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MASTER CAPITAL INVESTMENT PLAN

Periodic Report on the Implementation of the Master Capital Investment Plan

Introduction

1. This document summarizes the activities and projects of the Master Capital Investment Plan (MCIP) that were completed during the 2012-2013 biennium and those proposed for 2014-2015 that may be funded by the Master Capital Investment Fund (MCIF) and by the PAHO Holding Account.

Master Capital Investment Plan

2. The MCIP reflects increasing efforts by the Pan American Health Organization (PAHO) to systematically maintain and improve the building infrastructure, equipment, and information technology at its installations throughout the Region. In an effort to improve transparency and show the coordination between related MCIP activities and projects that are funded by the MCIF and the Holding Account, the Pan American Sanitary Bureau (PASB) has included references to MCIF and Holding Account activities and projects in this document and in the attached annexes.

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 (2008). These included the creation of the Emergency Operations Center/Knowledge Center, repairs to the roof of the Washington, D.C., Headquarters building, and the plaza drain repair project at Headquarters. Specific descriptions of Holding Account projects are found in Document CE146/27 (2010). Details on the MCIF are outlined below.

4. It is recognized that in an environment of limited resources and with a functional area that does not attract external financial support, prioritization of limited available resources is essential. To facilitate this prioritization, a condition assessment to provide a comprehensive assessment of real estate liabilities of all facilities owned by the

Pan American Health Organization is planned in 2014. This assessment will be used to revise and update the MCIP.

Replenishment of the Master Capital Investment Fund for the 2014-2015 Biennium

5. In accordance with Resolution CSP27.R19 (2007), the Director is required to notify the Executive Committee of any funds transferred to the MCIF from excess income over expenditure in the Regular Budget. For the 2012-2013 biennium, there were no surplus funds available from the Regular Budget to transfer to the MCIF. The Master Capital Investment Fund Reserve was established under Resolution CSP28.R17 (2012) to provide a safeguard in this circumstance. The Reserve has a balance of US\$ 6,000,000.¹ The resolution permits a drawdown of \$2,000,000 to provide working capital for the 2014-2015 budget period.

6. At the time of writing, the unallotted balance of the Real Estate Maintenance and Improvement Subfund is \$526,061 the unallotted balance of the Information Technology Subfund is \$0 the unallotted balance of the Vehicle Replacement Subfund is \$296,622; and the unallotted balance of the Revolving Strategic Real Estate Subfund is \$0.

Real Estate Maintenance and Improvement Subfund

Projects at Headquarters in 2012-2013

7. Full rehabilitation of the four 1965-era elevators in the Washington, D.C. Headquarters building was undertaken in 2013. In January 2013, roof repairs on the main Headquarters building were completed to address damage caused by the August 2011 earthquake that affected Washington, D.C. A major rehabilitation of the two 250-ton chiller units at Headquarters that began in December 2012 was also completed in January 2013. Major repairs were completed on the four heating coils in the Headquarters building boilers.

8. The MCIF was also utilized in 2012 to purchase audiovisual equipment, including several large display monitors, a wireless microphone system, video conferencing equipment, and other electronic equipment, within the Holding Account funded Emergency Operations Center/Knowledge Center (EOC/KC) project.

Projects at PAHO/WHO Representative (PWR) Offices in 2012-2013

9. A total of \$2,000,000 was provided in 2012-2013 to PWRs² for a variety of premises-related works, including support to the ongoing project of rebuilding the earthquake-damaged PWR Haiti office and the acquisition of new premises for PWR Guatemala. Refer to Annex A for a list of projects and their status.

¹ Unless otherwise indicated, all monetary figures in this report are expressed in United States dollars.

² Informally referred to as "country offices."

Projects Planned at Headquarters in 2014

10. To facilitate this prioritization, a comprehensive survey and condition assessment of the Washington, D.C. Headquarters building and the PAHO-owned PWR facilities is envisaged in 2014, using \$500,000 provided by the World Health Organization Real Estate Fund.

11. Given the limited funds available, the proposed real estate and buildings projects planned for 2014-2015 will be reviewed by the Project Infrastructure Investment Committee, which was created by the then-Director of PAHO in September 2009 to analyze MCIP projects in both subfunds. The Committee also issues recommendations as to their feasibility and priority. The distribution of projects approved for the monetary balance of the 2014-2015 biennium will depend upon the results of the planned condition assessment surveys and available funding.

