



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canada

Respect

Excellence

Integrity

Leadership



our portfolio
our story
2008-2009

REAL PROPERTY BRANCH

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111 Sussex Drive – Ottawa, Ontario, Crown-Owned





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John McBain
Assistant Deputy Minister
Real Property Branch

As Assistant Deputy Minister of the Real Property Branch (RPB) of Public Works and Government Services Canada, I am very pleased to present this inaugural publication of *Our Portfolio – Our Story* for fiscal year 2008-2009. Future issues of this report are planned for release on an annual basis.

Managing one of the largest and most diverse real estate portfolios in the country, we in RPB are proud of our long-standing history of serving Canadians.

For more than a century and a half, our people have helped build and manage many of Canada's most important landmarks – from the construction of the Parliament Buildings in Ottawa to the recent restoration of the Vimy Ridge memorial in France. These structures support the Government of Canada in delivering its programs and contribute to our country's economic, political and cultural vitality from coast to coast to coast.

Today RPB provides federal departments and agencies with affordable, productive work environments, a full range of real property services, and expert advice to

support the delivery of programs to Canadians. In addition to providing an overview of our organization and portfolio, this publication will profile a number of priority initiatives underway within the organization, as well as celebrate some of our notable achievements.

Whether fitting up office space to meet client demands, or contributing to the greening of government operations through enhanced sustainability practices, RPB is making a positive contribution to Canada and Canadians.


Supported by a professional and committed workforce, we are pleased to showcase the important and lasting contributions we are making as proud stewards of real property in support of the Government of Canada and Canadians.

John McBain
Assistant Deputy Minister
Real Property Branch

context

111 Sussex Drive - Ottawa, Ontario, Bytown Pavilion, Crown-Owned






This document is the inaugural, public report on the Real Property Branch's office portfolio, based on 2008-2009 fiscal year results. It is derived from our former Asset Report Card, an internal document summarizing the financial, operational and functional performance of the Public Works and Government Services Canada Crown-owned office portfolio. It is our intention to publish this report on an annual basis.

overview

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Public Works and Government Services Canada (PWGSC) is the Government of Canada's service provider for federal office space. This means that when departments, agencies and other federal organizations need office space, they come to the Real Property Branch (RPB) of PWGSC. This approach to acquiring office space makes government more efficient because only one department is required to develop the necessary real estate expertise for office space. It also allows other departments to focus on their core business: providing programs and services to Canadians.

PWGSC provides office space to 105 departments and agencies across the country and manages its inventory through 6 regional offices. Approximately 255,000 employees are accommodated in more than 1800 locations in Canada. The portfolio consists of approximately 7 million square metres of space and is a blend of Crown-owned buildings (including the Parliament Buildings), leases, and lease purchase buildings. The inventory also includes housing and engineering assets (e.g. bridges and dams), however, this report focuses on the Crown-owned office portfolio.

RPB's clients' needs are as diverse as the work they do and RPB's role is to find out what their requirements are (e.g. amount of space, level of security, proximity to other departments, access to public transportation) in order to find the right space that offers the best value to the Crown and meets these requirements.

RPB's goal as a modern corporate real estate organization is to employ best practices and provide value to government and clients through the provision of a well-managed real estate portfolio delivered by a professional and proud workforce.

RPB manages its portfolio while following over-arching direction and guidance from acts and policies with respect to broader government objectives, such as heritage preservation, accessibility and environmental stewardship.

PWGSC has a responsibility to ensure it:

- provides federal organizations with the office space they need to carry out their programs;
- carries out space procurement processes in an open, fair and transparent manner that achieves best value for Canadian taxpayers; and
- enforces federal standards for such things as accessibility and environmental sustainability.

our story

In establishing itself as a corporate real estate organization, the Real Property Branch has defined its organizational model to suit its operating environment as the common service provider of real property to federal government departments and agencies.

In this section of the report, we explain our corporate real estate model, the client relationships we have established, and the meaningful partnerships we have developed with industry and other governments.





Connaught Building - Ottawa, Ontario, Crown-Owned

Corporate Real Estate Model

Public Works and Government Services Canada (PWGSC), as a common service provider, is the Corporate Real Estate (CRE) organization for the provision of office space and professional and technical real property optional services for the Government of Canada.

2 A CRE organization is the current industry recognized model for real estate management in an organization whose main business is not real estate. The CRE model has become an essential component of organizations' business strategies. Wise ownership and management of real property assets creates value for organizations through the acquisition, development, disposition and/or leasing of real estate assets. Many well-known organizations, including the Public Buildings Service of the U.S. General Services Administration and Canada Post, have adopted a CRE model as a means to balance user satisfaction with consistency and diligence in the management of their property portfolios.

For all federal departments and agencies other than PWGSC, the management of real property is essentially a support function to meet their primary program

objectives (e.g. National Defence owns military bases, Health Canada owns laboratories). By contrast, the stewardship of real property, and the provision of office accommodation and real property consulting services, is PWGSC's program mandate. It is one of the department's main business lines and is the responsibility of the Real Property Branch (RPB).

RPB has adapted the CRE model to address its unique requirements and support the modernization of its real property program. Key attributes of this model include enhanced client focus, a clear understanding of the products and services, efficient use of resources, strong information and technology systems and standard business processes, just to name a few.

To that end, in April 2007, RPB implemented an organizational structure based on a CRE business management model to move towards a modern public sector real estate organization. This organization reflects the Branch's two key business lines: the office accommodation program and the provision of optional real property consulting services. Unlike the many corporations that have adopted a CRE model approach, in addition to its office accommodation and stewardship mandate, RPB also has the mandate to provide real property professional and technical services on a fee-for-service and optional basis to other government departments and agencies. In short, RPB's role within the context of the CRE Model is to understand and



articulate the real property needs of the Government of Canada and to put private sector solutions into place where the capacity exists.

Within this context, the CRE model aligns the real property functions to more clearly delineate accountabilities, uses governance and processes to orient the organization on its strategic responsibilities and clearly separates the strategic and operational functions to ensure that the right decisions are made at the right time. The Real Property Branch Business Management Model supplements the four key functions of the CRE model with *Client Relationship Management* and *Corporate Services* functions. These functions are described below:

- The *Program Management* function reinforces RPB's role as the Centre of Expertise for real property for

the Government of Canada. It refers to the strategic planning and resourcing functions that set the overall program objectives, direction and priorities. This function is of a fixed nature, typically performed in-house, and in this case, at a national level.

- The *Program Strategy Development* function takes the program objectives, direction and priorities and establishes, maintains and monitors the strategies necessary to implement Branch programs. The main RPB Program sub-activities are:

- *Federal Accommodation and Federal Holdings:* Delivering this function involves understanding government demand for office accommodation. This function satisfies the accommodation needs of clients and of government at large by establishing, managing and monitoring the implementation of strategic objectives and plans for real property investments, leasing, acquisitions and disposals that are consistent with government policy and that focus on optimizing value and minimizing cost to the Crown; and

- *Professional and Technical Services:* This involves understanding government demand for the real property optional services business and providing the strategic portfolio management

function for this business. This function establishes, maintains and promotes a strategy that results in greater visibility, cost-effectiveness and accountability for these services.

- The *Service Management* function is an enabler for RPB to deliver its Federal Accommodation (FA), Federal Holdings (FH) Program and Professional and Technical Services Program sub-activities. It is typically an in-house function that comprises three broad elements:

- developing service delivery strategies;
- developing tools and business processes to assist implementation of these strategies and to support the on-going service delivery operations; and
- determining the resources required for execution.

Service Management outputs (tools, policies, and procedures) generated to support the FA and FH program sub-activities may also be leveraged and used, at no additional costs, to support the Other Government Department segment (optional services) of the Professional and Technical Services Program sub-activity.

- *Service Administration and Service Delivery* functions:
 - *Service Administration* provides the link between Service Management and Service Delivery and

comprises all supervisory and general support activities required for the Service Delivery function. The Service Administration function supports and oversees the delivery of services (i.e. the Service Delivery function) in a way that is consistent with the framework and strategies put in place by the Program Management, Program Strategy Development and Service Management functions.

- The *Service Delivery* function refers to the delivery of services, including mandated and optional services, based on clearly articulated and consistently applied service standards. The same delivery methods and standards apply to all service delivery, whether using in-house resources or private sector partners. This function is expected to vary with the volume of services delivered, therefore employees fulfilling this function typically record their time against the appropriate real property asset or project.

- The *Client Relationship Management* (CRM) function builds and manages client relationships at the national and regional level. It develops integrated customer-focused strategies at the headquarters and regional levels as part of *Program Strategy Development* incorporating all services, both accommodation and real property optional services. CRM plays an integral role in the client department's strategic business planning process, so that RPB can adapt portfolio and business solutions to the

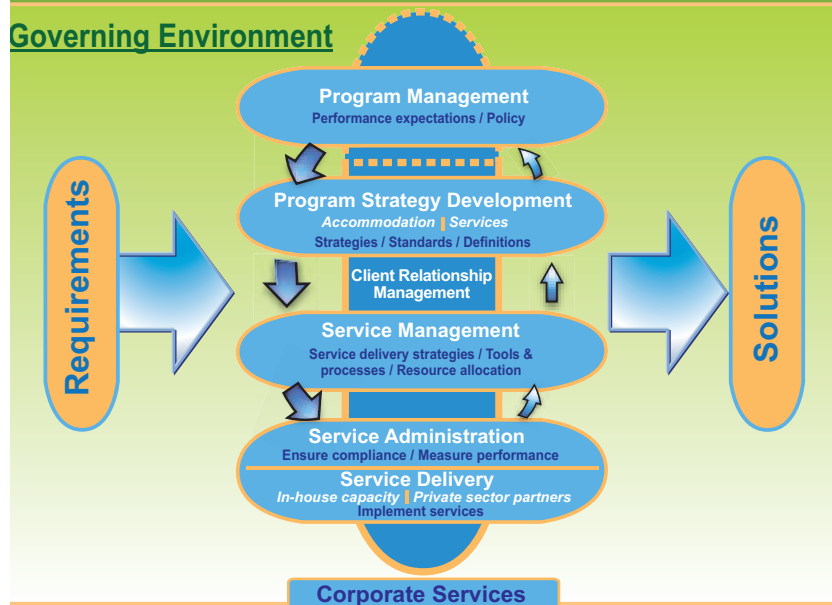


evolving needs of the departments. The role of *CRM* occurs in conjunction with all other business functions in the model, although *Program Management* plays a limited role in *CRM*.

