



Australian Government

Department of Social Services

**PROPOSED FIT-OUT OF NEW LEASED
PREMISES
FOR THE DEPARTMENT OF SOCIAL
SERVICES AT GREENWAY, ACT**

**STATEMENT OF EVIDENCE
TO THE
PARLIAMENTARY STANDING COMMITTEE
ON PUBLIC WORKS**

DEPARTMENT OF SOCIAL SERVICES
GREENWAY, ACT
MAY 2014

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ATTACHMENTS

1. Site Location
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NEED FOR WORKS

Introduction

1. The Department of Social Services (comprised of elements of the former Departments of Families, Housing, Community Services and Indigenous Affairs; Health and Ageing; Employment Education and Workplace Relations; Immigration and Citizenship; and Innovation, Climate Change, Science, Research and Tertiary Education) (the Department) is the Australian Government's principal source of advice on social policy and is responsible for approximately a quarter of the Government's budgetary outlays. The Department works in partnership with other government and non-government organisations in the management of a diverse range of programs and services designed to improve the lives of Australians by creating opportunities for economic and social participation by individuals, families and communities. The Department's vision is to aspire to be Australia's pre-eminent social policy agency and the mission is to improve the lifetime wellbeing of people and families in Australia.

2. Matters dealt with by the Department include:

- a) Ageing research;
- b) Income security and support policies and programmes for families with children, carers, the aged, people with disabilities and people in hardship;
- c) Income support policies for students and apprentices;
- d) Services for families with children, people with disabilities and carers;
- e) Services for older people, including their carers;
- f) Policy for and promotion of active ageing, other than employment policy;
- g) Community mental health;
- h) Community support services;
- i) Family relationship, Family and Children's Support Services;
- j) Social housing, rent assistance and homelessness;
- k) Child support policy;
- l) Housing affordability;
- m) Services to help people with disabilities obtain employment;
- n) Arrangements for the settlement of migrants and humanitarian entrants, other than migrant children and migrant adult education;

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- o) Non-profit sector and volunteering;
 - p) Multicultural affairs; and
 - q) Settlement services.

3. The Department's property portfolio consists of 71,796m² across Australia comprising a National Office located in the ACT (56,796m²) with State and Territory Offices located in other capital cities (15,000m²).

4. The Department's National Office consists of six leased offices spread across the Tuggeranong and Woden districts in the ACT as follows:

- a) Tuggeranong Office Park (Athllon Drive, Greenway) providing 33,045m² net lettable area with lease expiring on 5 December 2016;
- b) Guilfoyle House (Corner Anketell and Reed Streets, Greenway) providing 1,656m² net lettable area with lease expiring on 30 September 2014;
- c) Holwell Street (1 Holwell St Greenway) providing 3,105m² net lettable area with the lease expiring on 28 February 2018;
- d) Sirius Building (23 Furzer St, Phillip) providing 14,622m² net lettable area with the MOU expiring in 2020;
- e) Corinna St (32 Corinna St, Phillip) providing 1,711m² net lettable area with the lease expiring on 6 July 2017; and
- f) Aviation House (16 Furzer St, Phillip) providing 2,657m² net lettable area with the lease expiring on 13 November 2016.

5. The largest of these leases is the Tuggeranong Office Park (TOP) lease which expires on 5 December 2016 with no further options available to formally extend the lease for an appropriate period (considered to be at least 15 years).

6. The Department requires suitable office accommodation post the expiration of the TOP lease. Whilst this requirement is fundamentally driven by the expiry of the TOP lease, it is also driven by the need to address a number of deficiencies associated with the current TOP facility as well as broader inefficiencies across the Department's property portfolio.

7. This proposal seeks approval for the integrated fit-out of 30,400m² of net lettable area within a new building which is proposed to be developed by Cromwell Property Securities Limited at Block 2, Section 14, Greenway in the ACT. This new accommodation will allow the Department to release the Guilfoyle House, Holwell St, Aviation House and Corinna St leases.

8. The Department has established, on the basis of the current conceptual design, an indicative budget of \$55.860 million (excluding GST) for the proposed fit-out of its office accommodation. This budget includes provision for contingencies, cost escalation and associated professional fees.

Background

9. On 30 June 2008, the Tuggeranong Office Park facility was sold by the Commonwealth to Cromwell Group with an eight and a half year sub-lease to the Department. The term of the sub-lease reflected the remaining term of the original sub-lease for the premises prior to the sale and expires on 5 December 2016. Since 1991, TOP has undergone one refurbishment undertaken by the Department in 2009 to address fit-out and associated building non-compliances with the Building Code of Australia and Disability Discrimination Act.

10. The need to identify future accommodation by the Department was initiated in response to the impending expiration of the TOP lease as well as deficiencies associated with the current accommodation and broader property portfolio inefficiencies. With no capacity to negotiate an extension for an appropriate lease period within the Commonwealth Procurement Rules without an approach to the market, it was necessary to commence action to identify a future accommodation solution.

11. In September 2012 the Department commenced a two-stage process, consistent with the Department of Finance *Guidance for the Two Stage Capital Works Approval Process for Australian Government Construction Projects*, to determine through a Cost Benefit Analysis using whole of life costs, the options available for its future accommodation.

12. The Department undertook an Initial Business Case that identified and evaluated six different models to facilitate the future accommodation requirements to determine the best value for money solution for its operational needs beyond December 2016. These were:

- a) Lease an existing building;
- b) Lease a developer built building;
- c) Build Own Operate Transfer;
- d) Design Build Operate;
- e) Public Private Partnership; and
- f) Hybrid Financing Model (formerly referred to as Private Finance Initiative).

