

WIPO



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WIPO GENERAL ASSEMBLY

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PROGRESS REPORT ON THE NEW CONSTRUCTION PROJECT

prepared by the Secretariat

1. The purpose of the present document is to present a progress report on the new construction project covering the period since the presentation of the previous report on the occasion of the thirty-fourth session of the General Assembly, held from September 24 to October 3, 2007 (document WO/GA/34/11).
2. The main milestones achieved in the last 12 months were the following:
 - signature, on February 8, 2008, of the contract with the syndicate of two banks selected as financing entity;
 - signature, also on February 8, 2008, of the contract with the company selected as general contractor; and
 - re-opening of the construction site on April 7, 2008.
3. This progress report contains further details on the pre-construction phase and the first months of the construction phase.

I. OVERVIEW OF THE PRE-CONSTRUCTION PHASE

4. Outlined below are the main actions grouped by themes which have occurred since the revised project was approved by Member States at the forty-first series of meetings of the Assemblies of the Member States of WIPO (held from September 26 to October 5, 2005). The “Pre-construction Phase Timetable” illustrating those actions is set out in Annex I.

5. Project pilot (*Burckhardt+Partner SA*):

- June 2006: preselection by the independent Selection Board of companies to be invited to respond to the Request for Proposals for the mandate of pilot;
- August 2006: issue of the Request for Proposals;
- October 2006: selection by the Board of the company to pilot the project;
- November 2006: signature of contract;
- end November 2006: taking up of functions.

Independent evaluations were presented to the Board by the *Fondation des immeubles pour les organisations internationales* (FIPOI), in addition to those presented by the WIPO Evaluation Team, for the purposes of the preselection and selection processes.

6. General contractor (*Implenia Entreprise Générale SA*):

- December 2006: issue of the call for expressions of interest;
- March 2007: preselection by the independent Selection Board of firms to be invited to respond to the Request for Proposals for the role of general contractor;
- April 2007: issue of the Request for Proposals;
- November 2007: selection by the Board of the general contractor;
- February 2008: signature of fixed price contract.

The Pilot was involved in all steps of the process, in particular, the preparation of the call for expressions of interest, the presentation of two independent evaluations of the proposals for the purposes of the preselection and selection by the Board—in addition to those presented by the WIPO Evaluation Team—and the final joint recommendation for the selection by the Board.

7. Financing entity (*Banque cantonale de Genève* and *Banque cantonale vaudoise*):

- May 2007: issue of the call for expressions of interest;
- September 2007: preselection by the independent Selection Board of financial institutions to be invited to respond to the Request for Proposals for financing the project;
- October 2007: issue of the Request for Proposals;
- December 2007: selection by the Board of the financing entity (a consortium of two banks);
- February 2008: signature of contract.

8. Project Charter: Revised versions were issued in June and October 2006, March, June and November 2007 and May 2008 and submitted to the Audit Committee. Copies of the current version (v.07(2008) of May 5, 2008) are available upon request.

9. Risk Registers: In addition to the Charter, and at the request of the WIPO Audit Committee, two Risk Registers have been established for the project, one under the responsibility of the pilot and the other under the responsibility of the Secretariat. Since October 2007, updates of these Registers are established on a monthly basis, after coordination meetings between the Secretariat and the Pilot so as to continuously upgrade the overall identification and coverage of risks during the life

of the project. Updates of both Registers are regularly presented to the Construction Committee, the Audit Committee and the Internal Audit and Oversight Division.

10. Project cost audits:

- recommended by the Audit Committee in April 2006;
- requested from the External Auditor by the Secretariat in July 2006;
- submitted by the External Auditor in December 2006;
- supplemented (as recommended by the External Auditor) by a detailed audit conducted by the pilot, at the request of the Secretariat and submitted in April 2007.

