

B. MASTER CAPITAL INVESTMENT PLAN

Periodic Report on the Implementation of the Master Capital Investment Plan

Introduction

1. This document summarizes the Master Capital Investment Plan activities and projects for 2008-2009 and those proposed for 2010-2011, as well as for 2012-2019, that are funded by the Master Capital Investment Fund (MCIF) and by the PAHO Holding Account (HA).

Master Capital Investment Plan

2. The Master Capital Investment Plan reflects the Organization's increasing efforts to maintain and improve the building infrastructure, equipment, and information technology at its installations throughout the Region in a systematic manner. In an effort to improve transparency and show the coordination between related activities and projects in the Master Capital Investment Plan that are funded by the Master Capital Investment Fund and by the Holding Account, the Secretariat has included references to both MCIF and HA activities and projects in this document and in Annexes A and C.

3. The Holding Account was created as a result of excess budget availability from the 2006-2007 biennium. One-time major infrastructure projects in the administrative and technical areas were authorized by the 48th Directing Council in Resolution CD48.R1 (October 2008). Among others, these included the Emergency Operations/Knowledge Center and the installation of energy-efficient windows in the Washington Headquarters Building. Specific project descriptions for Holding Account projects are found in Document CE146/27. Details on the Master Capital Investment Fund are outlined below.

Master Capital Investment Fund - 2010-2011 Biennium Funding

4. The Master Capital Investment Fund was initially funded in January 2008 with US\$ 2 million[†] for the Real Estate and Equipment Subfund and \$6 million for the Information Technology Subfund. As of 1 January 2010, the unobligated balances remaining from the 2008-2009 biennium were \$1.2 million in the Real Estate and Equipment Subfund and \$2.0 million in the Information Technology Subfund. The purpose of the Real Estate and Equipment Subfund is to support the ongoing major repairs, upgrades and renovations at the various PAHO office sites throughout the Region. The Information Technology Subfund supports the acquisition of computer hardware, telecommunications equipment and software licenses at Headquarters and the

[†] Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

Country Offices. The MCIF is critically dependent upon regular infusions of new funding at the start of each biennium.

5. In accordance with Resolution CSP27.R19 (October 2007), the Director shall notify the Executive Committee of the transfer of \$2 million of excess income over expenditure from the 2008-2009 Regular Program Budget to the Master Capital Investment Fund for the 2010-2011 biennium. The same resolution requires the Director to seek the Committee's approval for the transfer of an additional \$2 million of excess income over expenditure from the 2008-2009 Regular Program Budget funds to the Master Capital Investment Fund. The funding will be divided between the two subfunds.

Real Estate and Equipment Subfund

Projects at Headquarters

6. The three Real Estate and Equipment projects that were completed at PAHO Headquarters in 2008-2009 are identified in Annex A. Components of those completed projects are:

- installation of a domestic booster pump to ensure proper water flow to the chillers for the building's air conditioning equipment;
- installation of previously purchased simultaneous-interpretation equipment in conference rooms B and C;
- completion of a space study to reassign staff members to locations in accordance with the Organization's new structure, as established by the Director.

7. Assuming that sufficient funds are available for the Master Capital Investment Plan in 2010-2011, the elevator project, which was postponed from 2008-2009, will commence upon the completion of the roof repair project (a Holding Account project) and the achievement of substantial progress on the window replacement project (also a Holding Account project). Furthermore, two engineering studies approved in 2008-2009—the first on the conference area and the second to review building conditions—should proceed in 2010-2011. The three MCIF projects for Headquarters which are currently slated for implementation in 2010-2011 are listed in Annex C.

Projects in PAHO/WHO Country Offices

8. In 2008-2009, the Director initially approved 26 projects in Country Offices valued at \$1.1 million. Five of these projects were not started in that biennium and have

been carried over to 2010-2011. The full list of MCIF projects completed in 12 countries in 2008-2009 is found in Annex B.

9. The list of postponed 2008-2009 projects and carried forward into 2010-2011 includes:

- the architectural/engineering studies to support construction, at Member State expense, of a new PAHO/WHO Representative (PWR) office in Santiago, Chile;
- the renovation costs to relocate Uruguay's PWR office in a Ministry of Health building;
- the replacement of the air conditioning unit in the PWR office in Panama.

10. Thirty-one MCIF projects planned 2010-2011 will be distributed among PWR offices and Washington, D.C., Headquarters. They are described in Annex C by major categories. Based on the experience in 2008-2009, some projects may be delayed or cancelled once local priorities and local circumstances are reexamined during the 2010-2011 biennium.

11. Several of the new projects for 2010-2011 are now under review by the PAHO Infrastructure Investment Projects Committee (PIIP), a committee created by the Director in September 2009 to analyze the Master Capital Investment Plan projects in both subfunds and to provide recommendations on their feasibility and priority within the limited funds available.