13. The solutions identified by the Department and endorsed by the Department of Finance as the most cost effective for the Department to pursue were:

- a) Lease an existing building; and
- b) Lease a new building which a developer builds.

14. An open market Request for Expressions of Interest to supply suitable office accommodation was advertised in March 2013 and closed on 10 April 2013. Of the thirteen submissions received, four respondents were assessed as providing potentially viable solutions and were shortlisted.

15. The four shortlisted respondents were approached via a Request For Proposals (RFP) to provide the long term accommodation solution for the Department, on 11 November 2013. The RFP included a draft Agreement for Lease (AFL), draft Commonwealth National Lease (CNL) and a Base Building Brief. The RFP sought:

- a) An accommodation solution (either existing buildings or new buildings or a combination of both) which provides 38,000m² Net Lettable Area +/- 20% of quality leased office accommodation with the preferred location being the vicinity of the Woden or Tuggeranong town centres;
- b) Financial offers to facilitate either an integrated fit-out or non-integrated fit-out with practical completion required no later than October 2016; and
- c) Financial offers for the fit-out component including the option for an upfront lump sum for capital works or as a fully incentivised option.

16. All four shortlisted respondents provided a submission in response to the RFP and a total of nine options were presented. A value for money evaluation of these submissions was undertaken in accordance with the Commonwealth Procurement Rules to assess each option against the predetermined, approved evaluation criteria. Cromwell Property Securities Limited is the preferred respondent identified through this process and are proposed to be engaged via an Agreement For Lease (AFL) subject to successful resolution of some aspects of their proposal and to a Parliamentary expediency motion in relation to public works required as part of this proposal.

17. Cromwell Property Securities Limited proposes to develop a new building adjacent to the Department's current accommodation at Tuggeranong Office Park which will allow the Department to commission an integrated fit-out to accommodate staff for the next 15 years, with two additional five-year options.

The Need

18. The Department requires suitable office accommodation post the expiration of the TOP lease on 5 December 2016. Further, there are a number of deficiencies with the current TOP accommodation and fit-out which need to be addressed as follows:

- a) **Compliance with current codes and standards.** The current building and fit-out at TOP does not comply with current codes and standards such as disabled access and the National Construction Code. As the Commonwealth's department dealing with social services including for people with disability, it is not only essential that the Department comply with the Disability Discrimination Act, but also that the Department be an exemplar of disability access.
- b) **Security.** The TOP facility is an expansive campus comprising ten effectively discrete buildings with multiple access points. The security provisions necessary to ensure the facilities comply with the Australian Government Protective Security Policy Framework are inefficient, costly and difficult to manage and maintain.
- c) **Staff connectivity.** The ten buildings are positioned linearly over 450 metres. This expansive building layout physically separates internal work areas and is not conducive to staff interaction and cohesion in the workplace. The current accommodation inhibits the Department's ability to create cohesive spatial relationships which ultimately leads to siloed and isolated work spaces.
- d) **Occupational density.** The TOP fit-out accommodates 2101 workpoints which translates to an occupational density of approximately 15.72m² per occupied workpoint. This does not align with the occupational density target of 14m² per occupied workpoint set by the Government.
- e) **Inefficient internal design.** The TOP fit-out (internal design, furniture types and layout/configuration) does not provide flexibility to adapt to the ever changing nature of the Department and portfolio changes as dictated by Government, without incurring significant costs. Finance has recently published design guidelines for flexible and efficient workplaces (*Financial Management Guidance No. 12, Flexible and Efficient Workplace Design Guidance*, September 2013) which are intended to assist agencies subject to the FMA Act 1997 to incorporate efficient and effective workplace design into their accommodation planning consistent with the Commonwealth Property Management Framework. While use of the guidelines is not mandatory, the TOP facilities do not meet

the published guidelines, with resulting inefficiency in responding to department and portfolio changes.

- f) **Triple net lease.** The TOP lease is a triple net lease which was an agreed component of the sale of the property in 2008. A triple net lease is the most expensive type of lease and requires the Commonwealth to pay costs more usually the responsibility of the lessor (e.g. rates, taxes and base building maintenance costs). The high cost associated with this lease affects the operational efficiency of the Department and is not consistent with market rates or the Commonwealth Property Management Guidelines.
- g) **Building condition.** The TOP buildings are 23 years old. Some areas were poorly designed which has contributed to the deterioration of the roofs, causing multiple leaks, and the essential plant and equipment is at the end of its economic life. Maintenance costs associated with the upkeep of the buildings, which are payable by the Commonwealth under the triple net leasing arrangement, are increasing. Due to the impending expiry of the lease and the relative cost associated with the significant repairs and maintenance required, only essential works have been funded.
- h) **Energy Efficiency.** A published policy objective of the Commonwealth is that the minimum requirement for leased accommodation (base building and fit-out) is the achievement of a 4.5 star National Built Environment Rating System (NABERS) rating in accordance with the Energy Efficiency in Government Operations Policy. Of the ten buildings at TOP, only two buildings are compliant with this policy.

19. **Other deficiencies with current Departmental properties.** The Department is currently dispersed across six sites in the ACT impacting staff connectivity within the Department as well as organisational efficiency. Furthermore, across the various sites, the standard and provision of accommodation varies, with only two of the sites; Holwell St and Sirius House being fully compliant with current codes and standards such as disabled access and the National Construction Code. This lack of uniformity affects staff amenity and internal staff movements as well as affecting the Department's ability to efficiently adapt to changes in policy and structure. The expiry of many of the Department leases is an opportunity to realise efficiencies across the property portfolio through consolidation of premises and rationalisation of leases.