II. PROGRESS OF THE CONSTRUCTION SITE

11. The construction site reopened on April 7, 2008. Construction is on schedule for a completion date of October 2010. “Phase I” covers the new administrative building consisting of a ground floor (mainly, a lobby and a 320-place cafeteria), five floors of offices and four underground levels of a central unloading dock area, technical areas, parking and storage areas. Phase I includes the main following steps unfolding throughout the 30-month construction period: special work and earthwork, major structural work, facades, fixtures and fittings, and landscaping.

12. “Phases II and III” cover the underground levels between the AB Building and the new building and the future new access to the AB Building underground parking. These Phases, which require the deactivation of the current AB Building parking ramp, started at the end of June 2008 with preparations for a provisional access (for staff, delegates, visitors and vehicles) from and onto the *Route de Ferney*, that will be fully operational as from early October 2008 (for all access). This provisional access will in turn be deactivated as soon as the new ramp to the AB Building parking becomes operational (scheduled for September 2009). In parallel, and also starting in October 2008, the following main steps will unfold until the completion date of the underground levels in August 2010: special work and earthwork, major structural work, fixtures and fittings, and landscaping.

13. The “Indicative Construction Phase Timetable” is set out in Annex II.

III. ESTIMATED COST AND PLANNED FINANCING

Estimated cost of the project

14. Based on the fixed-price contract signed with the general contractor, the cost of the project is now preliminarily estimated at approximately 153 million Swiss francs, to be compared with the original amount of approximately 190 million Swiss francs for the original project, and the revised amount of approximately 125 million Swiss francs for the revised (“reduced” in 2005) project. The Member States Group Coordinators were briefed on the matter on the occasion of two meetings held on January 18 and 25, 2008, before signature of the contracts with the general contractor and the banks. The WIPO Audit Committee was

informed on the occasion of its eighth meeting held from February 18 to 21, 2008. It should be noted that the amount of 153 million Swiss francs includes a reserve for unforeseen of approximately 7.8 million Swiss francs, calculated in accordance with the detailed cost audit carried out by the Project Pilot in 2007 and validated by the External Auditor in his 2007 audit report (see document A/43/INF/6). An updated and consolidated budget for the new construction project will be presented to the Program and Budget Committee and the Assemblies of the Member States of WIPO.

Financing of the project

15. A proposal for financing the amount in excess of that previously approved by Member States will be presented to the Program and Budget Committee for recommendation to the Assemblies of Member States.

Effect of the project on the WIPO regular budget

16. An amount of 6.7 million Swiss francs was approved, on March 31, 2008, by the Assemblies of the Member States of WIPO under Program 31 in the Program and Budget for the 2008/09 biennium (documents A/44/2, Annex, page 136, and A/44/3, report, paragraph 23), to cover mainly the cost of the project pilot and the estimated cost of the bank loan. In addition, the regular budget (Program 29) will continue to bear the rental cost of non-WIPO-owned premises in the 2008/2009 and 2010/2011 biennia pending completion of the project.

IV. REGULAR REPORTING

WIPO Audit Committee

17. The Secretariat continues to regularly present progress reports to the WIPO Audit Committee. The project pilot has been invited to join the Secretariat on the occasion of several meetings of the Committee.

External Auditor

18. The project is currently being audited by the External Auditor as part of the first semester audit for 2008. The External Auditor has also met with the project pilot on that occasion.

Internal Auditor

19. The Internal Audit and Oversight Division issued, in July 2008, a second audit report relating to the project. It comprises a second audit of the WIPO Risk Register and a first audit of the tender process for the general contractor.