- The *Corporate Services* function provides business services to other business model components and is the primary interface with PWGSC Corporate Services on knowledge management, information management and information technology, human resource management, communications, learning, risk management, audit management, financial reporting and quality assurance.

Real Property Branch Business Management Model

Governing Environment



Client Consultancy and Real Property Solutions

The Client Consultancy and Real Property Solutions Sector provides leadership and focus for the national client relationship management activities of the Real Property Branch (RPB). It also provides strategic direction for the provision of real property services to Other Government Departments (OGDs) as a business line.

6 RPB's client consultancy model includes Account Executives at headquarters with networks of Client Service Directors in regions. Monthly meetings with clients, and monthly teleconferences with Client Service Directors, ensure that we feel the pulse of a client's satisfaction level on a national basis. Overall satisfaction is gauged with a client barometer and is shared with the rest of the organization to flag issues that may require greater attention. In accordance with the new Treasury Board Common Services Policy, Account Executives lead the negotiations on national service agreements. Governed by the principles of these agreements, clients provide details on their real property requirements

and Account Executives, in turn, provide monthly reports on the status of their real property program. Client engagement also occurs at the Deputy Minister and Assistant Deputy Minister levels. This is all part of our ongoing efforts to shift our dialogue with clients from a transactional to a more strategic basis for both accommodation and the real property services business line.

Through regular contact with client departments, Account Executives gather intelligence including client demand for real property services and office space, and the future direction clients may consider taking. This information is reflected in client demand forecasts for services. It is also used to develop client strategies which assess longer term opportunities for new service options and identify areas for improving Real Property service delivery processes.

The newly established Real Property (RP) Solutions unit brings a business focus to the real property services business line. Services are provided to OGDs on a fee-for-service basis with a business volume of over \$1B per annum. Delivery is largely done on a service management basis optimizing the use of the private sector. Employing a business





segment approach, RP Solutions uses regional leadership to improve its understanding of the business in order to more effectively deliver the business within each segment. In collaboration with regions and Account Executives, RP Solutions brings together business and client intelligence in order to set the strategic direction for this business line. In addition to developing business strategies, this group develops the templates for national service agree-

ments, gathers product intelligence, issues pricing guidelines, develops marketing material to better position the business line, and collates and analyzes overall client demand.

In our evolution to a more client focused organization, client consultancy is an integral component of the RPB business management model. To support this shift, the RP Solutions unit provides the strategic direction necessary to more effectively meet clients' increasing demand for real property services.

Real Property Partnerships

Introduction

The Real Property Branch (RPB) is an outward looking organization with a long and rich history of being a leader in its field. RPB and its predecessor, Public Works Canada, have 170 years of history working with industry, as well as other governments across Canada and around the world. RPB seeks to be an early adopter of industry best practices for business processes, information and systems, and quality and performance management. This is in support of RPB's vision which is to employ best practice to provide value to government and clients through the provision of a well-managed real estate portfolio. RPB endeavors to do this through an extensive network of relations with industry and other governments.

Provincial and Territorial Collaboration

Since 1992, Deputy Heads of Public Works from the federal, provincial and territorial governments have met once a year to share experiences and best practices, and sometimes to make arrangements to cooperate on joint ventures. These meetings are hosted on a rotational basis, and are co-chaired by a Deputy Head of a province or territory and the Deputy Minister of Public Works and Government Services Canada (PWGSC).

Three operational committees are supporting the Federal-Provincial-Territorial Deputy Heads of Public Works Committee. RPB collaborates with its provincial and territorial colleagues through these forums, as well as an extensive network of relationships across these organizations and throughout the regions:

- The mandate of the newly created Portfolio Management Committee (PMC) is to encourage and facilitate the sharing of knowledge and ideas related to Portfolio Management in support of government programs, and to identify opportunities for collaboration. The PMC focuses on public-private partnerships, capital planning, cost mitigation, and innovative workplaces.
- The Building Technology Transfer Forum (BTTF) was initiated to encourage and facilitate the sharing of technical knowledge in the building field between government jurisdictions in Canada. The information transfer component of the BTTF allows each jurisdiction to benefit from advances in technology, research and best practices.
- The mandate of the Sustainable Development Committee is to encourage and facilitate the sharing of vision, direction and opportunities for bringing sustainable development principles into practice. It seeks to foster efficiency by sharing and learning from the experiences of member organizations.

Bilateral Relations with The United States General Services Administration

As comparable organizations, the General Services Administration (GSA), Public Buildings Service (PBS) and RPB share a long history of meeting the real property needs of federal departments and agencies on behalf of their respective governments. Both organizations face common challenges, offer a similar range of services to like clients and require employees with comparable skill sets. Both organizations have many of the same research requirements and take similar approaches in their relationships with the private sector and the management of their portfolios.

RPB and the GSA have further advanced this close relationship by working together through organizations such as the Building Owners and Managers Association (BOMA), the International Facility Management Association (IFMA) and The Workplace Network. They have shared projects in such areas as workplace research and facilities evaluation, and have even worked together on a project to create common border facilities between the two countries.



In June 2003, a bilateral GSA-PWGSC partnership was formalized through a Memorandum of Understanding signed by the Deputy Minister and his GSA counterpart. The agreement committed each organization to "an organized and systematic approach for knowledge and best practice exchanges" in the area of Public Buildings/Real Property. This agreement has paved the way for an ongoing collaborative relationship with all levels of PWGSC, and continues to this day. Working together and sharing information has taken place in the following areas: Portfolio Management, Human Capital, Joint Research, and Business Systems Transformation.

The Workplace Network / World Wide Workplace Web

RPB is a long-time active member of The Workplace Network (TWN), an international organization that brings together senior real estate executives from the public and private sectors to share and exchange strategies, ideas, and practical information. TWN members are leaders who manage real estate portfolios, as well as provide workplace services for corporations, institutions, and government agencies.

The TWN focuses on the following:

- Workplaces that promote cost effectiveness, efficiency, and productivity, provide staff with functional and healthy environments, and are environmentally sustainable.
- Management and funding policies for workplace facilities and support services (e.g., technology, telecommunications).
- Best practices in real estate and facility management.
- Public interest policy and strategy, (e.g., green/sustainable buildings, local and regional environmental issues, transportation, waste, energy and water conservation, building quality management, historic preservation, and security).

The World Wide Workplace Web (W4) is an offshoot of the TWN which has similar objectives, but is also focused on developing future executives for the participating organizations.

The TWN and W4 provide a forum through which RPB accesses information from its international colleagues. On-going regular collaboration takes place through annual meetings, exchange opportunities and regular video-conferences. RPB's relationship with other governments proves beneficial as it continues to improve its organization.

Relations with Industry

RPB participates in dozens of professional industry associations across Canada and around the world. Staff collaborate in numerous networks with industry colleagues which allow for the sharing of best practices and an opportunity to access the latest trends and practices of the disciplines involved. Over the years RPB has played a leadership role in such organizations as BOMA, Open Standards Consortium for Public Real Estate, and the Real Property Institute of Canada. RPB sees participation in these organizations as critical for fostering a learning organization which utilizes industry best practices and invests in the development of its employees.





Dominion Public Building – 1 Front Street West, Toronto, Ontario

our portfolio

Six regions across Canada manage our portfolio of assets. In this section, we are pleased to present our 2008-2009 asset report describing the state of our portfolio. Also included is an overview of PWGSC's Parliamentary Precinct Branch which is responsible for the management of some of the government's more recognizable assets, such as the Parliament Buildings and the Confederation and Justice Buildings, situated along Wellington Street in our Nation's Capital. This section concludes with a description of the activities undertaken by Real Property Branch to ensure barrier-free access to, and use of its facilities.





Gatineau Preservation Centre - Gatineau, Quebec, Crown-Owned



Asset Report

National Inventory

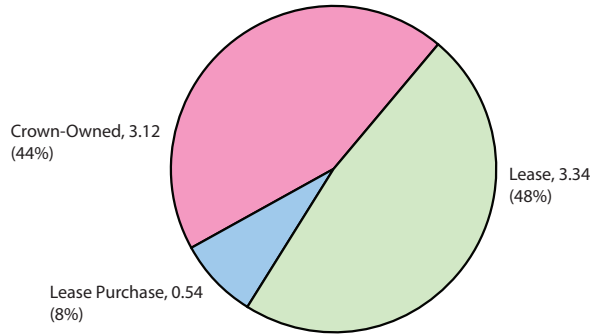
Public Works and Government Services Canada's (PWGSC) Real Property Branch (RPB) provides work environments to 105 federal departments and agencies, which accommodate 255,000 employees. Spread across more than 1,800 locations in Canada, the department holds 353 Crown-owned assets, 2,033 leases (1,461 locations), and 10 lease-purchase arrangements. Rentable space in which RPB provides accommodation totals approximately 7.0 million square metres (m²), of which 3.1 million m² (44%) is Crown-owned, 3.3 million m² (48%) is leased, and 0.5 million m² (8%) is under lease-purchase agreements. Approximately 6.1 million m² (87%) of the 7.0 million m² is office space, with the remainder being common-use buildings (e.g. conference centres, Parliamentary Buildings, central heating and cooling plants) and special properties (e.g. training centres). The national inventory also includes engineering assets (e.g. bridges and dams) and housing.

