



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



SECOND SESSION OF THE SUBCOMMITTEE ON PROGRAM, BUDGET, AND ADMINISTRATION OF THE EXECUTIVE COMMITTEE

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MASTER CAPITAL INVESTMENT FUND

Commencement of Program

Justification

1. Following the approval of the Master Capital Investment Fund by the 27th Pan American Sanitary Conference in October 2007, the Director of Administration requested that the appropriate Area Managers coordinate a continuous update of the needs for the respective sub-funds: Real Estate and Equipment and Information Technology. This progress report provides an update on the establishment of the funding and the latest information on future plans.

Background

2. The Master Capital Investment Fund expands on the previous funding mechanisms for real estate infrastructure (the PAHO Building Fund) and information technology infrastructure (the Capital Equipment Fund) programs. The authorized ceilings will be US\$ 2,000,000 for the Real Estate and Equipment sub-fund and \$6,000,000 for the Information Technology sub-fund. It is expected that the full ceilings will be achieved through carryover of unspent funds from the previous infrastructure funds and additional (excess of income over expenditure) funds from the 2006-2007 biennium. The final balances of the PAHO Building Fund and the Capital Equipment Fund will not be verified until the PAHO External Auditors complete their 2006-2007 biennial audit the beginning of April 2008. Therefore, a full report on the funding of the Master Capital Equipment Fund will be presented to the Executive Committee meeting in June 2008.

Progress Report

- a) The Real Estate and Equipment sub-fund currently contains projects spread over ten years and totals \$9,262,082 with \$226,850 programmed for renovations in commercially leased PWR offices, \$680,732 for PAHO owned offices and \$8,354,500 for the Washington D.C. Headquarters Building. Distribution of the 2006-2007 biennium funds will be dependent on priorities and the ability of offices to utilize the funds. A copy of the most current PWR/HQ listing is provided as Annex A.
- b) The Information Technology sub-fund currently has projected a total cost of \$26,917,000 spread over five biennia for a wide variety of information technology hardware and software needs. It is estimated that roughly 70% of the funding is directed to needs at the PWRs with the balance for the Washington D.C. Headquarters. The future emphasis will be on funding shared common infrastructure serving all PWRs and HQs and on ensuring business continuity. A copy of the most current program listing is provided as Annex B.

Action by the Subcommittee on Program, Budget, and Administration

3. The Subcommittee is invited to take note of the Progress Report and be informed that the full report will be presented to the 142nd Session of the Executive Committee in June 2008.

Annexes

HARDWARE, SOFTWARE AND TELECOMMUNICATIONS INVESTMENT PAHO FIELD OFFICES AND HQ

	2008/09 Biennium	2010/2011 Biennium	2012/2013 Biennium	2014/2015 Biennium	2016/2017 Biennium
Type of Investment					
PC¹	\$840,800	\$840,800	\$840,800	\$840,800	\$840,800
PBX²	\$830,000	\$255,000	\$70,000	\$30,000	
Server³	\$525,000	\$350,000	\$350,000	\$350,000	\$350,000
Backup Device⁴		\$100,000	\$175,000		
Firewall⁵		\$100,000		\$100,000	
Cabling⁶	\$70,000	\$70,000	\$70,000	\$300,000	\$70,000
Other Infrastructure (router, switch)⁷	\$50,000	\$50,000	\$50,000	\$100,000	\$50,000
Other (printer, digital sender)⁸	\$444,000		\$474,000		\$474,000
Software⁹	1,580,000	1,580,000	1,580,000	1,580,000	1,580,000
Telecommunications/ISP¹⁰	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
Total	\$5,795,800	\$5,145,800	\$5,509,800	\$5,200,800	\$5,264,800
Grand Total \$26,917,000					

¹ Assumes that the PC replacement cycle is every 3.5 years, both in country offices and HQ. Therefore, 437/year will have to be replaced in country offices (based on 1,530 staff) and 229 in HQ, based on 800 staff. These figures are based on \$1,400/machine (higher due to shipping costs) in the country offices and \$1,000/machine in HQ. These are minimum figures for the first year of the biennium, based on the fact that our current cycle is between 4 and 5 years. If PAHO changes to a 3.5 year replacement cycle, a large majority of the PCs will have to be replaced during the first year of the biennium. Therefore the \$840,800 figure quoted here may be slightly higher for the 2008/09 in order to regularize the replacement cycle.

² These figures are based on input ITS has received from PAHO country office and the current costs of PBX's based on number of staff, as well as the age of the offices current PBX.

³ These figures are based on 3 corporate application servers being replaced in the 2008/09 biennium and 2 servers for every country office each recurring biennium to support additional local applications. Currently many country offices are using PCs as file servers.

⁴ These figures are based on the fact that ITS has just completed a procurement for new backup devices for field offices. However, in the 2010/2011 biennium ITS will need to replace the current backup devices in HQ, as well as country offices in 2012/2013, due to the hardware's lifecycle.

⁵ These figures are based on a 4 year replacement cycle.

