



Australian Government

Department of Health and Ageing

Proposed Fitout of New Leased Premises

for

Department of Health and Ageing

at

Scarborough House Woden Town Centre

CONTENTS

- 1. IDENTIFICATION OF THE NEED 1
 - 1.1 Objectives.....1
 - 1.2 Historical Background.....1
 - 1.3 Need2
 - 1.4 Options Considered2
 - 1.5 Reasons for Adopting Proposed Course of Action2
 - 1.6 Description of Proposal.....3
 - 1.7 Environmental Assessment4
 - 1.8 Heritage Considerations4
 - 1.9 Details of Organisations Consulted.....4
 - 1.10 Amount of Revenue, if any, derived from the project6
- 2. TECHNICAL INFORMATION 6
 - 2.1 Location.....6
 - 2.2 Scope of Work.....6
 - 2.3 Building Selection7
 - 2.4 Development Approval8
 - 2.5 Codes and Standards8
 - 2.6 Planning and Design Concepts.....8
 - 2.7 Acoustics8
 - 2.8 Energy Conservation Measures.....9
 - 2.9 Provisions for People with Disabilities9
 - 2.10 Heritage Issues10
 - 2.11 Child Care Facilities.....10
 - 2.12 Fire Protection and Security.....10
 - 2.13 Occupational Health and Safety.....11
 - 2.14 Landscaping11
 - 2.15 Local Impact.....11
 - 2.16 Project Costs.....12
 - 2.17 Project Delivery System.....13
 - 2.18 Construction Program13
 - 2.19 Sketch Designs13

1. IDENTIFICATION OF THE NEED

1.1 Objectives

1.1.1 The Department of Health and Ageing (“Health”) vision is “Better health and healthier ageing for all Australians through a world class system which:

- Meets people’s needs, throughout their life
- Is responsive, affordable and sustainable
- Provides accessible, high quality service including preventative, curative, rehabilitative maintenance and palliative care
- Seeks to prevent disease and promote health”

1.1.2 Health is seeking to consolidate its Central Office functions from a number of locations within the Woden Town Centre into one location

1.1.3 Health is expecting to realise a number of operational and administrative efficiencies by consolidating some of its activities into one building. These will include:

- A cost effective property solution
- Advantages from technological improvements in services
- Efficiencies in infrastructure, eg training facilities, staff amenities, conference/meeting facilities and floor layout.
- Operational work allocation and resource utilisation efficiencies

1.2 Historical Background

1.2.1 Health has traditionally occupied space in the Woden Town Centre since the development of the town centre concept in the early planning of Canberra by the then National Capital Development Corporation (NCDC). As the Department expanded and the need for additional office space grew it was necessary to take up space in surrounding buildings. Today Health occupies in excess of 46,000m² of leasehold accommodation across 15 sites in the ACT. Of these 12 are in the Woden Town Centre area.

1.2.2 In December 2002 Health advertised for Request for Proposals to provide between 11,000m² and 14,000m² of primary commercial office space in either a new or existing building. A total of six proposals were submitted. After an evaluation against advertised criteria was conducted two proposals were short listed for further consideration. After further detailed evaluation the proposal from Indigenous Business Australia Pty Ltd (IBA) was chosen as the preferred tenderer. On 1st December 2003 a letter of commitment was signed by both Health and IBA and lease negotiations commenced.

1.3 Need

1.3.1 The need for the proposed new accommodation is driven by Health's long term accommodation objective. This objective is to minimise the location of the Central Office functions if possible into two locations in the Woden Town Centre. One such location will be Scarborough House. The objective of consolidating Central Office activities and the anticipated operational benefits to be realised from such a strategy was endorsed by the Business Management Committee (BMC) in August 2003. Health expects to achieve a cost effective property solution by consolidating fragmented leases into one site.

1.4 Options Considered

1.4.1 To address the issue of fragmented leases Health sought submissions in response to a Request for Proposal (RFP) in January 2003. The RFP sought the provision of office accommodation of between 11,000m² and 14,000m². A total of six offers were received. Health engaged its property managers to assess the submissions and two proposals were short listed. After extensive evaluation of these two proposals the offer by Indigenous Business Australia (IBA) gave the best value for money and was the preferred option. On 15th October 2003 the Department Secretary endorsed the IBA offer as the preferred developer and negotiations commenced.

