:

- **West Wing (1640kW)**: Two water-cooled chillers located in basement plant room (connected to cooling towers on the West Wing roof), installed in 1996, supplying chilled water to AHUs and FCUs within various West Wing building areas to provide comfort cooling and dehumidification (also to support close control for manuscripts store).
- **East Wing (1640kW)**: Identical equipment to West Wing located in basement plant room, serving AHUs and FCUs which serve various building areas to provide comfort cooling, and close control for art gallery, amphitheatre and associated stores.
- **North Wing – Main (2250kW)**: Five identical air-cooled chillers mounted on the North Wing roof, installed in 2008. Supply chilled water for North Wing office chilled beams and FCUs and AHUs serving various areas in the North Wing.
- **North Wing – SER (560kW)**: Two smaller air-cooled chillers installed in 2008, located on the North Wing roof, serving comms rooms and kitchen cold stores.
- **Old Justice Rooms**: Three air-cooled chillers installed in 2003, in staff car park plant room, serving datacentre and building rooms.

It is noted in the project brief that the four water-cooled chillers located in the West Wing, which serve the East and West Wings are at the end of their economic life and due for replacement.

The North Wing chillers are considered to be inefficient by modern standards and should be considered for replacement if the project budget will allow.

The North Wing SER chillers and Old Just Rooms CHWS are understood to be in generally good repair with significant operational life remaining.

All chillers use R407C which will be unavailable to purchase (new) from January 2022.

Cooling towers for the East and West Wing chillers are difficult to access and expensive to maintain (£50k/ year, scaffold permanently in place).

CHW systems have not been able to meet demands over the past two summers which have been very warm. In 2019, cooling had to be switched off in some areas to maintain appropriate conditions in critical areas. One of the main issues is the heat rejection systems, including the cooling towers, are considered to be undersized.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
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e : info@steensenvarming.com

6.0 Beveridge Associates Feasibility Study

It is understood that the Beveridge Associates Feasibility study was commissioned by the Guildhall Energy Team who had identified poor efficiencies and capacity issues across the existing cooling plant. A previous study by WSP had put forward recommendations for consolidating existing plant to provide a centralised solution, and some of these options had subsequently been costed by Airedale. Beveridge Associates were commissioned to develop the centralised option, and in particular to look at:

1. How the different cooling systems could be linked together
2. How the secondary chilled water systems could be optimised (e.g. moving some areas operating on extended hours on to different cooling systems)
3. An overall strategy and phased implementation plan

The main body of the Beveridge Associates Feasibility study sets out an analysis of the chiller system energy data. This analysis is followed by proposals for a chiller rationalisation strategy and associated implementation plan.

The Beveridge Associates feasibility study is broadly split into two parts, with the first presenting a review of the performance and utilisation of the existing, East, West and North Wing Chillers. The second part of the report puts forward recommendations for a chiller rationalisation strategy with a staged implementation programme.

The key findings and observations outlined in the first part of the report include the following:

1. The West Wing chillers and pumps are running year-round, even when there is no demand. As such, basic control improvements (e.g. reducing operation to summer only) could result in significant energy/ cost savings.
2. The East Wing chillers also run for longer periods than they should, but the system has a greater average delta T (between 2-4°C) which suggests the East Wing system operates more efficiently than the West Wing system.
3. Further work is required to establish which items of plant are causing the chillers to operate all year, so that these areas can be removed from the main chiller system, and either moved onto an alternative like the SER chillers, or a new VRF air-water system with dedicated plant operating at longer hours.
4. The scheduling of the North Wing chillers is believed to be more reflective of existing demand, but the average delta T is still low which suggests there may be potential scope for further energy savings in summer.
5. A review of the connected loads on the existing schematics suggests that the North and West Wing chillers are undersized.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

The second part of the Beveridge report outlines a chiller rationalisation strategy which would ultimately result in the following arrangement:

- A new VRF system would be installed to pick up the 'extended hours' loads in the West Wing
- New air-cooled chillers with slightly reduced capacity (compared to existing) would be installed to pick up the remaining West Wing and the East Wing loads
- A permanent link would be installed between the East/ West Wing and North Wing Systems

As the existing water-cooled chillers would be replaced by the new VRF and air-cooled chillers on the roof of the West Wing, the existing cooling towers would be made redundant and would be removed. Space would also be made available in the West and East chiller plant room through the removal of the existing chillers.

