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MASTER CAPITAL INVESTMENT FUND

Periodic Report on the Implementation of the Master Capital Investment Fund

1. This document summarizes the activities funded under the Master Capital Investment Fund since its inception in January 2008, as authorized by the 27th Pan American Sanitary Conference.

Biennium Plans and Initial Projects

2. The two sub-funds of the Master Capital Investment Fund were initially funded in January 2008 at (a) US\$ 2 million for Buildings and Equipment and at (b) \$6 million for Information Technology Infrastructure.

Real Estate and Equipment Sub-fund

3. Planning for the 2008-2009 biennium currently contains \$1,906,636 in projects for PAHO's Washington, D.C., Headquarters and for 13 PAHO/WHO Country Offices.

Projects at Headquarters

4. Two projects have been completed so far: (a) the installation of a domestic booster pump to ensure water flow to the chillers for the building's air conditioners; (b) the installation of previously purchased simultaneous-translation equipment in conference rooms B and C.

5. In addition, a space study project is under way, which is designed to relocate staff within the Headquarters office buildings to reflect the new alignment of project teams. Draft relocation plans have been delivered to the Steering Group (composed of representatives from various Executive Management offices) for review, and they will be

subsequently presented to the Director for approval. A consultant has examined several types of energy efficient glass to replace existing Headquarters' windows; a second consultant is preparing technical specifications to replace the leaking roof over the office tower. The replacement of motors and other machinery in all four elevators at Headquarters has been postponed until late 2009 to ensure that roof repair crews have as many available elevators as possible to transport supplies and crews to the work site. This equipment is 44 years old and obsolete; completing the replacement will require between one year and 18 months.

Projects in PAHO/WHO Country Offices

6. Several projects will be launched shortly in PAHO/WHO Country Offices when funds are disbursed. The Costa Rica Country Office relocated staff at the request of the Ministry of Health, and the new space required funds for remodeling and for installing cabling. The Nicaragua Country Office is undergoing a major remodeling of its office space, including the installation of new electrical wiring and, eventually, a fire alarm system. Several other country offices have projects at pre-bid or initial bidding stages. The attached Annex A shows the specific 2008-2009 biennium projects; Annex B shows the overall program plan for 2008-2017.

Information Technology Sub-Fund

7. A total of \$4,287,489 is planned for the 2008-2009 biennium (see Annex C). Of this amount, the Area of Information Technology Services has received an allotment of \$3,115,404 and spent, in calendar year 2008, some (a) \$1,495,707 on software licenses, most of which extend beyond 2009; (b) \$197,342 on network infrastructure; (c) \$324,665 on telephony investments (primarily on the installation of a new telephone system at Headquarters); (d) \$92,271 on investments in information security; (e) \$233,652 on servers and hosting infrastructure, including business continuity; (f) \$255,104 on peripherals (principally the replacement of printers); and, (g) \$516,663 for the procurement of desktops and notebooks as part of the six year hardware replacement cycle.

8. In calendar year 2009, the balance of the amount planned, some \$1,172,085 will be used to acquire desktops and laptops for field offices and Headquarters, the installation of a satellite system in Cuba, the replacement of obsolete telephone systems in field offices, improvements in the business continuity capacity at Headquarters, software renewals to maintain the Organization's information security capability, and renewal of the software licenses, including the Microsoft licenses, that are used at the core of PAHO's infrastructure. (See Annex C).

9. Annex C shows the specific projects for the 2008-2009 biennium; Annex D shows the overall proposed spending for 2008-2017.

Future steps

10. Given the limited funds and uncertainty over future funding availability, constant monitoring and reassessment of essential projects and their estimated cost is required in the current biennium and beyond.

Annexes

Master Capital Investment Fund (MCIF) and Holding Account

Real Estate Sub-Fund

As of 23 March 2009

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected 2008/2009 Expenses	
Barbados	Install security and safety upgrades, including security cameras and detectors, emergency lights, and alarms	MCIF 08-09	pending	29,200	29,200	
Barbados	Install electric gates and barriers to compound	MCIF 08-09	pending	15,000	15,000	
Barbados	Interior remodeling of offices	MCIF 08-09	pending	42,000	42,000	
Barbados	Install shatter-resistant blast film on windows	MCIF 08-09	pending	30,000	30,000	
Belize	Installation of interior walls, restrooms, floor coverings or other items to prepare office for staff use	MCIF 08-09	pending	40,000	40,000	
Brazil	Repair electrical system	MCIF 08-09	in progress	27,000	27,000	
Brazil	Build small warehouse for archives/supplies	MCIF 08-09	in progress	45,000	45,000	
Brazil	Replace roof membrane	MCIF 08-09	in progress	35,000	35,000	
Chile	Architectural/engineering study for new office space in Santiago	MCIF 08-09	pending	75,000	75,000	
Chile	Project manager to oversee construction of new PWR (construction to be paid by the Ministry of Health)	MCIF 08-09	pending	75,000	75,000	
Costa Rica	Install computer cables for and remodel new office space	MCIF 08-09	completed	15,000	15,000	
Cuba	Major rehabilitation of office space	MCIF 08-09	pending	20,000	20,000	
Dom. Rep.	Repaint exterior walls	MCIF 08-09	pending	7,000	7,000	
Dom. Rep.	Remodel technical area offices	MCIF 08-09	pending	43,100	43,100	
Dom. Rep.	Remodel PWR office	MCIF 08-09	pending	25,000	25,000	
Dom. Rep.	Install building access control	MCIF 08-09	pending	15,500	15,500	
Dom. Rep.	Install fire detection system	MCIF 08-09	pending	40,000	40,000	
Dom. Rep.	Major rehabilitation of air conditioning units (A/C)	MCIF 08-09	pending	20,000	20,000	
Jamaica	Installation of interior walls, restrooms, floor coverings or other items to prepare office for staff use	MCIF 08-09	pending	40,000	40,000	