Key Legislation

20. The following key legislation is relevant to this project:

- a) Environmental Protection and Biodiversity Conservation Act 1999;
- b) Building and Construction Industry Improvement Act 2005;
- c) Federal Disability Discrimination Act 1992;
- d) Safety, Rehabilitation and Compensation Act, 1988;
- e) Work Health and Safety Act 2011 (Cwlth);
- f) Work Health and Safety Act 2011 (ACT);
- g) Financial Management and Accountability Act 1997; and
- h) Fair Work Act 2009 (Cwlth).

21. Relevant Australian Standards and the National Construction Code are applicable to all design, fabrication and installation works.

PURPOSE OF THE WORKS

The Proposal

22. The Department is seeking to provide its employees with an efficient and sustainable work environment which meets the organisation's needs for the next 15 to 25 years. The aim of the project is to deliver an accommodation solution that meets the key goals and vision of the Department's Property Management Strategy and provides high quality, versatile, flexible and secure office accommodation that enables the Department to meet the expectations held by Government, clients and the community for responsive, innovative and efficient service delivery.

Objectives

23. The principal objectives for this project are to:

- a) Enable co-location of ACT based staff in no more than two locations within Woden and Tuggeranong without incurring substantial financial penalties which would render any proposal economically unsound.
- b) Provide high quality, versatile, secure and flexible office accommodation for the Department with the aim of:
 - i) improving productivity, service delivery and staff satisfaction through more effective use of office space and more appropriate fit-out;
 - ii) providing office accommodation that addresses work health and safety requirements, meets or exceeds disability and diversity requirements and is comfortable and accessible to all staff and visitors;
 - iii) providing office accommodation of a high standard, with a consistent, contemporary, stylish and professional corporate aesthetic;
 - iv) establishing a consistent approach to the planning and design of office accommodation for the Department;
 - v) achieving the occupational density target of 14m² per workpoint established by the Department of Finance as part of the Commonwealth Property Management Framework; and
 - vi) achieving a level of flexibility and adaptability consistent with the Flexible and Efficient Workplace Design Guidelines recently published by the Department of Finance that reduces the cost of churn and extends the economic life of fit-outs. This will facilitate a work environment that can respond quickly to the impact of future organisational and technological changes.
- c) Identify and realise whole-of-life property operating cost efficiencies in leasing and operations, including through the release of a number of expiring leases. Leases to be released include:
 - i) Holwell St;

ii) Aviation House; and

iii) Corinna St.

Location

24. The fit-out works are proposed to be undertaken in a new building to be constructed by Cromwell Property Securities Limited at Block 2, Section 14, Greenway in the ACT adjacent to the current accommodation. A Site Location map and Site Plan of the proposed location of the new accommodation is shown in Attachment 1 and 2 respectively.

Zoning and Approvals

25. The development of the land and construction of the Base Building is required to comply with the Building Act 2004 (ACT). Compliance with this Act and associated approvals is the responsibility of the Developer, Cromwell Property Securities Limited.

Land Acquisition

26. Cromwell Property Securities Limited has a Crown Lease on Block 2, Section 14 which includes the right to control the property and to develop the premises and grant lease(s).

Development Agreement

27. An AFL is proposed to be executed with Cromwell Property Securities Limited subject to successful resolution of some aspects of their proposal. 1. The AFL will facilitate the initiation of the integrated fit-out design and construction subject to satisfying the relevant approvals necessary to proceed, including Parliamentary approval.

Planning and Design Concepts

28. The planning and design concepts which have informed the design of the fit-out include:

- a) Deliver a modern, contemporary building that aligns with Commonwealth standards and current best practice for office accommodation.
- b) Provide an office fit-out that utilises energy efficient and environmentally friendly and sustainable materials, goods and services. The fit-out will achieve the minimum overall tenancy rating of NABERS 4.5 and self-assessed 4 green star rating, and will reduce waste and use recyclable materials where practicable.

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- c) Design to an occupational density of approximately 12m² per person as a standard in its office accommodation to ensure it meets the target of 14m² per occupied workpoint and which will also enable the Department to provide contingency within its accommodation. This is consistent with the Property Management Planning Guidance (Financial Management Guidance No 18) publication, which states that the Australian Government occupational density target is 14m² per occupied workpoint.
- d) Include the following basic design principles:
- i) Access to natural light and views to be maximised for general open plan work areas;
 - ii) Generic design principles to be employed in the layouts and design of workstations and offices to enable easy/quick/inexpensive churn and change, long life and high durability;
 - iii) Power and data provision to facilitate flexible layouts;
 - iv) Dedicated staff amenities to allow interaction and communication in the workplace;
 - v) Meeting places to be provided in the form of conference, auditorium, meeting and quiet rooms, in a variety of sizes and configurations. These facilities will be located within shared areas;
 - vi) Consideration given to the design and inclusion of more collaborative areas, as opposed to the traditional meeting room concepts, with varying layouts and furniture styles introduced and which will meet both the individual's and group needs;
 - vii) Provision of spare workstations within groups for visiting colleagues, consultants, graduates/cadets; and
 - viii) All office equipment (servers, printers, laminating machines, etc) to be separated from the general office space to maintain optimal environmental conditions within the office areas and minimise energy consumption.