V. EXPERTS AND ADVISORS

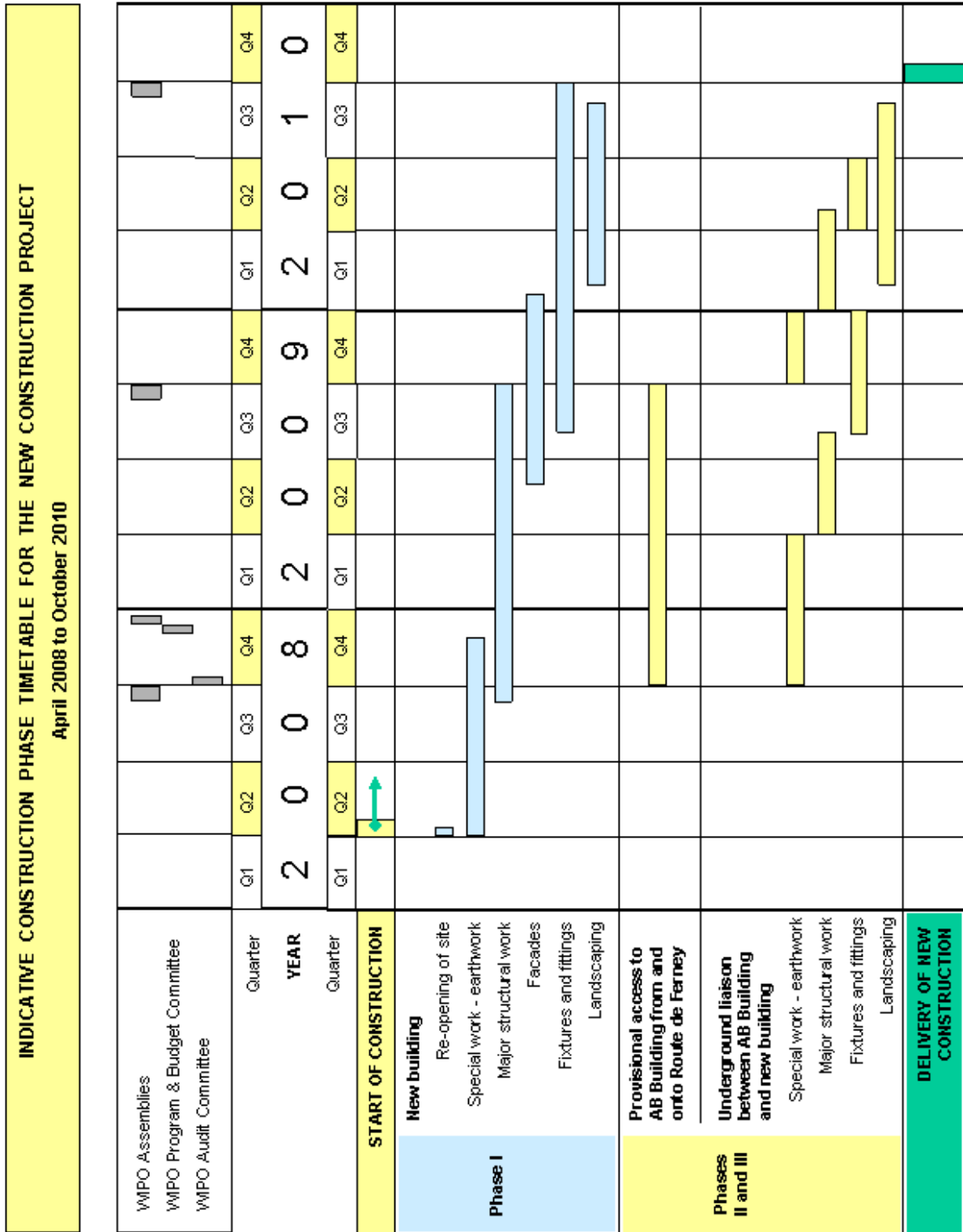
20. The *Institut pour le droit suisse et international de la construction* (Swiss and International Construction Law Institute), attached to the University of Fribourg, Switzerland, engaged in July 2006 to advise on a number of matters relating to the project, continues to be consulted by the Secretariat on specific questions, if needed. Similarly, the financial expert, engaged in July 2007 to advise on matters relating to the selection of the financing institution continues to be consulted, on the basis of updated terms of reference, in connection with the drawing of funds from the loan.

21. *The General Assembly is invited to take note of this Progress Report.*

[Annexes follow]

ANNEX II

INDICATIVE CONSTRUCTION PHASE TIMETABLE



[End of Annex II and of document]