

# WIPO



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WORLD INTELLECTUAL PROPERTY ORGANIZATION  
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## PROGRAM AND BUDGET COMMITTEE

Thirteenth Session  
Geneva, December 10 and 11, 2008

### PROGRESS REPORT ON THE NEW CONSTRUCTION PROJECT

*prepared by the Secretariat*

1. The purpose of this document is to present to the Program and Budget Committee (“the PBC”) a progress report on the new construction project covering the period since the previous report (document WO/PBC/12/7) was presented to it, on the occasion of its twelfth session, held from September 11 to 13, 2007. Reference is also made to the progress report presented to the thirty-sixth session of the General Assembly, held from September 22 to 29, 2008 (documents WO/GA/36/6 and 13 Prov. (draft report, paragraphs 369 to 373)).
2. The main milestones achieved in the last 14 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 WIPO 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 WIPO Audit Committee and the Internal Audit and Oversight Division.

10. Project cost audits:

- recommended by the WIPO 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 consisting 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 as well as the future new ramp to the AB Building underground parking. These Phases started at the end of June 2008 with preparations for a provisional access (for staff, delegates, visitors and vehicles) from and into the *Route de Ferney*, that has now been fully operational since October 6, 2008 (for all access). This provisional access will be deactivated as soon as the new ramp to the AB Building parking becomes operational (scheduled for September 2009). In parallel, and also since the beginning of October 2008, the following main steps are unfolding 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 BUDGET AND PLANNED FINANCING

### *Estimated budget of the project*

14. Based on the fixed-price contract signed with the general contractor, the budget of the project is now preliminarily estimated at about 153.6 million Swiss francs. This estimated amount is to be compared with the original amount of about 190.5 million Swiss francs for the original project, approved by the thirty-seventh session of the Assemblies of the Member States of WIPO (held from September 23 to October 1, 2002 (documents A/37/2, A/37/9 and A/37/14 (report), paragraph 262). It is also to be compared with the revised amount of about 125.5 million Swiss francs for the revised project whose reduced scope, as well as financing via a commercial loan, were approved by the forty-first session of the Assemblies of the Member States of WIPO (held from September 26 to October 5, 2005 (documents A/41/16 and A/41/17 (report), sub-paragraphs 194(iv) and (vii)).

15. The Member States Group Coordinators were briefed 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, and was further briefed on the matter on the occasion of its ninth and tenth meetings (held in May and October 2008).

*Updated and consolidated budget and financing of the project*

16. An updated and consolidated budget for the new construction project together with a proposal for the corresponding financing is the subject of a separate document (document WO/PBC/13/6(b)), presented to the PBC for recommendation to the Assemblies of the Member States of WIPO.

*Effect of the project on the WIPO regular budget*

17. 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. For the purposes of the Proposed Revised Program and Budget for the 2008/09 biennium presented to the PBC, the amount of 6.7 million Swiss francs has been reduced to 4.9 million Swiss francs. The reduction of about 1.8 million Swiss francs is due to the updated payment plan for the honoraria of the project pilot and to the calculation of the interest on the loan, based on the contract with the financing entity and on the amounts and timing of the drawn down from that loan (document WO/PBC/13/4). In addition, the regular budget 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*

18. 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 that Committee.

*External Auditor*

19. The project has been 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. The audit report, dated July 30, 2008, was addressed to the Director General on October 28, 2008. It is being made available separately to the WIPO Audit Committee, the PBC and the Assemblies of the Member States.