1.5 Reasons for Adopting Proposed Course of Action

1.5.1 Health has decided to collocate some of its operations from smaller fragmented leases, mainly in the Woden Town Centre, into one location. Health saw

significant benefits in the option from an organisational perspective, including cost and operational efficiencies, and for its employees by moving into an A class building with modern amenities. In addition Scarborough House has been earmarked as possibly one of the two buildings as the future location for the Central Office function.

1.6 Description of Proposal

1.6.1 Scarborough House is located at the northern end of the pedestrian precinct in the Woden town centre. Scarborough House has been vacant and totally gutted for many years as a result of the Commonwealth rationalisation of their property portfolio. The building was sold by the Commonwealth to Indigenous Business Australia (IBA). With the degazetel of the area as national land, the development proposal comes under the jurisdiction of the ACT Planning and Land Authority. IBA have engaged a team of experts to develop a scheme for the total refurbishment and extensions to the building.

1.6.2 The refurbished and extended premises will comprise:

- Office accommodation of approximately 16,000m²,
- Ground floor area of approximately 600m²,
- 15 stories high,
- A total of 49 car-parking spaces in the basement including 2 spaces for disabled parking.
- A drop off area and 2 short-term courier car parking spaces outside adjacent to the premises.

1.6.3 During the negotiations with IBA, the offer was made to Health by IBA to lease the whole of the available office space at advantageous rates. Health proposes to occupy all floors of office space totalling approximately 16,000m² at the rate of \$274.06/m² and 49 car-parking spaces at the rate of \$1000 per space per annum. There are two nominated disabled car-parking spaces, which exceeds the Australian Standard of 1% of total car parking spaces.

1.6.4 Site location, floor and elevation plans are included at Annexure A.

1.6.5 The works to be undertaken include:

- Where possible the integration of services requirements into the base building works, including electrical, mechanical, communications, security, fire and hydraulic services. Data installation will be compatible with, and to specified criteria set by Health's Technical Group.
- The fitout to meet Health's specified requirements for the building.
- Architecturally designed office accommodation including construction of reception and security desk at ground floor level, general office areas, meeting rooms, utilities, stores, tearooms, first aid room and conference and training facilities.

1.6.6 The base building specifications were documented against the Commonwealth Building Brief and all essential elements have been met.

1.7 Environmental Assessment

1.7.1 The refurbished and extended building will comply with the Commonwealth guidelines relating to energy efficient buildings. The existing glazing to the south and east facades will be replaced with high performance double glazed units. The extended north and west facades will be a new glazed façade with high performance double glazed units. The project prepared a Waste Management Plan that addresses the ACT Governments No Waste 2010 reduction policies. The building will meet a 4-star SEDA rating and comply with the energy use in Commonwealth buildings including the Property Council of Australia figures published by DISR.

1.8 Heritage Considerations

1.8.1 There are no known heritage considerations that would affect the refurbishment and extensions to the building. The building name Scarborough is taken from one of the First Fleet ships and cannot be changed.

1.9 Details of Organisations Consulted

1.9.1 Health has developed a Communication Strategy for internal and external consultation. The internal consultative framework includes both formal and

informal means of communication and consultation with managers and staff and the Community and Public Sector Union (“CPSU”). The Communication Strategy includes:

- (a) Briefings for managers and staff,
- (b) Work area involvement in the development of the requirements,
- (c) Information sessions for staff,
- (d) A comprehensive intranet site containing information and relevant pictures and providing staff with the opportunity to ask questions and provide feedback, and
- (e) The establishment of a Reference Group comprising both work area representatives, CPSU representatives, an Occupational Health and Safety representative and appropriate consultants. The Reference Group was established in January 2004 and will meet regularly to examine agreed aspects of the project and feedback from staff.

1.9.2 Health has communicated with the Australian Greenhouse Office and sought their endorsement for the energy targets set by Health.

