

**PUB (MPI) CI 1-1 Confidential**

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<b>PUB Approved Issue No:</b>	<b>10. Cost of Operations and Cost Containment Measures</b>		
<b>Topic:</b>	<b>Cityplace</b>		
<b>Sub Topic:</b>			

**Preamble to IR:**

MPI advises that all Cityplace office space has been leased.

MPI has also indicated with the recent direction to have all hybrid employees return to work 60% of the time, MPI is reviewing the space configuration to ensure it meets the new in office density requirements. Any unbudgeted costs associated with space modifications will be presented for approval once known.

**Question:**

- a) Please provide the assumption of in-office staffing based on the work from home assumption presented at the 2023 GRA and how it has changed relative to the new requirement.
- b) Please provide an update to the cost estimate if available incorporating the changes required to meet staff in office requirements.
- c) Please comment on the level of rents from the new tenants and compare with the rental rates provided at the 2023 GRA.

**Rationale for Question:**

To understand any changes in the economics to the Cityplace redevelopment.

**RESPONSE:**

- a) The introduction of the Flexible Work Program allowed MPI staff to choose the best place to complete their work tasks. This change was validated with on-site leadership to ensure operational needs continued to be met related to space, which resulted in a 1:2 (50%) workpoint/employee ratio. To future proof the space if operational requirements change and space availability becomes problematic, the Space Plan was designed/built using Activity Based Working principles. This way of working allows for inclusion of "non-traditional" workpoints, which become integral to supporting the new Flexible Work Program principles can accommodate up to 60% of MPI staff (i.e. a 1.2:2 (60%) workstation/employee ratio).

Approximately 80% of MPI's workforce is enrolled in the Flexible Work Program. This number is expected to remain relatively stable over the next few years. Within the program are remote and hybrid work types. Presently, approximately 30% of employees are hybrid and 50% are remote. Over the next year, it is anticipated that the number of remote positions will be reduced to approximately 30% and the number of hybrid positions will be increased to 50%. After this change, the numbers are anticipated to stabilize.

- b) Although the space was built with flexibility in mind, MPI is in the process of re-confirming space gaps/opportunities and requirements as a result of changes to its Flexible Work Program and in-office requirements. All build-space modifications will be reviewed and approved by the Executive prior to implementation.

- c) **[Redacted]**