29. The design has adopted construction techniques and materials which are sustainable, robust, and address whole of life costs, and which are consistent with the capacity and capability of the local construction industry.

Scope of Works

30. It is proposed that the Department will be the sole occupant of the building. The Department will occupy the entire building comprising lower ground floor, ground floor and floors 1 to 5.

31. The scope of the proposed fit-out works includes:

- a) **Base Building integration of services.** Design and construction of services to be integrated with the base building works including electrical, mechanical, communications, security, fire and hydraulic services;
- b) **Office fit-out.** Design and fit-out will conform to the Department's operational requirements including construction of the reception areas, general office fit-out and open plan work areas to comply with the occupational density target of 14m² per occupied workpoint and to standards commensurate with contemporary, modern Commonwealth office accommodation including:
 - i) Auditorium complete with video conferencing and recording facilities;
 - ii) IT build/test rooms;
 - iii) Records Management;
 - iv) Library;
 - v) Multi-purpose rooms including first aid, multi-faith, carers/feeding rooms;
 - vi) Secured legal services area (Fraud Team specifically);
 - vii) Mail room – design to follow minimum security requirements for mail scanning;
 - viii) Assessment Centre (variable capacity)
 - ix) Store/loading dock facility;
 - x) IT warehouse;

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- xi) Breakout spaces, quiet rooms and casual meeting space;
 - xii) Communications room;
 - xiii) Conference and training facilities;
 - xiv) Dedicated First Aid room;
 - xv) Amenities areas;
 - xvi) Kitchens;
 - xvii) Social club; and
 - xviii) Showers and lockers.
- c) **Security.** Design and installation of security controls including a security alarm system, an electronic control system, door hardware and electronic access control at the main entrances, other entrances, exits, vehicle access points and internal areas with higher than normal security needs;
- d) **Lighting control system.** A lighting control system to reduce energy consumption in tenant areas including the ability to automatically turn off lights in unoccupied rooms and to provide reduced lighting levels when appropriate, such as reduced lighting levels for access after-hours. Some additional lighting will be provided as required in partitioned rooms;
- e) **Data cabling.** Data cabling throughout the tenant areas including phone and computer outlets at each workpoint. The cabling infrastructure will provide saturation cabling to in-ceiling consolidation points and be designed to cater for future capabilities in order to provide future flexibility and efficiency related to churn;
- f) **Flexibility for churn.** The building design and fit-out will enable the Department considerable flexibility to meet its ever-changing accommodation requirements. This will be achieved through:
- i) Workpoints that can easily and quickly be reconfigured without disturbing productivity;
 - ii) Maximising the use of open plan areas;

- iii) Ensuring the enclosed areas are capable of being altered easily to allow for future change, e.g. the utilisation of modular meeting room design so that two small meeting rooms will also satisfy the requirements of one medium meeting room with minimal additional building works;
- iv) Building services that are located to allow for repositioning of walls; and
- v) Changes in technology.

32. Typical floor plans are provided at Attachments 3 – 5.

Codes and Standards

33. The fit-out will comply with all relevant requirements of the National Construction Code - Building Code of Australia (BCA) 2014 including Disability Access, ACT Planning and Land Management and relevant Australian Standards. It will also comply with the Protective Security Policy Framework and agency security requirements.

34. An accredited Building Certifier will be engaged to certify compliance of the building works.

35. Construction contractors will be compliant with the Building Code 2013.

Materials and Finishes

36. Materials and finishes will be selected from those readily available locally for their functionality, durability, low maintenance and for their ecologically sustainable design properties.

37. Plasterboard, prefinished board and glass partitioning will be used to form individual offices, meeting rooms, reception areas, utility and store rooms, training rooms, communications equipment rooms and staff facilities. Partitioning will be a modular system based on generic room dimensions to accommodate future churn and change.

Mechanical Services

38. Mechanical services provided in the base building will be integrated with the fit-out works and will be based on the following principles:

- a) Reliability;
- b) Durability;
- c) Ease of maintenance with minimised entry to tenant areas;

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- d) Ease of replacement;
 - e) Efficiency of operation in accordance with environmentally sustainable design (ESD) principles and practice;
 - f) Proven design;
 - g) Reasonable maintenance costs;
 - h) Be designed and procured based on lifecycle effectiveness and cost efficiencies;
 - i) Have the capacity to cater for highly variable tenant occupancy loads, fit-out configurations, and operational demands with minimal modification;
 - j) Permit high fit-out churn to be performed quickly, at low cost and with minimal material waste; and
 - k) Minimum noise and vibration characteristics.

39. The office fit-out areas will be served by low temperature Variable Air Volume systems provided by the Base Building and integrated through the fit-out. Air handling units will be zoned through the offices and across floors to maximise ability to shut down areas not in use and save energy. On-floor reticulation will be flexible to facilitate re-arrangement of the fit-out associated with churn.

Hydraulic Services

40. Hydraulic services will include the following provisions provided in the base building and integrated with the fit-out works:

- a) Domestic cold water reticulation serving all fixtures and fitting complete with consumption metering connected to the energy-monitoring system and required backflow prevention in each case;
- b) Domestic hot water independent of the system serving the mechanical services installation;
- c) Non-potable water treatment and reticulation system with consumption metering connected to the energy-monitoring system;

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- d) Sanitary drainage reticulation separating reusable waste water (grey water) for processing in a water treatment system for reuse within the building;
 - e) Branched valved connections for cold water supply for tenant future connection;
 - f) Water conservation measures, including grey water treatment, rainwater retention and flow-limiting fixtures and equipment;
 - g) Separate building owner and tenant authority metered natural gas supplies;
 - h) Provisional sanitary drainage stacks to service the net lettable area; and
 - i) Low water use in the landscape watering system.