1.9.3 Health has written to the following seeking their endorsement for the proposed works:

- | | | |
|-----|-------------------|-----------------------------------|
| (a) | Ms Annette Ellis | Member for Canberra |
| (b) | Mr Bob McMullan | Member for Fraser |
| (c) | Ms Kate Lundy | Senator for Canberra |
| (d) | Mr Gary Humphries | Senator for Canberra |
| (e) | Mr Jon Stanhope | Chief Minister ACT Assembly |
| (f) | Mr Brendan Smyth | Leader of Opposition ACT Assembly |
| (g) | Ms Jacqui Burke | Member for Molonglo ACT Assembly |
| (h) | Mr Simon Corbell | Member for Molonglo ACT Assembly |
| (i) | Mr Greg Cornwell | Member for Molonglo ACT Assembly |
| (j) | Ms Helen Cross | Member for Molonglo ACT Assembly |
| (k) | Ms Katy Gallagher | Member for Molonglo ACT Assembly |
| (l) | Mr Ted Quinlan | Member for Molonglo ACT Assembly |
| (m) | Ms Kerrie Tucker | Member for Molonglo ACT Assembly |

1.10 Amount of Revenue, if any, derived from the project

- 1.10.1 There is a saving in property operating expenses to be realised from collocating fragmented leases into one site.
- 1.10.2 Health negotiated an incentive from the building owner of a two-month rent free period between the date of the completion of the base building alterations and the completion of the fitout.
- 1.10.3 Health initially negotiated on the basis of 11,000m² and arrived at a rate of \$282.50/m². Further negotiations led to an offer of the first 7,000m² at the rate of \$282.50 and the remaining 9,000m² space in Scarborough House for the rate of \$267.50/m. This leads to a weighted average rent of \$274.06/m².

2. TECHNICAL INFORMATION

2.1 Location

- 2.1.1 Scarborough House is located at the northern end of the pedestrian precinct in the Woden town centre. Scarborough House has been vacant and totally gutted for many years as a result of the Commonwealth rationalisation of their property portfolio. The building was sold to Indigenous Business Australia (IBA) and the land degazetted, as national land and came under the control of the ACT Planning and Land Authority. IBA have engaged a team of designers and contractors to develop a scheme for the total refurbishment and extensions to the building. The extended building and its refurbishment have received Development Approval from the ACT Planning and Land Authority. Boulderstone Hornibrook has been engaged by IBA to carry out the extensions and refurbishment. Sketches of the building are included at Annexure A.

2.2 Scope of Work

- 2.2.1 Health will lease the office accommodation for ten years with a further five-year option, and will be undertaking the office fitout.
- 2.2.2 The works include:
- Base Building

Where practicable the integration of services, including electrical, hydraulic, air-conditioning and fire will be incorporated into the base building works. In particular Health will ensure that the installations are in accordance with the fitout requirements and that the flexibility to accommodate future changes is built into the systems. With the rapid changes in the technology field this flexibility is important.

- Tenant fit out

The fitout will be specifically designed to meet the requirements of Health. The architecturally designed office accommodation will include general office areas, meeting rooms, utilities, conference and training facilities, secure areas for incident rooms, and accommodation for the Department Secretary. Security and reception facilities will be accommodated on the ground floor at the building entrance.

2.2.3 Corporate space will be located away from the building perimeter against the building core to enable open office planning.

2.2.4 The fitout concept provides for open areas on each floor for informal gatherings or meetings away from the workplace. Café style seating and possible lounge seating could also be provided to also provide staff with areas to have lunch away from the workstation adjacent to kitchen areas.

2.2.5 Although the building refurbishment has not yet been started conceptual floor plans have been produced, and these are shown at Annexure A. These floor plans will need to be finalised once the space planning has been completed.

2.3 Building Selection

2.3.1 Health undertook a tender selection process commencing in December 2002 with a Request for a Proposal to provide between 11,000m² and 14,000m² of office space. After extensive reviews and evaluations against the advertised criteria the bid submitted by Indigenous Business Australia (IBA) were nominated as the preferred tenderer. The Department Secretary endorsed the selection of IBA as the preferred tenderer on 15th October 2003.

2.4 Development Approval

2.4.1 Development Approval (DA) was obtained for the refurbishment and extension of the building by IBA in September 2002.

2.5 Codes and Standards

2.5.1 All relevant Building Codes of Australia and reference standards will be met, including the energy guidelines set out in the Property Council of Australia Guidelines 2001.

2.6 Planning and Design Concepts

2.6.1 Scarborough House has stood empty for many years. The original building is some 33 years old and is in a tired and run down state. The extension and refurbishment will turn the building into a modern office building complete with new services, completely new interior materials and finishes, new entry and drop off facilities.

2.6.2 The existing building is 15 stories high and is the second highest building in the Woden Town Centre. The height of the building extension matches the existing height of the building.

2.6.3 The typical ceiling height will be 2.7m and the ground floor in the order of 3.5m.

2.6.4 The base building brief was included as part of the tender documentation and has been largely met by this proposal. The base building brief is included in the Agreement to Lease document.

