

*executive committee of  
the directing council*



**PAN AMERICAN  
HEALTH  
ORGANIZATION**

*working party of  
the regional committee*



**WORLD  
HEALTH  
ORGANIZATION**

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**PAHO BUILDING FUND, AND MAINTENANCE AND REPAIR  
OF PAHO-OWNED BUILDINGS**

Resolution CD31.R12 of the XXXI Meeting of the Directing Council provided for the capitalization of the PAHO Building Fund on a permanent basis to meet the costs of major maintenance and repairs of PAHO-owned buildings.

This document reports on a claim regarding the concrete screen wall of the Council Chamber at the Headquarters Building and on the current project for the electrical system in the Peru building. It also includes funding requests to modernize the electrical system in the Venezuela building, to repair various areas of the Brazil building, and to refurbish the interior of the Argentina office condominium. None of these projects qualify for 25 % cost-sharing from the WHO Real Estate Fund, as that Fund only contributes to projects related to the PAHO Headquarters building or to construction of new buildings, on a case-by-case basis. A one-time recapitalization of the Building Fund is also requested.

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## **1. Status of Previously Approved Projects**

### **1.1 *Concrete Screen Wall Outside the Council Chamber at the Headquarters Building***

In June 1991 and June 1993, the Executive Committee approved a total of \$976,000 to repair the screen wall of Room A (the Council Chamber at the Headquarters Building) and to replace its roof. The work on this project was completed in March 1994 and so reported to the Executive Committee in June 1994.

In October 1994 the contractor presented a claim for the cost of materials in excess of the amounts originally estimated. All parties were aware from the beginning that it was very difficult to estimate the final cost of the type of restoration required to repair the screen wall. Prior to dismantling the various components, there was no way to determine how much of the old screen wall could be reused. The Organization's consultant reviewed the work, records, and reports of the contractor and confirmed that the additional new materials were necessary and correct. The contractor acknowledged in writing that he had failed to provide the Organization with timely notice of the changed conditions, as required by contract.

A legal review of the matter concluded that while there was no doubt the contractor had failed to provide proper notification and the Organization had the right to submit the issue to formal arbitration, the fact remained that extra new parts of the screen wall were necessary and the work was completed correctly. In these circumstances and in view of the extra costs involved in arbitration, the Organization agreed to an actual costs settlement of \$174,493, reduced by \$10,000 in recognition of the lack of proper notification.

### **1.2 *Electrical System in the Peru Building***

This project was approved by Resolution CE113.R12 of the 113th Meeting of the Executive Committee. The work involves the complete update of the electrical system in the Peru office. As of this writing the project is being implemented.

## **2. Proposed New Projects**

### **2.1 *Electrical System in the Venezuela Building***

The office in Venezuela was purchased in 1969. Originally a family home, it was adapted for office use to house 25 staff members. Today there are nearly 50 employees requiring various kinds of electrical equipment. Computers, printers, photocopiers, and other office equipment have been added over the years. The resulting power

requirements have overloaded the system's capacity. A consultant's report indicates that the present electrical panels and the lines are working dangerously above their capacity. The whole system is unbalanced and poses a safety threat.

This project calls for balancing the power, enclosing the wiring in proper conduits, and placing new electrical panels where needed. This work will bring the network up to modern standards. The cost of the project is estimated at \$40,000.

## **2.2 *Maintenance and Repairs of the Brazil Building***

The PAHO building in Brasilia was constructed in 1975. It has an area of 35,500 square feet (3,200 m<sup>2</sup>) on a 5.75 acre site (22,500 m<sup>2</sup>). It is similar in design to the Washington building, a flat-roofed semi-circular office structure and a round auditorium, with large expanses of glass. The type of materials used and the design of the building were not the most appropriate for Brasilia, where the weather varies between six months of intense rain and six months of a very dry hot weather. As a consequence, maintenance over the past 20 years has been directed mainly to protecting the outside of the building.

Studies conducted recently culminated in a comprehensive plan to bring the building to a proper state of repair. This funding request includes only those items which must be given priority as they deal directly with the long-term protection of the building and property.

### **2.2.1 *Fire Protection***

Although there are fire extinguishers in the building, these would not be adequate in case of a generalized fire. The fire risk is substantial, particularly during the dry months when the empty lots around the building become accumulations of dry brush. Safety codes require that buildings have their own water reservoir with adequate pumps and with sufficient water pressure. This project will provide a 3,900 gallon (15,000 liter) water tank with associated pressurized network controls and water pumps.

### **2.2.2 *Protection from Lightning***

The rainy season brings almost daily electrical storms. The building sits alone in an open area where it becomes a target for lightning. One lightning rod has been installed, but it does not afford sufficient protection. This proposal would add two more lightning rods, properly distributed and connected by a wire atop the retaining wall on the roof.

