

27TH SESSION OF THE STANDING COMMITTEE ON PROGRAMMES AND FINANCE

AGENDA ITEM 9

Update on plans for the IOM Headquarters building

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PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Background

- Council Resolution 1373 approved preliminary estimated budget CHF 68.1 million for demolition and reconstruction of a new HQ Building.
- The Council further requested the DG to develop the total cost for a construction project and submit it for approval when finalized.

PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Coordination/Consultation

- Oversight by the Steering Committee
- Operational Group & Coordination Committee meetings discuss project and provide clarifications related to the mortgage.
- IOM invited to Workshop by the Building Foundation for International Organizations (FIPOI) on neighboring buildings development and discussed opportunities for synergies.
- Ongoing consultations with other Organizations undertaking similar projects
- Host state representatives reiterated their strong commitment to help the Organization in this project.

PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Issues Explored

- Risk assessment from UNDSS for perimeter security implies reinforcement of the planned building.
- Assessment of groundwork reinforcement
- Light depollution of existing building and site will be necessary, as well as piling for foundations.
- Asbestos test, building pollutants.
- Available land on existing site limited for construction as some preserved trees will need to be preserved. Engaged in discussions with Host state on this issue.

PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Project development

- Undertaken needs analysis and decided on flexible occupancy model with collaborative shared space, some independent offices and meeting/ social space
- Program developed for 600 staff and conference facility (300 seats).
- Strategy for tender and project development through an Architectural competition following a local format (Société Ingénieurs Architectes suisses - SIA 142) recommended by Host state.
- Project schedule defined with completion date set for 2028.
- Cost of project established at CHF 72.0 million, including risk mitigation & revision of parts of broad initial estimate.

PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Revised construction budget

		Option 5 *	
		Presented 2018	Revised 2020
Project and building characteristics	Description of planned activities	Demolition of existing building and construction of new building	Demolition of existing building and construction of new building
	Expected construction/renovation period	36 months	36 months
	Estimated cost saving on maintenance, running and other costs (cost as percentage of the baseline)	30%	30%
One-time investment (funded by loan)	Construction cost	41 660 000	47 420 000
	Construction management fee	6 249 000	7 000 000
	Contingency: 17% of total construction and construction management costs (original option 5: 25%)	11 977 000	10 700 000
	Audit and risk assessment	4 166 000	4 350 000
	Conference facility equipment/furniture (immovable)	2 500 000	880 000
	Cafeteria equipment/furniture	1 550 000	1 650 000
	Subtotal: construction/renovation costs (to be capitalized)	68 102 000	72 000 000
Cost to IOM (year 1 to year 3)	Project management costs	1 500 000	1 500 000
	Conference facility furniture, fittings and equipment		1 620 000
	Rental of temporary premises during the project period	4 860 000	4 860 000
	ICT and business continuity costs	1 500 000	1 500 000
	Moving costs	1 000 000	1 000 000
		Subtotal: project management and temporary office costs (to be expensed)	8 860 000
	TOTAL COST YEAR 1–YEAR 3	8 860 000	10 480 000
Annual cost to IOM from year 4	Amortization of the new loan (over 50 years)	1 362 000	1 440 000
	Conference venue rental cost	25 000	25 000
	Maintenance and running costs (estimated for 600 staff)	919 000	919 000
	TOTAL RECURRING COSTS AFTER THE PROJECT PERIOD	2 306 000	2 384 000

Repayment of the existing loan	The existing loan will need to be repaid to enable the signing of a new loan.	5 160 427	3 686 000
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* Option 5 was the proposal approved out of the options presented in C/109/10.

PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Revised construction budget

- **Construction cost:** cost increase following assessment of demolition, depollution and foundation works, reinforcement of façades and perimeter fence in line with UNDSS recommendations, energy efficiency to meet Host state requirement (ultra high energy performance) etc.
- **Construction management fees:** contingency and audit & risk assessment budgets have been adapted to the revised construction cost. Contingency ratio has been reduced from 25% to 17% following some risk incorporation in construction costs.

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Revised construction budget

- **Conference facility**: Construction loan only covers immovable equipment/furniture so budget has been reduced. A new budget line for furniture has been created in the “cost to IOM” section (CHF 1.6M).
- The revised budget of CHF 72.0M instead of previously CHF 68.1M (+5.7%) will be amortized over 50 years at a yearly cost of CHF 1.44M (previously CHF 1.36M)
- The additional CHF 3.9 million in project costs will be accommodated within approved project budget and Member States’ assessed contributions will not be increased to cover those costs.

PLANS FOR THE IOM HQ BUILDING – UPDATE 4

Request for approval

- Approve the revised construction cost of CHF 72.0 million.
- Authorize the Director General to submit a mortgage request to the Government of Switzerland for the revised amount, the first phase of the application being for a Study loan to the amount of CHF 5.7 million

THANK YOU