



XVI Pan American Sanitary Conference

XIV Regional Committee Meeting



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REPORT ON BUILDINGS AND INSTALLATIONS FOR HEADQUARTERS

A. Report of the Director

The Director has the honor to report to the XVI Pan American Sanitary Conference on the progress made on the program for the construction of the permanent Headquarters building since the XIII Meeting of the Directing Council.

The developments during the period October 1961-April 1962 are reflected in the report to the 46th Meeting of the Executive Committee, April 1962, and the several reports of the Permanent Subcommittee on Buildings and Installations attached hereto as Annex I (Document CE46/13). Space requirements were revised, preliminary drawings showing office layouts were prepared by the architects, and approval obtained with respect to height and access to the building following a number of meetings before the National Capital Planning Commission and other regulatory bodies.

At its 46th Meeting, the Executive Committee resolved in Resolution V, Paragraphs 2 and 3:

"To approve the steps taken to date by the Director and the Permanent Subcommittee with respect to the new Headquarters building", and

"To transmit the reports of the Subcommittee and of the Director to the XVI Pan American Sanitary Conference."

In the period since the 46th Meeting of the Executive Committee, the Director and the Permanent Subcommittee on Buildings and Installations have been concerned, in the main, with the problem of the financing of construction. On the basis of the preliminary drawings, the architects

submitted and estimate of \$6,510,000,^{1/} or more than \$1,700,000 above the amount indicated as adequate by the group of architects who selected the winning design. This estimate was so much greater than that of the expert architectural consultants, which was within the available resource of \$4,800,000 including the generous pledge of \$3,750,000 from the W. K. Kellogg Foundation, that the Director informed the Permanent Subcommittee prudent management dictated the securing of professional counsel from a construction estimator.

The services of the H. A. Sloane Associates of New York City were obtained, and they undertook an analysis of the cost of the construction of the proposed headquarters. The Sloane firm, after a preliminary review, made an intensive analysis and reported an estimate of \$6,634,000.^{2/} This report was brought to the attention of the Permanent Subcommittee and it was agreed that an effort should be made to reduce cost without disturbing unduly the design or the space availability of the structure. These changes included the replacement of the bronze exterior of the meeting structure by architectural concrete, the elimination of 2 escalators, a reduction of space in the second basement, and a number of other items defined on the corresponding pages of the Report of the Permanent Subcommittee on Buildings and Installations attached hereto (Part B).

After these architectural changes were introduced, a new estimate of \$5,876,000^{3/} was obtained. This was considered to be the minimum possible cost, if the winning design were retained and office and meeting space were not reduced below basic requirements. The Permanent Subcommittee agreed and requested that the Director explore methods of financing the additional cost, suggesting that the W. K. Kellogg Foundation be approached as to the possibility of increasing the original grant by an additional \$1,250,000 required to meet the cost of the building. The Director saw the President of the Foundation on 14 August; the latter promised to study the request.

With definitive financing of the building still unresolved, the Permanent Subcommittee has thought it appropriate that preparation of the detailed construction plans not be initiated. It is recognized that delays in the preparation of the definitive plans will force a delay in construction and also may well result in an additional financial burden as construction costs continue to rise at a rate of almost 5 per cent per annum.

^{1/} Column 2 of table on page 6.
^{2/} Column 4 of table on page 6.
^{3/} Column 6 of table on page 6.

At the request of the Permanent Subcommittee on Buildings and Installations, the Director also has the honor of transmitting to the XVI Pan American Sanitary Conference the following report.

B. Report of the Permanent Subcommittee on Buildings and Installations

Pursuant to Resolution II of the 42nd Meeting of the Committee which reads as follows: "To authorize the Permanent Subcommittee on Buildings and Installations to act on behalf of the Pan American Health Organization regarding the construction of the headquarters building," the Permanent Subcommittee has the honor to submit herewith a progress report on the new headquarters building program and reports of its meetings held on 3 May, 5 July, 25 July, 16 August, and 20 August 1962. The reports of the meetings are attached as Annexes II, III, IV, and V.

On 28 March 1960, the President of the United States of America signed a bill authorizing the transfer to the Pan American Health Organization of a tract of land in the city of Washington bounded by 23rd Street, Virginia Avenue, 22nd Street, and E Street, for use as the site for the permanent headquarters of the Organization. Following this action, the Directing Council of PAHO requested that the Director of the Bureau take the necessary steps to obtain a building design and to find financing for the building.

An international competition was held in 1961 and resulted in the award of a \$10,000 first prize to Architect Roman Fresnedo Siri of Uruguay. Estimates of the cost of the building, rendered by the expert architectural advisers, were at \$21 a sq. ft., making a total estimate for the building of between \$4,500,000 and \$5,000,000.

Financing for the building took into account the sale value of the 2 buildings at 1501 and 1515 New Hampshire Avenue, N.W., owned by PAHO, estimated at \$750,000 and a building reserve fund of \$273,000. The additional \$3,750,000 required for the building was graciously granted by the W. K. Kellogg Foundation which offered the sum for expanded program activities, thereby enabling PAHO to finance construction.^{1/}

Architect Fresnedo, and his associate Mr. Louis Justement, completed preliminary drawings and provided an estimate of cost (Column 2 attached table), of \$6,510,000, of \$1,710,000 above the available resources.