Electrical Services

41. The electrical installation includes electrical supply, metering, distribution, lighting and special purpose power in compliance with Statute and Regulations. The provision of electrical services provided in the base building will be integrated with the fit-out works and include:

- a) Separate main switchboards for the base building supply services and tenancy supply services;
- b) Standby power system including an uninterruptible power supply, load banks, fuel supplies and programmable logic control systems;
- c) Power factor correction equipment for the base building main switchboard;
- d) Active power filtration for the tenant main switchboard;
- e) Separate base building mechanical services switchboard supplies, including essential services components and sub-metering provisions;
- f) Sub-mains to all base building and tenancy services including, but not limited to, vertical transportation, mechanical services, fire services and general light and power;
- g) Separate sub-mains to serve an unmetered tenancy supply arrangement;
- h) Tenancy distribution boards, including separately metered lighting chassis, separately metered general power chassis and separately metered supplementary mechanical services chassis;

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- i) Metering of switchboards and electrical supplies;
 - j) An energy-monitoring system to measure all meters and power analysers associated with base building and tenancy supplies;
 - k) Light and power sub-circuit wiring;
 - l) Luminaires;
 - m) A modular lighting control system to control and manage all lighting throughout all areas of the building;
 - n) General and specific power wiring to equipment;
 - o) A cast-in cable management system to provide multiple services, including general power, data and voice communications, MATV cabling and audio visual cabling access for the future fit-out;
 - p) Ceiling-mounted power distribution points to provide power to all workstation locations;
 - q) Fully monitored exit and emergency lighting system;
 - r) Lightning protection and primary and secondary surge suppression within switchboards; and
 - s) Technical earth reticulation to the primary communications room, the tenancy communications rooms and main distributor room.

Information and Communications Technology (ICT) Services

42. The provision of ICT services provided in the base building will be integrated with the fit-out works and include:

- a) Installation of cable pathways (conduits and pits) associated with Telecommunications Carrier Lead-in services;
- b) Installation of cable pathways (conduits and pits) associated with incoming ICON network connections;
- c) Base building communications customer cabling to support the provision of telecommunications services in the new building;

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- d) A range of provisions for distributed audio-visual facilities throughout the building; and
 - e) Provision of hearing augmentation systems for conference and meeting rooms.

43. All cabling associated with secure networks will be installed in accordance with the Australian Government Information Security Manual.

Fixed Furniture and Joinery

44. Fixed furniture and joinery items include fixed shelving, pigeon holes, utility room cupboards and benching, meeting room, benching, kitchen facilities, interaction benching and kitchenettes, shelving, sink units and storage cupboards.

45. Specific proprietary fixed items have been identified including whiteboards, pin boards, coat hooks and dispensers.

Loose Furniture and Equipment

46. Loose furniture to offices, open workpoints and office support spaces including meeting rooms will be modular and flexible.

47. Specific proprietary loose items, including pallet racking, compactus, open metal shelving, lockers, cabinets and acid and solvent cabinets will be procured and installed by the project. Where possible loose furniture and equipment will be identified and reused.

Acoustics

48. Noise and reverberation criteria for internal spaces have been specified in accordance with Australian Standards AS2107:2000 Acoustics and AS1469 Acoustics – Methods for the Determination of Noise Rating Numbers.

49. Internal sound insulation criteria for partitions have been nominated for specific areas of the fit-out utilising industry standard approaches. These have been used as the basis for developing appropriate acoustic insulation construction between various internal spaces.

50. Design criteria and building performance for ambient noise ratings shall be in accordance with the ACT Environment Protection Act and Regulations for noise emissions.

Landscaping

51. External landscaping is a component of the base building and will be provided by the developer. Landscaping will be in accordance with the ACT Crime Prevention and Safety Principles including vandal resistant lighting and finishes. The landscaping will be low maintenance and integrate with existing or proposed landscaping by the planning authority.

Environmental Sustainability

52. The Department is committed to Ecologically Sustainable Development (ESD) and the reduction of greenhouse gas emissions. The building's objective is to achieve best practice in sustainable design in accordance with the Environmental Efficiency in Government Operations (EEGO) policy. The Base Building will be designed to achieve a 5 Star NABERS energy rating and 5 star Green star as-built base building rating. The fit-out will achieve a minimum 4.5 Star NABERS energy rating and self-assessed 4.0 star Green star interiors rating.

53. The generic features that help achieve sustainability for the design are:

- a) Recycling of construction and demolition waste;
- b) Detailed building tuning and commissioning to ensure efficient building operation;
- c) Building orientation to maximise energy efficiency while allowing maximum daylight penetration and external views;
- d) Use of paints, flooring, carpets, adhesives and sealants with low Volatile Organic Compound emissions;
- e) Inclusion of engineered timber products with low or zero formaldehyde emissions;
- f) Selection of environmentally certified fit-out products;
- g) Use of thermal insulation and refrigerant products with zero Ozone Depletion Potential;
- h) Use of water efficient fixtures, toilets and appliances;
- i) Supply of all toilets and urinals with rainwater for flushing;
- j) Solar hot water systems with gas boost to provide domestic hot water;

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- k) Use of economy cycle when outdoor ambient temperatures are suitable to minimise energy consumption;
 - l) Recovery of waste heat from exhaust air to temper outdoor supply air;
 - m) Lighting controls with time clocks, motion sensors and daylight sensors to minimise wasted energy, and energy efficient lighting design including consideration of LED lighting options;
 - n) External lighting designed to minimise light pollution;
 - o) Plant species to be low water use, indigenous and drought resistant;
 - p) Use of recycled rainwater for landscape irrigation; and
 - q) Provision of metering and sub metering to capture the energy and water consumption of each area within the building including server rooms.