The cost of the above works is estimated at £2m, with a programme length of approximately 2.5 years, include a 1-year monitoring period after Stage 1.

Alternative Options

The final section of the Beveridge Associates report puts forward a summary of alternative options that have previously been discussed and costed. A summary of these is provided below for completeness.

Replace WW, EW, and NW in situ like for like and refurbish existing cooling towers	£2,862,801
Replace WW, EW and NW chillers with enhanced like for like, and replace cooling towers	£4,450,120
Replace EW/WW plant and cooling towers and form new larger centralised water-cooled chiller plant serving all areas on NW roof	£6,755,664
Abandon EW/WW plant and cooling towers to form new larger centralised air-cooled chiller plant serving all areas on NW roof	£3,803,858

6.1 Review Comments

As noted above, there are two main parts of the Beveridge Associates Feasibility study: the initial energy data appraisal, and the proposed rationalisation strategy.

Energy Data Appraisal

The report presents a comprehensive analysis of the available information, though as noted in the report, data is unavailable for some systems, and there are some inconsistencies with some of the data that is available.

The analysis presented in the report all appears to be valid, and as such, we would support the associated conclusions with respect to the control issues associated with the operation of the existing plant, and the recommendations with respect to the potential for improvement. We would however note that our assessment is based only on the information presented within the report and that we need to undertake a

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

more detailed review of the primary data upon which the report is based to confirm that we are in full agreement with the analysis that has been put forward.

Proposed rationalisation strategy

The proposed strategy meets the basic objective of replacing the East and West Wing chillers (and associated cooling towers) which are approaching the end of their economic life, but the proposed strategy does not allow for the replacement of the North Wing chillers with more modern and efficient alternatives, which is one of the aspirations for the project, at least not in the short term. As such, the proposed strategy would not realise the potential energy, carbon and operational cost savings associated with this approach.

The proposed strategy would provide some rationalisation of existing systems through linking the North and West Wing systems, which in turn may make it possible to reduce the overall installed plant capacity. However, the proposals stop short of moving toward a single centralised system with a single centralised plant area. The proposed link pipework may help to facilitate this solution at a later date under a subsequent phase of works, but the proposed strategy also moves away from a single central plant solution through the installation of a new 'VRF' system to serve significant areas of the West Wing, and the introduction of new air-cooled chillers on the West Wing roof to replace the cooling capacity which is lost through the removal of the existing East and West Wing water-cooled chillers.

To put the changes into some context considering the main cooling plant across the site, the existing capacity of the East and West Wing chillers is 3280kW, and the capacity of the North Wing chillers is 2250kW. The split is roughly 60/40 across the West Wing and North Wing plant.

The proposed approach would see the removal of the East and West Wing chillers, and the addition of a new 400kW VRF system; and two new 1200kW air-cooled chillers on the West Wing roof. The total West Wing plant capacity would effectively be reduced from 3280kW to 2800kW (a 15% reduction). The revised split in capacity across the two mains sets of plant would be approximately 55/45 across the West Wing and North Wing. In summary, the proposal would result in two separate main plant areas, each with a similar combined cooling capacity.

In effect, the proposed strategy appears to represent a compromise between doing the minimum required to meet the basic of aim of replacing the West Wing chiller plant, whilst also taking some steps towards transitioning toward a more rationalised strategy for the site through the installation of the pipework link between the North Wing and West Wing systems.

7.0 Chiller Replacement Options

As noted above, the brief calls for two options to be considered – like for like replacement of the West Wing chillers, and a change in approach to a new centralised solution.