National Portfolio Profile



Interest	Data	Pacific	Western	Ontario	NCA	Quebec	Atlantic	Total
Crown-Owned	# of Buildings	39	40	48	103	39	84	353
	Rentable m ²	190,374	227,722	359,130	1,718,025	329,066	298,046	3,122,362
	% of Total	2.7%	3.2%	5.1%	24.5%	4.7%	4.3%	44.5%
Lease-Purchase	# of Buildings	1	0	2	6	1	0	10
	Rentable m ²	25,415	0	12,880	452,856	52,411	0	543,563
	% of Total	0.4%	0.0%	0.2%	6.5%	0.7%	0.0%	7.8%
Lease	# of Locations	199	266	253	229	200	314	1,461
	Rentable m ²	262,347	482,300	462,165	1,559,708	290,490	284,808	3,341,819
	% of Total	3.7%	6.9%	6.6%	22.3%	4.1%	4.1%	47.7%
Total	# of Buildings	239	306	303	338	240	398	1,824
	Rentable m ²	478,137	710,022	834,175	3,730,589	671,967	582,854	7,007,744
	% of Total	6.8%	10.1%	11.9%	53.2%	9.6%	8.3%	100%

National Portfolio Profile by Interest Type (m² in 000s)



National – Principal Clients (m²)

The amount of office space and where it is located is important to client departments in the delivery of their programs. RPB acquires the space on behalf of its clients and ensures that the space provided is safe and adequate for the client’s requirements, affords the maximum long-term economic advantage for government, honours environmental objectives, and respects relevant government policies.

While RPB provides office accommodation to 105 departments and agencies, our 10 largest clients, based on square metres (m²), are illustrated in the table below and the space they occupy represents over 50% of our total space:

Client Department	Total Space (m ²)
Canada Revenue Agency	934,333
Human Resources and Social Development Canada	701,905
Department of National Defence	424,403
Public Works and Government Services Canada	342,289
Royal Canadian Mounted Police	311,492
Library and Archives Canada	240,003
Health Canada	232,618
Canada Border Services Agency	218,214
Environment Canada	185,596
Fisheries and Oceans	179,238
Total	3,770,092

National – Office Accommodation Metrics

RPB monitors and reports on the following three (3) core accountability indicators:

- Square metres of office space per Full-Time Equivalent (employee) or FTE (m²/FTE)
- Cost of office space per Full-Time Equivalent or FTE (rent\$/FTE)
- Cost of office space per square metre of office space (rent\$/m²)

These indicators are based on areas of each building that are appropriate for office type work and do not include non-office areas (e.g. storage areas).

Annual Accountability Indicators	2005-06	2006-07	2007-08	2008-09
Square metres per full-time equivalent (m ² / FTE)	19.9	19.7	19.5	19.3
Cost \$ (rent) / FTE	\$5,208	\$5,261	\$5,315	\$5,499
Cost \$ (rent) / m ²	\$261	\$267	\$273	\$284

National Tenant Satisfaction Survey (NTSS)

The National Tenant Satisfaction Survey is an initiative to gauge the level of satisfaction of federal government employees with the quality of services in buildings under the responsibility of RPB. The survey has evolved from a paper-based approach to a telephone survey administered by Statistics Canada. The survey is not designed for year over year comparisons as it is composed of different buildings each year.

- 247 Buildings surveyed (Crown-owned and lease)
- Sample Size:
 - 11,305 phone numbers selected
 - 10,673 respondents
- Response Rate: 94%
- Overall Satisfaction:
 - 89% said they were either “Very Satisfied” or “Somewhat Satisfied”

Sustainable Development

PWGSC's commitment is to be a model for greening government operations, and to support and encourage other departments and agencies in greening their operations. In the Sustainable Development Strategy 2007-2009, PWGSC fully supports the federal sustainable development goals, and uses them as the framework for the departmental commitments.

RPB plays a key role in greening government operations. As a co-leader in both the preparation and the implementation of the Sustainable Buildings Policy (SBP), RPB contributes to the optimization of the environmental performance of new and existing PWGSC buildings within the context of the government's broader environmental agenda.

The SBP is focused on environmental performance aspects that have the most significant impact on the environment and that are universally applicable to all PWGSC buildings. Energy, water and waste represent three important areas for action.

The departmental Sustainable Development Strategy is the principal mechanism for implementing, monitoring and updating the environmental targets, and performance measures of the SBP.

Crown-owned Office Portfolio

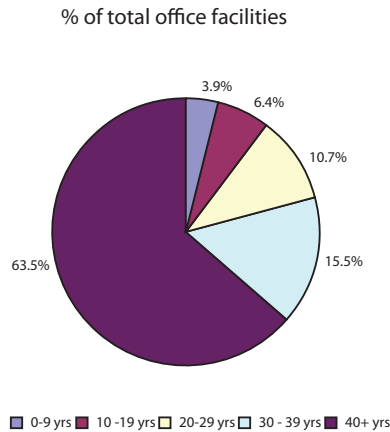
This section of the report provides information on our Crown-owned office space only.

The Crown-owned office portfolio is divided up into six (6) regions: Atlantic Region, Quebec Region; National Capital Area (Ottawa/Gatineau); Ontario Region; Western Region and Pacific Region. The portfolio has a significant concentration in eight major urban centres (Halifax, Montreal, Ottawa/Gatineau, Toronto, Winnipeg, Calgary, Edmonton and Vancouver). The portfolio consists of 233 buildings totalling 2.41 million (m²). Nationally, the average size of a Crown-owned office building is 10,323 m². Significant regional variations exist however, with the Atlantic Region having 72% of its buildings below 5,000 m² whereas the average office building in the National Capital Area is more than 29,000 m².

Summary Chart of Crown-owned Office Portfolio

	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	259	250	239	231	233
M ² (000s)	2,621	2,643	2,635	2,369	2,405
Average Age (years)	43	45	46	47	49

Age of the Portfolio



About our Portfolio

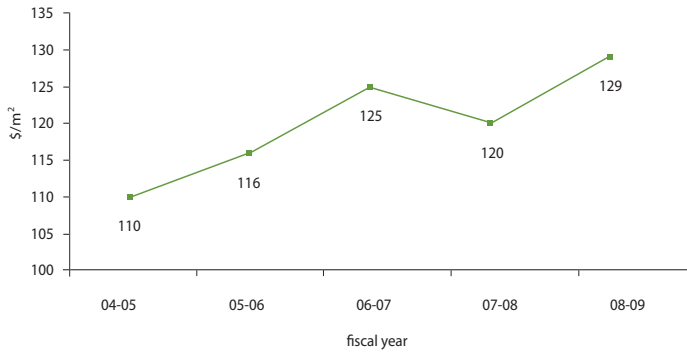
The average age of our Crown-owned buildings is 49 years, with nearly two thirds of the buildings being more than 40 years old. A significant portion of these buildings is located in rural areas. The National Capital Area (NCA), which is almost exclusively urban, comprises 47.7% of the office inventory in terms of m².

Operating and Maintenance (O&M) Expenses

- Operating and Maintenance (O&M) expenses include costs associated with cleaning, utilities, administration, repair / maintenance, security / roads / grounds, leasing (cost to manage commercial operations inside the buildings) and costs to prepare space for tenants.
- The national portfolio's O&M expenses, were \$129/m² in 2008-2009, an increase of \$9/m² or 7% from 2007-2008. The previous year 4% drop (there were lower than expected repair/maintenance costs and fewer fit-up projects) was a one-year interruption of a 5-year

trend that has seen our operating expenses increase approximately 4% per year (or \$19/m² in total) since 2004-2005.

Operating Expenses (O&M) – National

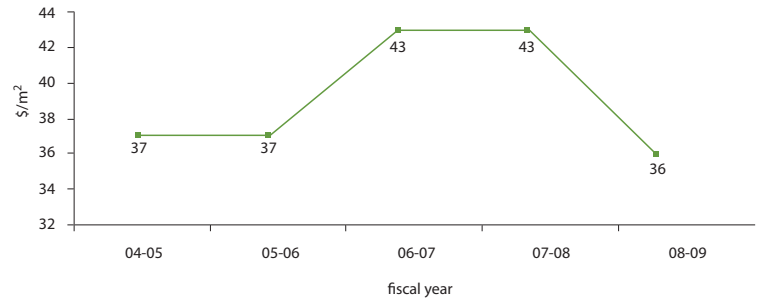


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Capital Expenditures

- Capital expenditures are costs greater than \$25,000 that extend the original life expectancy of the asset, improve the quality of the asset's output, increase its service capacity, or lower its operating costs. PWGSC rigorously applies set criteria before identifying expenses as "capital".
- Capital expenditures declined from \$43/m² in 2007-2008 to \$36/m² in 2008-2009. This equates to a decrease from \$103 million in 2007-2008 to \$87 million in 2008-2009.

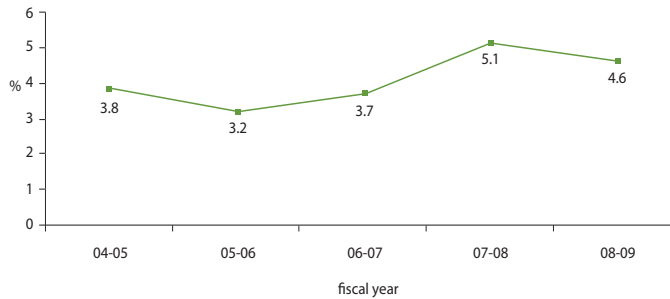
Capital Expenditures – National



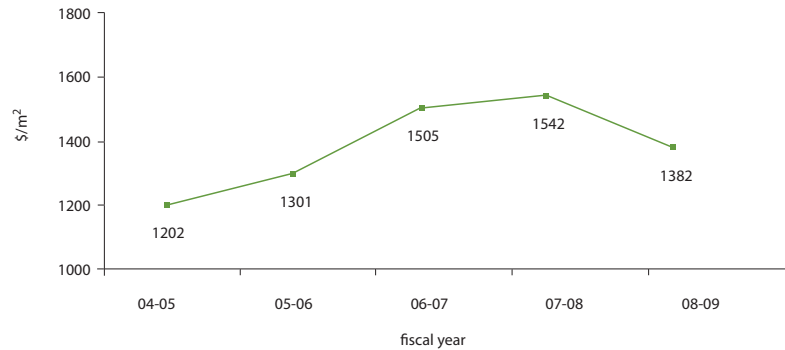
Vacancy

- Marketable vacancy rate is calculated as the percentage of total rentable building space that is vacant and marketable (i.e. space that is suitable for occupancy by any federal or non-federal client/tenant).
- The marketable vacancy rate in 2008-2009 is 4.6%, a 0.5% decrease from the 5.1% rate reported in 2007-2008.

