

WIPO



WO/PBC/7/4

ORIGINAL: English

DATE: August 26, 2003

WORLD INTELLECTUAL PROPERTY ORGANIZATION
GENEVA

PROGRAM AND BUDGET COMMITTEE

Seventh Session

Geneva, September 8 to 10, 2003

MATTERS CONCERNING THE NEW CONSTRUCTION

Document prepared by the Secretariat

I. INTRODUCTION

1. In October 2002, the Assemblies of the Member States of WIPO (hereinafter referred to as the "Assemblies of the Member States") approved the new construction project with a budget of Sfr190.5 million, including an administrative building and a conference hall. As requested, the Secretariat established a consultation process within the framework of the Program and Budget Committee, between interested delegations and the Secretariat itself in order to validate financial projections and underlying assumptions, and provided regular reports.

2. The new construction project is to be implemented over a period of seven years, starting with the conclusion of the architectural competition in 2000 and finishing in June-September 2007. The construction work is expected to start in October/November 2003 and is estimated to take approximately 42 months. An update and progress report on the project implementation is contained in Annex B of the Revised Proposal for Program and Budget 2004-2005 (WO/PBC/7/2).

3. This document provides the latest information on recent developments in the project implementation, namely the decision on selection of the management consultant and the general contractor as well as the interim audit report which was prepared by the external auditor (the Swiss Federal Audit Office) in June and submitted to WIPO in July 2003. In addition, the issue concerning the construction of supplementary storage/parking facilities that

was kept pending for further study at the time of the project approval is also presented in this document.

II. SELECTION OF MANAGEMENT CONSULTANT

4. On October 1, 2002, the Assemblies of the Member States approved “the appointment, in accordance with WIPO procurement procedures, of an external consultancy firm to participate in project management” (paragraph 262(i)(c) of document A/37/14), in order to reinforce the project management and ensure the project completion within the planned time frame and approved budgets.

5. In accordance with the decision of the Assemblies of the Member States, invitations to submit offers were sent to eleven firms. Seven offers were received, and Honegger Muller Architects SA was identified as the winning bidder in May 2003. The external consultant will participate in the supervision and control of the project implementation process and provide expertise in the following areas of construction industry: architecture, engineering (civil, heating, ventilation, air conditioning, sanitary, electrical, geological, geotechnical, automation in buildings, etc.), security during construction work, physical security, project costs, insurance and others. Its responsibilities during the project include the following assignments:

- to provide WIPO with necessary expertise and information regarding the financial and technical aspects of the project management;
- to assist WIPO when necessary in meetings with contractors on planning, development and assessment of project plans;
- to provide progress reports on a periodical basis to the Secretariat and its Construction Committee providing information with regard to the conformity of the project implementation with approved plans and of any potential risks in project implementation which could result in higher costs and/or delays in the timetable;
- to inform the Secretariat about the quality of work accomplished by the general contractor and other contractors;
- to advise the Secretariat on matters concerning the technical evaluation, needs assessment and costing of the project, etc.

III. SELECTION OF GENERAL CONTRACTOR

6. Following the approval of the new construction project in October 2002, invitations for the submission of the Expression of Interest in the project were published in November 2002 in a number of major international newspapers (*Le Monde*, *El País*, *The Economist*, *The Herald Tribune*), as well as the *Tribune de Genève* and the *Neuer Zürcher Zeitung*. This information, which was available on the Internet, was also sent to Permanent Missions of WIPO Member States in Geneva. Sixteen construction companies from eight countries expressed interest. After an initial round of assessments by a team representing the WIPO Buildings Division and the Procurement and Contracts Service, a short list of nine companies was made. The criteria for the selection of the companies included the degree of experience

in the Swiss and/or international construction markets, the availability of references in the area of the construction of buildings — in particular of office buildings and conference facilities — the level of generated activities, credit-worthiness and financial situation.

7. Work on the detailed technical specifications of the new construction proceeded with the architect (Behnisch, Behnisch & Partner) and engineers. In March 2003, a tender document was issued to the above-mentioned nine participants. In June 2003, the Secretariat received four proposals and five letters of regret from the contenders.

8. In July 2003, the Director General established a nine-member Board for the selection of the general contractor. The Selection Board was made up of representatives of WIPO Member States and was co-chaired by the Ambassadors of the Netherlands and Pakistan to the United Nations Office in Geneva, H. E. Mr. Ian de Jong and H. E. Mr. Shaukat Umer, respectively. In addition to the Co-Presidents, the Selection Board included representatives of the Group Coordinators of WIPO.

9. The Selection Board was requested to undertake the following tasks:

- to discuss the technical and financial evaluation of bids presented by the WIPO Secretariat and external consultant;
- to discuss the selection criteria and the outcome of the evaluation (discussions were to be assisted by the Secretariat);
- to select the general contractor; and
- to decide on how to present its selection to Member States.

10. The Selection Board met on August 25, 2003, to consider the four firms for the role of general contractor. Representatives of the Secretariat, the architect (Behnisch, Behnisch & Partner) and the external consultant (Honegger Muller Architects SA) were also present at the meeting. On the basis of technical and financial evaluations made by the Secretariat and with the assistance of the external consultant, the Board unanimously selected Induni-Ferrovial as general contractor of the new building, subject to successful negotiations on a number of technical and financial matters. The Secretariat was requested to keep the Co-Presidents of the Selection Board informed on the development of those negotiations (see WIPO Press Release PR/2003/351).