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected 2008/2009 Expenses	
Nicaragua	Install combined identity card and fire alarm system	MCIF 08-09	pending	32,975	32,975	
Nicaragua	General remodeling (verify prior project: replace ceiling, change vinyl walls, anticyclone windows)	MCIF 08-09	completed	100,000	100,000	
Panama	Replace 1.5 ton air conditioning (A/C) unit (over 40 years old) which require frequent repairs	MCIF 08-09	pending	15,000	15,000	
Paraguay	Remodel office space	MCIF 08-09	pending	16,600	16,600	
Trinidad and Tobago	Installation of interior walls, restrooms, floor coverings or other items to prepare office for staff use	MCIF 08-09	pending	45,000	45,000	
Uruguay	Installation of interior walls, restrooms, floor coverings or other items to prepare office for staff use	MCIF 08-09	pending	60,000	60,000	
Washington, D.C.	Install interpretation equipment in Rooms B and C	MCIF 08-09	completed	68,710	68,710	
Washington, D.C.	Analysis of major renovations projects planned for Headquarters Building, including energy conservation and their cost effectiveness (not in original plan)	MCIF 08-09	pending	50,000	50,000	
Washington, D.C.	Install water booster pump	MCIF 08-09	completed	36,751	36,751	
Washington, D.C.	Rehabilitate four elevators	MCIF 08-09	pending	700,000	700,000	
Washington, D.C.	Architectural/engineering study for second-floor lobby	MCIF 08-09	pending	30,000	30,000	
Washington, D.C.	Architectural/engineering study for space study of DC offices	MCIF 08-09	in progress	112,800	112,800	
	MCIF projects completed US/\$ 220,461		Subtotals	1,906,636	1,906,636	

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected 2008/2009 Expenses	
					Approved by Directing Council Fall 2008	Projected Future Biennium Expenses (HA only)
Washington, D.C.	1A - emergency operations center and related work	HA	in progress	2,000,000	1,000,000 ^{1/}	
Regional	4A – Minimum Operating Security Standards (MOSS) upgrades at various PWRs	HA	in progress	300,000	300,000	
Washington, D.C.	4B - window replacement (south side) HQ office building	HA	pending	620,000	500,000 ^{2/}	
Washington, D.C.	4C - repair plaza drains (phase 1 and 2)	HA	pending	100,000	100,000	
Washington, D.C.	4D - lobby/ID card and garage security improvements	HA	pending	50,000	50,000	
Washington, D.C.	4E - repair roof of office tower	HA	in progress	250,000	250,000	
Washington, D.C.	4B - window replacement (north side) HQ office building	HA	pending	600,000	0	600,000 **
Washington, D.C.	4B - window replacement (conference wing) HQ office building	HA	pending	200,000	0	200,000 **
Washington, D.C.	4B - new heating, ventilation and Air conditioning system (HVAC) on 2nd and 10th floors with electrical upgrade	HA	pending	1,100,000	0	1,100,000 **
Washington, D.C.	4B - green roof over conference wing	HA	pending	400,000	0	400,000
Washington, D.C.	4C - repair plaza drains (phase 3)	HA	pending	275,000	275,000	275,000
Washington, D.C.	4D - 2nd floor restroom renovations	HA	pending	80,000	80,000	80,000
Washington, D.C.	4D - refurbish remainder of HQ restrooms	HA	pending	100,000	100,000	100,000
Washington, D.C.	4D - lobby improvements	HA	pending	100,000	100,000	100,000
Washington, D.C.	4F - refurbish Room A	HA	pending	350,000	350,000	350,000

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected 2008/2009 Expenses	
Washington, D.C.	4F - refurbish Room B	HA	pending	125,000	125,000	125,000
Washington, D.C.	4F - refurbish Room C	HA	pending	100,000	100,000	100,000
Subtotals				6,750,000	3,330,000	3,343,000

Notes: HA (Holding Account); MCIF 08-09 (Master Capital Investment Fund)

