

**FOR INFORMATION**

## FIRST ITEM ON THE AGENDA

**Update on construction projects**

1. Pursuant to the oral report made by the Office to the Building Subcommittee in November 2005 on the ILO construction projects in Santiago and Dar es Salaam, this document aims at providing the Subcommittee with additional information on these projects.

**Premises for the Subregional Office in Santiago, Chile**

2. The construction of the ILO Santiago premises was completed on schedule in July 2005 with the staff moving into the new building on 29 August 2005. The construction cost of the building, including architect fees, remained within the project allocation as approved by the Governing Body (US\$1,920,000). The Office absorbed a minimal budget overrun of some US\$2,000.
3. The Office was able to find a new tenant (the Michelin Chile Limitada Corporation) from 1 November 2005 for its former premises in Santiago, thus liberating the Office from its lease agreement concluded until 2011. An indemnity of US\$79,552.58 was nevertheless paid to the owner of the building for the early termination of the agreement.
4. With respect to the local sales tax (IVA), the Office has received from the Chilean Government a first reimbursement of US\$4,190 and is expecting a further payment of US\$258,579.05.

**Premises for the Dar es Salaam Office**

5. The building of the Dar es Salaam Office is expected to be completed by the end of July 2006, with two weeks' delay due to a shortage of cement and electricity in the United Republic of Tanzania. Safety on the site continues to be closely monitored and no accident has been reported to date.
6. By mid-January 2006, the contractor had completed the construction of the lower roof of the building as well as the fabrication of the steel trusses to be installed on the upper level of the roof. All the masonry concrete block laying for the internal and external walls has now been completed as has the plastering of the external walls and the internal partition walls. The window sills and parapet walls are being completed, similarly the installation of

the electrical conduits. The installation of mains for the water supply and firefighting is now in progress.

7. The Office is presently assisting the contractor in expediting orders for the purchase of materials placed with manufacturers outside the United Republic of Tanzania, mainly for the floor and wall tiles, lift, windowpanes, etc., in order to avoid any further delay in finishing the building. The ceilings of the meeting rooms, conference hall and library will be finished with acoustic gypsum boards, in accordance with international standards. Special attention was paid to avoiding the use of hazardous materials, such as asbestos.
8. The Office is planning to visit the site some time towards the end of May in order to proceed with a detailed analysis of the building, its structure, the finishing work, as well as the accounts. The provisional handover of the building is planned for the end of July and the Office is expected to move into its new premises by the end of August.
9. The tax exemption (VAT) on the purchase of all materials continues to be applied in full collaboration with government authorities.
10. As proposed to the Subcommittee at the last session of the Governing Body, the Office will include, in its next programme and budget, proposals for an amount of 1 per cent per annum of the total value of the properties to fund future major repairs.

Geneva, 8 March 2006.

*Submitted for information.*