Vacancy Rate - National



Market Value – National



Market Value

Market values for 2008-2009 were calculated using an index applied to the previous year's valuations.

Due to an economic downturn in 2008-2009, market values declined for the first time in twelve years (since 1996-1997). The average market value nationally fell 10.4% from \$1,542/m² in 2007-2008 to \$1,382/m² in 2008-2009.

Heritage Inventory Profile and Performance

33% of the Crown-owned office buildings (77 buildings) have received recognition for their heritage significance. The management of these buildings comes at an increased cost as compared to those buildings that have not been recognized. Operating and maintenance expenses and capital expenditures are higher in these heritage buildings (illustrated in the table below).

2008-2009	# of Buildings	Average Age	Rentable Space (m ²)	Vacancy (%)	Market Value (\$/m ²)	O&M Expenses (\$/m ²)	Capital Expense (\$/m ²)
Buildings recognized for heritage significance	77	70.6	695,307	6.4%	\$1,364	\$133.76	\$40.78
Other Office Buildings	156	37.5	1,709,919	3.9%	\$1,390	\$123.01	\$34.17
All Office Buildings	233	49.1	2,405,226	4.6%	\$1,382	\$128.89	\$36.08



Regional Facts

This section of the report provides information on the Crown-owned office portfolio only, in each of our six regions: Atlantic, Quebec, National Capital Area, Ontario, Western and Pacific.



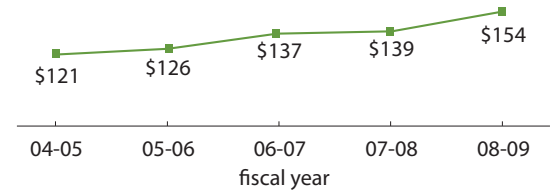
Atlantic Region

- Atlantic Region consists of the Provinces of Newfoundland and Labrador, Nova Scotia, Prince Edward Island (P.E.I.), and New Brunswick. Key urban markets include Halifax, Moncton, St. John's and Charlottetown.

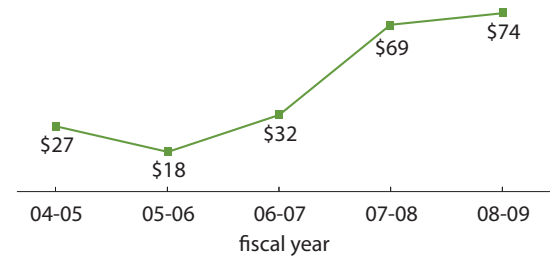
24

- In 2008-2009, Atlantic Region represents 30.5% of total PWGSC office buildings and 11.9% of the national office portfolio building floor area (m²).

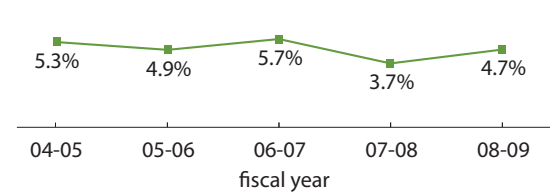
O&M \$/m²



Capital \$/m²



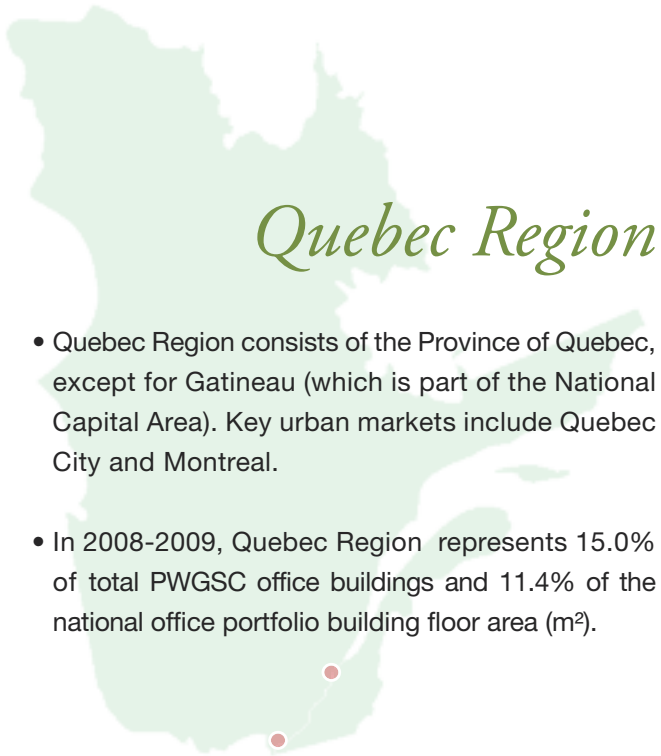
Vacancy Rate (%)



	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	85	74	73	72	71
M² (000s)	317	296	295	287	287
Average Age (years)	44	43	43	43	44
Market Value \$/m²	\$812	\$810	\$866	\$927	\$834



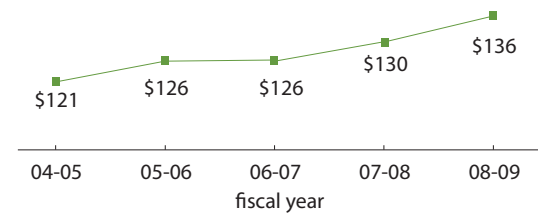
Jean Cantfield Building - Charlottetown, Prince Edward Island, Crown-Owned (application pending for LEED Gold certification)



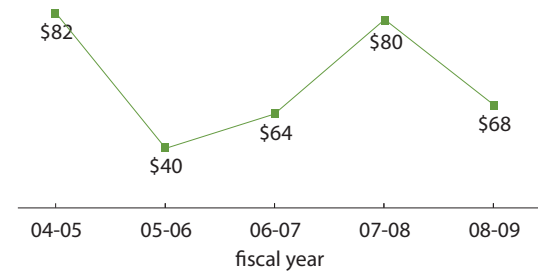
- Quebec Region consists of the Province of Quebec, except for Gatineau (which is part of the National Capital Area). Key urban markets include Quebec City and Montreal.
- In 2008-2009, Quebec Region represents 15.0% of total PWGSC office buildings and 11.4% of the national office portfolio building floor area (m²).

26

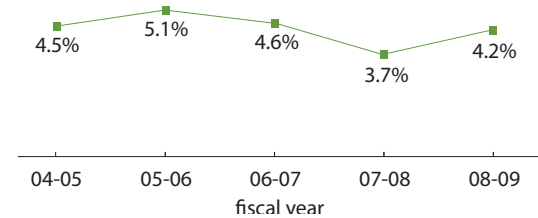
O&M \$/m²



Capital \$/m²



Vacancy Rate (%)



	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	39	41	39	35	35
M² (000s)	300	332	329	272	275
Average Age (years)	46	47	48	51	51
Market Value \$/m²	\$910	\$865	\$1,011	\$936	\$841



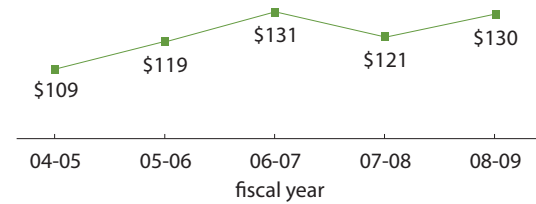
Édicifice Fédéral – 715 Peel Street, Montreal, Québec, Crown-Owned

National Capital Area

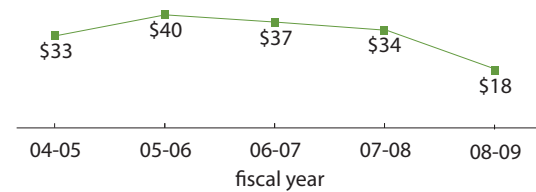
- The National Capital Area (NCA) consists of greater Ottawa, Ontario, Gatineau, Quebec and Nunavut.
- In 2008-2009, the National Capital Area represents 16.7% of total PWGSC office buildings and 47.7% of the national office portfolio building floor area (m²).