12. Notwithstanding the results of the survey and condition assessment, which may highlight other necessary work, several long-standing issues relating to the Washington, D.C. Headquarters will be addressed in 2014. These include the heating, ventilation, and air conditioning systems on the second and tenth floors, as well the basement sanitary installations.

Projects at PWRs in 2014

13. Although the results of the survey and condition assessment may highlight other necessary works, urgent and long-standing issues previously identified in PWR offices will be addressed in 2014. They include electrical wiring repairs and upgrades in PWR Argentina; installation of an emergency generator and fire prevention infrastructure in PWR Barbados; renovation of office space and plumbing and electrical repairs in PWR Cuba; air conditioning upgrades and electrical repairs in PWRs Dominican Republic, El Salvador, Guyana, and Peru; and exterior repairs and car park renovation in PWR Jamaica.

Vehicle Replacement Subfund

14. The Vehicle Replacement Subfund was created pursuant to Resolution CSP28.R17 (2012). In 2012-2013 a total of \$106,396 was credited to the Subfund from the sale of obsolete vehicles. This income was utilized for the purchase of new vehicles in Belize, Ecuador, El Salvador, Mexico, Nicaragua and Peru.

Revolving Strategic Real Estate Subfund

15. The Revolving Strategic Real Estate Subfund was created pursuant to Resolution CSP28.R17 (2012). In 2012-2013 a total of \$1,000,000 was credited to the Subfund from the surplus resulting from the implementation of the International Public Sector Accounting Standards (IPSAS). In 2013 these funds were allocated to PWR Guatemala for the acquisition of new premises.

Information Technology Subfund

Projects at Headquarters and PWRs in 2012-2013

16. A total of \$1,340,948 was allocated in 2013 to various MCIF information technology (IT) operations requirements, including desktop computers and peripherals, hosting infrastructure, software, and information security.

17. Expenditures during the final year of the 2012-2013 (Annex C) biennium included support at both Headquarters and PWRs in the following areas:

- a) software licenses;
- b) replacement and/or upgrade of network and infrastructure to include servers and storage devices;
- c) information security, backup devices, and storage of PWR institutional knowledge; and
- d) replacement of desktops, notebooks, and peripherals, including printers and scanners, as necessary.

Projects for 2014-2021

18. The projects planned for 2014-2021 (Annex C) will include:

- a) software licenses;
- b) network infrastructure;
- c) information security;
- d) replacement of desktops, notebooks, and peripherals, including printers and scanners, as necessary;
- e) network infrastructure requirements as a result of connectivity upgrades to support the PASB Management Information System (PMIS); and
- f) automation of administrative processes not included in the PMIS.

