



Governing Body

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Programme, Financial and Administrative Section
Programme, Financial and Administrative Segment

PFA

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THIRD ITEM ON THE AGENDA

Update on the headquarters building renovation project

Purpose of the document

At its 309th Session in November 2010, the Governing Body approved a comprehensive plan for the renovation of the ILO headquarters building. This paper provides information on the developments since the 320th Session of the Governing Body in March 2014.

The Governing Body is invited to take note of the additional requirements and costs associated with the granting of the building permit and the resulting reduced scope of the project required to retain the total cost approved in 2010, and to encourage the Director-General to continue to explore options for additional financing to enable the full scope of the project to be realized (see the draft decision in paragraph 28).

Relevant strategic objective: None.

Policy implications: None.

Legal implications: None.

Financial implications: None.

Follow-up action required: Further report in March 2015.

Author unit: Headquarters building renovation project (Deputy Director-General for Management and Reform).

Related documents: GB.317/PFA/2; GB.309/PFA/BS/2(&Corr.); GB.309/PFA/11/1; GB.310/PFA/BS/1; GB.312/PFA/5(&Corr.); GB.313/PFA/INF/2; GB.313/PFA/INF/2(Add.); GB.313/PFA/3/2; GB.315/INS/6/1; GB.316/PFA/3; GB.170/FA/BS/D1/2; GB.319/PFA/4 and GB.320/PFA/5(Rev.).

Key developments

1. The building permit for the headquarters renovation project was approved on 23 July 2014 and officially published on 5 August 2014.
2. The preliminary works are ongoing: (1) the Health Services Unit will be moved to the R3 level in proximity to the Control Centre and with easy access for emergency services; (2) new office space will be located on the R1 level following the renovation and regrouping of the kitchens; and (3) renovation of the M3 office space, due to its technical issues related to the works being done on R1 and R3 levels.
3. The relocation of staff from the southern end of the building has commenced in order to make room for the first phase of the renovation works. The International Social Security Association and the ILO's Department of Statistics have moved to temporary offices in the World Meteorological Organization's building, located on Avenue de la Paix, in Geneva. Their postal address and contact details remain the same.
4. Requests for proposals have been advertised for: project management assistance services; demolition, asbestos removal, and site installation; and for a management contractor.

Building permit

5. The proposed modifications to the main entrance, library and the *Gobelins* hall were not supported by the *Service cantonal des monuments et des sites* (Sites and Monuments Cantonal Department) and the Office has agreed to withdraw these elements from the building permit application so as to avoid any issues with the finalization of the permit.
6. As indicated in the report presented to the Governing Body in March 2014,¹ the permit request procedure has generated a number of additional requirements in order to meet current standards relating to further fire safety measures and the building's architectural heritage. The previously prepared terms of reference (technical specifications and plans) are being reviewed and amended to take into account the various requirements set out in the building permit authorization.
7. The main requests stem from the forthcoming 2015 Swiss federal fire regulations. This new legislation requires that high-rise buildings (higher than 30 metres, which is the case of the main building of the ILO headquarters) have secured vertical escape ways protected from fire and smoke penetration. This requirement will be met through an air pressure cascade, whereby the staircases have a higher air pressure than the corridor spaces, requiring that fire-proof airlocks be installed on every floor to maintain the overpressure and avoid smoke or fire being distributed.
8. In line with the new legislation and fire authority requests, the service lifts will be adapted to act as secured access elevators in the event that fire services require access to the upper floors of the main building.
9. The additional overpressure requirements will lead to a considerable amount of ventilation equipment having to be installed on the roof of the main building. In order to avoid degrading the architecture of the building, a screen is required around the perimeter of the roof to minimize the visual impact. As a result of these requirements, current emergency

¹ GB.320/PFA/5(Rev.), para. 1.

generators will also have to be changed and upgraded to support the additional power loads.

10. In addition to these major requirements, a number of other issues were raised through the approval process, including:
 - (a) providing for possible future installation of photovoltaic panels on the roofs;
 - (b) a request for ecological compensation measures for the felling of the trees required for the worksite.

Project costs

11. As indicated in the report presented to the 320th Session (March 2014) of the Governing Body,² a re-evaluation of the project cost estimates has now been carried out following the receipt of the building permit. The overall cost estimate of the full project has increased from Swiss francs (CHF) 263 to 299 million. Most of the cost increase (CHF24.5 million) is due to increased fire safety requirements. The remainder is due to architectural requests and cost adjustments, in line with the prices received for the Health Service Unit and the Department of Communication and Public Information projects, particularly for electrical and ventilation works.
12. At the time of writing this report, a number of savings have been identified and are being implemented which will partially offset the above cost increases, however the amount has yet to be quantified.