As the Beveridge Associates Feasibility Study was included with the original briefing documents, the strategy put forward in this document (new VRF and air-cooled chillers on West Wing roof, plus new link pipework to North Wing chillers) has also been considered alongside the two options above.

The three options considered in the assessment below are therefore:

1. Like for like replacement of the West Wing (and East Wing) chillers and associated cooling towers
2. Potential consolidation of West Wing, East Wing and North Wing plant into a single, more efficient plant centre, in a central location (TBC)
3. New VRF/ air-cooled chillers to serve West Wing and introduction of link pipework to existing North Wing chiller system

7.1 Chiller Selection Criteria

For this stage of the analysis, we have carried out a comparative assessment of the following key criteria to determine the preferred solution:

1. Compliance with Brief
2. Satisfy Demands
3. Energy Efficiency
4. Capital Costs
5. Operating Costs
6. Spatial Impact
7. Builders Work
8. Future capacity
9. Regulatory Compliance (F-Gas Regulations)

Each category is scored out of 5, with 5 being the highest achievable score, and 1 the lowest.

Compliance with Brief
This first category considers whether each option complies with the key requirements that have been set out in the brief, namely the replacement of the West Wing chillers to remove the risk of failure due to these chillers having exceeded their optional life expectancy.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
t : +44 20 7734 1255
e : info@steensenvarming.com

The second, more aspirational requirement, set out in the brief it the replacement of the North Wing chillers in parallel with the replacement of the West Wing chillers to form a centralised chiller plant centre.

Option	Comment	Score
1	Meets the basic requirement but does not achieve aspirational requirement	3.0
2	Meets basic and aspirational requirements	5.0
3	Meets the basic requirement, implements some steps towards aspirational requirement	3.5

Satisfy Demands
This category considers whether the proposed solution will meet the basic requirements for the site in terms of functional performance. This includes both ensuring that sufficient cooling capacity is available to serve all areas of the site and ensuring there is adequate resilience in the system design through incorporation of appropriate redundancy.

Option	Comment	Score
1	Known existing capacity issues, may be a need to replace condense water system	3.0
2	New plant would be sized to ensure demands can be met, preferred/ most efficient solution with respect to redundancy, and also benefitting from diversification of loads	5.0
3	New plant to be sized to ensure demands can be met, works would need to be planned to ensure any periods of reduced capacity would fall outside of cooling season	4.0

Energy Efficiency
In accordance with the brief, the assessment of energy efficiency should consider the energy consumption associated with the areas served by both the West Wing and North Wing chillers.

Option	Comment	Score
1	Option 1 would result in an efficient water-cooled chiller solution in the West Wing whilst retaining the existing inefficient chillers that serve the North Wing.	3.5
2	A new centralised water-cooled chiller solution is likely to be the most energy efficient option, but even a centralised air-cooled chiller solution utilising new energy efficient air-cooled chillers would perform well compared to the other options as a result of replacing the existing inefficient North Wing chillers.	5.0
3	This option would see a combination of new air-cooled chillers and VRF system installed on the West Wing roof, whilst the inefficient air-cooled chillers serving the North Wing would be retained. There are expected to be some operational efficiencies through moving some plant with extended operating hours onto the VRF system which would in turn help to reduce unnecessary operation of the central plant	3.5

Capital Costs

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
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The scores below reflect relative costs which are based on the broad scope of works associated with each option.

Steensen Varming have not undertaken a detailed cost review, but based on estimates contained within previous reports, it is expected that Option 1 and Option 3 could be delivered within the existing project budget of £3m, whereas the costs of Option 2 are likely to exceed the existing project budget, with estimated costs in the region of £3.9m assuming air-cooled chillers. Costs for a centralised water-cooled chiller solution would exceed the costs for the air-cooled solution.