### *2.2.3 Roof Repairs and Window Caulking*

Over the years, the roof covering has been given some maintenance, but it now needs a complete overhaul. Although the temperatures in Brasilia do not vary widely through the year, the alternating long periods of dry and humid conditions contribute to the deterioration of the waterproofing materials. As a result, cracks develop, allowing water to seep into various parts of the building. Contributing to these problems is the air-conditioning machinery for the auditorium and its associated piping, which sit directly on the flat roof collecting dirt and water, adding to its deterioration. The pitched roof of the auditorium was custom-made with interlocking copper sheets. Caulking was used to seal the roof cover where metal met the cement structure.

As with the roof, the large fixed glass panes surrounding the auditorium and the sliding windows in the perimeter of the office structure are in need of repair. The sliding windows in every office are a major source of water leaks.

This project involves removing several coats of waterproofing materials on the roof of the office building, repairing the undercoating, and covering it with layers of new waterproofing materials. As part of this work, the air-conditioning machinery and its piping will be lifted and placed on supports above the roof to allow for better drainage and maintenance. Caulked areas of the auditorium roof will be cleaned and re-caulked as will the window panes. One side of the sliding windows will be fixed in place and glides of the moving side will be replaced with stronger ones.

### *2.2.4 Independent Power Network for Computers*

All PAHO computer and electronic equipment uses 110 volts, while Brazil's power grid provides 220 volts. Individual transformers and surge protectors work well with a few computers. However, a centralized and well-protected power network has become necessary and is more efficient. This project will provide such a stabilized, isolated, grounded 110-volt network, exclusively for the electronic and computer equipment.

The estimated cost of the described repairs of the Brazil building is \$204,000.

As mentioned, there are other projects that will need to be conducted in the next few years as funds become available. These include repairing all bathrooms; installing an elevator required by disability code changes; redesigning offices to accommodate shared printers, copiers, and water fountains; building a new guard station; replacing the floor coverings throughout the building; replacing the light fixtures; and installing an irrigation system for the grounds.

### **2.3 *Refurbishing the Interior Spaces in the Argentina Office***

The PAHO office in Argentina occupies an area of 6,400 square feet (580 m<sup>2</sup>) on two floors in a 40-year-old building in downtown Buenos Aires. The building's central installations, such as plumbing, electrical systems, and elevators, need to be overhauled. Although no actions to this effect have been taken so far, the owners' association has discussed the matter. The Organization would have to contribute its share to this work. No estimates are available at this time.

Over the years, functional needs have been accommodated with little attention to the overall space utilization. New functions, such as the computer center, for example, were located by moving some walls where it would cause the least disruption. Likewise, cabling for electrical and other requirements were installed exposed. The end result is an inefficient space distribution and an overtaxed electrical system.

To improve the situation, three architectural firms were asked to propose solutions. These presentations were evaluated by a consultant. The project will entail breaking down some walls, constructing others, fixing ceiling areas, renovating the electrical system, and replacing light fixtures and carpets. The estimated cost of this project is \$109,500.

### **3. *Recapitalization of the PAHO Building Fund***

In 1985 the XXXI Meeting of the Directing Council in Resolution CD31.R12 established a \$500,000 ceiling on the PAHO Building Fund. Over the intervening years, this fund has been used for major repairs and maintenance projects, principally in the 30-year-old Headquarters building. As described earlier, there are a number of maintenance projects in Field Offices which have become pressing. Additionally, in recent years the pace of projects has drawn down the original capitalization of the Building Fund until it has a balance of \$65,000 at the time of this writing. In view of the increasing age of PAHO-owned facilities, it would be prudent to recapitalize the fund to the original ceiling of \$500,000 established in 1985.

It is proposed, therefore, that the Executive Committee authorize a one-time transfer of an amount not to exceed \$500,000 from Miscellaneous Income, available over the amount appropriated by PAHO's Governing Bodies for the 1994-1995 biennium, and provided that such Miscellaneous Income is not needed to implement the 1994-1995 Effective Working Budget.

In view of the above, the Executive Committee may wish to consider a resolution in the following terms:

*Proposed Resolution*

***THE 116th MEETING OF THE EXECUTIVE COMMITTEE,***

Having reviewed Document CE116/21, which reports on actions taken by the Secretariat in relation to the approved projects financed by the PAHO Building Fund, describes additional projects, and requests a one-time recapitalization of the Fund,

***RESOLVES:***

1. To take note of the payment of US\$ 174,493 as final settlement for the repairs to the screen wall of the Council Chamber.
2. To approve the project to refurbish the electrical system of the Venezuela office at an estimated cost of \$40,000.
3. To approve the maintenance projects for the Brazil building related to fire and lightning protection, roof repairs, window caulking, and an independent power network for computers, at an estimated cost of \$204,000, and to take note of the projects still to be carried out in that building.
4. To approve the renovations to the office in Argentina for an estimated cost of \$109,500.
5. To authorize the Director to transfer to the PAHO Building Fund on a one-time basis an amount not to exceed \$500,000 from excess Miscellaneous Income earned over the amount appropriated by the Governing Bodies for the 1994-1995 Effective Working Budget.