^{1/} Additional US\$ 500,000 pending Executive Committee approval in June 2009, plus US\$ 500,000 to be raised from external donor

^{2/} Additional US\$ 120,000 pending Executive Committee approval June 2009

** These amounts for HA projects must be approved by the Executive Committee

Summary	MCIF	HA	Totals
Projected 2008-2009 Expenses	1,906,636	3,330,000	5,236,636
Projected Future 2010-2017 Expenses	TBD	6,750,000	6,750,000
Total Estimated Costs	1,906,636	10,080,000	11,986,636

**Master Capital Investment Fund (MCIF)
Real Estate and Equipment Sub-Fund
Projected Needs Per Biennium 2008-2017
(in US\$)**

PWR Country Office	2008-2009	2010-2011**	2012-2013**	2014-2015**	2016-2017**
Argentina		67,000	97,000		
Barbados	116,200	10,000			50,000
Belize	40,000				
Brazil	107,000	77,000		10,000	8,000
Colombia		45,000			
Chile	150,000				
Costa Rica	15,000				
Cuba	20,000		20,000		
Dominican Republic	170,600			64,900	
Ecuador		12,000			
El Salvador		69,850			
Guyana		24,600	31,228		
Jamaica	40,000				
Nicaragua	132,975	18,751		25,000	
Panama	15,000				
Paraguay	16,600	17,850	22,220	13,000	
Peru		181,131			
Trinidad and Tobago	45,000				
Uruguay	60,000				
Venezuela		45,000	20,000		20,000
Washington, DC	998,261	300,000	324,000	837,000	1,489,000
TOTAL	1,906,636	868,182	514,428	949,900	1,567,000
Grand total	5,806,146				

** Dependent on future funding availability.

Note: Headquarters projects funded by the Holding Account (as authorized in October 2008) are not included in the above table.

Activities for 2008-2009 are more fully described in Annex A.

Master Capital Investment Fund (MCIF) and Holding Account (HA)
Information Technology Sub-Fund

As of 20 March 2009

Location	Project Description	Funding Source	Current Status	Total Estimated Costs	Projected 2008/2009 Expenses	Projected Future Biennium Expenses (HA Only)
Regional	Desktops and laptops	MCIF	In progress	681,832	888,723	
Regional	Peripherals, including printers and other equipment	MCIF		288,104	288,104	
Regional	Servers and hosting infrastructure	MCIF		406,667	407,652	
Regional	Information security	MCIF		156,519	156,519	
Regional	Telephony	MCIF	In progress	384,665	384,665	
Regional	Network infrastructure	MCIF	In progress	192,146	254,342	
Regional	Upgrades and renewal existing software and purchase of new software	MCIF	In progress	1,907,483	1,907,484	
	Subtotal MCIF			4,017,416	4,287,489	
					Approved by Directing Council Fall 2008	Projected Future Biennium Expenses (HA only)
Regional	3B Modernize the service model for the delivery of IT and KM services ^{1/}	HA	In progress	1,488,000	500,000 ^{1/}	1,218,000 ^{1/}
Regional	2C Strengthening communications by improving connectivity at country offices ^{2/}	HA	In progress	3,250,000	250,000	3,000,000 ^{2/}
	Subtotal HA			4,738,000	750,000	4,218,000

Notes: HA (Holding Account)

^{1/} Estimated expenditure of \$270,000 in 2008-2009; \$230,000 will carry over to 2010-2011; of the \$1,218,000 balance, \$988,000 must be approved by the Executive Committee.

^{2/} Balance of \$3,000,000 must be approved by the Executive Committee.

Summary	MCIF	HA	Totals
Projected 2008-2009 Expenses	4,287,489	250,000	4,537,489
Projected 2010-2017 Expenses	15,740,000	4,218,000	4,218,000
Total Estimated Costs	20,027,489	4,468,000	8,755,489

Master Capital Investment Fund, 2008-2017
Information Technology Sub-Fund
As of 23 March 2009

	Projected 2008-2009	2010-2011	2012-2013	2014-2015	2016-2017
Desktops and laptops	\$888,723	\$850,000	\$850,000	\$850,000	\$850,000
Other peripherals including printers	\$288,104	\$290,000	\$200,000	\$200,000	\$200,000
Servers and hosting infrastructure	\$407,652	\$400,000	\$400,000	\$400,000	\$400,000
Information security	\$156,519	\$250,000	\$250,000	\$250,000	\$250,000
Telephony	\$384,665	\$300,000	\$300,000	\$300,000	\$300,000
Network infrastructure	\$254,342	\$250,000	\$200,000	\$200,000	\$200,000
Software	\$1,907,484	\$1,700,000	\$1,700,000	\$1,700,000	\$1,700,000
Total	\$4,287,489	\$4,040,000	\$3,900,000	\$3,900,000	\$3,900,000
Total 2010-2017		\$15,740,000			

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