Option	Comment	Score
1	A straight replacement of the West Wing chillers only would be the least expensive option, but this does not take into consideration the future costs of replacing the North Wing chillers, nor does it take into consideration the additional costs of upgrading the West Controls which would be a requirement, but sits outside the scope of this project.	5.0*
2	The scope of works associated with Option two includes the replacement of both the West Wing and North Wing chillers, making this the most expensive option, if only considering the expenditure associated with this project.	2.0*
3	This would be the second most expensive option due to the installation of the link pipework in addition to the replacement of the West Wing water-cooled chiller with new air-cooled chillers and separate VRF system.	3.5*

**The different options cover different scopes of works with only Option 2 allowing for the replacement of the North Wing chillers, so the costs are not directly comparable in this respect. It should also be noted that the costs only relate to the scope of works that would be delivered under this project. The scores do not take into consideration the costs associated with other projects that may be required to support the implementation of the above options e.g. the replacement of the West Wing controls which are outside the scope of this project. Whilst this approach is understood to be in accordance with the brief and scope of works, it is recommended that a more holistic cost assessment be undertaken to enable a like-for-like comparison to be made, taking into account all relevant costs.*

Operating Costs

Operating costs include energy and maintenance costs. Option 2 has been assigned the highest score in the table below on the basis that this is the only option that would see the (inefficient) existing North Wing chillers replaced, and hence realise a significant reduction in energy consumption associated with the North Wing plant. There are also expected to be significant savings in maintenance costs associated with centralising all plant and removing the need for cooling towers. There are however several factors at play and the preferred solution may vary depending on the time frame of reference.

Option	Comment	Score
1	Water-cooled chillers have a higher efficiency and reduced energy consumption costs, but increased maintenance costs compared to air-cooled chillers; inefficient North Wing air-cooled chillers will be retained in this scenario	3.5

2	Centralised water-cooled chiller solution likely to be most efficient possible solution; centralised air-cooled chiller solution more efficient and reduced maintenance costs compared to distributed air-cooled solution; in the scenario the existing inefficient North Wing air-cooled chillers would be replaced with more efficient alternatives	5.0
3	Air-cooled chillers less efficient than water-cooled chillers but potential efficiency savings associated with moving areas with extended out of hours operation on to dedicated VRF system; in-efficient North Wing air-cooled chillers would be retained in this scenario, and the expectation would be that the utilisation of these chillers would be increased	3.5

Spatial Impact
This category considers spatial planning requirements and potential difficulties/ complications associated with accommodating the plant proposals

Option	Comment	Score
1	Like for like replacement, no issues envisaged	5.0
2	Central plant location to be confirmed, but significant works may be required to accommodate new plant, may be a requirement for planning permission, requirement for new link pipework to be installed	2.0
3	New West Wing roof plant enclosure required, may be a requirement for planning permission, requirement for new link pipework to be installed	3.0

Future Capacity
Whilst it has been confirmed that this assessment should not take into consideration any specific proposals that may be developed as part of the site masterplan, it is good practice to consider the installation of additional capacity, or to ensure provision for future capacity as part of any upgrade works.

Option	Comment	Score
1	Distributed plant with limited flexibility to adapt to meet future demands.	2.5
2	Consolidated central plant solution would provide greatest flexibility for meeting future needs	5.0
3	Infrastructure installed to provide some flexibility for future adaption	3.5

Regulatory Compliance (F-Gas Regulations)
All existing chillers on site use R407c refrigerant. From January 2022, it will only be possible to use recycled R407c refrigerant to service the chillers. Whilst recycled refrigerant can still legally be used for servicing, the change in regulations is likely to result in reduced availability and increased cost. As such, it is suggested that the preferred approach would be to transition away from the use of R407c refrigerant.

4th Floor Noland House, 12-13 Poland Street
London W1F 8QB, United Kingdom
CRN 08 63 62 80
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e : info@steensenvarming.com

Option	Comment	Score
1	Replacement West Wing chillers would use alternative refrigerant, but existing North Wing chillers would remain in use	2.5
2	New chillers which use alternative refrigerants would be installed to replace existing West Wing and North Wing chillers	5.0
3	Replacement West Wing chillers would use alternative refrigerant, but existing North Wing chillers would remain in use	2.5

7.2 Option Summary Table

The table below summarises the scores from the previous section.

