



PAN AMERICAN HEALTH ORGANIZATION
WORLD HEALTH ORGANIZATION



147th SESSION OF THE EXECUTIVE COMMITTEE

Washington, D.C., USA, 1 October 2010

Provisional Agenda Item 5.1

CE147/3 (Eng.)
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HOLDING ACCOUNT ENERGY EFFICIENT WINDOWS PROJECT: FUTURE REQUEST FOR RELEASE OF BALANCE OF FUNDS

1. The purpose of this item is to provide an update on the Energy Efficient Windows Project previously approved by the Executive Committee and to notify the Committee of the Secretariat's intent to seek approval for release of the balance of funds to allow for commencement of the project in the spring of 2011.

2. In June 2008, the Secretariat proposed that the Executive Committee take note of the proposal to initiate a \$500,000 investment in a project to save energy by replacing the current windows with more energy efficient ones (CE142/30, Annex 4-B). On the recommendation of the 142nd Executive Committee, in October 2008, the 48th Directing Council, through Resolution CD48.R1, approved the initial funding of this project by appropriating the aforementioned \$500,000. Subsequent to this approval, the United Nations developed and challenged all agencies to reduce their carbon footprint and become more carbon neutral. As the window project is estimated to generate efficiencies in the use of electricity of 15%, or \$150,000, per year, it is in compliance with this "green" initiative. Resolution CD48.R1 also requires the Secretariat to periodically provide the Subcommittee on Program, Budget, and Administration with progress reports which discuss an updated scope, budget, and timetable as the project's progress for review and approval by the Executive Committee. As a result of this requirement, the attached annex was presented as Document CE146/27 during the 146th Executive Committee in June 2010. In Document CE146/27 three energy savings projects were consolidated for consideration:

- (a) \$1,400,000 for energy efficient Windows
- (b) \$1,100,000 for replacement of the current heating, ventilation, and air condition (HVAC) system
- (c) \$400,000 for a "green roof" project over Room A

3. In June 2009, an additional \$120,000 was approved by the Executive Committee using the delegation of authority granted to it in Resolution CD48.R1.
4. The Secretariat at this time is prepared to proceed only with the energy efficient windows project. Shortly, the Secretariat will initiate the solicitation process through issuance of a Request for Proposal to several vendors and invite them to submit bids for consideration. Upon receipt of the Request for Proposal, a complete technical review will be conducted to select the most appropriate proposal. It is anticipated that this process will be completed by December 2010.
5. In order to issue a contract, produce the windows, and begin installation when the weather improves in spring 2011, it will be necessary to request approval from the Executive Committee for the balance of the windows project funds (\$780,000) by whatever means the Executive Committee desires, in early January 2011, in order to meet this timetable.

Action by the Executive Committee

6. The Executive Committee is requested to take note of this report.

Annex

Project Profile 4.B

1. Project Title: Improvements to Facilities: Energy-saving Measures
2. Coordinating Entity: Office of the Director of Administration (AM) Participating Entities: AM, GSO
3. Beneficiaries: PASB staff, Member States, and visitors to the Headquarters building conference wing
4. Main issues and challenges or problems to be addressed: The Organization's principal physical asset is the Headquarters office tower and conference wing. Completed in 1965, the HQ building requires ongoing maintenance to ensure its continued usefulness in support of technical cooperation with Member States. Owing to a lack of funding, the 1999-2002 renovation did not replace the heating and ventilation systems or the electrical cabinets on the 2nd and 10th floors. All of the windows in the building date from 1965 and are single pane and very energy-inefficient. Recent improvements in building reconstruction and United Nations-wide initiatives foster a "green" United Nations energy program for buildings.
5. Brief description of impact: The cost of energy continues to increase dramatically and the project, while costly in the short term, will reduce the growing financial impact of future of energy bills at Headquarters. An energy consultant hired by PAHO has estimated that the project, when completed, will yield a cost savings of 15%, or \$150,000, per biennium.
6. Linkage to the Strategic Plan (Strategic Objective and Region-wide Expected Result): RER 16.6: PASB strengthened through institutional development reforms and a physical working environment that is conducive to the well-being and safety of staff. Indicator: 16.6.4: Percentage of PASB regional entities and PAHO Pan American centers that improve and maintain their physical infrastructure, office equipment, furnishings, information technology equipment and transport, as programmed in their biennial workplans.
7. Total Estimated Cost: \$2,900,000 Contributions from the PAHO Holding Account: \$1,720,000 Contributions from financial partners: \$0 Contributions from other sources: MCIF \$620,000 provided in 2008-2009; an additional \$1,100,000 is being requested for 2010-2011.

9. Comments:

The original proposal was as follows:

\$1.1 million	2nd and 10th floor heating ventilation, air conditioning (HAVC) and electrical upgrade
\$1.4 million	Energy efficient windows on the office tower (estimated at \$600,000 per side) and \$200,000 for the conference wing
\$400,000	“Green roof” on conference wing (Room A)

A detailed examination by an architect found that Room A cannot support a “green roof” without costly structural modifications. Consequently, GSO deferred this project. GSO will not reduce the project total because cost estimates for the windows and the HVAC project have increased since the original budget estimates were drawn up in 2008.

GSO requested funding for the south side of the office tower in 2008-2009 (\$620,000). However, given the logistics required (the cubicle furniture must be disassembled to provide space for the window workers to remove old windows and install new ones), GSO plans to begin removing the windows in the emergency stairwell on the north side of the building and in the 2nd-floor conference rooms (Rooms A, B, and C). This will reduce the labor-intensive logistical support required and provide initial experience on handling the windows. GSO did not initiate the window project in 2009 because the roof and the EOC projects were the first priority and PAHO’s Procurement Office was unable to address this requirement. GSO expects to start with RFP (request for proposal) for the emergency stairs in the north side of the office tower in mid 2010.

GSO is requesting the full estimated costs (\$1.1 million) for the electrical upgrade to support the HVAC and also for the HVAC equipment installation itself so that the project can advance in the 2010–2011 biennium. First, a consulting firm must be found and engaged to update drawings received five years ago as part of an architectural/engineering study of the HVAC problem. GSO must first upgrade the electrical cabinets on each of the two floors before moving forward on the HVAC units. Because it may be possible to combine both the electrical upgrade and the HVAC installation, the full amount is requested in advance.