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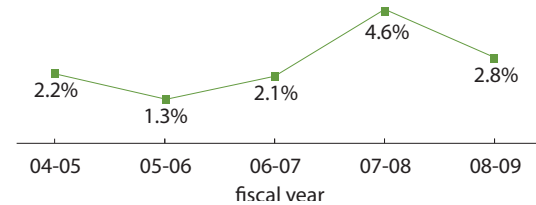
O&M \$/m²



Capital \$/m²



Vacancy Rate (%)



	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	44	42	42	39	39
M² (000s)	1,180	1,180	1,184	1,148	1,148
Average Age (years)	42	44	45	47	55
Market Value \$/m²	\$1,338	\$1,518	\$1,665	\$1,831	\$1,694



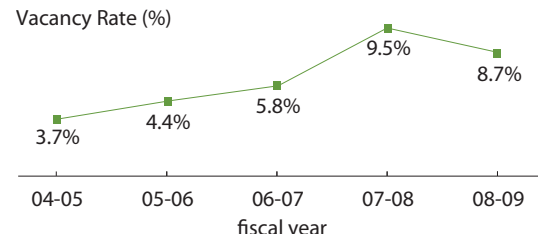
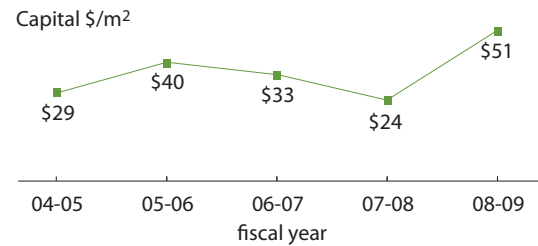
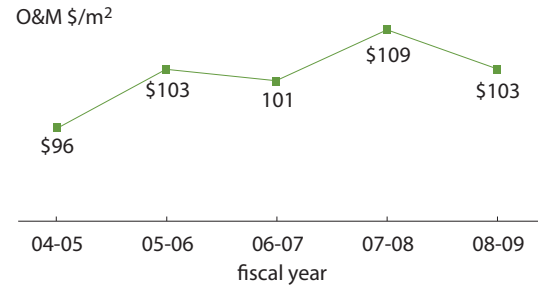
East Memorial Building – 284 Wellington Street, Ottawa, Ontario, Crown-Owned

Ontario Region

- Ontario Region consists of the Province of Ontario, except for greater Ottawa (which is part of the National Capital Area). The Greater Toronto area dominates the Ontario Region inventory. Other notable urban markets include Hamilton, London, Windsor, Sudbury and Thunder Bay.

30

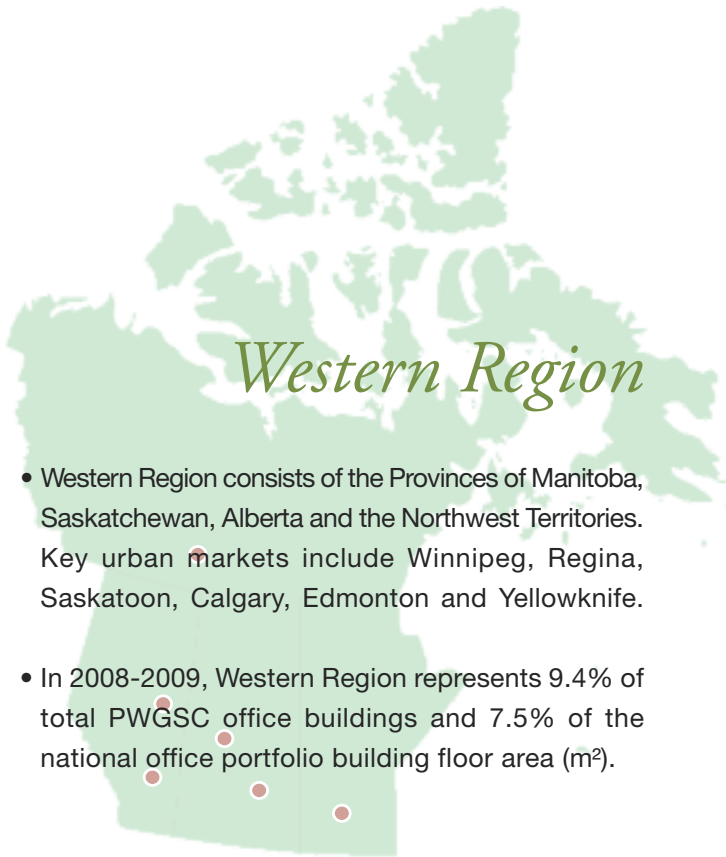
- In 2008-2009, Ontario Region represents 16.3% of total PWGSC office buildings and 13.9% of the national office portfolio building floor area (m²).



	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	37	40	36	34	38
M² (000s)	359	371	353	299	335
Average Age (years)	46	55	56	58	57
Market Value \$/m²	\$1,095	\$929	\$1,071	\$975	\$768



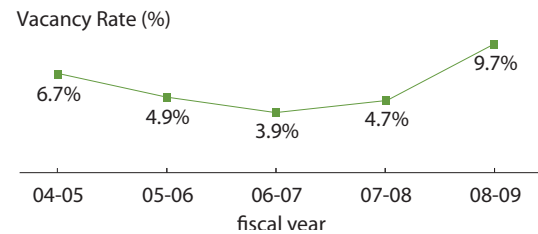
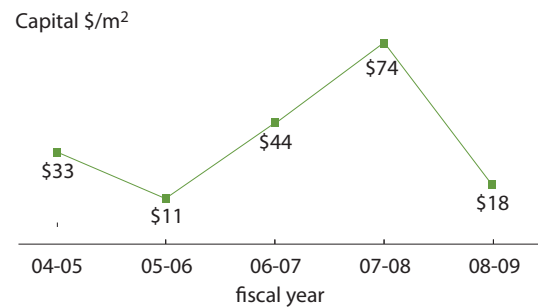
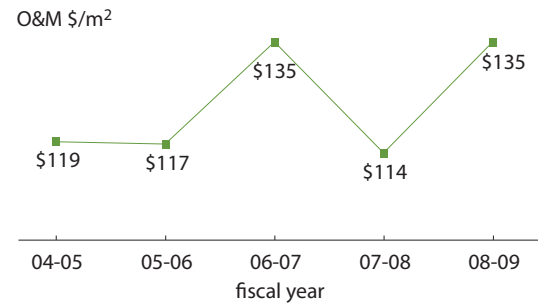
Dominion Public Building - 1 Front Street, West, Toronto Ontario, Crown-Owned



Western Region

- Western Region consists of the Provinces of Manitoba, Saskatchewan, Alberta and the Northwest Territories. Key urban markets include Winnipeg, Regina, Saskatoon, Calgary, Edmonton and Yellowknife.
- In 2008-2009, Western Region represents 9.4% of total PWGSC office buildings and 7.5% of the national office portfolio building floor area (m²).

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	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	25	24	24	22	22
M² (000s)	288	288	305	182	181
Average Age (years)	41	43	40	43	46
Market Value \$/m²	\$1,175	\$1,602	\$2,308	\$1,570	\$1,340

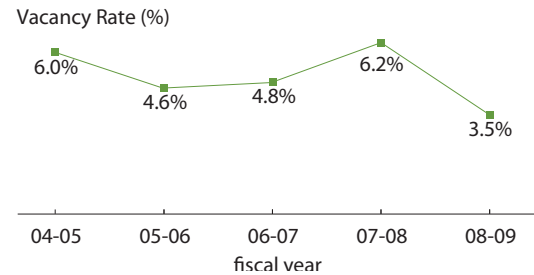
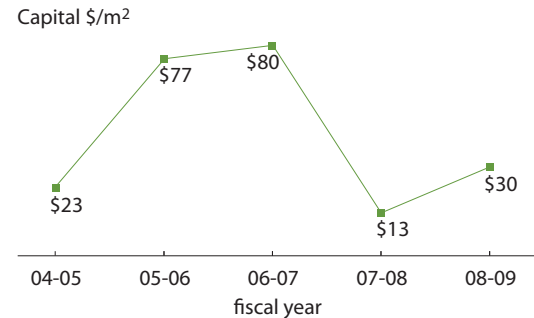
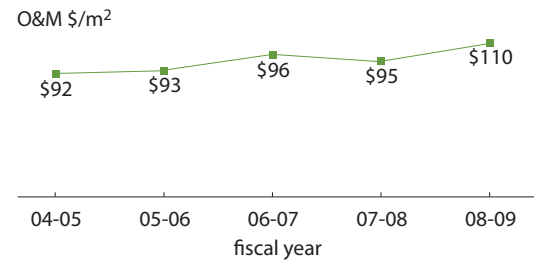
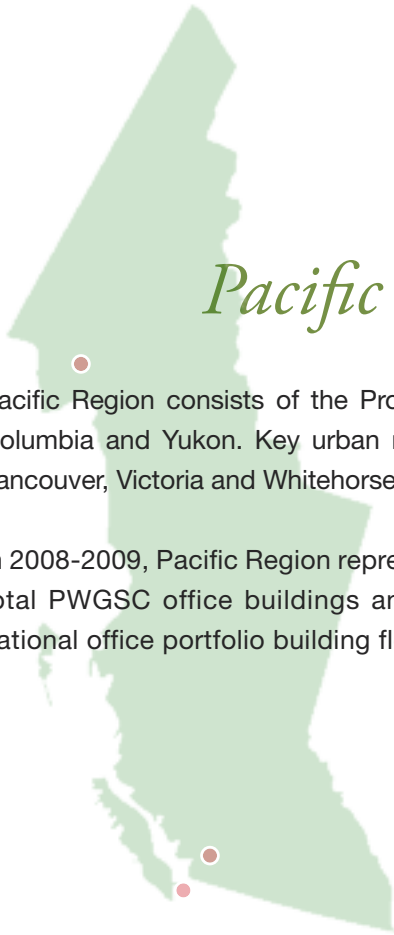


Greenstone Building - Yellowknife, Northwest Territories, Crown-Owned (LEED Gold certification)

Pacific Region

- Pacific Region consists of the Province of British Columbia and Yukon. Key urban markets include Vancouver, Victoria and Whitehorse.
- In 2008-2009, Pacific Region represents 12.0% of total PWGSC office buildings and 7.4% of the national office portfolio building floor area (m²).

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	2004-05	2005-06	2006-07	2007-08	2008-09
# Office Buildings	29	29	25	29	28
M² (000s)	177	178	169	182	179
Average Age (years)	39	40	41	40	43
Market Value \$/m²	\$1,750	\$1,780	\$1,918	\$2,500	\$2,283



Douglas Jung Building - 401 Burrard Street, Vancouver, British Columbia, Crown-Owned

Parliamentary Precinct Branch

Description and Use of Assets

Public Works and Government Services Canada's (PWGSC) real property holdings in the National Capital Area include the Parliamentary Precinct. This is a high-profile portfolio of 33 Crown-owned buildings (279,182 m²) plus 28 leased office and special purpose facilities (68,363 m²) located on and in the vicinity of Parliament Hill. The Parliamentary Precinct portfolio provides accommodation for Parliamentarians and their staff, the Prime Minister's Office, the Privy Council Office, PWGSC employees, and third-party tenants on Sparks Street (10,000 m²). It is comprised of one of the highest concentrations of federally designated heritage properties in Canada, with 12 buildings designated as classified and 18 designated as recognized.