54. A Green Lease Schedule will be included in the lease.

Measures to Reduce Energy and Water Use

55. The following passive design features have been integrated into the design to reduce the energy and water demand of the base building and fit-out:

- a) Orientation of buildings, shading, thermal mass, insulation and glazing have been optimised to reduce energy consumed by active heating and cooling through appropriate use of solar gains throughout the year;
- b) Natural light has been maximised and artificial lights are linked with daylight sensors to limit energy use;
- c) Incorporating water sensitive urban design strategy to maximise water retention and reuse on site from the building and car park areas, reducing on site demand on potable water supplies;
- d) All taps and toilets will be water efficient and rated as at least 4 Star Water Efficiency Labelling and Standards (WELS);
- e) “Energy Star” compliant appliances and equipment will be installed where available and fit-for-purpose; and

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- f) Artificial lighting in the building will utilise low energy lamps and incorporate lighting control systems such as daylight sensing, occupancy sensors and time switches to minimise energy usage.

Compliance with Territory and Commonwealth Water and Energy Policies

56. The base building and fit-out will be designed, constructed, operated and maintained in order to use energy and water as efficiently as possible and comply with the following statutory requirements:

- a) Parts J1 – J8 of Section J of the National Construction Code – Building Code of Australia 2014; and
- b) The Energy Efficiency in Government Operations policy.

Security

57. The security design will be developed from the Department's security risk assessment of the business functions and will meet the requirements of the Protective Security Policy Framework, Australian Government Information Security Manual. The Department's security requirements will be implemented across the building and proposed fit-out and include an access control system, speed gates, security cameras, intruder alarm and intercom system.

58. All Departmental staff will use photo identification security passes to access the premises. The passes will interface with proximity card readers at specified locations around the perimeter. Electronic access control and security features include:

- a) Electronic speed gates at controlled entry points to the facility;
- b) Vehicle and bicycle access control to parking areas;
- c) Loading dock and after-hours access control doors; and
- d) External doors, including emergency exit doors, will be electronically monitored.

59. Internal areas with higher than normal security requirements, such as server rooms will also have electronic access control installed to restrict access to authorised staff only.

60. A security risk assessment has been conducted in line with the requirements of the Protective Security Policy Framework and recommendations implemented as appropriate. In addition the building perimeter shall be cognisant of ACT Crime Prevention and Safety Guidelines.

Fire Protection

61. The provision of fire protection services provided in the base building will be integrated with the fit-out works and include:

- a) fire protection and detection systems including smoke hazard management in accordance with the National Construction Code;
- b) an emergency warning and intercommunication system complete with additions to cater for hearing-impaired requirements;
- c) Portable fire products, including extinguishers and blankets;
- d) an external and internal hydrant system;
- e) an internal fire hose reel system;
- f) ancillary alarm outputs to various subsystems;
- g) fire sprinkler systems, dry and wet pipe as defined; and
- h) Very Early Smoke Detection Apparatus (VESDA) system or equal to the primary communications room only.

Provision for People with Disabilities

62. The design of both the base building and fit-out include exemplary equitable access provisions for persons with a disability in accordance with the Disability Discrimination Act (DDA), the relevant technical requirements of the National Construction Code - Building Code of Australia, Access to Premises Standard (2010) and associated Australian Standards. Accordingly, the following facilities will be provided:

- a) The appropriate number of self-contained accessible toilets per floor;
- b) Accessible shower facilities;
- c) All lifts accessible and facilities provided in accordance with AS1735.12;
- d) Accessible parking;
- e) Hearing aid loops to meeting rooms, security desks and public areas; and

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- f) Lifts, access-ways, doorways and accessible toilets and showers will be sized to conform to National Construction Code - Building Code of Australia.

63. In addition, joinery and furniture items such as kitchenettes, reception desks, external seating and vending machines will be provided in accordance with the enhanced design requirements of AS1428.2.

Child Care Provisions

64. No childcare provisions are being provided under this project.

65. Multi-Purpose rooms will be provided on all floors including ground floor. These will be located within close proximity to lifts and amenities.

Work Health and Safety

66. The Base Building and fit-out will comply with the requirements of the Work Health and Safety Act 2011 (Commonwealth) and Work Health and Safety Act 2011 (ACT).

67. The Department is committed to improving occupational health and safety outcomes in the building and construction industry. In accordance with Section 35(4) of the Building and Construction Industry Improvement Act 2005 (Commonwealth), contractors will be required to hold full occupational health and safety accreditation from the Office of the Federal Safety Commissioner under the Australian Government Building Construction Occupational Health and Safety Accreditation Scheme.

68. Safety in design workshops will be undertaken during the design phases of the project.

Environmental Considerations

69. A Referral under the Environment Protection and Biodiversity Conservation Act 1999 (the EPBC Act) is not required for this proposal.