Action by the Executive Committee

19. The Executive Committee is invited to take note of this report and offer any recommendations it may have.

Annexes

Annex A

**Master Capital Investment Fund
Real Estate Maintenance and Improvements Subfund
Projects Completed in 2012-2013**

Location	Description	Planned (US\$)	Disbursed (US\$)	Implemented
PAHO HQ WDC	Rehabilitation of four elevators	959,500	834,475	90%
PAHO HQ WDC	Consultant on elevator project	40,000	11,750	78%
PAHO HQ WDC	Audiovisual support for EOC Project	225,000	185,877	100%
PAHO HQ WDC	Construction costs for EOC	13,547	13,547	100%
PAHO HQ WDC	Architectural/engineering costs for EOC	19,607	19,607	100%
PAHO HQ WDC	Consultant on a better HVAC distribution and computer server layout in Computer Room	14,500	14,900	100%
PAHO HQ WDC	Installation of cables and printer in Computer Room	17,481	17,481	100%
PAHO HQ WDC	Rehabilitation of two 250-ton chillers	89,500	89,500	100%
PAHO HQ WDC	Earthquake-related repairs to the roof area of HQ building	34,625	39,625	100%
PAHO HQ WDC	Basement Bathroom Project	75,000	0	0%
PAHO HQ WDC	Consultant appraisal to convert the third-floor cafeteria into locker rooms	20,000	15,156	100%
PAHO HQ WDC	Replacement of steam coils, \$38,000; EOC HVAC system works, \$10,116; replacement of control boards and panels, \$32,200; main HVAC, \$27,428	107,744	70,542	65%
PAHO HQ WDC	Apogee HVAC Panel 3 and 4 upgrade	38,400	0	0%
PWR Argentina	Replacement of outdated wiring and installation of new lighting system	15,000	0	0%
PWR Barbados	Replacement of emergency generator, roof straps, and fire sensors	64,700	0	0%
PWR Bolivia	Relocation of PWR Office	81,128	81,128	100%
PWR Bolivia	Relocation of PWR Office	19,907	19,907	100%
PWR Colombia	Relocation of PWR Office	200,000	191,612	96%
PWR Costa Rica	Window replacement	73,106	73,106	100%
PWR Cuba	Renovation/repairs in main office building and auxiliary building	25,000	1,124	4%
PWR Dominican Republic	Replacement of AC equipment and ducting	70,000	0	0%
PWR El Salvador	Replacement of AC equipment	47,500	8,452	18%
PWR Guatemala	Relocation of PWR Office	1,028,000	1,000,000	97%
PWR Guyana	Replacement of AC compressors and ducting; security upgrades and interior space rehabilitation	22,200	7,452	34%
PWR Haiti	Reconstruction of PWR Office	150,000	0	0%
PWR Jamaica	Relocation of PWR Office	22,376	22,376	100%
PWR Jamaica	Repaving of parking lot, exterior repainting, and window blind replacement	17,000	5,314	31%
PWR Nicaragua	HVAC, electrical, and other infrastructure rehabilitation of auditorium	77,598	0	0%
PWR Panama	Condition assessment - Building 265 Gorgas Hospital complex	60,000	60,000	100%
PWR Peru	Interior renovation; electrical upgrade to auditorium and cafeteria	35,000	0	0%
	TOTAL	3,663,419	2,782,930	

Annex B**2012-2013 Expenditures for GSO Projects Funded by the Holding Account**

Location	Project	2012–2013 Final Expenditures (US\$)
Regional	Emergency Operations Center (EOC) and Knowledge Center (KC) (Holding Account Project 1.A): initial funding source	1,319,712
PAHO/WHO Representative Offices	Improvements to facilities: Minimum Operating Security Standards (MOSS) upgrades and security measures (Holding Account Project 4.A)	47,144
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: energy-saving measures (Holding Account Project 4.B)	0
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: plaza drainage system repairs (Holding Account Project 4.C)	371,500
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: security and sanitary measures (Holding Account Project 4.D)	32,714
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: Headquarters office tower roof repairs (Holding Account Project 4.E)	0
PAHO Headquarters (Washington, D.C.)	Improvements to facilities: renovation of Headquarters building and annexes (Holding Account Project 4.F): initial funding source	443,043

Annex C

**Projected Costs for Projects in the Information Technology Subfund
(as of December 2013, in US\$)**

Project	2012-2013	2014-2015	2016-2017	2018-2019	2020-2021	Total 2012-2021
Desktops and laptops	200,000	250,000	250,000	250,000	250,000	1,200,000
Other peripherals, including printers	169,685	250,000	250,000	250,000	250,000	1,169,685
Servers and hosting infrastructure	450,000	1,200,000	1,400,000	1,200,000	1,000,000	5,250,000
Information security	110,000	230,000	250,000	280,000	280,000	1,150,000
Telephone system	400,000	200,000	200,000	200,000	250,000	1,250,000
Network infrastructure	700,000	400,000	200,000	400,000	300,000	2,000,000
Software	1,800,000	1,125,000	1,125,000	1,125,000	1,125,000	6,300,000
Totals	3,829,685	3,655,000	3,675,000	3,705,000	3,455,000	18,319,685

Note: The fast pace of change in the field of information technology may necessitate revision of this annex in future years.

Annex D

**2014-2015 Expenditures for Information Technology Subfund Projects
Funded by the Holding Account
(US\$)**

Project	Amount Approved	2014-2015 Allotted Planned Expenditures
2.C: Strengthening communications through improved PWR connectivity	2,000,000	394,000
3.B: Modernization of service model for the delivery of information technology and knowledge management and services	1,500,000*	260,000

* \$300,000 allotted to the Department of Knowledge Management and Communication (KMC).

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