Information Technology Subfund

12. A total of \$4.3 million was expended in 2008-2009 on various Master Capital Investment Plan information technology projects (Annex A), including:

- the procurement of desktop computers, laptops, and peripherals (printers and other equipment);
- the procurement and installation of servers and hosting infrastructure;
- the upgrading and renewal of existing software and procurement of new software;
- information security.

13. The projects planned for the 2010–2011 biennium (Annex C) include:
- software licenses;
 - network infrastructure;
 - licenses and replacement systems for telephone systems, primarily at country level;
 - information security hardware and software;
 - servers and hosting infrastructure at Headquarters and Country Offices;
 - replacement of desktops, notebooks, and peripherals, including printers and scanners.

Next Steps

14. Given the limited financial resources and uncertainty over future funding availability, the Organization is committed to constant monitoring and reassessment of essential projects and their estimated costs.

Action by the Directing Council

15. The Directing Council is invited to take note of this report.

Annexes

**Master Capital Investment Plan 2008-2009
(In US\$)**

Location	Project Description	Current Status for the 2008-2009 Biennium	Available Funding in the 2008-2009 Biennium	Total Expenses 2008-2009	Funding Source	Category
Regional	Desktops and laptops	Completed	740,910	739,861	MCIF	Information Technology
Regional	Peripherals, including printers and other equipment	Completed	603,032	573,106	MCIF	Information Technology
Regional	Servers and hosting infrastructure	Completed	700,787	700,787	MCIF	Information Technology
Regional	Information security	Completed	155,514	155,514	MCIF	Information Technology
Regional	Telephony	Completed	567,710	523,828	MCIF	Information Technology
Regional	Network infrastructure	Completed	360,131	351,378	MCIF	Information Technology
Regional	Upgrade and renew existing software and purchase of new software	Completed	1,297,203	1,297,203	MCIF	Information Technology
Regional	Modernization of the Service Model for the Delivery of IT and Knowledge Management (KM) services (Holding Account Profile 3B)	In progress	500,000	0	Holding Account	Information Technology

**MCIF (Real Estate and Equipment Subfund)
Completed Projects by Categories - 2008-2009**

Location	Project	Final Cost
Barbados	Various security/ building upgrades	36,300
Belize	Costs associated with relocation to a new location	35,000
Bolivia	Replacement carpet	15,000
Bolivia	Document center repairs	12,000
Costa Rica	Install computer cables and other office remodeling for new office space	15,000
Cuba	Major rehabilitation of office space	20,000
Dominican Republic	Closed Circuit TV system	15,551
Dominican Republic	Install fire detection system	12,024
Dominican Republic	Security fence around PWR building	10,395
Dominican Republic	Remodel office space	18,038
Dominican Republic	Remodel technical area offices	15,350
Guyana	Rehab office conference room	30,000
Haiti	Purchase land for parking lot (not completed due to earthquake)	300,000
Nicaragua	General remodeling (replace ceiling, change vinyl walls, anticyclone windows)	100,000
Nicaragua	General remodeling (phase two approved May 2009)	100,000
Nicaragua	Install combined identity card and fire alarm system	31,200
Panama	General remodeling plus steel door money	21,000
Suriname	50% of renovations cost for Corner House	130,000
Venezuela	Roof Repairs (July)	17,587
Venezuela	A/C project (electrical upgrade)	3,521
Venezuela	Roof Repairs (May)	14,712
Venezuela	Replace A/C	22,500
HQ/Washington, D.C.	Install interpretation equipment in Rooms B and C	68,710
HQ/Washington, D.C.	Install water booster pump	36,751
HQ/Washington, D.C.	Space study of DC offices	112,800

**Master Capital Investment Plan 2010-2011
(In US\$)**

Location	Project Description	Current Status (as of 30 June 2010)	Available Funding to 30 June 2010	Additional Funds Requested for 2010-2011	Total Projected Expenses 2010-2011	Funding Source	Category
Regional	Desktops and laptops	In progress	248,500	151,500	400,000	MCIF	Information Technology
Regional	Peripherals, including printers and other equipment	In progress	227,500	72,500	300,000	MCIF	Information Technology
Regional	Servers and hosting infrastructure	In progress	343,000	257,000	600,000	MCIF	Information Technology
Regional	Information security	In progress	196,020	203,980	400,000	MCIF	Information Technology
Regional	Telephony	In progress	105,000	180,000	285,000	MCIF	Information Technology
Regional	Network infrastructure	In progress	0	110,000	110,000	MCIF	Information Technology
Regional	Upgrade and renew existing software and purchase of new software	In progress	620,480	879,520	1,500,000	MCIF	Information Technology
Regional	Modernization of the Service Model for the Delivery of IT and Knowledge Management (KM) services (Holding Account Profile 3B)- -1st funding source	In progress	500,000	1,000,000	1,500,000	Holding Account	Information Technology
	Modernization of the Service Model for the Delivery of IT and Knowledge Management (KM) services (Holding Account Profile 3B)- -2nd funding source	Planning stage	0	730,000	730,000	MCIF	Information Technology
Regional	Strengthening Communications through Improved Country Office Connectivity (Holding Account Profile 2C)--1st funding source	In progress	250,000	1,750,000	2,000,000	Holding Account	Information Technology
	Strengthening Communications through Improved Country Office Connectivity (Holding Account Profile 2C)--2nd funding source	In progress	0	100,000	100,000	Other Sources	Information Technology
	Subtotal - Information Technology Infrastructure		2,490,500	5,434,500	7,925,000		

Master Capital Investment Plan 2010-2011 (cont.)