Heritage Considerations

70. There are no known heritage issues that are required to be addressed in relation to this proposal.

COST EFFECTIVENESS AND PUBLIC VALUE

Project Budget

71. The Department has established, on the basis of the current conceptual design, an indicative budget of \$55.860 million (excluding GST) for the proposed fit-out of its office accommodation. This budget includes provision for contingencies, cost escalation and associated professional fees. Funding for this initiative will be met, in part, from a lease incentive towards fit-out with the balance to come from funds appropriated to the Department.

Details of Project Delivery System

72. The Department intends to engage the successful Developer through an Agreement For Lease (AFL) to prepare the detailed design documentation and construct the fit-out concurrently with the base building as an integrated fit-out. This work will be undertaken on a cost-plus basis, the Department paying actual competitively tendered prices for goods and services received and the developer charging a percentage fee for management of the works. The AFL is conditional upon receiving Parliamentary approval for the project and clearly articulates the conditions precedent to progressing to the Commonwealth National Lease to be executed upon occupation of the new office accommodation.

73. An integrated fit-out is expected to provide the Department with the following benefits:

- a) Reduced costs associated with re-work or modification of the base building to accommodate the fit-out as the design and construction for both elements will be coordinated and occur in parallel.
- b) Time efficiencies will be realised through the parallel sequencing of the fit-out such that the fit-out works may commence prior to completion of the base building. This creates further cost efficiency in the current leasing costs associated with the existing accommodation.
- c) Reduced risks associated with the coordination of the project as the same project team manages all aspects of the work. There are fewer overlaps in responsibility and less potential for disputes over matters such as interference.
- d) Efficient project delivery through less duplication of resources; with one team to design, supervise and manage personnel for both elements of the project.

74. The Department has engaged a specialist consultant team to manage the project and ensure its interests are protected throughout the project.

Governance Structure

75. The Department's Property, Environment, Procurement & Security (PEPS) Branch will be responsible for the delivery of the works in accordance with the scope of works proposed within this submission. This Branch has significant experience in delivering complex project programmes, having been responsible for the delivery of fit-out and refurbishment projects across Australia over the past ten years.

76. The Department's internal governance structure includes the following:

- a) Executive Management Group which is responsible for setting the broad project direction, communicating with the Minister on the project scope, status and issues, resolving issues affecting more than one stream of the Department and performing a high level review of project cost and time parameters.
- b) Steering Committee which is provide oversight and guidance on the implementation of the specific elements of the project including:
 - i) defining project boundaries including agreeing time, cost and quality parameters;
 - ii) ensuring that the project stays within project boundaries;
 - iii) identifying and managing the project risks and emerging issues;
 - iv) ensuring effective management of all people and resources associated with the project;
 - v) ensuring that the necessary communications mechanisms are in place; and
 - vi) ensuring compliance with all relevant statutory obligations.
- c) Project Control Group which convenes monthly to control and coordinate the project deliverables. This group reports to the Steering Committee.

Construction Program

77. Subject to Parliamentary approval, construction of the base building is expected to commence in late 2014 and be completed by October 2016. The fit-out will be undertaken concurrently with the *Proposed Fit-Out of New Leased Premises for the Department of Social Services at Greenway, ACT*

base building construction and is scheduled to commence in January 2016 with Practical Completion scheduled for 1 October 2016.

78. To mitigate the risk that completion of works is delayed past 1 October 2016, short term lease extensions on the existing TOP lease will be agreed. Cost recovery for the short term leases will be addressed under the delay provisions within the Agreement For Lease.

Impact on local communities

79. The proposal will have a positive economic impact on the Canberra community. The project will generate significant employment opportunities for local businesses. It will lead to the anticipated continual employment from July 2014 to October 2016 in the following sectors:

- a) Professionals/Consultants: Approximately six to eight separate companies will be engaged to provide consultancy services during the project delivery. This has the potential to involve 16 to 20 employees in order to ensure that the timeframes and deliverables are achieved.
- b) Contractors: There is likely to be a need for up to approximately 40 trade companies and 400 personnel on site (and off site including manufacturers and suppliers) during the project delivery. This will assist in keeping staff and contractors gainfully employed.
- c) Other businesses within the Capital region including hospitality and other services industries will also benefit from the construction works and eventual full occupation of the accommodation.

80. There will be minimal disruption to local community activities either during or post construction. Construction traffic will have minimal impact on local traffic networks with project activities to be coordinated with the ACT Government.

Consultation with Relevant Authorities and Stakeholders

81. During the development of the project, extensive consultation has occurred with Department employees and other Department stakeholders. In addition, consultation has occurred with the following key external stakeholders:

- a) Department of Human Services;
- b) Department of Finance;

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- c) Community Public Sector Union; and
 - d) Tuggeranong Community Council.

82. Consultation will occur with the following key external stakeholders:

- a) Australian Capital Territory Department of Territory and Municipal Services;
- b) Australian Capital Territory Planning and Land Authority;
- c) Australian Capital Territory Fire Brigade;
- d) Local Utility Providers; and
- e) Department of Environment.

Staff Consultation

83. The Department has established internal consultation and decision making mechanisms which will be employed throughout the project. The project team will engage strongly with stakeholders to ensure the project is informed and shaped to deliver the most cost effective, functional and quality outcome within budget and program constraints, including the Work Health and Safety committee, Equity and Diversity representatives, Information Management and Technology Group, the Workplace Consultative Forum and the Executive Management Group.

84. The Department is a major employer and thus amenities have an impact on staff satisfaction and retention. The ability for the Department to provide a reasonable level of office accommodation, similar to other recent Commonwealth office accommodation, is an important factor in maintaining staff satisfaction and attracting skilled and experienced staff.