^{1/} The total has been rounded off to \$4.8 million, the sum referred to as available.

It was recognized that the estimate of the architect was a rough calculation, and in order to obtain more definitive costing, the Permanent Subcommittee on Buildings and Installations authorized the Director to obtain the services of a recognized authority in estimating construction. The H. A. Sloane Associates, construction consultants of New York City, were retained for this activity. The preliminary estimate of this firm is reflected in Column 3 of the attached table and reveals an estimate of \$7,073,000, or \$553,000 more than the estimate of the architect, and \$2,273,000 above the available funds. The Sloane Company was then asked to refine this estimate, and undertook a close comparative costing of all services, supplies, materials, and equipment. Following a number of discussions with the architects, engineers, and others, Sloane Company submitted its revised estimate reflecting a cost of \$6,634,000 or \$124,000 above the estimate of the architect, and \$1,834,000 above funds available (Column 4 of attached table).

Studies were then initiated by the Director of PAHO with the objective of reducing the shortfall without impairing the basic design and structure of the proposed building. With the aid of the Messrs. Fresnedo and Justement eight changes were reviewed. These were as follows and the estimate saving for each is noted:

- (1) Precast architectural concrete facing be used instead of pink marble facing. This would result in a saving of \$58,179.
- (2) Use of aluminum column facing in lieu of black granite. This would result a saving of \$14,297.
- (3) Use of precast architectural concrete grille in lieu of bronze. The saving of this would amount to \$181,200, and in line with the suggestion made by the Fine Arts Commission it was agreed that precast concrete should be used instead of bronze.
- (4) Use of precast architectural concrete in lieu of granite for walls on the first floor, at a saving of \$29,663.
- (5) The use of flagstone paving in lieu of exposed aggregate. By using Philadelphia flagging a saving of \$13,224 could be realized.
- (6) The omission of 2 escalators in the Conference Building would bring a saving of \$88,000.
- (7) Plaster partitions in lieu of removable metal partitions with a possible total saving of \$185,268.
- (8) Reduce sub-basement area, at a total saving of \$244,457.

The total saving in these alternates is \$814,288, bringing the estimated cost of construction, in round figures, to \$4,490,000, as indicated in Column 5. With contingency, architect's fees and cost of special equipment, the total estimated cost is \$5,685,000.

It became apparent after farther study that certain of the changes could not be adopted en toto. The elimination of the sub-basement would cut available parking below the minimum level prescribed by the National Capital Planning Commission. Accordingly, it is necessary to reinstall approximately 1/3 of the sub-basement, thereby effecting a saving of \$164,000, rather than \$244,000 in item 8.

Similarly, it would be inappropriate to eliminate all removable partitions, particularly for the technical units which are in a state of development and will doubtless witness organizational changes requiring different space assignments. Accordingly, it is felt advisable that 3 floors of the secretariat building be reserved for removable partitions. The saving, therefore, for item 7 will be \$115,265, rather than the \$185,268 indicated above.

Finally, after due consideration it is felt advisable to continue the granite facing on the columns in item 2, rather than substitute aluminum. This action will not permit the saving of \$14,297 noted above.

In summary, the estimate after revision of the architectural changes is \$5,876,000, Column 6, attached table. On this basis, the shortfall is \$1,076,000. It is felt that provision should be made for contingency in equipment, architect's fees and matters other than construction, and that \$1,250,000 of additional financing should be sought.

At the meeting of the Permanent Subcommittee on Buildings and Installations, held on 5 July 1962, it was agreed that approach should be made initially to the W. K. Kellogg Foundation for an increase of the grant by the sum of \$1,250,000. Should the funds not be available from the Kellogg Foundation, it was suggested that other Foundations be approached. Discussions were also held of other means of financing, including a bank loan from the Inter-American Development Bank, from private banks, and by direct subscription by Member Governments. The Subcommittee took the view that all other means of financing should be explored before the Member Governments would be requested to contribute toward the construction cost and that if an when a request should be made on the Member Governments, the assessment for this purpose would not contribute to an increase in the assessment budget as a whole. The Director indicated that this could be done through a rearrangement of the budgeted programs.

The Subcommittee requested the Director to seek non-governmental funds in the amount necessary to cover the anticipated deficit and to report to the Subcommittee the results of his consultations. The Subcommittee was informed at its meeting on 16 August that these consultations were under way.

