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Feasibility study 2
Feasibility study

The feasibility study is a detailed analysis of a preferred facility development strategy as determined in the master plan study. It should enable a health service or agency to fully determine the outcome, which will provide the most, cost efficient and effective delivery of its services. The preferred options for developing facilities to accommodate service delivery can then be determined.

The feasibility study will confirm the need for a specific capital project(s) to be undertaken to enhance the delivery of services by the health service or agency and assess the viability of the project outcomes in capital and recurrent financial terms.

A feasibility study investigates the project objectives as described in the functional brief. The feasibility study will review the viable range of options available. These options should then be evaluated against a set of agreed criteria. The feasibility study generally recommends a course of action and a realistic estimate of the total project end cost and life cycle cost.

Any development proposal should seek to (in order of priority):

- to improve the operational efficiency of the facility and obtain value for money
- where practical and able to be implemented, meet government regulatory requirements specifically in relation to OH&S, industrial relations, essential services management and Victorian sustainable policies
- to minimise recurrent and capital costs
- to remain consistent with the standards for quality care and service delivery.

The feasibility study, subject to the approval by the Infrastructure Planning and Delivery project manager responsible for the project, may be carried out in conjunction with the master plan study.

A feasibility study comprises the following activities:

- review of service and business plans, master plan study and functional brief
- functional analysis of service delivery requirements and relationships
- development of area and floor space schedules
- confirmation of site influences and where necessary site selection
- identify viable development options
- evaluation of options
- identification of total scope of works
- capital cost estimate (cost plan B)
- recurrent cost implications
- drawings
- review procurement method options
- implementation program.

In some instances the master plan and feasibility study may be conducted as a concurrent process. This is particularly relevant for simple projects (e.g. small scale or straightforward projects). Reference is made to the master plan study guideline.

The consultant appointed to undertake a feasibility study will be engaged by the department.

The completion of such a study is not a commitment to the implementation of further works.