

Making sense of Fire Maintenance — It's your responsibility

BY GLENN TALBOT, DIRECTOR VERIFIED

The risk involved with relying solely on a contractor to deliver the required fire maintenance for your building safety systems is high. Evidence suggests that the items you are currently paying for are not getting delivered and as the Facility Manager is responsible, it is essential you have systems in place to ensure the work is getting done and meets required standards.



The emergence of new systems on the market ensures that Facility Managers can now track fire safety maintenance down to the most basic level, enabling managers with the information needed to make sure they are, in fact, getting what they pay for. These systems also provide valuable records and evidence needed should any situations occur with fire safety within the building.

Fire protection maintenance is driven largely by regulatory authorities: the Building Codes Authority (BCA) tells us we should maintain equipment to meet its original intended performance, some State based Building Regulations force us to apply a maintenance regime, and the Australian Standards are used to specifically tell us how maintenance should be undertaken.

The authorities, regulations and standards are in place for a number of reasons - the most important being to spell out exactly what needs to occur for those important safety items to continually and consistently operate when required. It can appear contradictory for some authorities to judge those responsible for meeting certain criteria if they have not first demonstrated the manner in which they should be met.

Some States specify performance levels that need to be met without defining a periodic regime and experience tells us that unless a task is clearly explained the probability of it being completed, or completed correctly, is unlikely. It is human nature for two people to interpret things differently. Australian Standards are the ultimate prescriptive device to fall back on if it is specified by regulation or if there are performance hurdles to jump. The new Australian Standard AS1851-2005 is perfect for this application.

The major challenges for building owners and managers in complying with these standards, is the amount of items requiring regular maintenance. Aside from being numerous and varied, the tasks are often complex and difficult, and the applicable Standards are dense, wordy, contain complicated tables and diagrams and demand elaborate reporting requirements.

Building owners, Facilities Managers, and Managing Agents are not expected to specifically understand what is required by the Standards and compliance bodies in order to provide the appropriate maintenance for every service under their control - they are not expected to be experts. What is expected is that they manage fire maintenance and ensure it gets done correctly. So the easiest way most organisations deal with these challenges is to outsource their maintenance to a specialist contractor. ALL FIXED! - Or is it?

The Contractor Rules

Contracting out the maintenance requirements in order to deliver compliance seems to be the only answer, however the engagement of another party is not a way to transfer statutory obligations. Passing the batten does not relieve the building owner of their responsibilities and it does not shift any of the legal responsibilities. Contracting out the liability, whether it is to a Facility Management company or even a Building Surveyor, does not guarantee immunity. These appointments sometimes go as far as to stipulate that the relevant party sign-off on the respective State documentation on the owner's behalf. But the question remains, has the maintenance been done?

Although the owner can contract out the actual function of doing the maintenance work, or its responsibility to be done (that is, requiring a

tenant do it under a lease), doing so will not transfer any potential criminal liability to the third party.

It then becomes a case of totally relying on the contractor to deliver the correct result. If we investigate the process from contract management through to invoicing, it's easy to see where the deficiencies lay.

Process - Contract Management

A contract is drawn up that specifies many clauses, Key Performance Indicators (KPI's), millions of dollars in indemnity insurance and penalties for failing to meet any of these criteria. Some contracts even go so far as to rewrite in Standards Clauses, to include what items need servicing, what documents need sign-off, and what the contract price is per year to complete all this maintenance.

Firstly, I've rarely heard of a company that has applied dollar penalties for failing to meet contract requirements or meet KPI's. There is also the belief that if a contract is overloaded with things like Standards Clauses, no one will actually ever read it. Making it thick and covering every minute item means nothing if you cannot measure the outcome. Finally, because most companies don't know exactly what their assets are, they rely on the contractor to provide a list, so often these important details aren't even included in the contract.

Process - Tender

The tender is sent out to a number of fire protection companies, electricians, HVAC contractors and door maintainers. The contractors review the tender and submit their most competitive rate.

The majority of contractors will tell you they generally don't make too much money on preventative (or scheduled) maintenance. This is because to win a contract, they must appear to be financially competitive. A majority of their revenue will be achieved through reactive (or breakdown) maintenance, therefore the contractual obligations surrounding preventative (or scheduled) maintenance will not be their main focal point.

Process - Servicing

The contractors begin servicing as per the Standard agreed to in the contract, and the frequencies specified.

In order for contractors to achieve a more competitive rate, important things sometimes get sacrificed such as the number of hours they devote to preventative maintenance, which leads to services not being completed. In other words, the contractor may sacrifice their margins on preventative maintenance to gain the work, with no financial incentive to meet the contract criteria. In many circumstances contractors do not have the labour to complete all the required tasks - a situation exacerbated by current labour shortages.

Process - Invoicing

The contractor completes the first month's service cycle and sends an invoice.