*Internal Auditor*

20. 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

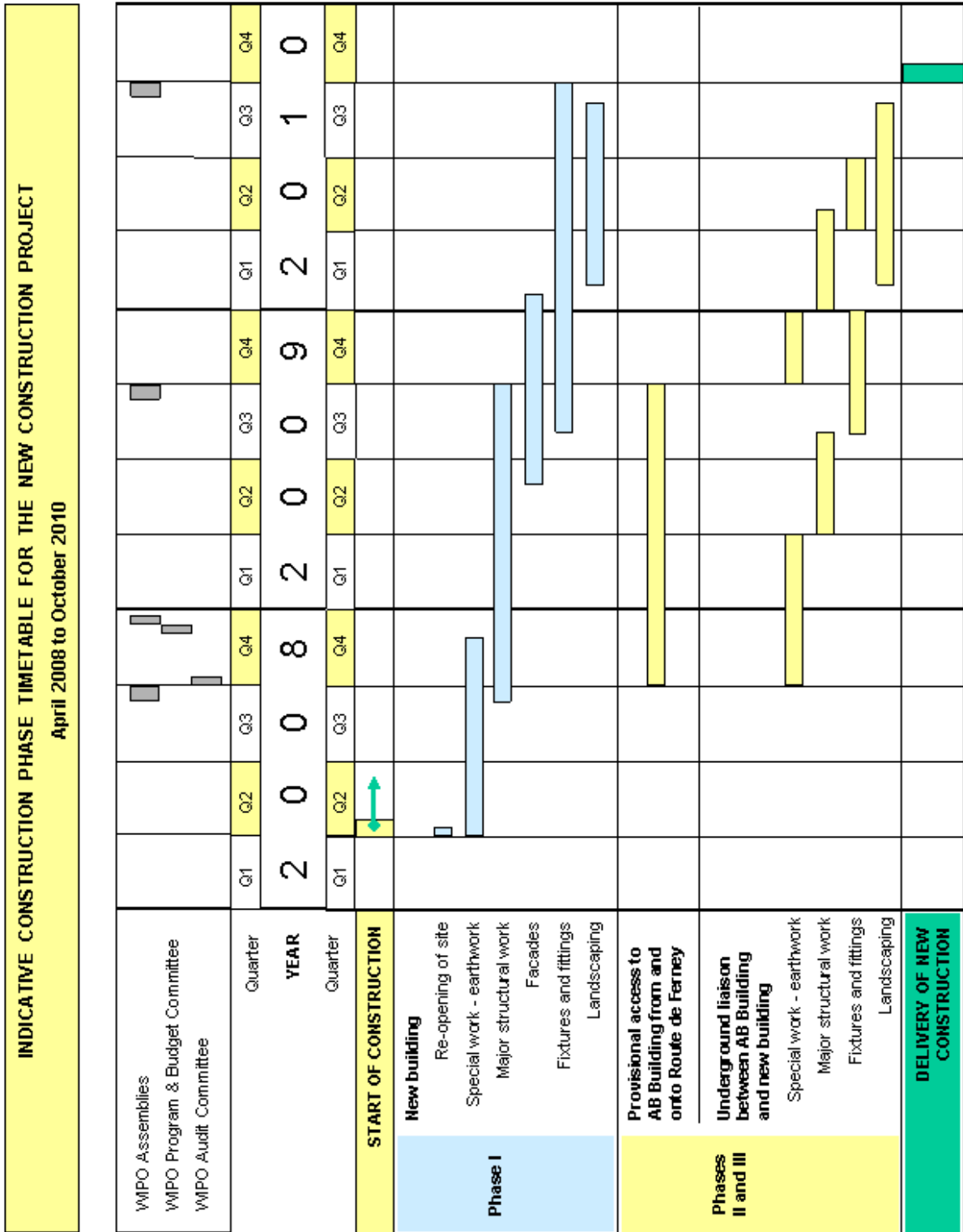
21. The *Institut pour le droit suisse et international de la construction* (Swiss and International Construction Law Institute), attached to the University of Fribourg, Switzerland, engaged in July 2006 to advise on a number of matters relating to the project, continues to be consulted by the Secretariat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

22. *The Program and Budget Committee is invited to take note of this Progress Report.*

[Annexes follow]



ANNEX II



[End of Annex II and of document]