

Governing Body

343rd Session, Geneva, November 2021

Programme, Financial and Administrative Section

PFA

Programme, Financial and Administrative Segment

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Update on the headquarters building renovation project

Purpose of the document

This document provides an update on the headquarters building renovation project and the headquarters security perimeter project. The Governing Body is invited to approve the final budget for phase 2 of the headquarters building renovation project (see the draft decision in paragraph 14).

Relevant strategic objective: None.

Main relevant outcome: None.

Policy implications: None.

Legal implications: None.

Financial implications: Yes.

Follow-up action required: Further reports at future sessions of the Governing Body.

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Related documents: GB.341/PFA/PV; GB.341/PFA/3(Add.1); GB.341/PFA/3(Rev.1); GB.340/PFA/PV; GB.340/PFA/3; GB.337/PV; GB.337/PFA/2; GB.337/PFA/2(Add.1); GB.335/PFA/3; GB.335/PFA/3(Add.); GB.334/PFA/PV; GB.334/PFA/2; GB.332/PFA/3; GB.332/PFA/INF/1; GB.331/PFA/6/1; GB.326/PFA/3.

▶ Introduction

1. At its 341st Session (March 2021), the Governing Body approved the final scope of phase 2 of the headquarters building renovation project and took note that the estimated budget would be in line with the resources available from the sale of ILO land. The Governing Body requested the Office to present the final budget of phase 2 at its next session and authorized the Director-General to finalize an agreement with a main contractor for the phase 2 works within the funds available. ¹ In accordance with that decision, the Office concluded an agreement with a contractor and this report provides the Governing Body with the proposed budget for phase 2 of the headquarters building renovation project. It also provides additional information on the headquarters security perimeter project, taking into account recent progress with the United Nations Department of Safety and Security (UNDSS), architects and engineers. For reasons of safety and security, only an overview of the headquarters security perimeter project can be provided in this public document.

▶ Close out of phase 1 of the headquarters building renovation project

2. The Office confirms the anticipated savings of CHF200,000 reported to the Governing Body at its 341st Session (March 2021), following the close out of accounts for phase 1 of the renovation project. ²
3. The total expenditure for phase 1, including the installation of insulated glass windows and fire escapes in the conference rooms, is summarized in table 1.

Table 1. Financial summary of phase 1 at close out

	CHF ('000)
Approved budget	205 549
Final expenditure	205 310

¹ GB.341/PFA/PV, para. 94.

² GB.341/PFA/3(Rev.1).

► Phase 2 of the headquarters building renovation project

4. After an international bidding exercise, the Office entered into an agreement with a Swiss contractor, within the indicative budgets and available funding outlined in previous reports. The works are being carried out under similar contractual arrangements to those successfully applied in phase 1 of the project, and are due to be completed by late 2025.
5. The selected contractor is already actively working on-site, building the temporary facilities, carrying out the enabling works for phase 2 and renovating the façade of the colonnade, including the installation of insulated glass.
6. Work on the renovation of the conference rooms is due to start in early 2022, once the Governing Body room, rooms I and II and the library have been relocated to the temporary building currently under construction on the Appia lawn. This 2,100 m² temporary structure will act as swing space throughout the renovation works, and will house conference rooms, offices and storage areas. Formerly a temporary supermarket, the structure has been upcycled for ILO use and will be recycled again once the renovation has been completed.
7. From early 2022 until early 2024, while the renovation works are ongoing, there will be a reduction of conference facilities available in the main building. Equivalent of the rooms being renovated will be set up in turn in the temporary building, access to which will be at the northern end of the building on the R1 level. The seating capacity will largely be maintained, and the Office will be able to continue to operate seamlessly.
8. In previous discussions, most recently at its 337th (October–November 2019) and 340th (October–November 2020) Sessions, the Governing Body's attention was drawn to the fact that the estimated cost of phase 2 has risen from CHF120 million to CHF128–131.1 million, as a result of a lack of continuity from phase 1 to phase 2 owing to the extended decision-making process with respect to the funding arrangements for phase 2, and that a margin of error of 15 per cent should be foreseen.³ However, the Office has been able to incorporate the impact of delays and the increased scope of phase 2, as reported to the Governing Body at its 341st Session (March 2021),⁴ within the figures previously presented and within the funding available. The proposed budget for phase 2 of the headquarters building renovation project is set out in table 2.

Table 2. Proposed budget for phase 2 of the headquarters building renovation project (CHF '000)

Area	Construction	Site installations	Project management	Unforeseen and inflation	Total
Conference centre	57 776	3 304	3 983	3 677	68 740
General services	43 982	2 427	3 032	2 792	52 233
Parking	7 749	596	535	502	9 382
Total	109 507	6 327	7 550	6 971	130 355

³ GB.337/PFA/2, para. 21, and GB.340/PFA/3, para. 9.

⁴ GB.341/PFA/3(Rev.1).

▶ Headquarters security perimeter project

9. At its 341st Session (March 2021), the Governing Body endorsed the revised comprehensive security plan, which consists of layered security protection that will allow the Office to address current and emerging security and safety issues.⁵
10. Since then, the detailed design of the headquarters security perimeter project has progressed well. The design centres around ensuring full compliance with UNDSS regulations, meeting occupational safety and health and United Nations Disability Inclusion Strategy requirements, limiting operational costs and ensuring that the visual impact of such security measures is minimal. The design is based on transparency and on non-linear lines to create a welcoming appearance and to blend with the surrounding landscape. The visitor security pavilion is circular and largely glazed, thereby achieving that objective, while ensuring that efficient screening can take place. Vehicle perimeter security will essentially be carried out by making the best use of the existing topography and vegetation and complementing it with additional trees and landmarks. Pedestrian perimeter security will, to the maximum extent possible, be set back from the boundary perimeter and woven in with vegetation.
11. After the UNDSS gave its approval for the latest design, its physical security experts remain involved in the finalization details. The design has been presented to the Permanent Mission of Switzerland and has received a positive initial response. Further consultations will now be organized with the Swiss Federal Police and local authorities prior to finalizing the design, but the Office is hopeful that the project will be well received by all.
12. The Office intends to file for a building permit for the implementation of the security plan by early November 2021, and will be in a position to propose the related budget to the Governing Body at its 344th Session (March 2022). The intention is for the security premises to be operational before the renovation of the current security control area begins, so as to ensure a smooth transition and continuity of security operations.
13. Discussions will be held with the host country to secure its support for the implementation of the revised comprehensive security plan.

▶ Draft decision

14. **The Governing Body:**
 - (a) **approved the proposed budget for phase 2 of the headquarters building renovation project set out in document GB.343/PFA/1, in line with the resources available from the sale of the land; and**
 - (b) **requested the Office to present the budget for the headquarters security perimeter project to the Governing Body at its 344th Session (March 2022).**

⁵ GB.341/PFA/3(Add.1).