2.7 Acoustics

2.7.1 The base building brief contains requirements that the building owner seeks and obtains professional acoustical advice from a practitioner such as a Member of the Association of Australian Acoustical Consultants.

2.7.2 The advice should be based on the recommended ambient noise ratings for both Continuous and Intermittent Noise Intrusion into Building Interiors and reverberation times.

2.7.3 The air conditioning systems in buildings to be occupied by Government departments are to be based on;
Design, criteria and building performance shall be in accordance with the requirements and recommendations of AS 1055.1-3 1997 Acoustics Description and Measurement of Environmental noise and ACS-AIR-AIRAH Design Aids for Noise Control in and around Buildings.

2.8 Energy Conversation Measures

2.8.1 The base building brief contains requirements that the building obtains a 4-star rating under the SEDA scale. The fitout design will stipulate lighting controls and other energy saving measures to minimise the energy load from the building occupants and users. New computer technology will be used such as flat screen monitors to limit the power usage.

2.9 Provisions for People with Disabilities

2.9.1 The base building brief details a number of requirements for people with disabilities.

2.9.2 The building brief requires

- Persons with disabilities shall have access to buildings occupied by the Commonwealth without unnecessary segregation or isolation from other users;
- The building shall be designed to the latest editions of the following :
 - AS 1428.2. The building will comply with the mandatory parts of the code under the building code of Australia.
 - NBTC notes on the Science of Building Nos. 200 to 207 “Access for Disabled People”
- Disabled parking for the public and staff;

- A separate disabled toilet on each floor; and
- Suitable access to the building.

2.10 Heritage Issues

2.10.1 There are no known heritage considerations other than the building name that has been taken from one of the First Fleet ships and cannot be changed.

2.11 Child Care Facilities

2.11.1 Health has considered the provision of childcare facilities in the new fitout and decided against the provision of childcare facilities in the fitout of Scarborough house. This decision has been made on the grounds that adequate facilities are available elsewhere in the Woden town centre and in the main staff are only relocating within the town centre, not moving to a new area.

2.12 Fire Protection and Security

2.12.1 The base building brief details a number of requirements in relation to fire protection.

2.12.2 The base building brief requires:

- Integrated operation of the air handling plant and the building fire protection system is required to meet the current Building Code of Australia and AS 1668 part 1 where applicable and in particular Smoke Exhaust and Stairwell pressurisation.
- The building will be designed and constructed to meet the fire safety requirements of:
 - The relevant Territory Building Regulations and the Building Code of Australia and AS 2118.1 for sprinkler systems;
 - AS 2118.1 relating to fire protection;
 - The ACT Fire Brigade requirements;
 - The BCA for fire egress minimum travel distances;
 - AS 1668.1 for fire protection in air conditioning design; and
 - The building will be fitted with Emergency Warning and Inter Communication System installed to AS 2220.

2.13 Occupational Health and Safety

- 2.13.1 Building specifications were sought in the Request for Proposals stage against the Commonwealth Building Brief as modified to bring the latest standards into place.
- 2.13.2 The building brief contains a number of occupational health and safety requirements.
- 2.13.3 Health's fitout will be designed on the basis of Health's guidelines. These guidelines make specific reference to occupational health and safety issues.

2.14 Landscaping

- 2.14.1 Within the site boundary there are no trees or existing vegetation. The existing landscaping consists of hard paved areas.
- 2.14.2 Trees will be introduced wherever suitable planting depths below the podium and between the extent of the basement car park allows. The remainder of the site will be designed to create an urban landscape softened wherever possible with soft landscape, seats using urban stone, and exposed aggregate paving and timber.

2.15 Local Impact

- 2.15.1 Health has ensured that the building contractor has in place a documented strategy for safe passage of pedestrians and motor vehicles during the construction period. There are one or two trees to be removed as a result of changed traffic conditions. There will be a number of new trees and ground cover shrubs planted in newly created garden beds.
- 2.15.2 It is anticipated that there will be potential for additional employment as a result of the construction works for the base building, internal fitout and the manufacture of the workstations. The increase in the number of construction employees in the area will have the potential for increased trade for the local shopping centre.

2.16 Project Costs

2.16.1 Health will lease the office accommodation for ten years with a further five-year option and will be undertaking the office fitout. The fitout costs will be funded from Health's appropriations over two financial years.