⁶ This assumes that cabling is replaced every 10 years. Based on 35 offices, cabling costs will have to be incurred at an average of \$9,700 per office, with 4 and 5 offices replacing cabling each year.

⁷ Figures are based on the number of cabling drops/office and similar to cabling costs. Industry standards for cabling are \$100/port and switch prices based on \$5,000/25 users.

⁸ Figures are based on 7 users per networked printer and 50 users per shared digital sender.

⁹ These figures are based on a Microsoft payment of \$425,000/year, in addition to antivirus, etc. license for both HQ and field as well as FAMIS/ADPICS license of \$175,000/year.

¹⁰ These figures are based on preliminary estimates for a private MPLS network to the majority of PAHO country offices that offers both class of service and quality of service.

Master Capital Investment Plan for 2008-2009				As of 11 February 2008	
Location	Project description	Start Date	End Date	Est. costs	Country Subtotal
Argentina	Replace suspended ceiling	05/08	06/08	\$15,000	Argentina
Argentina	Replace carpets and wooden floors	07/08	08/08	\$8,000	\$23,000
Barbados	Install security cameras & detectors	06/08	07/08	\$17,000	
Barbados	Install electric gates and barriers to compound -	06/08	07/08	\$15,000	
Barbados	Install emergency lights and alarms -	06/08	07/08	\$12,200	
Barbados	Upgrade irrigation system	09/08	11/08	\$10,000	
Barbados	Interior repainting	09/08	10/08	\$37,000	
Barbados	Change carpets - need verify cost	01/09	02/09	\$5,000	Barbados
Barbados	Install shatter resistant film	02/09	03/09	\$30,000	\$126,200
					Bolivia
Bolivia	"Fit out" costs for relocated PWR office	03/08	04/08	\$50,000	\$50,000
Brazil	Additional panic handles to doors	03/08	04/08	\$15,000	
Brazil	Install water sprinklers to more office areas	04/08	06/08	\$7,000	
Brazil	Repair electrical system	09/08	12/08	\$20,000	
Brazil	Remodel change rooms for work crews	03/09	07/09	\$45,000	Brazil
Brazil	Replace roof membrane	05/09	08/09	\$35,000	\$122,000
					Cuba
Cuba	Major rehab every five years (2008)	10/08	12/08	\$20,000	\$20,000
Dom. Rep.	Install hurricane windows	04/08	06/08	\$20,000	
Dom. Rep.	Remodel technical area offices	05/08	08/08	\$43,100	
Dom. Rep.	Remodel PWR office	07/08	09/08	\$25,000	
Dom. Rep.	Repaint exterior of PWR building	10/08	12/08	\$7,000	
Dom. Rep.	Install building access control	01/09	03/09	\$15,500	
Dom. Rep.	Install fire detection system	06/09	08/09	\$40,000	Dominican Republic
Dom. Rep.	A/C repairs	10/09	11/09	\$20,000	\$170,600

					Guatemala
Guatemala	"Fit out" costs for new PWR office in a common UN house	06/09	08/09	\$60,000	\$60,000
					Haiti
Haiti	Repair termite infested roof	06/09	08/09	\$50,000	\$50,000
Jamaica	Upgrade to breakers from fuses (combine with fire detection upgrade)	04/08	06/08	\$2,500	
Jamaica	Install fire detection system (combine with electrical wiring upgrade)	04/08	06/08	\$5,000	Jamaica
Jamaica	Add new generator	04/08	06/08	\$5,000	\$12,500
Nicaragua	Install fire alarm system (combine with ID card access)	05/08	07/08	\$31,485	
Nicaragua	General remodeling (verify prior project: replace ceiling, change vinyl walls, anticyclone windows)	05/08	07/08	\$100,000	Nicaragua
Nicaragua	ID card & access control (combine with fire alarm system)	05/08	07/08	\$1,490	\$132,975
Panama	Replace 1.5 ton A/C unit (over 40 yrs old) which require frequent repairs	03/08	05/08	\$12,000	Panama
Panama	Replace two door at main entrance with upgraded safety doors (1,000 each)	03/08	05/08	\$2,000	\$14,000
Paraguay	Rehab electrical system - upgrade electrical circuits,	06/08	08/08	\$6,200	
Paraguay	Replace wood doors with steel entry doors;	06/08	08/08	\$6,000	Paraguay
Paraguay	Remodel offices of PWR and GSO & floor repairs	06/08	08/08	\$4,400	\$16,600
					Uruguay
Uruguay	"Fit out" costs to relocate PWR and CLAP to new site	09/08	11/08	\$60,000	\$60,000
Washington	Replace main roof (office block)	03/08	08/08	\$350,000	
Washington	Install water booster pump	05/07	06/07	\$20,000	Washington
Washington	Rehab four elevators	06/08	08/08	\$700,000	\$1,070,000
				Grand Total	\$1,927,875
				Total amount available	\$2,000,000
				Reserve amount	\$72,125
Note: start/end dates subject to confirmation due to contracting					