

# **ACTIVITY 1 – Project Management Training Scenario**

## **Relocation of office**

### **Project Approval**

Your senior management has just approved the relocation of the entire organisation from its old buildings in Barton, ACT to a brand new award winning accommodation in Mitchell, ACT.

The lease of the old accommodation runs out in 8 months time, so the project will run over the next 8 month period. As the building is being sold, and the new owners are planning a major refurbishment, the lease could not be renewed or extended, as the cost for either of these actions was prohibitive, and the new owners are keen to begin their refurbishment.

There are 750 people in your organisation, of which 700 will need to be relocated to the new offices. 25 of these people work in the ACT State Office, which is co-located with the National Office and which will be relocating to Mitchell as well.

Congratulations! You have been appointed as Project Manager and will have one full-time and two part-time staff (50% FTE) to assist you. Unfortunately, none of you has any experience with relocations. Fortunately, you will be reporting to the organisation's Facilities Manager who can assist you. The project's other senior stakeholder is the State Office Manager.

Today is 1 November. You were quite worried to hear that the new building can only be moved into from the Monday of the last week of June, and the old accommodation needs to be empty by the first Friday of the month of July. That is exactly 8 months from now, and you are already a little concerned about the tight time frame for this project.

### **The Problem**

The office move could be very unsettling for many staff, as many people do not like change. The new accommodation is open plan. The only private offices will be for the 30 managers. In their current accommodation, staff have offices, or very high partitions with a number of empty work stations near by.

The staff are also unhappy about relocating because Mitchell is further away to travel from home for many of them, and Mitchell does not have the gyms, restaurants and shops they have access to in Barton and other near suburbs. Mitchell also has an industrial character, which some staff do not like, and lots of free all day parking. Parking in Barton is expensive and scarce.

To add to this there is a rumour that the new accommodation is much smaller, and cannot fit all 750 staff. This rumour is actually fact, and management has planned that 50 redundancies will be offered to staff over the next 8 months. While staff do not know this, the redundancies will be offered to staff in the next few weeks. ACT State Office staff will not be eligible for redundancies.

Due to the secure nature of your organisation's work, moving the contents provides a significant risk of a breach of protected information, so this must be managed.

### **The Requirement**

The staff can be moved over a one week period requiring about 50 hours work and some assistance from professional removalists. However, as the State Office must be open to the public from 9-5 Monday to Friday, the 25 staff in the state office cannot even start packing until 5.00 Friday afternoon, and must be fully unpacked and prepared for opening at 9.00 am the following Monday morning.

All staff will be provided with boxes and packing tape and are expected to pack, seal and label their own items for removal and delivery to the new location.

The following items will need to be moved from the old accommodation, including from the State Office:

- Any furniture used by staff for WH&S purposes (this must be approved)
- All filing cabinets with material in them (about 500?)
- 5 large safes (weight 200kg), 2 small safes (weight 130kg) each containing secure information
- Registry containing 20 linear metres of files
- Library containing 3,000 books and journals

Procurement have advised that your organisation has a standing offer panel for removalists. You will be expected to call quotations, but luckily, as this is a purchase from a standing offer, you do not have to run a full open tender process. Procurement have suggested that it usually takes 6-8 weeks to arrange quotations. They have also provided you with some information about potential costs based on other recent removals they are aware of:

- Desk and contents = \$500 per desk
- Filing cabinets = \$50 ea
- Registry and Library are specialised services and will cost in the order of \$80-90k in total for these two combined
- No idea about the costs for safes, you will have to enquire.

The following items will be required to be purchased for the new accommodation, including the State Office:

- Desks and chairs for all staff (except staff bringing their approved furniture) and desk storage items such as book cases, desk tidies, etc (estimated cost from whole of government contract is \$500 per person)
- Occasional furniture (estimated cost from whole of government contract is \$50k)
- Artwork (budget allocated is \$50k)

The following items will be moved from the State Office:

- 5 linear metres of shelving, containing archival storage boxes of documents. It is possible that this could be combined with the registry requirement, at minimal extra cost.
- 3 linear metres of storage will be discarded, as there is currently a digitisation project running, and after digitisation the material can be discarded. It is unlikely that you can sell the discarded shelving, so you may have to pay to have it removed.

### **Information and Communication Technology Requirements**

- Servers will still be at the same location, as they are in Belconnen at a permanent location
- All computers and telephones will be moved to the new accommodation. Telephones will be packed with desk items. IT will arrange for the removal and re-installation of the computers and will pass this cost directly to the project. At this point, cost is estimated at \$50 per computer.
- Photocopiers, printers will all be newly acquired; the old copiers and printers will need to be appropriately disposed. There is a whole of government contract for purchase of office equipment, and it seems that you will need to spend about \$10k per multi function device. You will need 20 new devices. If time permits, it might be cheaper to lease them. You can lease a device for \$1,000pa. However, your organisation has never leased copiers/printers before, so no one really knows how to go about it.

### **Communication**

There are many moving parts to an office move and you need to ensure that everyone involved in the project is regularly updated, especially if there are any changes. Due to the unhappiness of the staff about the relocation, it is important that they are 'involved' in the process, over the entire lifecycle of the project.

### **Budget**

You have been advised that there is a **strictly limited** budget of \$1million for the project. This does not include staffing costs, which must be reported separately.

Ongoing maintenance costs associated with the new accommodation are to be no more than \$30,000 per year, so it will be important to choose good quality items.

For budgeting purposes, your annual salary is \$100k. Each of your staff has an annual salary of \$50k (to be pro-rated for your part timers). You are all paid fortnightly - there are 26 fortnights in the year. To this you must add an on-cost of 30% for employer costs such as superannuation, workers compensation, other insurances, unproductive time (sick leave, annual leave) and training. Once you have calculated this number there is a further 30% charge to be added to cover corporate overheads such as heat, light and power, provision of IT, phone and other services, etc.

The cost of IT help to re-install computers and phones is to be negotiated with the IT Manager. Planning estimate is approximately \$50k without on-costs.