

Office Accommodation Management Framework

Guideline 1: Planning

Guideline 2: Space

 Sample document 

# Submission to the Government Office Accommodation Committee (GOAC)

## Background

- The Department of XXXXX is currently accommodated in its own 1879m<sup>2</sup> office building in XXX Street, XXXX. The building is occupied by 135 people comprising the following groups:
  - XXXXXXXX District Office (Southern District)
  - XXXXXXXX Regional Office
  - Queensland XXXXX Regional Office
  - Customer Service Centre with extensive XXXX inspection, licensing and registration functions available.
- An assessment of the long term demand for office accommodation for XXXX (based on projected growth) in XXXX has identified that there is a shortfall of approximately 1000m<sup>2</sup>.
- The above building comprises two levels, but was originally designed structurally to accept an extension of one additional floor.

## Current position

### XXXX Analysis

- The following five accommodation options were considered by XXX to address the shortfall:
  - Option 1 Do nothing (not acceptable)
  - Option 2 Lease 1000m<sup>2</sup> in the State Government Building, cnr XXXX and XXXX Streets
  - Option 3 Lease 1000m<sup>2</sup> in XXXX Place (formerly Commonwealth Building)
  - Option 4 Sell the XXX Street building and lease 2880m<sup>2</sup> at XXXX Quays
  - Option 5 Add an additional floor to the XXXX Street building (approximately 1000m<sup>2</sup>).
- Each option involved a qualitative assessment of factors such as accessibility, staff safety and functionality. The quantitative analysis involved a discounted cash flow of each option, presenting life cycle costs at net present value (NPV).
- The NPV outcomes for each of the four potentially acceptable options are:

Option	NPV	Ranking
2 State Govt Building	\$2.410M	3
3 XXX Place	\$3.159M	4
4 XXXXX	\$2.777M	2
5 Extend XXXX Street	\$1.772M	1

- XXX has identified that Option 5, to extend the existing XXX Street office building, (which is in very good structural condition) by approximately 1000m<sup>2</sup> to provide a total of approximately 2800m<sup>2</sup> is the most viable.
- A full business case has been prepared by XXX to support the office extension proposal. The business case is consistent with:
  - *Strategic Asset Management* guidelines
  - *Capital Works Management Framework*
  - *Project Evaluation Guidelines*, Queensland Treasury, February 1997
  - *Government Office Accommodation Workspace and Fitout Standards*.

- Opportunities for using vacant government office space identified and evaluated.
- Details of business case and indicative plans included.
- Key elements of XXX's business case are:
  - the NPV cost of XXX's preferred option is the lowest at \$1.77M, and includes a fitout cost which equates to \$3629/person. This is within the costing benchmark range under the government office accommodation guidelines
  - the proposed extension equates to approximately 15m<sup>2</sup>/person, which is consistent with the GOAC-approved fitout guidelines
  - the splitting of locations is not feasible operationally and would negate the corporate benefits of collocation and directly reduce operational efficiency of both organisations.
- Key benefits of the XXX preferred option are:
  - coordination of cross departmental functions
  - integration of two departments which fall within the one portfolio
  - minimising ongoing recurrent expenditure from the district's resources
  - allowing effective and efficient communications and information technology functions
  - retaining strong contact with the XXXX District personnel including their various technical support functions and shared equipment
  - retaining access to the existing training rooms, facilities
  - the additional space would enable the long-term collocation of XXXXX.

The project includes the following scope of works:

- extension to the existing building
- upgrade of the existing building to meet current building standards including fire egress and disability access (including installation of a lift which is estimated to cost approximately \$250 000)
- upgrade to electrical services panels
- fitout of office accommodation (estimated to cost approximately \$225 000).

A schematic design for the building extension and associated work was prepared to establish the project's viability. Subject to approval, construction could commence in XXX 2004 with project completion by XXXX 2004.

## Funding

The project would be jointly funded from the Capital Works Programs of XXX and XX.

## Attachments

Financial models and assumptions used in options analysis.

Indicative plans and cost estimates.