IV. AN INTERIM AUDIT REPORT

11. The Swiss Federal Audit Office, in the capacity of its ongoing mandate, as WIPO's external auditor, undertook an interim audit of the new construction project from May 26 to June 28, 2003. The interim audit report, submitted to WIPO in July, contains seven recommendations (a copy of the report will be made available at the seventh session of the Program and Budget Committee).

12. The Secretariat has already implemented some of the recommendations concerning the finalization of the project design. Other recommendations regarding the project management will be reflected in the consultations with the general contractor. Member States will be kept

informed of the progress of the project, including the management structure and milestones of the execution of the project.

V. SUPPLEMENTARY STORAGE/PARKING FACILITIES

13. It is recalled that the Assemblies of the Member States approved the new construction project in October 2002 taking into account the project proposal as presented in document A/37/2 and an evaluation report provided by the Swiss Federal Audit Office (document A/37/10), which included an assessment of the current and foreseeable business needs of the Organization and alternative solutions for technical facilities.

14. It is further recalled that the Assemblies of the Member States also approved “the further study by the Secretariat with a view to providing for additional parking spaces and necessary consultations with Geneva authorities” (paragraph 262(i)(d) of document A/37/14).

15. The technical concept of the new construction project approved by the Assemblies of the Member States as mentioned above includes 560 workplaces, a conference hall with 650 places and 280 underground parking places. In addition, the Assemblies of the Member States requested that that technical concept be modified in order to maximize the number of working places, as well as to optimize the technical design in accordance with recommendations to achieve cost savings and efficiency gains. The issue regarding the construction of supplementary underground parking/storage facilities was considered at that meeting with no decision reached. It should be noted that no approval had been granted by the Geneva authorities for the supplementary facility at that time.

16. As requested by the Assemblies of the Member States, the Secretariat continued to study the issue of additional storage/parking. Its specifications were covered in the subsequent elaboration of technical plans by the project architect and engineers. According to current project plans, the additional storage space would be adjacent to the current WIPO underground parking. It would consist of five underground floors with 5,191 square meters in area and 14,535 cubic meters in volume. The total capacity when converted into parking spaces would be for at least 250 vehicles.

17. WIPO currently rents storage facilities of approximately 4,100 square meters at a cost of Sfr450,000 annually in a number of locations in Geneva. These include not only publication materials but also copies of millions of international applications filed under the Patent Cooperation Treaty (PCT), which WIPO is legally obliged to keep for at least 30 years (PCT Rule 93.2). Availability of additional storage in the supplementary facilities would allow WIPO to make substantial savings in rental costs.

18. As previously recognized during the discussion on the new construction project, parking facilities are insufficient to meet the needs of government officials, delegates, Intellectual Property system users and WIPO staff. The parking space requirements for WIPO staff for the period from 2003 to 2009 are indicated in the premises plan as shown in Annex A of the Revised Proposal for Program and Budget 2004-2005 (document WO/PBC/7/2). The estimates are based on a 66 per cent ratio between required parking spaces and working places as suggested by the Swiss Federal Audit Office. In 2003, WIPO-owned premises provided 237 parking spaces, or about 50 per cent of WIPO-owned working places. As a result, WIPO continued renting a substantial number of additional parking spaces in the *Parking des Nations*. As of 2009, the ratio between WIPO-owned parking and working places is projected to drop to around 42 per cent, requiring the Organization to maintain its rented parking spaces

in the *Parking des Nations*. The shortage of parking at WIPO-owned facilities and the anticipated full usage of the *Parking des Nations* will prevent WIPO from making any parking facilities available to its delegates and visitors except for a few on-street places. The issue of parking will be especially serious during major conferences and meetings held at WIPO's conference facilities with a projected overall capacity of 1,000 seats by 2007.

19. The Geneva authorities have given their authorization under the PLQ (local district plan) to construct the additional storage facility as part of the new construction project. Additional authorization was issued by the Geneva authorities on July 24, 2003, for the use of the facility as a car park. The dual use of the facility as storage and parking coincides with the requirements of WIPO. Whereas the long-term needs for storage are likely to decline somewhat due to the digitalization of publications and possible changes in the media for keeping PCT record copies, the need for additional parking is likely to rise due to increased usage of WIPO facilities.

20. In order to facilitate the discussion as well as a decision by Member States on the issue of supplementary storage/parking, the bidders for the general contractor were requested to provide two proposals, namely Option A (Construction of the administration building, conference center and supplementary storage/parking areas) and Option B (Construction of the administration building and conference center only). As indicated by the selected bidder Induni-Ferrovial, the estimated additional cost for constructing the storage/parking area volume would amount to approximately Sfr3 million. This compares very favorably with the initial estimates of Sfr20 million provided by the Swiss Federal Audit Office. According to the analysis provided by the external consultant (Honegger Muller Architects SA), the considerably lower estimate is realistic due to the construction of the supplementary facility together with the main building, including common earthworks and equipment already on site.

21. In view of the need for supplementary storage/parking facilities, it is proposed that Member States endorse the construction of the supplementary facility. The additional construction costs as confirmed in the bidding process are substantially reduced as compared to the initial estimates, and can be accommodated within the overall budget envelope of Sfr190.5 million.

22. *The Program and Budget Committee is invited:*

(i) *to take note of the information provided in the document and*

(ii) *to endorse the supplementary storage/parking facilities for the new construction.*

[End of document]