Generally a one or three year contract is signed, with invoicing usually occurring each month. Like most building owners and managers, contractors also have a lot of difficulty tracking what has actually happened during the invoicing timeframe. Therefore they make it easy



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on all parties and invoice 1/12th of the contract value each month. Just by looking at the invoice the client is unable to verify if the contractor has completed the necessary maintenance. You may choose to withhold payment until a service docket is provided for every service, but even to process the payment you would need to know all about the contract requirements as well as the Standards that need to be met. Considering that just one building can have up to 185 tests undertaken per annum by multiple contractors, it's easy to get bogged down in paperwork whilst the bigger picture is being missed: or should I say the maintenance is getting MISSED!

The fact is that most people spend more time ensuring their cars are being serviced properly than they do on compliance maintenance. No one would pay for maintenance on their car, particularly in advance, unless they knew exactly what was completed.

Evidence of Delivery

Over time there has been substantial evidence proving that lack of safety measures maintenance contributes to the severity of building fires – you only have to look at the coronial inquests of the Kew Cottages fire or the Childers Backpackers report for confirmation. Our regulators understand the situation and are now making regulations even harder to comply with. As a result of the Childers fire, the penalties in Queensland now carry fines of up to \$750,000 and up to a three-year jail term for fires that result in significant damage or death (if it is the result of a failure to properly maintain safety items).

The Australian Competition and Consumer Commission (ACCC) has issued millions of dollars in fines in this area to companies who did not deliver fire servicing for which they were paid. The Trade Practices Act 1974 is very clear on this point. Section 58 spells out that a corporation should not invoice for items that the corporation is aware, or ought to be aware, of goods or services that will not be delivered within the period required.

The statistics below show us that all is not well:

- ▶ Over a three year contract period for hundreds of sites with sprinklers fitted only 55% of the 3 yearly valve overhauls were completed, yet 100% were paid for. *(Verified Statistic)*
- ▶ Building audits by councils and fire brigade estimated that 90-100% of buildings had some type of Safety Measures non-compliance. *(Building Commission Report)*
- ▶ After 6 months of a new contract period for 1000+ buildings using the new standard for fire protection maintenance (AS1851-2005);
 - ▶ Only 86% of the weekly sprinkler tests were completed. *(Verified Statistic)*
 - ▶ Only 9% of the six-monthly sprinkler tests were completed. *(Verified Statistic)*
 - ▶ Only 86% of the extinguisher 6-monthly tests were completed. *(Verified Statistic)*
 - ▶ Only 25% of tests under the new AS1851-2005 were within tolerance as defined by the Standard. *(Verified Statistic)*

The new Australian Standard for Fire Safety Maintenance (AS1851-2005) has been tightened up significantly to stop service contractors failing to deliver what is required. New items like frequency anniversary dates, tolerances on frequencies, logbook reporting and recording specifications, notification requirements and annual condition reporting have all been detailed to ensure service providers deliver what they are paid to do. Because of the emphasis on dates and anniversaries under this new standard, most building owners/facility managers do not have the historical data required to effectively change from one contractor to the next. Overall though, the new Standard has been put in place

because it is apparent there is an abhorrent lack of compliance.

Conclusion

The question of whether or not you should, or in some cases MUST (Queensland is the only State currently to adopt the Standard), adopt the new Standard is a pertinent one and isn't always easy to answer. Irrespective of opinion regarding the application of service tasks, the black and white nature of the new requirements makes it difficult for service providers to negate their maintenance responsibilities.

However the maintenance process still needs to be managed and there is not enough understanding and resource in place to ensure delivery for most companies. Regardless of the applicable Standard, there is a very real threat to life and safety should companies rely solely on a third party for protection.

It's certainly clear that Facility Managers must not rely on contractors alone to ensure their fire maintenance requirements are being delivered. There are plenty of ways to ensure you are effectively measuring compliance and service delivery and from what we've seen, you'll be far safer if you did.



About Glenn Talbot

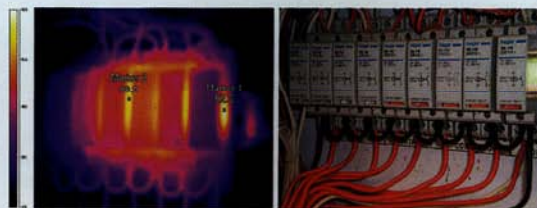
Glenn Talbot is the founder and Managing Director of Verified, a company that provides state of the art management processes for the control of fire protection and building maintenance. Glenn holds an Associate Diploma in Applied Science (Fire Technology)

and has been in the fire protection industry for over twenty years. His roles have included State and General Manager of some of the industries largest service providers. He has been an active Fire Protection Association (FPA) State committee member of the FPIA/FPAA for over 15 years, holding the position of Vice Chairman of the Victorian division from 2003 – 2006. In 2006 he was elected to the board of the FPA. He is also a current member of FMA Australia.



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