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PROVISIONAL WFP HEADQUARTERS PREMISES

1. The provisional WFP headquarters building is over 30 years old. Nearly all the technical infrastructure systems are obsolete and have undergone gradual deterioration. There is thus an urgent need either to carry out extraordinary maintenance improvements to ensure that the building meets current Italian and European Union building and safety standards, or to move to new premises.
2. The electrical system needs to be completely renovated. WFP has expanded its office systems to provide the necessary support to Programme activities and the capacity of the present electrical system is now precariously close to overloading. There is, therefore, continuous risk of a system failure that could paralyse office operations. Emergency back-up systems are required for corridor and emergency exits, computer facilities and other essential services.
3. The design of the interior needs to be modified or enhanced to meet current building and safety standards, including the provision of adequate access for the handicapped, improvements to the emergency exits, fire-escapes, fire-doors, smoke-traps and access doors to the stairways. Fire prevention systems need to be replaced, overhauled or installed. Safety mechanisms must be replaced with more modern and efficient systems. General improvements to the technological areas located in the lower levels of the building, improvements to the cafeteria kitchen equipment, ventilation and cold storage areas are also required.
4. The air-conditioning system is in urgent need of replacement or complete restructuring to ensure the appropriate conditioning and delivery of fresh air. The central cooling system is inadequate, the change of air and air-filtering mechanisms are not functioning properly and the air ducts need to be replaced or drastically improved. The air delivery and ventilation system to several office areas is completely lacking and has to be installed. Staff throughout the building are being affected by the poor quality of air.
5. Management is concerned about the impact this situation may have on WFP staff and is determined to rectify the situation as a matter of urgency.
6. The current contract for rent of the building is between FAO and the proprietor, INPDAI. When the contract was signed in 1987, it stipulated that INPDAI would make many improvements to the building, but most of these have never been carried out.
7. The Italian Government, in its Note Verbale of 23 February 1996, has authorized WFP to take over the contract with INPDAI, subject to INPDAI's confirmation that it will incur the expenses needed to bring the building in line with current Italian building standards.
8. WFP, with the participation of a Representative of the Government of Italy, is negotiating the eventual transfer of the INPDAI contract from FAO to WFP, with a transfer agreement stipulating the specific works that must be undertaken to carry out



all the extraordinary building maintenance, at INPDAI's expense, and other building improvements required by WFP, for its operations, at its own expense.

9. WFP contracted a project management firm, specialized in building renovation, to carry out an inspection and feasibility study to determine: the actual state of the building with a "risk" assessment; urgent essential works; recommended works; time required to implement the work and a general cost estimate. The study was also to identify the extraordinary maintenance works required to comply with current Italian and European building standards and safety legislation that come under the responsibility of the proprietor (INPDAI), and building modifications, improvements and installations to meet WFP's operational requirements at its own expense (to be reimbursed by the Government of Italy in accordance with the Headquarters Agreement).
10. Based on the conclusions contained in the feasibility study report and the deliberation of this issue by the Executive Board, WFP will determine, in consultation with the Government of Italy, whether it is feasible to proceed with a building renovation project after considering the costs and time required to implement the works. If it is deemed to be feasible, WFP will request the project management firm to prepare the technical specifications of the project, delineating clearly INPDAI's and WFP's respective responsibilities (including a strict time schedule with penalties for delays), which will be provided to INPDAI for tendering and implementation. The firm would subsequently make periodic inspections during the course of the work to supervise that project specifications are adhered to. However, WFP management has grave doubts regarding INPDAI's capacity to expedite the tender process and to implement the works in an acceptable manner because of its unacceptable performance in the past vis-à-vis maintenance of the building.
11. The Programme has already provided the Government of Italy with a preliminary estimate of expenditures for 1996 and 1997 for all installations and improvements to render the building suitable for WFP's operations, that are not considered INPDAI's responsibility (i.e., conference room facilities and modifications to the ground floor reception area, cafeteria, etc.). Precise budget estimates will, of course, only be available after completion of the technical specifications for a building renovation project. For the time being, WFP has requested the Permanent Representation to arrange for the responsible government offices to make the necessary budgetary provisions to reimburse WFP for these expenditures in accordance with the Headquarters Agreement.
12. In this regard, the Board may wish to note that, in accordance with Article II, sections 3 (a) and (b) of the WFP Headquarters Agreement, the Government of Italy, *inter alia*, shall (a) reimburse WFP for the rent paid for its premises; and (b) pay the expenses of supplying furniture and equipment, including that required for internal communications, for simultaneous interpretation, as well as for the installation of telecommunication facilities and the modification and remodelling of the premises.
13. Renovation of WFP's provisional headquarters would greatly improve the current precarious situation. However, it is clear that it would be preferable to move to convenient new premises rather than dislocate staff to temporary office accommodation in order to carry out the extensive renovations that may be as long as

30 months. Although this could be accomplished one tower of the building at a time, it would be very disruptive to the Programme's operations to have staff working in two locations and the loss of work time would be significant.

14. Executive Board members may recall that the Programme carried out an extensive review of possible alternative locations two years ago. At that time, new facilities were identified but it was not possible to negotiate the necessary arrangements to leave the current premises with the Government of Italy.
15. Members may also wish to note that WFP has informed the Government of Italy that it is pursuing the renovation project, as it is the only possible solution that has emerged to date. Since WFP has not been provided with a suitable alternative building, it is essential either to rectify the precarious situation in the current premises without delay to ensure that WFP staff have a safe working environment and WFP operational requirements are adequately met, or request the Government of Italy to assist in identifying a suitable alternative solution.
16. In view of the numerous problems involved in a building renovation project, WFP will continue to urge the Government of Italy to actively pursue the possibility of purchasing or constructing a new building which could be placed at WFP's disposal, as foreseen when negotiating the Agreement regarding WFP headquarters.
17. The Programme's preference for new premises is linked to the length of time required for a renovation project. The proprietor, INPDAI, is a Public Corporation that was earmarked to become a private foundation in 1994. At that time, WFP had obtained INPDAI's agreement in principle to carry out the renovation project and recover expenses through non-payment of the rent. However, INPDAI's new status did not materialize and, therefore, Italian legislation requires that INPDAI itself must seek tenders for the work involved and direct the operations in accordance with procedures stipulated by the Italian Ministry of Public Works. The total project cycle would, therefore, be as follows: preparation of the detailed design, technical specifications, construction drawings and tender documentation (five months); the tender process and contract awards to suppliers (four months); and implementation of the renovation works (18 months). The cycle would therefore be around 27 months. If time is allowed for administrative arrangements between cycles, the entire project would require 30 months. If it were to be initiated in June 1996, it would take until December 1998 to finish, although one tower of the building could be completed by the end of 1997.
18. In the event that no other suitable premises can be identified and it is decided to proceed, the Programme would, of course, try to expedite the project. In this regard, WFP would advance the necessary funds to contract the project management firm and meet expenses related to the renovation project, as well as other expenses foreseen in the Headquarters Agreement. An annual statement of expenditure would be provided to the Government of Italy, indicating the total to be reimbursed in accordance with the terms of the Headquarters Agreement.

19. The above reflects the situation as of early May 1996. At the next Session of the Executive Board (27-30 May 1996), WFP will inform Members of the situation at that time. The report of the project management firm will be distributed for information as an in-session document.