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State of the Asset Base

Many of the buildings within the Parliamentary Precinct portfolio are more than a century old. As a result of the deteriorating state of many of these heritage buildings, operations and maintenance for the buildings are increasingly strained and costly. The deterioration that has occurred necessitates critical intervention in order to maintain the integrity of these valuable and historic buildings.

Library of Parliament Building - Ottawa, Ontario



Performance Monitoring

The performance monitoring approach used for the Parliamentary Precinct portfolio is very similar to the approach used for the office accommodation portfolio.

The Parliamentary Precinct has a Long Term Vision and Plan (LTVP) that outlines a 25-year vision of renewal, repair and construction. Performance reporting is comprised of annual and quarterly performance reports evaluating the on-time, on-budget and on-scope performance of planning projects, recapitalization projects and major capital projects.

Risks associated with the Asset Base

Given the age and condition of the Parliamentary Precinct portfolio, there are significant risks associated with the assets. Some of the buildings have health and safety risks due to crumbling masonry, the presence of asbestos and other dangerous substances. Building integrity concerns pose business continuity risks and risks associated with the level of service provided to Parliamentary partners. Finally, the state of the facilities exposes the federal government to image and credibility risks, as these important national buildings show increasing signs of deterioration.

Issues and Opportunities

The key issue facing the Parliamentary Precinct portfolio is the condition and long-term integrity of the historic and nationally significant buildings that make up the portfolio. The primary vehicle for identifying investment priorities is the LTVP. The LTVP provides the vision and guiding principles for the revitalization of the Parliamentary Precinct. It consists of five, five-year programs of work, with each program comprised of a series of projects to be delivered. The LTVP was launched in 2001. It was updated and approved in 2007 providing funding for the first 5 year program of work covering the years 2007 through 2012.

The LTVP establishes the renovation of the core Parliament buildings (the West, Centre and East Blocks) as the first priority. An initial Recapitalization Program is underway to ensure the integrity of the building exterior for the East and Centre Blocks, and Confederation and Justice buildings. The major elements of this program include masonry, roof and window renovation and replacement. The Program will permit the continued use of the buildings until major capital projects begin, which will address the full restoration of the buildings' interior and exterior components.

Accessibility

The Real Property Branch's (RPB) national office portfolio complies with strict accessibility standards that ensure barrier-free access to, and use of its facilities.



Ramp at the Douglas Jung Building - 401 Burrard Street, Vancouver, British Columbia, Crown-Owned.

Since October 1, 2004, the Treasury Board Accessibility Standard for Real Property requires departments to apply the technical standard entitled Accessible Design for the Built Environment (CAN/CSA-B651-04) to real property that is acquired, under construction or undergoing major refit. The technical standard Barrier-Free Design (CAN/CSA B651-95) applies to existing real property in the inventory prior to October 1, 2004.

Minimum accessibility requirements for the provision of barrier-free access to, and use of, federal real property apply to:

- entrances;
- passenger elevators;
- public areas;
- federal work areas;
- interior doors and corridors;
- washrooms;
- public telephones;
- drinking fountains;
- tactile signage;
- parking;
- walkways;
- seating in general assembly areas; and
- assistive listening systems in classrooms, auditoriums, meeting rooms and theatres.



Ramp at the Brandon Federal Building - 1039 Princess Avenue, Brandon, Manitoba, Crown-Owned.

PWGSC has established various procedures and programs in its ongoing commitment to ensure the accessibility of its facilities.

- The RPB Accessibility Procedure provides direction and guidance to PWGSC staff and service providers to ensure the Treasury Board Accessibility Standard is met. This includes ensuring that compliance with accessibility requirements is evaluated and monitored, and that exemptions and minor variations are considered, approved and documented appropriately.
- In 2005, RPB initiated an Accessibility Audit Program to evaluate approximately 1,500 existing Crown-owned, lease-purchase and leased facilities' compliance with the standard. As of March 2009, more than 800 accessibility audits had been completed, with the expectation that the program will be completed in 2010. Findings to date indicate "very good" compliance with the standard.
- To ensure ongoing compliance with the Accessibility Standard, audits are also conducted at the outset of an acquisition or major renovation project, or when considering new leased accommodation (including lease renewals).
- In 2009-2010, RPB plans to take on more accessibility projects as part of the department's Accelerated Infrastructure Program (AIP) in support of Canada's Economic Action Plan (EAP).

achievements

During fiscal year 2008-2009, notable successes were achieved within Real Property Branch. From the greening of government operations to advancing major Crown projects, we are extremely proud of the accomplishments realized and of the dedicated efforts of our people who made these successes possible.





Library Square Building - Vancouver, British Columbia, Lease purchase





Skyline Complex - Ottawa, Ontario, Leased

Project of Interest

Public Works and Government Services Canada (PWGSC) recognized for its role in the new National Headquarters Complex for the Agriculture Portfolio

In 2003, PWGSC purchased the Nortel Skyline Complex in Ottawa to co-locate the national headquarters of the Canadian Food Inspection Agency (CFIA) and Agriculture and Agri-Food Canada (AAFC). The decision to move both organizations to the same location was made to improve overall program delivery and operational efficiencies. The Sir-John-Carling Building, AAFC Headquarters, had reached the end of its useful life and a new headquarters for the AAFC was needed. The Skyline Complex, located next to the Central Experimental Farm, was a logical and practical choice.

Over the last six years, The Real Property Branch (RPB), CFIA and AAFC worked together to transform the seven-building Skyline campus from a mix of high tech offices and laboratories into the new National Headquarters Complex for the Agriculture Portfolio (NHCAP). Over 3,300 personnel from 19 buildings across the National Capital Area are now co-located in the same complex and share common services such as conference facilities, fitness centres, national emergency operations, library, IM/IT centres, food centres and other standard business operations. The project also delivered an entirely new IM/IT infrastructure for internetworked voice and data system.



Realizing the NHCAP was a true partnership. RPB, AAFC and CFIA integrated multiple streams of real property, IM/IT and procurement functions into a single framework. A joint executive committee established the project's direction and a joint multi-discipline management team oversaw the delivery of the project.

PWGSC was recently recognized for its role in two key areas of the NHCAP Project.

**Real Property Award for Best Practices
– Project Management, Real Property Institute of Canada**

Environmental stewardship was a RPB priority throughout the project. The team maximized the re-use of existing building components including 80 percent of workstations, 60 percent of existing office space construction, and nearly 80 percent of existing common support spaces. The team also retained most of the existing voice and data cable infrastructure. Overall, space and cost economies were achieved that met or exceeded the federal Office Fit-up Standards.

To support the large and often innovative procurements and on-site work, the teams developed several new management tools, each contributing to forecasting, integrating and comprehensive RPB reporting for six major streams of work executed by multiple contractors working in parallel.

GTEC Distinction Award Nomination for Unique Achievement

At the 2009 annual Government Technology Conference, the project was nominated for the implementation of two new state-of-the-art IT services— a shared Internetworking Data and Voice Solution (IDVS) and a shared Data Centre.

PWGSC's Information Technology and Services Branch had a lead role in the implementation of the IDVS, the Government of Canada's first large-scale internetworking Voice over Internet Protocol (VoIP) network. It enables CFIA and AAFC to share VoIP advancements, simplifies day-to-day operations and provides enhanced multimedia. The IDVS is managed by a third-party service provider.

Fit-up Standards

Background/Context

Public Works and Government Services Canada's (PWGSC) Real Property Branch (RPB) is mandated to provide affordable and sustainable office accommodation and related services for federal government departments and agencies. These services include the fit-up of office space to meet client department program requirements within the limits of the Fit-up Standards.

44 Fit-up, which represents a significant portion of RPB business, includes the preparation of accommodation for initial federal occupancy, and the alteration of existing space for reuse by a different client department or agency.

History

PWGSC's approach to fit-up is guided by PWGSC's Framework for Office Accommodation and Accommodation Services. The Framework, introduced in 1996, includes, among other key elements, an accommodation policy and generic fit-up standards. The primary messages of the Framework are that client departments and agencies, and PWGSC share responsibility for developing and applying standards for the quantity and quality of office accommodation, and PWGSC is funded to provide office accommodation to client departments only to the level of the generic standards.

In response to the government-wide cost savings initiative The Way Forward, the Government of Canada's Budget 2005 announced that RPB would be responsible for saving \$1.025 billion over five years, from April 1, 2005, to March 31, 2010, in an effort to free-up funding for other government priorities. The Way Forward focused on strengthening management and service delivery to reduce costs and ensure maximum value for money for the Government of Canada. The \$1.025 billion in savings was to be achieved by implementing various efficiencies. The most significant savings, approximately \$500 million over five years, would be achieved through the RPB accommodation program. The Branch would reduce the amount of space per Full-Time Equivalent (employee) (m²/FTE) to 18.9 m²/FTE by 2009-2010 from the average 21.4 m²/FTE established at the end of the 2004-2005 fiscal year.

The 2005 Renewed Fit-up Standards

The 2005 Fit-up Standards came into effect in response to the pressures of The Way Forward. These renewed standards, which remain in effect, elaborate on, rather than replace, the generic standards of the Framework for Office Accommodation and Accommodation Services. They specify space allocation limits for workstations and closed offices, and a midrange quality for construction components and finishes considered to be part of a typical fit-up for general-purpose office space. The fit-up is often referred to as the standard "bundle of goods" delivered by PWGSC on all projects regardless of location or client.

The standard is quality, not cost based. In other words, the same “bundle of goods” is delivered on fit-up projects across the country, regardless of any regional cost variances. The fit-up components and finishes incorporate the fundamental aspects of a modern, environmentally sustainable and supportive work environment.