CATEGORY	OPTION 1	OPTION 2	OPTION 3
Compliance with Brief	3.0	5.0	3.5
Satisfy Demands	3.0	5.0	4.0
Energy Efficiency	3.5	5.0	3.5
Capital Costs	5.0	2.0	3.5
Operating Costs	3.5	5.0	3.5
Spatial Impact	5.0	2.0	3.0
Future Capacity	2.5	5.0	3.5
Regulatory Compliance	2.5	5.0	2.5
Total	**28 (70%)**	**34 (85%)**	**27 (67.5%)**

It should be noted that the above scoring assumes all categories are of equal importance, but this is not necessary the case, and we would welcome a discussion to determine whether weightings should be applied to any of the above categories so that the scoring can be updated to reflect the relative importance of each category.

In addition, it should be noted that a number of assumptions and caveats have been made in arriving at the above scores. Whilst it would be possible to make different assumptions or consider a different frame of reference, we have tried to ensure that the assessment has been completed in accordance with the project scope, and that a consistent approach has been applied across all categories. Considering the Capital Cost and Operating Costs for example, the assessment against both categories is based on the scope of works that will be delivered under this project, and as such, the capital costs only consider the costs associated with the plant that will be installed under this project, without any consideration for costs of future plant replacements, and the operating costs only consider the costs associated with the plant that will be in place at the end of this project, irrespective of how long this plant may be in place for.

Based on the equal category weighting approach, and the approach as described above, it is apparent that Option 2 (the new centralised plant solution) is the preferred outcome.

4th Floor Noland House, 12-13 Poland Street
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8.0 Recommendation

Based on the high level/ fundamental Option Study above, the preferred solution for the site would be to introduce a centralised chiller system, i.e. Option 2.

The choice between an air-cooled or water-cooled chiller system should be subject to further analysis if there is agreement to proceed with the development of a central chiller plant solution. It is however noted that the costs associated with water-cooled would require a significant uplift in the project budget (as opposed to a more moderate uplift for a centralised air-cooled chiller solution), and as such, it may be possible to rule out a centralised water-cooled solution at this stage.

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9.0 Proposed next steps

Assuming the project scope remains as existing and there is no change to consider a more holistic approach/ take account of other planned works etc, the recommended next steps are as follows:

1. Guildhall to confirm if happy to proceed along the route of a centralised chiller solution, or to advise what specific further information is required at this stage to enable a decision to be made.
2. Cost Consultant to confirm high-level costs of 3 options that have been considered above. If it is confirmed that Option 2 (in any configuration) will exceed current project budget, it will be necessary to seek confirmation as to whether the project budget can be increased (and reviewed in the context of wider costs associated with other works, e.g. West Wing Controls replacement, eventual replacement of NW chillers) to accommodate this approach as the preferred solution.
3. If the budget can be made available, proceed with the concept design for the central chiller approach, which will include an assessment of air-cooled v water-cooled solutions, considering the different parameters outlined in Appendix A, and a more detailed assessment of performance requirements covering the areas outlined in Appendix B.
4. If it is confirmed that all design proposals should fall within the existing £3m budget, further discussions required with the Guildhall to confirm whether to proceed with Option 1 or a combination of Options 1 and 3.

Whether proceeding in accordance with Item 3 or Item 4 above, the immediate next steps in the design process will be to analyse concurrent performance data (when/ if data received) alongside calculating design loads to cross check against the historic data and to allow for future sensitivity analysis, before then confirming plant capacity and assessing potential plant locations.

If, however, a decision is made to delay the project pending further development of the masterplan, or a decision is made to amend the scope of the project to consider a more holistic assessment of the strategy across the site, then the next steps would need to be reviewed in parallel with the Guildhall.

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e : info@steensenvarming.com

10.0 Appendix A – Air-cooled v Water-cooled chillers

The table below an overview of how the two chiller options (air- and water-cooled) perform against some of the relevant selection criteria.

It can be seen that either option has relative strengths and weaknesses, and as such, it's important to understand what the key drivers are for the client before making a final decision.