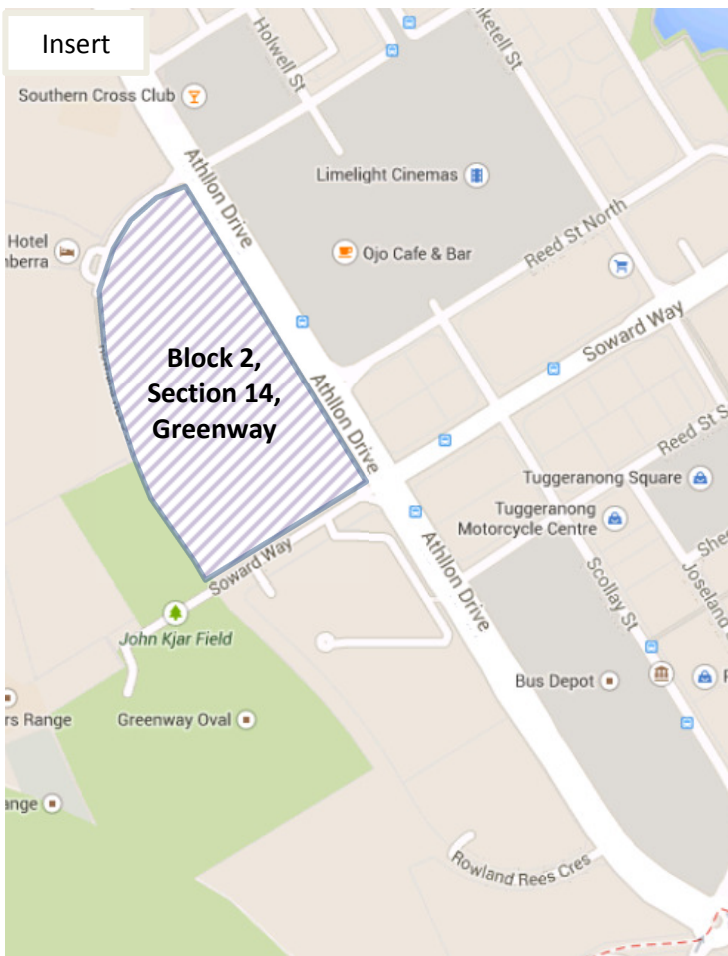
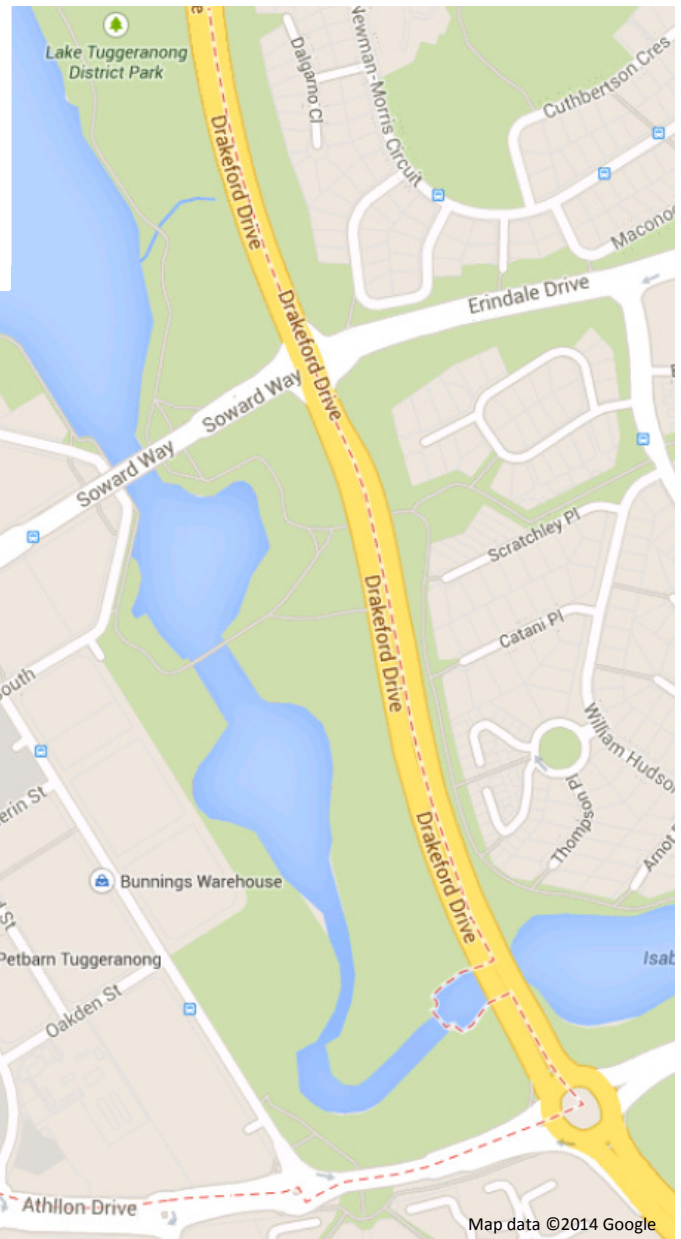
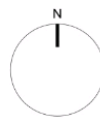
Public Value

85. Public value associated with this proposal is realised through the ability of the Department to adequately continue to deliver its mandate as Australia's lead social policy agency.

Revenue

86. There will be no revenue derived from the project.

ATTACHMENT 1: SITE LOCATION



ATTACHMENT 2: SITE PLAN