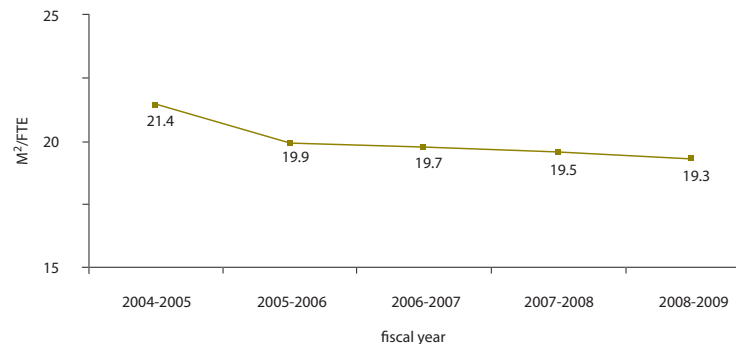
Controls have also been incorporated into the process for delivering fit-up projects to help constrain costs and avoid delays to the project schedule. This includes the introduction of a “two revision rule” limiting the number of revisions a client can request per design stage.

Standardization of fit-up projects and components is intended to:

- achieve cost-effective and timely delivery of accommodation and accommodation services;
- clearly define accountabilities;
- improve understanding of PWGSC’s real property program;
- ensure equity and consistency in federal accommodation thereby facilitating relocations;
- incorporate the fundamental aspects of environmental sustainability and supportive work environments; and
- demonstrate value to Canadian citizens through improved management of federal accommodation.

Application of the space allocation limits and standards, as well as increased focus on data integrity and policy compliance has resulted in a significant reduction in the square metres of space per FTE. At the end of the 2008-2009 fiscal year, the average m^2/FTE has decreased to 19.3 m^2 , a difference of 2.1 m^2 from 2004-2005. RPB is well on its way to achieving its target of 18.9 m^2/FTE by the end of 2009-2010 fiscal year.

The Fit-up Standards are constantly being reviewed and their implementation monitored to ensure they respond to the needs of the modern office environment and respect government policy and priorities.



www.tpsgc-pwgsc.gc.ca/biens-property/amng-ftp/index-eng.html



Greening Our Buildings

Public Works and Government Services Canada (PWGSC) has made a commitment to use third-party certification programs and internationally accepted benchmarks for the design, construction and operation of high performance green buildings, such as the Building Owners and Managers Association (BOMA) of Canada Building Environmental Standards (BEST) assessment tool and the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED®).

Background

In providing accommodation and other facilities for federal departments, Real Property Branch (RPB) assumes various environmental responsibilities. In April 1997, PWGSC tabled its first Sustainable Development Strategy (SDS) in Parliament, in compliance with the amended December 1995 Auditor General Act. PWGSC subsequently tabled new SDSs in 2000 and 2003. Its fourth SDS, (2007-2009), was tabled in Parliament on December 13, 2006. In all four SDSs, PWGSC recognized the importance of building design, construction, and operation and maintenance in the reduction of greenhouse gases (GHG) emissions. This recognition is formalized in the PWGSC Environmental Policy, in which PWGSC

commits “to protect the environment and incorporate environmentally responsible principles and practices into the department’s operations, management and daily activities”.

What is now referred to as “greening government operations” remains one of PWGSC’s key priorities. In April 2005, PWGSC established the Office of Greening Government Operations (OGGO) to lead, accelerate and facilitate Government’s greening efforts in key areas, including property management. Part of OGGO’s strategy is to embed requirements with regard to environmental performance in governmental operations. In the context of property management, OGGO promotes the use of information on the environmental performance of buildings (e.g. energy and water consumption) to directly inform decisions that affect the maintenance and operations of individual buildings, as well as the entire portfolio.

Implementation

BOMA BEST

On November 24, 2005, the Minister of PWGSC announced the adoption of BOMA Go Green Plus/Visez Vert Plus (now BOMA BEST) as a way to fully integrate the measurement of

environmental performance in the operation and maintenance of PWGSC’s portfolio of Crown-owned office buildings. RPB has been managing the implementation of this file since that time. Until May 2005, when BOMA Canada launched its environmental assessment program for commercial buildings, no comprehensive Canadian system was available on the market to assess the actual environmental performance of a building, and use the information to improve and monitor progress.

The BOMA BEST program is based on industry-recognized best management practice and on the Building Research Establishment Environmental Assessment Method (BREEAM) Green Globes™ for existing buildings. The program helps assess how well a building is performing on the following six key environmental aspects of building management and operation:

- Energy
- Water
- Resources (e.g. waste reduction and recycling)
- Emissions, effluents and other impacts
- Indoor environment (e.g. indoor air quality, lighting)
- Environmental management (e.g. Environmental Management System, or EMS documentation, purchasing policy, tenants’ awareness).

Furthermore, it allows a portfolio review, comparing environmental performance to Canadian industry benchmarks to establish a relative understanding of where the performance ranks in relation to geographic, typological or other categories and where improvement may be desirable. This benchmarking tool is delivered across Canada by BOMA Canada, in partnership with its regional chapters.

Green Globes™

Green Globes is an environmental assessment, education and rating system that is promoted by the Green Building Initiative. Green Globes helps both with the construction of new commercial buildings and with the maintenance and improvement of existing buildings. In 2004, Green Globes for Existing Buildings was adopted by BOMA, where it operates under the name BOMA BEST.

The Green Globes assessment system has proved to be more adaptable to heritage buildings. As a result, it has been applied to several buildings in the National Capital Area such as The Wellington Building and the West Block of Parliament Hill.

Canada Green Building Council's Leadership in Energy and Environmental Design (LEED®)

Since April 2005, PWGSC has required any new federal office building to be built to meet the Canada Green Building Council's Leadership in Energy and Environmental Design (LEED®) Gold performance level. Through its departmental Sustainable Development Strategies (SDS), PWGSC has committed to meet the LEED® Silver performance level for major renovations.

The Leadership in Energy and Environmental Design (LEED) Green Building Rating System™ encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of industry recognized tools and performance criteria. LEED also promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health:

- Sustainable site development
- Water efficiency
- Energy efficiency
- Materials selection
- Indoor environmental quality

Certification is based on the total point score achieved, following an independent review and an audit of selected credits. With four possible levels of certification (Certified, Silver, Gold and Platinum), LEED® is flexible enough to accommodate a wide range of green building strategies that best fit the constraints and goals of particular projects.

Since LEED® Canada was tailored specifically for Canadian climates, construction practices and regulations, an increased number of PWGSC buildings are achieving a high level of LEED certification. For example, the major renovation of the Regina Taxation Building obtained LEED® Silver certification in the fiscal year 2008-2009. In addition, an application has been submitted for LEED® Gold certification of the Jean Canfield Building in Charlottetown.

With the use of BOMA Canada and LEED Canada certification programs, PWGSC and associates are gaining recognition for green building efforts, validating achievement through third party review, contributing to a growing green building knowledge base, and progressing towards a greener, more sustainable future.



3000 Merivale Road, (RCMP Headquarters) - Ottawa, Ontario, Leased

looking ahead

As sound stewards of real property for the Government of Canada, we pride ourselves in being a forward-looking organization. As we look beyond 2009, we will continue to advance key infrastructure projects across the country, as well as deliver innovative workplaces of the future.





Place du Portage III - PWGSC Headquarters, Gatineau, Quebec

Accelerated Infrastructure Program (AIP)

On January 28, 2009, the Canadian government tabled a comprehensive budget plan to stimulate economic growth, restore confidence and support Canadians through the recession. Through its Economic Action Plan (EAP), the Federal Government is investing almost \$12 billion into new infrastructure funding for roads, bridges, broadband Internet access, electronic health records, laboratories and border crossings across the country.

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As part of the plan, investments totaling over \$400 million will be made over the next two years to

renew Public Works and Government Services Canada (PWGSC)-owned infrastructure through its Accelerated Infrastructure Program (AIP). Real Property Branch (RPB) will be investing in a wide array of important infrastructure projects including the rehabilitation and restoration of government-owned bridges and buildings, improving accessibility of federal buildings, and planning for the future of *Le Manège militaire* in Quebec City. The Department will complete the projects over the next two years.

Key Areas of the AIP:

- National infrastructure projects that will repair and restore real property assets throughout Canada through SNC-Lavalin Profac, the Department's property management service provider, including buildings housing government departments and federal structures such as the Parliament Buildings. Repair and restoration work funded through the stimulus package is slated to begin in buildings across Canada in April 2009.
- Enhancing accessibility of federal buildings to ensure that Canadians have barrier-free access to government buildings. The focus will be on projects that can immediately be implemented, such as exterior routes, visitor parking, drinking fountains and tactile signs, and intermediary readiness projects such as interior doors and corridors, building entrances, interior and



exterior ramps, stairways and existing washrooms. Budget 2009 provides \$40 million over the next two years for these enhancements.

- Repairing and restoring four federal bridges: the LaSalle Causeway in Kingston, Ontario; the Burlington Lift Bridge in Burlington, Ontario; and the Chaudière Crossing and Alexandra bridges in the National Capital Region. Budget 2009 provides up to \$40 million over the next two years for the rehabilitation and repair of these bridges.
- Planning for the future of the historic *Le Manège militaire* in Quebec City, which was destroyed by fire in 2008. Budget 2009 has set aside \$2 million to hold public consultations and establish a future plan for the armoury. Part of the funding will be allocated for environmental review of the site and decontamination of the land, if required.

Additional work will be identified on a regular basis and existing contractual arrangements will allow PWGSC to move quickly on projects identified by the program. A core team of experts representing the Department's various branches and regions is working to develop a departmental plan that ensures we deliver on our budget commitments.