Scope of the 2014 plan

13. The report presented to the Governing Body in March 2014³ proposed to reduce the scope of the renovation in order to remain within the resource level identified in the 2010 plan. The project team continues to work on this basis to ensure that the scope of the works is adapted to the Office's capacity to finance them.
14. The impact of the additional requirements of the 2014 plan has been assessed and the scope has been adjusted and redefined in order to stay within the available and projected resources of CHF205.9 million.
15. The proposed scope reduction will respect the original objectives of the project and the additional building permit requirements. It ensures that all immediately essential works are undertaken. As stated in the report presented to the Governing Body in March 2014, the remaining works shall be deferred and reassessed once funding is available.

Main building fully renovated

16. The 2014 plan includes the full renovation of the main office building, including safety and environmental measures, and mechanical, electrical and plumbing works. Works involve

² GB.320/PFA/5(Rev.), para. 2.

³ GB.320/PFA/5(Rev.), para. 4.

floors 1 to 11, the roof and the various associated access and emergency exit links in the basement.

17. All works will be compliant with the building permit requirements and will seek to ensure visitor and staff safety as well as significantly improve the building's carbon footprint.

Lower floors partly renovated

18. The renovation of the lower floors will be carried out in various stages to ensure the continuous functioning of official meetings.
19. Within the 2014 plan, insulated glass will be installed in the large bay windows in the conference rooms and emergency exits will be added within them to ensure that the ILO meets the required number of emergency exits. This measure will also provide a return on investment by reducing the need for cooling and heating of the conference rooms.
20. The 2014 plan also integrates the full renovation of conference rooms III, IV, V, VIII and IX, excluding furniture but including all lighting, air handling units and building management controls. The interpreters' booths will be widened and renovated to the agreed standards in these conference rooms.
21. The areas that can no longer be renovated from the March 2014 plan due to the revised estimates are:
 - (a) the large bay windows in the restaurant area;
 - (b) the remaining conference rooms (Governing Body, room II);
 - (c) double glazing of the colonnade;
 - (d) any works on remaining elevators;
 - (e) further treatment of exposed concrete;
 - (f) the archive room;
 - (g) the car park, including safety elements such as sprinklers and repairs to the Gerber supports in the parking facility.
22. Capacity to undertake these works will be reviewed as funding becomes available. Any urgent works will have to be financed from the maintenance provisions.

Staging of the works

23. In light of the fact that we currently only have partial funding for the project and that the works need to progress, the renovation works will be carried out in stages. The first stage will be to undertake the complete renovation of the main office building.
24. Once the Office has certainty on the land sales and any additional funding, works on the lower floors will be reassessed and then carried out, to the extent that funds are available. This could be done in parallel to the renovation of the main building but will not be commenced until the first third of the main building has been renovated.

25. In order to maintain a tight control on the costs and to enable the ILO to improve on design and benefit from potential savings, as discussed at the March 2014 Governing Body session, the main building renovation works are being let out as a cost-plus-fixed-fee, management contractor contract with a guaranteed maximum price, and a profit-sharing mechanism in the event that savings can be found. As foreseen, the ILO project team is being reinforced by project management assistance professionals who will report to the ILO Project Manager to help control the quality of the works and to ensure the necessary levels of cost control and site supervision.

Land evaluations and financing

26. Consultations continue with property advisers and the cantonal authorities on the development potential of the two non-strategic land plots. A review of the Avenue Appia plot is expected to be completed by early October 2014 which will enable the property to then be marketed to prospective purchasers. Informal contacts received by the Office have indicated firm interest in this plot.
27. The Office and the Canton of Geneva jointly commissioned a further review of the leasehold plot on the Route de Ferney to establish an updated indicative valuation as a basis for reviewing options for disposal that meet both ILO objectives with respect to financing the renovation and also the Canton's development plan for "International Geneva". As with the Avenue Appia plot, the Office has received strong interest from potential purchasers to develop this site.

Draft decision

28. *The Governing Body is invited to:*
- (a) take note of the proposed additional requirements and costs associated with the granting of the building permit and the resulting reduced scope of the project required to retain the total cost approved in the 2010 plan while implementing necessary safety and environmental measures; and*
 - (b) request the Director-General to continue to explore options for additional financing beyond that approved in the comprehensive plan to enable the full scope of the project to be realized.*