Selection Criteria	Chiller Type		Comments
	Water-cooled	Air-cooled	
Efficiency	Preferred		- Water-cooled chillers have a higher efficiency than Air-cooled chillers.
Capital cost	-	Preferred	- Air-cooled chillers have a lower up front cost as it doesn't require cooling towers and condenser pumps
Energy cost	Preferred	-	Water-cooled chillers have a better efficiency which results in lower running costs.
Acoustics	Preferred	-	- Water-cooled chillers produce less sounds and more acoustically suited for hospital environments.
Specialist applications	-	Preferred	- Air-cooled chillers are preferable in areas with water shortages, and extremes in humidity.
Maintenance	-	Preferred	- Water-cooled chillers require high levels of maintenance such as tower cleaning, water treatment, makeup water etc. whereas the maintenance for air-cooled chillers is minimal.
Life Span	Preferred	-	- Water-cooled chillers have a longer life span since the chiller is usually located in the plant room, away from the external conditions.
Green Star Rating	Preferred	-	- As water-cooled chillers are more efficient, this results in a lower energy footprint.
Water Consumption	-	Preferred	- There is no requirement for make-up water for the cooling towers
Structural Impact	-	Preferred	- Load bearing capacity should be increased for the roof due to concentrated load of the cooling towers. Standard roof construction for air cooled.
Water Treatment	-	Preferred	- Air cooled chillers do not require treatment of water to prevent legionella disease, rust etc.
Life Cycle Cost	Preferred	-	- Air cooled chillers exceed water cooled chillers in life cycle cost due to the power consumed annually
Total			
Preferred Chiller Type	☆	☆	

4th Floor Noland House, 12-13 Poland Street
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e : info@steensenvarming.com

11.0 Appendix B – Base criteria for further analysis

Once the fundamental approach is agreed, Steensen Varming will carry out detailed analysis to refine the sizing and selection of the associated plant requirements. This analysis will be informed by a number of different factors including those listed below.

11.1 Climate Overview

A clear understanding of the local climatic conditions plays a vital role in determining the preferred cooling strategy. Steensen Varming utilise test reference year data in analysing critical infrastructure loads to get an accurate assessment of capacity, part load conditions and the like.

Since the project includes areas that require critical environmental parameters to be met for collection care, we will need to take a close look at the relative humidity levels throughout the year which will allow us to determine the moisture present in the air.

It is recommended to include future climate scenarios to address the likelihood that historic data traditionally used for such studies would need to be adapted.

11.2 Capacity

The actual peak and part load chiller capacities together with needs for future increases, climate and occupancy profiles, redundancy and the like will assist in determining the capacity designed for.

11.3 First Cost (Capital Cost)

With all the ancillaries associated with a water-cooled chiller plant (condenser water pumps, piping, valves and cooling towers), the air-cooled chiller plant cost is expected to be in the order of 30% - 35% lower for the plant design.

This difference may vary based on various sizes, design changes, material but the cost will remain relative.

11.4 Energy, Efficiency and Controls

It can be expected that there will be around 30% increase of power consumption by an air-cooled chiller plant over a water-cooled chiller plant, however this will be verified with use of modelling over the test reference year and future climate scenario.

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London W1F 8QB, United Kingdom
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e : info@steensenvarming.com

Energy efficiency must be a key consideration in the selection of all new equipment and strategies, their configuration and reliability.

The new plant shall be connected to the existing Building Management System (BMS), modifed in accordance with the revised design. To maximise the energy efficiency of the completed works, a central plant optimisation package will be requiredto ensure that all chillers are constantly performing at their peak efficieny potential.

11.5 Water Consumption

The water consumption for the water-cooled system, taking into account the loss due to evaporation from the cooling towers will be assessed.

