

The University of Melbourne

Semester 2 Assessment 2004

Faculty of Architecture, Building and Planning

Subject Number: 702 – 415 **Subject Title:** Facility Management

Student Number:

Reading Time: 15 Minutes

Writing Time: 3 hours

This paper has 3 pages

Identical Examination Papers:

Subject Number: 702 – 658 **Subject Title:** Facility Management (Masters)

Authorised Materials:

No materials are authorized

Instructions to Invigilators:

Standard script books only required.

The examination paper is NOT to be removed from the examination room.

Instructions to Students:

Candidates are to attempt any **FOUR** questions.

All questions have a value of 25 marks each.

Start each question on a new page of the script book.

In the absence of specific information, candidates are expected to make reasonable assumptions and state them in their answer.

Use diagrams and illustrations where they are considered appropriate.

Paper to be held by Baillieu Library: This examination paper will be lodged with the Baillieu Library after the completion of the examination period.

INTRODUCTION

You are the senior facilities manager in the Property Assets Division of a large and growing metropolitan local authority (council). Your division has responsibility for council facilities such as libraries, council offices, service centres, child, maternal and health care facilities, swimming pools, parks and gardens and waste disposal centres. The council is in an expanding fringe area well connected to public transport and road system. The council area has an established rate base for its present income and projected growth in the next ten years will expand the income base substantially.

At present, the council is considering establishing its first public and private partnership (PPP) procurement project for a new library, council service centre and other undefined council services at this early stage. In this project there is the possibility of commercial services such as shops, post office and offices being introduced and integrated into the new facility.

QUESTION 1

Discuss a suitable approach (or model) that identifies potential stakeholders (users, occupiers, tenants, customers and others) in the proposed PPP development and will produce a clear and agreed statement of needs to form basis of the brief for the project. (25 marks)

QUESTION 2

Discuss the advantages and disadvantages of introducing this type of procurement method and facilities ownership model. (25 marks)

QUESTION 3

From a facilities management perspective identify the life cycle costs and operational cost implications to the PPP successful tenderer and to the council. (25 marks)

QUESTION 4

Discuss the role strategic corporate real estate (CRE) might play in an organisation such as this council, suggesting how organisational and CRE strategies may be aligned and recommend possible performance measurement techniques that may be used to achieve this. (25 marks)

QUESTION 5

The council need to service more of its ratepayer base in locations other than where the council offices are located. With the expanding urban areas at least two customer service centres need to be provided in premises in established small commercial and shopping areas closer to the local ratepayers.

Discuss the advantages and disadvantages of owning or renting these premises and explain the factors that may influence the final decision. (25 marks)

QUESTION 6

The council has its own maintenance division, but complaints about the standard and timing of maintenance work in its buildings have risen in the last two years. A specialist maintenance firm has approached the council and offered to take over responsibility for the whole of its maintenance on its properties. However, the council is reluctant to close down this division.

Taking account of the types, incidence and forms of maintenance discuss how this maintenance division may be organised to be able to better cope with the growing demands made upon it. (25 marks)

QUESTION 7

The Chief Finance Officer (CFO) is concerned about the spiralling running costs in its council premises. Many are older buildings with low levels of property and facilities management applied to their care and operation.

Write a brief report to the CFO that identifies the major cost centres on the *recurrent support activities* and suggest major strategies or methods, which could be adopted to keep these running costs under control or be reduced over time. Any strategies suggested should maintain the effectiveness and possible improvement in the operational environment of the facilities. (25 marks)

(END OF EXAMINATION)