2.16.2 Health was provided with a budget estimate by the Quantity Surveyor, Donald Cant Watts Corke (ACT) Pty Ltd, complete with explanatory notes. A copy of the estimate is at Annexure B.

2.16.3 The budget estimate sets fitout costs to be \$18,461,680. These costs include:

Item	Estimated Cost (\$)
Workstations and Loose furniture	7,096,000
Joinery/Fittings/Compactus Partitions, walls, ceilings, doors and hardware	3,100,000
Services	1,963,000
Preliminaries	1,460,000
Project Management and Consultant Fees	1,498,000
Contingencies	750,000
Escalation to completion	461,800
GST	1,632,800
Other	500,000
Total	18,461,680

2.16.4 The fitout budget has been set at the rate of \$1,000/m² which is considered to be in the mid range for Department fitouts in Canberra.

2.16.5 The tender documentation for the design team will stipulate that should the proposed design come in over the budget figures the design team will be required to redesign the fitout at their own cost to bring the design back to budget.

2.16.6 Health has engaged a project manager, including a quantity surveyor to ensure that the design is managed to the budget limiting the possibility of design overruns.

2.16.7 The project manager will assist Health to ensure that the fitout contractor provides a value for money quotation as part of the negotiated fitout works. It is anticipated that the quantity surveyor will play an active role in this process.

2.17 Project Delivery System

2.17.1 Health will lease the office accommodation for ten years with a further five-year option and will be undertaking a building fitout.

2.17.2 The developer will construct the extensions and refurbishment of the existing structure in accordance with the base building brief produced by Health.

2.17.3 Health will negotiate a lump sum fitout with the construction contractor to be constructed on an integrated basis with the base building.

2.18 Construction Program

2.18.1 Health will lease the office accommodation for ten years with a further five-year option and will be undertaking a building fitout.

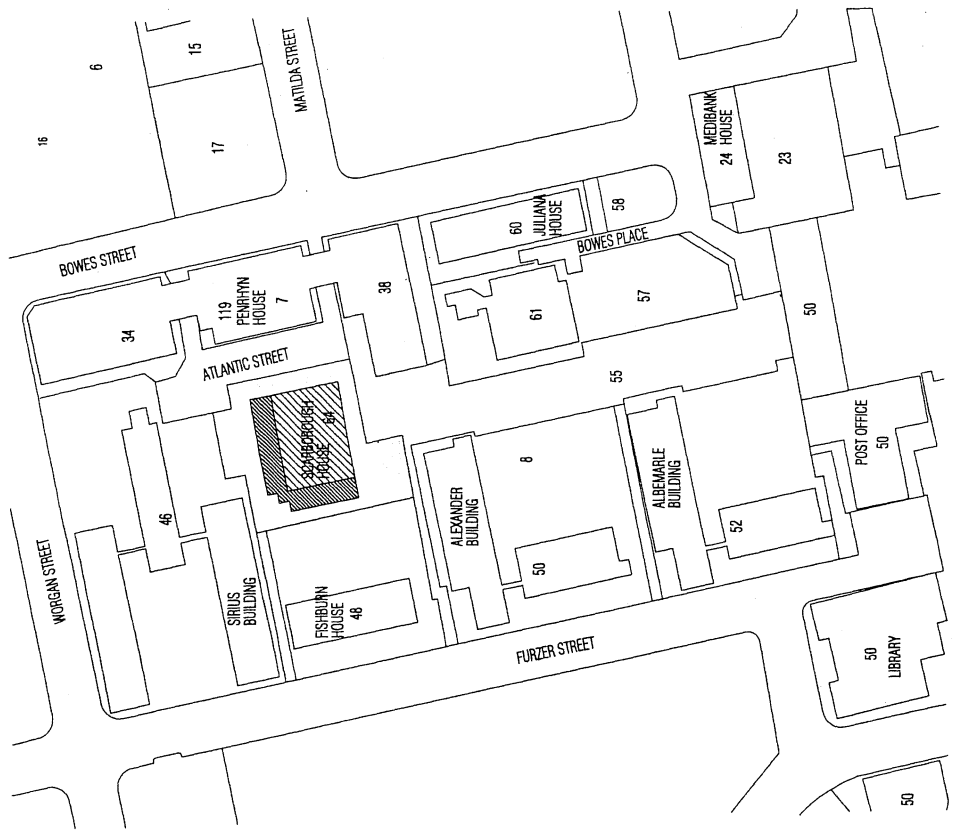
2.18.2 The developer will commence the extensions and refurbishment of the existing structure in February 2004 and will complete the base building works by 30th April 2005 by the tendered program.

