



National Office Accommodation Project Governance Submission Paper

Paper: Disposal Strategy

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For Meeting: Project Steering Committee Meeting 22 February 2016

Endorsement of disposal strategy for National Office Accommodation Project

Purpose

This paper seeks the Project Steering Committee's endorsement of the proposed approach for the disposal strategy of workplace assets and chattels (excluding IT hardware items) on Bowen Campus.

Recommendations

It is recommended that the Steering Committee:

- **note** that a stocktake of workplace assets and chattels has been undertaken
- **note** that an assessment of market value and fitness for purpose against the guiding principles for reuse of furniture has been initiated
- **provide feedback** on the proposed approach for the workplace assets and chattels
- **endorse** the guidelines for disposal of the workplace assets and chattels on Bowen Campus.

Background

A paper was submitted to the Committee in November 2015 seeking endorsement of a disposal strategy for the workplace assets and chattels (excluding IT hardware items) on Bowen Campus.

The Committee requested that further work be carried out to assess the application of a waste minimisation approach and the social good, eg donations to charitable organisations, to the assets and chattels in Bowen Campus. It was also requested that an initial assessment of reuse of assets and potential costs be provided.

It was noted that an RFP would be issued on GETs to secure a Move and Exit Logistics Services Supplier(s). As part of this RFP, respondents would be asked to provide solutions

for the exit strategy that incorporated the above approach. The procurement workstream for this RFP has commenced.

Guiding Principles for the purchase and reuse of furniture for National Office

These principles were endorsed by the Committee and apply to the reuse/disposal of assets from Bowen Campus.

In order to support decision making in relation to the furniture fitout of 56 The Terrace it is proposed that a principled approach is taken. The following principles shall apply:

- Furniture items from Bowen Campus will be used at 56 The Terrace where they are 'fit for purpose' ie meeting tables that are suitable for room size, items that are in a good state of repair.
- Furniture from Bowen Campus that is not suitable for relocation at 56 The Terrace will be disposed in accordance with the National Office Relocation Disposal Strategy.
- Furniture including materials and finishes will be selected that are appropriate for government, eg modest, cost effective and durable as specified by the Property Management Centre of Expertise (PMCoE) in its Workplace: Standards and Guidelines for office space.
- A standardised workstation set up will be implemented comprising of the same workstation, general purpose task chairs and IT set up (noting some exceptions will apply). The standardised workstation set up will support modern work practices, staff health and wellbeing, fixed furniture layouts, fairness, and furniture asset management, as well as more efficient team and individual relocations.
- New furniture items will be purchased for the public spaces and other spaces where we do not currently have suitable furniture items (such as hub spaces, and large meetings rooms with floor boxes)
- Where furniture items are to be reused at 56 The Terrace they will be spread across the work floors of the building
- Where items are selected for reuse, the cost of any repair, repaint or upholster will not be more than buying a new item
- Where reused furniture needs to be replaced in the future this will form part of the business as usual furniture procurement process.

Scope

A stocktake has been initiated for a large number of the workplace assets on Bowen Campus. This has established the inventory detailed in the table below.

An assessment of the inventory and potential costs/resale value against a number disposal options has been carried out and is detailed in Appendix 1. The options include:

- Reuse at 56 The Terrace, 89 The Terrace, other MSD sites
- Sell, recycle, disposal
- Donate.

The costs have been based on rates from the existing supplier and it is expected that improved rates will be obtained through the RFP that is being issued for a Move and Exist Logistics Services Supplier.

An independent assessment of the market value for resale of the various assets was sought from an auctioneer.

Consultation has also been undertaken with a number of people, eg B&W Consulting, Ministry of Education, PMCoE, and external agents.

Key considerations learned from the consultation are:

- The Wellington market is saturated and sale of products is likely to be in other centres.
- [redacted] and B&W Consulting found that uptake of donated assets was fairly low and the type of product accepted was limited.
- Refurbishment of product costs need to be carefully assessed to ensure it is a cost effective solution.
- Impact on BAU from the initiation of any refurbishment/sale process while staff on still occupying the workplace.
- The length of time required for the exit. To ensure completion of the exit by 31 October, the exit workstream will commence in June.

Type	Volumes	Proposed Solutions
Meeting room slide chairs	1,839	Reuse majority with option of clean and reupholster for 56TT, 89TT. Remainder into MSD inventory store if needed or for sale.
Ad hoc meeting room chairs	111	28 reused at 56TT or 89TT. Disposal of 8 old items Sale of remaining 75 items as is or if donation – clean required.
Meeting tables	148 round trumpet tables 297 rectangular Assorted flip, round and 3-part tables still to be itemised.	Refurbishment for 56 and 89TT may be more expensive than new products – <i>PSC guidance sought</i> . Assessment of other items for fitness for sale required as part of Exit Logistics strategy. Recycle, disposal and/or offer as donation.
Ad hoc soft furniture assets including TB L8 Hub trial furniture	To be itemised – relatively small volumes, eg 20 sofas.	Reuse all TB L8 Hub trial furniture at 89TT. Sale of the other soft furniture as is.
Storage products	430 tambours 26 ½ tambours 120 wooden cupboards 90 coat cupboards 1,500 credenzas 600 under desk mobiles	150 tambours to be reused for 56TT. Limited supply put into storage for reuse at other MSD sites. Sale of remaining stock. Items with a market value less than the cost of the sale eg credenzas @ \$10 will be assessed for direct recycle/disposal. Donation will be considered.
Task chairs	2,400 (ballpark of 150 ergonomic OSH)	Relocate any existing OSH ergonomic chairs that people wish to retain (ballpark of 150).

	recommended chairs)	Reuse 350 chairs at 89TT. Limited supply put into storage for reuse at other MSD sites if condition is fit for purpose. 10% disposal of broken stock likely Sale of estimated 1,700 depending on market demand. Donation of remaining if fit for purpose.
Workstations	100 1600x800 adjustable 330 corner adjustable 60 interlock 1925 1800x1000 and I-shaped adjustable.	Reuse 100 1600x800 workstations at 89TT. Limited supply put into storage for reuse at other MSD sites. 20% disposal of broken stock likely Sale of remaining stock to be negotiated with Exit Logistics Supplier to ensure exit deadline is met and storage fees are not incurred on low value bulk items. Recycle remainder and/or offer as donation.
Chattels	63 refrigerators dishwashers still to be itemised 35 microwaves 7 safes 15 electronic whiteboards	Reuse 15 microwaves and 3 safes at 56TT. Sale of remaining chattels and/or donation.

Proposed guidelines for disposal

The following guidelines for disposal of workplace assets and chattels are recommended for Committee discussion and feedback. The guidelines are listed in order of preference.

1. The furniture guiding principles will be applied to all items, eg cost of refurbishment will not exceed the cost of a new item.
2. Cost positive solutions, eg commercial sale, will be the preferred option for surplus assets followed by cost neutral options, eg donation where the organisation will collect.
3. On-going storage fees of a significant duration eg three months or more will be avoided by selecting alternative options of disposal.
4. Exemption to the Ministry donation policy is endorsed by the Committee and approval will be sought from the Chief Executive.
5. All donation arrangements to charitable organisations will be managed by the Exit Logistic Services Supplier within agreed guidelines to be negotiated.