11.6 Water Treatment Cost

The water used to feed the cooling towers needs to be treated for the following reasons:

- **Rust -** There is a risk that pipework will rust over a period of time due to the salt composition within the potable water which needs to be treated.
- **Legionella Bacteria -** Legionellae are small bacteria which can be found in water adhering to the surface of pipes or other plumbing infrastructure (often in a layer formed with other microorganisms called a 'biofilm'). Legionella pneumophila is known to cause most of the water-related Legionella infections that lead to serious illness. However, in health care facilities, non–Legionella pneumophila species may also cause disease. This can be mitigated by water treatment.
- **Cooling Tower Cycles of Concentration** - As pure water is evaporated, minerals are left behind in the recirculating water. As evaporation continues, the water becomes more concentrated than the original make-up water. This eventually can lead to saturated conditions and requires bleed off.

The costs associated with the above water treatment can be significant and should be factored into the overall cost comparison exercise.

11.7 Maintenance Cost

It can be assumed that the life span of a water-cooled chiller is 20 years whilst the life span of an air-cooled chiller is 15 years. This is due to the locations of the chiller. The air-cooled being outdoor and is prone to various weather conditions whereas the water-cooled is protected and located inside a plantroom.

4th Floor Noland House, 12-13 Poland Street
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11.8 Total Life Cycle Cost

Life Cycle Cost analysis will assist us to collate all the above factors into one single chart which will take into account the capital, running, energy, maintenance cost throughout the life of the system.

11.9 CHW Pumping and Piping Circuit Selection

As well as the best available chiller technologies, a combination of chiller sizes shall be assessed to meet the Guildhall demand profile in the most efficient manner.

The pumping and distribution circuit arrangement will have a significant impact on efficiency and effectiveness, therefore we shall put forward the optimum system arrangement to complement the works that will assess Decoupled Constant Primary-Variable Secondary flow system and Variable Primary flow system arrangements.

11.10 Space Availability

Space availability and cost is a major concern where real estate costs can be very high.

Water-cooled chillers are normally housed in an enclosed space within the building or a separate building nearby. This lost space may be viewed as an opportunity loss for the client who could otherwise occupy or lease the floor area. In contrast, air-cooled chillers are normally located on the roof of the building, not occupying valuable space. However, for this project, as internal plant location opportunities have been offered, space cost has not been included as a factor.

A part of the detailed design process, Steensen Varming shall address the requirements of Safety in Design as one of the primary considerations in system selection and design. Internal QA/QC guidelines and watch points shall be followed to ensure that all system selections adhere to high standards of Safety in Design.

Some of the items that will be addressed during the detailed design shall include:-

- Adequate space provided for servicing of equipment and parts in plantrooms.
- Equipment shall be installed to ensure adequate serviceability without the need for unsafe work practices.

Clear maintenance access around the new chillers and to the CHW primary pumps shall be similar to the existing access or improved upon where possible.

11.11 Building Construction

Building construction cost may be relatively small or go substantially higher if structural assessments require extra load bearing capacity for an air-cooled chiller or acoustic/ vibration design requirement of the site.

4th Floor Noland House, 12-13 Poland Street
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11.12 Sound Emission/Acoustics

The City of London has quite stringent local guidelines/legislation that limit the sound pressure level at the boundary of the buildings. These regulations can have a significant impact on both air-cooled chiller performance and capital cost due if additional acoustic enclosures to reduce transmitted noise are required.

11.13 Staging

As the Guildhall building will require continuous chilled water for the duration of the work, downtime of the chilled water system must be kept to an absolute minimum in order to reduce impact on critical areas and prevent disruption to daily activities as far as practically possible. The work will need to be undertaken during the winter months such that the chilled water demands of the building is at a minimum.

11.14 Risk assessment and mitigation plan

Risk assessment is an important and vital part of any project and a good risk analysis takes place during the project design phase. The following risks have been identified and shall be mitigated during the detailed design phase of the project.

- The handling of refrigerant and the decommissioning of the existing chillers which requires the safe handling of refrigerant.
- Asbestos based materials.
- Spatial limitations.
- Project programme to take into account the current delivery schedule for the proposed chillers and majority of works to be carried out during the winter time when heat rejection is in low demand.
- Deficiencies associated with existing pipework (corrosion and scaling).

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