2.18.3 Health will negotiate an integrated fitout with the construction contractor and according to the program will be complete ready for occupation by 1st July 2005.

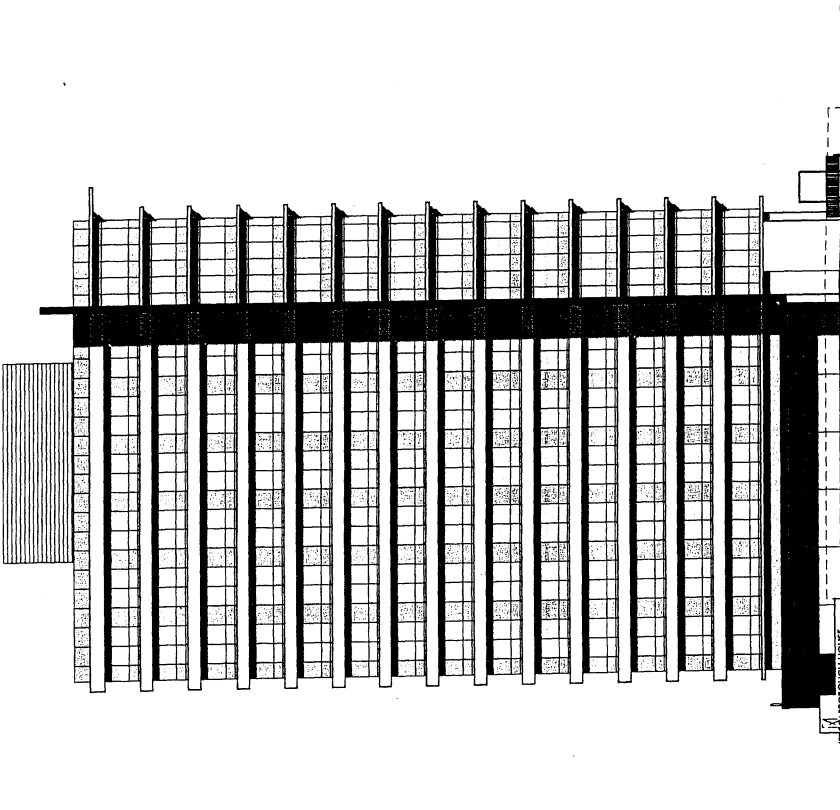
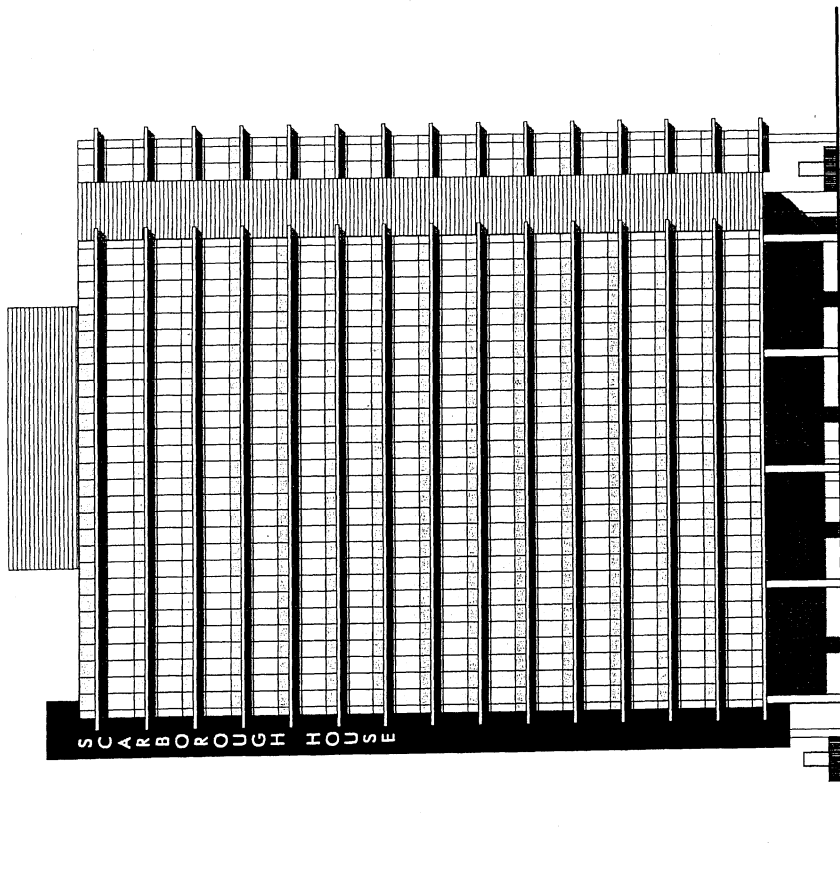
2.19 Sketch Designs