The Impact on our Portfolio

In addition to managing the projects surrounding allocated funding, we will also be called on to support the activities of our colleague departments that received Budget funding for infrastructure. PWGSC is taking steps towards working with colleague departments to determine their level of demand as soon as possible. We are also exploring measures to increase our delegation of authorities in some areas and to streamline some of our real property management and procurement management processes. This will allow the Department to serve other government departments more efficiently and may help to alleviate some of the requests coming to our department without sacrificing value for money, transparency, fairness or openness.

Summary

The AIP provides significant opportunity for the Department to showcase progress on infrastructure projects across Canada. PWGSC's role in supporting other department's Economic Action Plan initiatives will also be highlighted in events and announcements to come.



Integrated Workplace Solutions

Integrated Workplace Solutions – Integrating people, space and technology to create workspaces for the different types of work that people do

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The way we work is changing. Many of us are spending less and less time at our desks. We're on the move, using mobile technology to stay connected with colleagues and clients across the city and around the world. We want the flexibility of working from home, from a client's office, the corner café or from a teaming area where we can use wireless technology to connect to colleagues in a regional office two time zones away. We work more collaboratively and frequently in flexible teams.

The workforce is also changing. As the federal government seeks to recruit and retain new knowledge workers, the workplace must be designed to meet the needs of workers who expect innovation, mobility, flexibility and a good work-life balance, while addressing the challenges of reducing our environmental footprint and use of fiscal resources.

To meet these challenges, the Real Property Branch (RPB) is modernizing current office accommodation policies and practices and has undertaken a new

initiative, called Integrated Workplace Solution (IWS). IWS delivers innovative and technologically appropriate workplaces that increase mobility and flexibility while both reducing the government's use of valuable resources and improving the delivery of services to Canadians.

The IWS workplace is a collaborative, multidisciplinary design strategy that considers the interaction of people, space, technology and business processes. This approach allows the development of more effective and efficient work environments that accommodate individual work styles and alternative work strategies and allows departments to use the workspace as a "tool" to fit the organization, rather than forcing the organization to fit the space.

IWS shifts the traditional mentality of offices as a workplace towards the more modern idea of the office as workspace. Through the use of IWS, employees can be mobile, yet stay connected; people can work when, where and how they can be most effective. Depending on the nature of the employee's work, they can be situated within the office, at home, in public areas, or anywhere else in-between. IWS allocates office space based on technical and space requirements that align with work processes rather than space entitlement. IWS defines four work profiles that are based on functional requirements. The profiles capture Leadership, Fixed, Flexible and Free Address Workers:





Leadership Worker



Fixed Worker



Flex Worker



Free Worker

Leadership Worker

A leadership worker is a senior manager: typically a Director, Director General, or Assistant Deputy Minister. Because their work often requires a level of confidentiality not provided by a workstation, these senior managers are provided with enclosed offices. As per the existing Government of Canada Fit-up Standards, these offices measure between 10m² and 23m², depending on the function of the manager. Enclosed offices are located at the core of the building to allow for maximum light penetration.

Fixed Worker

Fixed workers generally spend more than 60% of the day at their desks. A fixed worker may be a manager, administrative assistant, analyst, writer or programmer. In general, they spend the majority of their time working on projects from their computers

and require individual workstations to function effectively. The workspace for the fixed worker is 4.5m² – 5.9m².

Flex Worker

Flex workers may be account executives, auditors, caseworkers or part-time teleworkers who spend less than 40% of the workday at their desks. The majority of their work is done off-site, consulting with clients and colleagues in other offices. They rely on technology, rather than location, to function effectively – although they do require some space to maintain their office identity. A flex worker's on-site space ranges from 3.0m² – 3.7m².

Free Address Worker

Free address workers do not need a dedicated workstation on-site, as they spend little or no time

in the office. They may be consultants, remote workers, regional employees or fulltime teleworkers who come to the office only for short periods of time, to meet with colleagues or catch up on projects. Free address workers are provided with 1.5m² – 1.9m² of space.

By acknowledging the amount of "work" that takes place outside of the traditional office environment, IWS employs leading edge technology to support mobile workers anytime, anywhere. In doing so, IWS can enhance under-utilized real estate by minimizing the amount of office space required for mobile employees, resulting in a myriad of savings and benefits for the Canadian taxpayer, and the environment.

56 The IWS design approach was recently put to the test through a pilot project. RPB renovated space at 400 Cooper Street in downtown Ottawa to consolidate 30 employees from four different locations, plus 15 new employees, into one office. This successful pilot project resulted in overall space savings of 20% and fit up cost savings of 14%.

The pilot project uses wireless technology and modern furniture to create a more efficient office space. The space includes both fixed workstations for employees who spend most of their time at their desk, as well as flex and free worker spaces. The lowering of panel heights and use of translucent screens and glazing

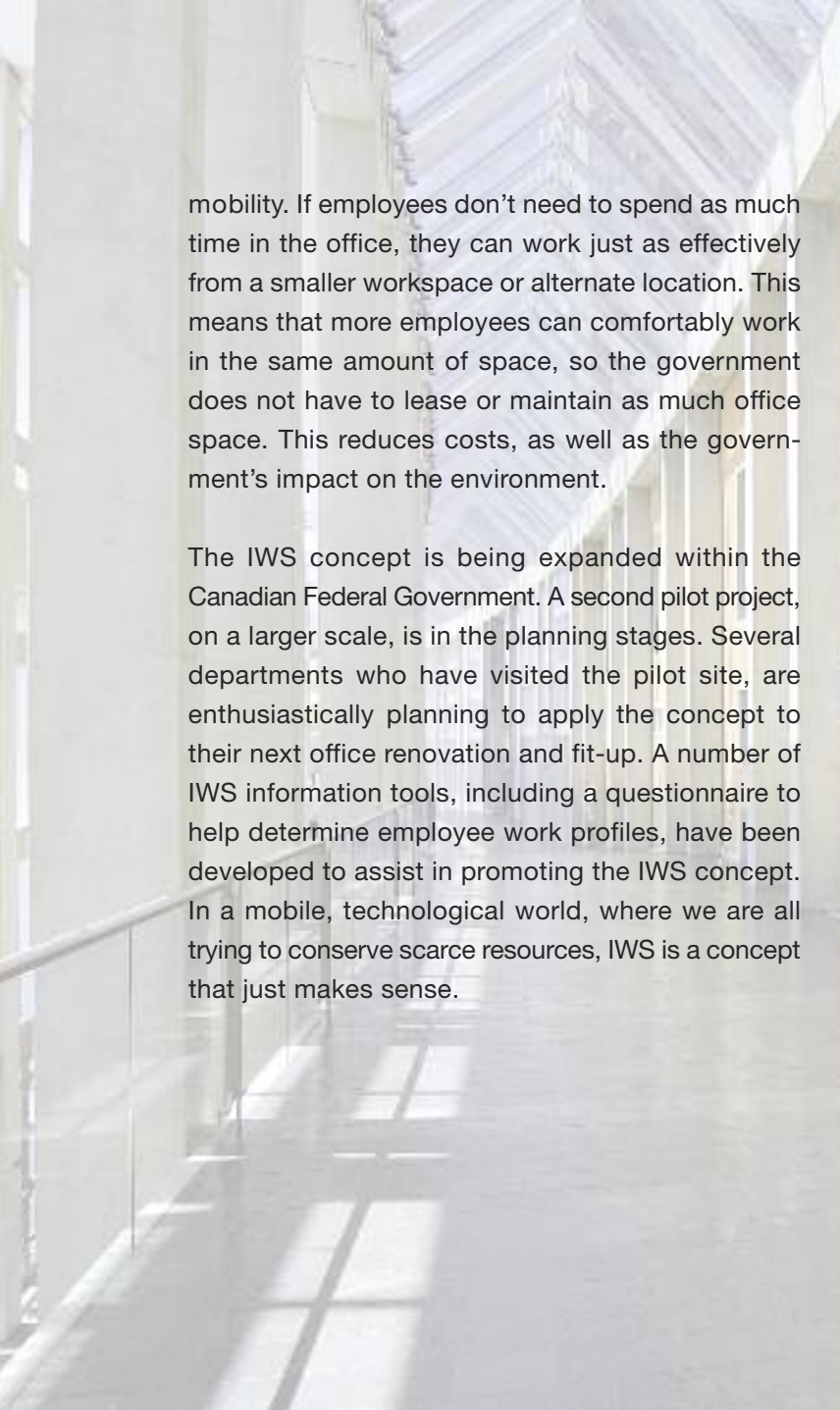
ensure the space is flooded with daylight. Common areas where employees can work on projects together are also included. One area, furnished with lounge chairs and nicknamed "the jazzy space" has become a flexible space used by employees for working, meeting, and relaxing over lunch with colleagues. Moveable wall systems maximize flexibility and reduce future reconfiguration costs.

The pilot's tenants came from RPB's Client Consultancy team, who were the perfect people for the test. Account Executives from this team work with one or more client departments to provide all their Real Property needs. Team members spend much of their time away from the office meeting with clients and colleagues. They don't need big workspaces, but they do need flexibility.

The workplace was equipped with a wireless infrastructure. Employees were equipped with wireless laptops and Blackberrys for increased mobility and flexibility to work in or out of the office. PWGSC corporate software and security safeguards allowed employees to access the PWGSC network from home, hotels, Wi-Fi hotspots or any other access point to the Internet.

The benefits of this type of workplace go beyond increasing employees' teamwork, flexibility and





mobility. If employees don't need to spend as much time in the office, they can work just as effectively from a smaller workspace or alternate location. This means that more employees can comfortably work in the same amount of space, so the government does not have to lease or maintain as much office space. This reduces costs, as well as the government's impact on the environment.

The IWS concept is being expanded within the Canadian Federal Government. A second pilot project, on a larger scale, is in the planning stages. Several departments who have visited the pilot site, are enthusiastically planning to apply the concept to their next office renovation and fit-up. A number of IWS information tools, including a questionnaire to help determine employee work profiles, have been developed to assist in promoting the IWS concept. In a mobile, technological world, where we are all trying to conserve scarce resources, IWS is a concept that just makes sense.