Location	Project Description	Current Status (as of 30 June 2010)	Available Funding to 30 June 2010	Additional Funds Requested for 2010-2011^{1/}	Total Projected Expenses 2010-2011	Funding Source	Category
HQ/WDC*	Emergency Operations Center (EOC) and Knowledge Center (KC) (Holding Account Profile 1A)--1st funding source	In progress	1,500,000	1,400,000	2,900,000	Holding Account	Real Estate and Equipment
HQ/WDC	Emergency Operations Center (EOC) and Knowledge Center (KC) (Holding Account Profile 1A)--2nd funding source	In progress	0	500,000	500,000	Other Sources	Real Estate and Equipment
Country Offices	Improvements to Facilities: Minimum Operating Security Standards (MOSS) Upgrades and Security Measures (Holding Account Profile 4A)	In progress	113,162	0	113,162	Holding Account	Real Estate and Equipment
HQ/WDC	Improvements to Facilities: Energy-Saving Measures (Holding Account Profile 4B)	In progress	620,000	1,100,000	1,720,000	Holding Account	Real Estate and Equipment
HQ/WDC	Improvements to Facilities: Plaza Drainage System Repairs (Holding Account Profile 4C)	Planning stage	375,000	0	375,000	Holding Account	Real Estate and Equipment
HQ/WDC	Improvements to Facilities: Security and Sanitary Measures (Holding Account Profile 4D)	Planning stage	330,000	0	330,000	Holding Account	Real Estate and Equipment
HQ/WDC	Improvements to Facilities: HQ Office Tower Roof Repairs (Holding Account Profile 4E)	In progress	250,000	97,000	347,000	Holding Account	Real Estate and Equipment

* WDC = Washington, D.C.
 CD50/INF/8, Rev. 1 (Eng.)
 Annex B

Master Capital Investment Plan 2010-2011 (cont.)

Location	Project Description	Current Status (as of 30 June 2010)	Available Funding to 30 June 2010	Additional Funds Requested for 2010-2011	Total Projected Expenses 2010-2011	Funding Source	Category
HQ/WDC	Improvements to Facilities: Renovation of Headquarters Buildings (Holding Account Profile 4F)—1st funding source	Planning stage	975,000	0	600,000	Holding Account	Real Estate and Equipment
HQ/WDC	Improvements to Facilities: Renovation of Headquarters Buildings (Holding Account Profile 4F)—2nd funding source	Planning stage	0	100,000	100,000	Other Sources	Real Estate and Equipment
Country offices	Several repair, maintenance and relocations requests (to be evaluated)	Planning stage	500,000		500,000	MCIF	Real Estate and Equipment
HQ/WDC	Architects and engineering for 2nd floor conference area (approved by the Director in June 2008)	In progress	50,000		50,000	MCIF	Real Estate and Equipment
HQ/WDC	Conduct cost-benefit engineering study of major repairs for HQ building (approved 2008-2009)	In progress	30,000		30,000	MCIF	Real Estate and Equipment
HQ/WDC	Rehab elevators in HQ building (approved by the Director in March 2008)	In progress	700,000		700,000	MCIF	Real Estate and Equipment
	Subtotal – Real Estate and Equipment		5,443,162	3,197,000	8,265,162		
	Total		7,933,662	8,631,500	16,192,162		

**Security Improvements under Holding Account Project 4A:
Improvements to Facilities: Minimum Security and Safety Standards (MOSS)
Upgrades and Security Measures**

Funds provided from January 2008 to June 2010

Location	Items Purchased	Total US\$ Expenditures
Bahamas	Radios	7,380.00
Belize	Radios, satellite telephones and other communications equipment	7,800.00
Chile	Alarm system and radios	17,747.68
Colombia	Radios and satellite telephones	9,521.44
Costa Rica	Radios	9,211.50
Dominican Republic	Radios	11,839.94
Guatemala	Shatter film for car windows, radios, and other communications equipment	25,944.87
Honduras	Installation of steel front door and emergency exit signs	4,500.00
Jamaica	Radios	9,920.00
Nicaragua	Anti-shatter film on office windows	29,300.00
Panama	Radios	1,370.00
Peru	Metal detector and alarm systems	3,027.45
Trinidad and Tobago	Anti-shatter film on office windows	24,904.00
Uruguay	Satellite telephone	2,030.00
Venezuela	Closed circuit TV (CCTV) And perimeter wire	22,340.76
Total		186,837.64

Total funds approved	\$300,000.00
Balance to be allocated	\$113,162.36