2.19.1 The current site, floor plans and elevations are attached at Annexure A.

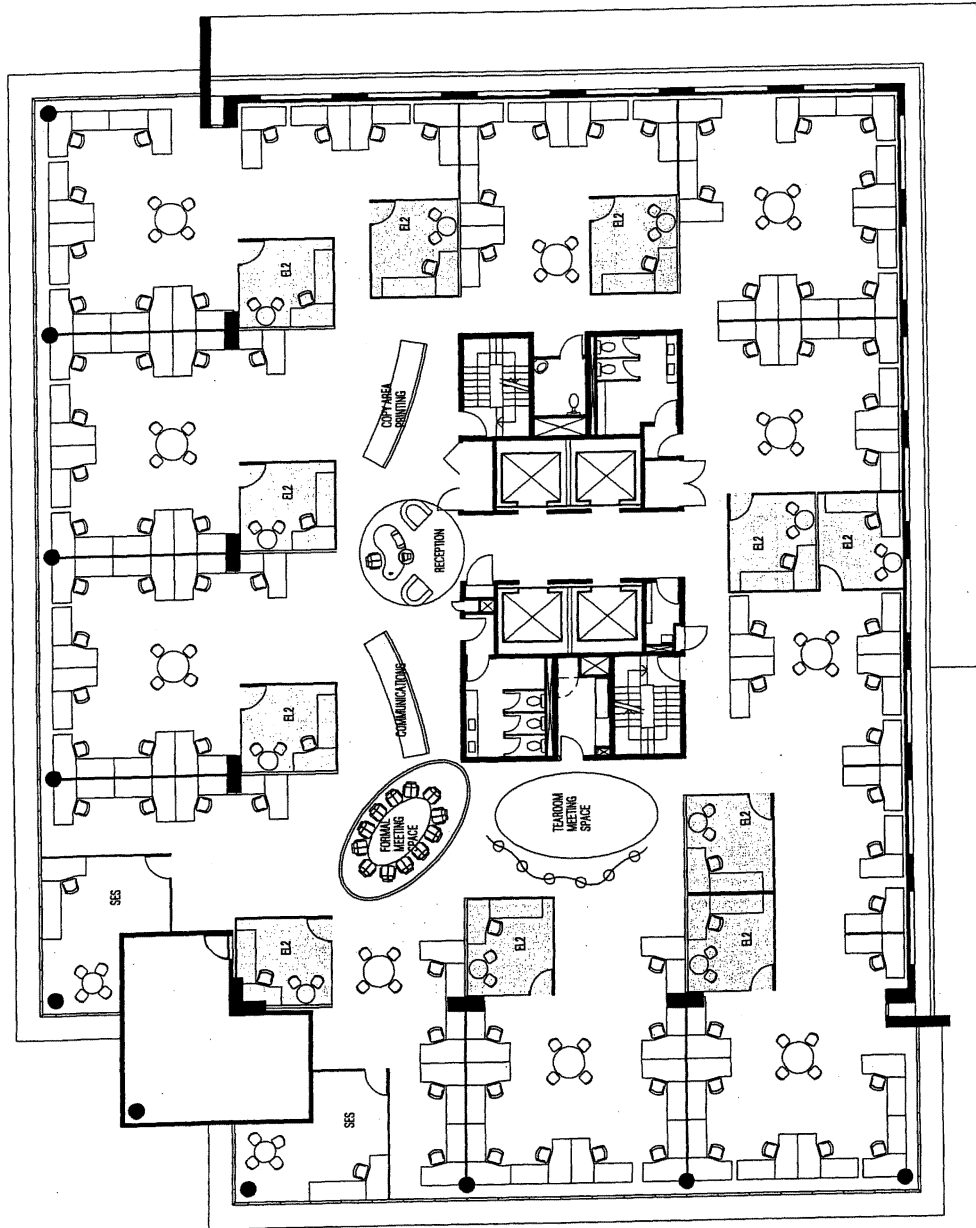
ANNEXURE A



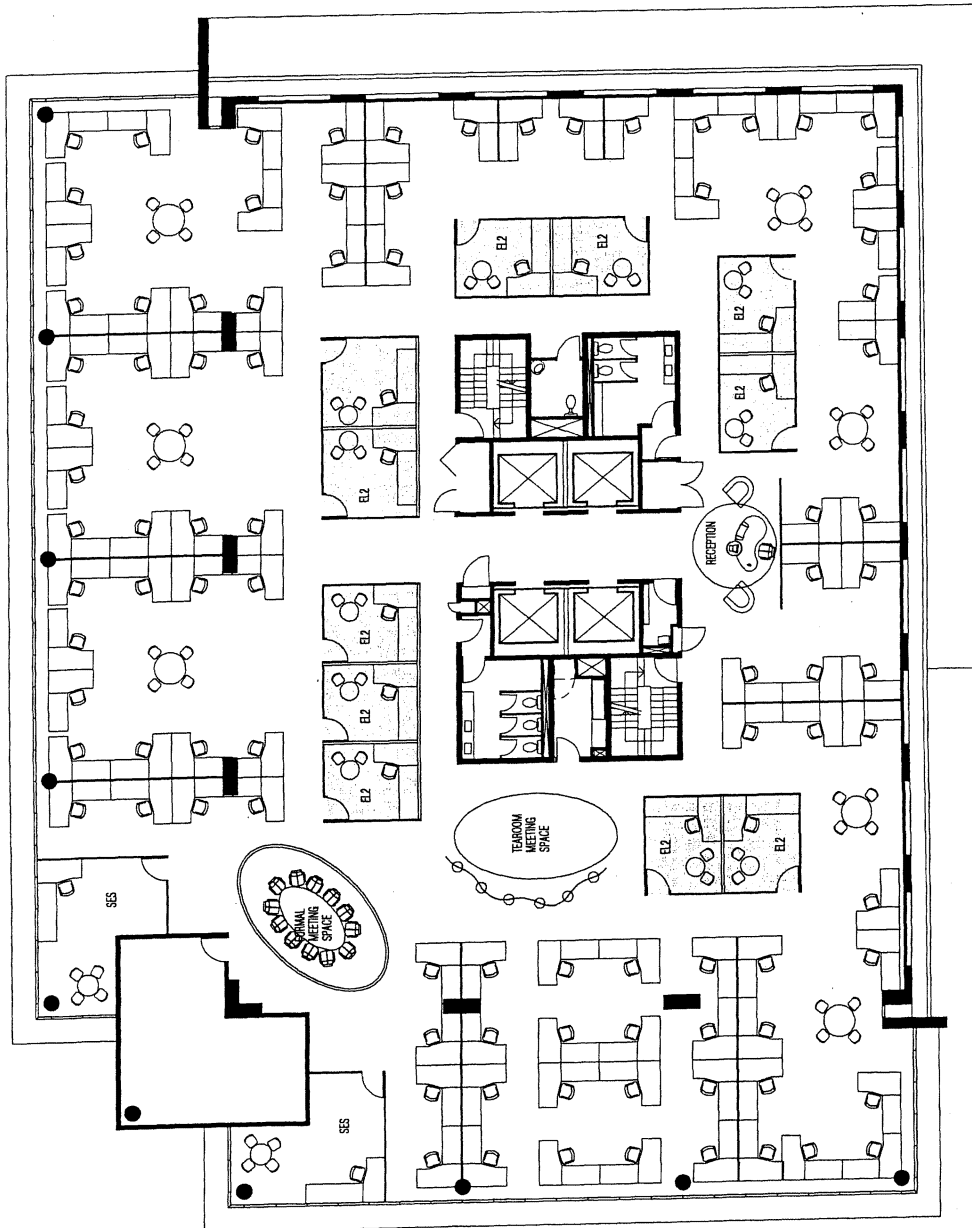
SITE LOCATION PLAN



EAST (FACADE UPGRADE) AND NORTH ELEVATIONS



2 SES
11 EL2
83 STAFF
96 TOTAL



2 SES
11 E2
82 STAFF
95 TOTAL

INDICATIVE WORKSTATION LAYOUT