COMPARATIVE ESTIMATE COST OF NEW BUILDING

	(Dollars)					
	(1)	(2)	(3)	(4)	(5)	(6)
	Available	Architect Estimate	1st Estimate Sloane Co.	Revised Estimate Sloane Co.	Estimate After Suggested Arch. Changes	Estimate After Revision Arch. Changes
Construction		-	5,685,000	5,304,000	4,490,000	4,654,000
Contingency (10% of Construction Estimate)		-	568,000	530,000	449,000	465,000
Sub total		5,717,000 <u>1/</u>	6,253,000 <u>2/</u>	5,834,000 <u>3/</u>	4,939,000 <u>4/</u>	5,119,000 <u>2/</u>
Architect Fees		342,000	370,000	350,000	296,000	307,000
Sub total		6,060,000 <u>5/</u>	6,623,000 <u>6/</u>	6,184,000 <u>7/</u>	5,235,000 <u>8/</u>	5,426,000 <u>10/</u>
Special Equipment <u>11/</u>		450,000	450,000	450,000	450,000	450,000
Total	\$ 4,800,000 <u>12/</u>	6,510,000	7,073,000	6,634,000	5,685,000	5,876,000

<u>1/</u>	Cost per sq. ft.	\$ 26.92
<u>2/</u>	Cost per sq. ft.	29.07
<u>3/</u>	Cost per sq. ft.	27.52
<u>4/</u>	Cost per sq. ft.	25.07
<u>5/</u>	Cost per sq. ft. with architect fees	28.63
<u>6/</u>	Cost per sq. ft. with architect fees	31.24
<u>7/</u>	Cost per sq. ft. with architect fees	29.17
<u>8/</u>	Cost per sq. ft. with architect fees.	26.57
<u>9/</u>	Cost per sq. ft.	25.98
<u>10/</u>	Cost per sq. ft. with architect fees	27.54
<u>11/</u>	Special equipment cover: electronic equipment, seats, tables, booths and all other furnishings for the Conference areas and for other elements of the new building.	
<u>12/</u>	Rounded off from \$4,773,000.	



*executive committee of
the directing council*

PAN AMERICAN
HEALTH
ORGANIZATION

*working party of
the regional committee*

WORLD
HEALTH
ORGANIZATION



46th Meeting
Washington, D. C.
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Item 6: REPORT ON BUILDINGS AND INSTALLATIONS FOR HEADQUARTERS

The Director has the honor to present to the Executive Committee a progress report on the permanent Headquarters building of the Pan American Health Organization.

In accordance with Resolution XV of the XIII Meeting of the Directing Council, the Director called meetings of the Permanent Subcommittee on Buildings and Installations on 12 December 1961 and on 17 April 1962. The reports of these meetings are attached as Annexes I and II for the information of the Executive Committee.

The Director wishes to report that work is now well under way towards completion of final space requirements and finished drawings, which will make possible the calculation of construction cost estimates. Meetings will be held with the Permanent Subcommittee on Buildings and Installations in this regard for preparation of a detailed report to the XVI Pan American Sanitary Conference.

In view of the foregoing, the Executive Committee may wish to approve a resolution along the following lines:

Proposed Resolution

The Executive Committee,

Having examined the reports of the Permanent Subcommittee on Buildings and Installations and of the Director on the progress of the building program,

RESOLVES:

1. To express its appreciation of the work of the Permanent Subcommittee on Buildings and Installations.

2. To approve the steps taken to date by the Director and the Permanent Subcommittee with respect to the new Headquarters building.

3. To transmit the reports of the Subcommittee and of the Director to the XVI Meeting of the Pan American Sanitary Conference.

Annexes I and II

PAN AMERICAN HEALTH ORGANIZATION

Report of the Meeting of the Permanent Subcommittee
on Buildings and Installations

The Permanent Subcommittee on Buildings and Installations met at
10:30 a.m., Tuesday, 12 December 1961.

Present:

Mr. Adolfo Enrique González Alemán (Argentina)
Mr. Francisco José Oyarzun (Chile)
Mr. James Wachob (United States), Chairman

The Subcommittee was assisted by:

Dr. Abraham Horwitz (PASB), Director
Mr. Román Fresnedo Siri, Architect
Mr. Earl D. Brooks (PASB), Chief, Management and Personnel
Branch
Mr. Eugene J. Settino (PASB), Chief, General Services Section
Mr. Sheridan E. Besosa (PASB), Management Section

The meeting was called for the purpose of (1) introducing Architect Román Fresnedo Siri to the members of the Subcommittee and (2) reviewing the current situation regarding the new permanent Headquarters building.

The meeting was called to order by the Chairman, Mr. Wachob, who stated the purpose of the meeting and asked the Director of the Pan American Sanitary Bureau to introduce the architect.

Dr. Horwitz in his opening remarks briefly recounted the Jury meetings that were held to select an architectural design for the Headquarters building and the great tribute paid to Architect Román Fresnedo Siri by the members of the Jury for his architectural ability and ingenuity to design a building which was unanimously awarded first prize. He then introduced Mr. Fresnedo Siri to the members of the Subcommittee.

At the request of the Chairman, Mr. Fresnedo Siri addressed the session and commented briefly on some of the reasons for his choice of design, especially that of the conference chamber. He described in some detail other features of the building he had envisioned such as the open plaza type ground floor, decorative pools, exhibition hall, escalators, parking areas, etc. He mentioned also that the building as designed made maximum use of the site and that any expansion of the building would have to be vertical.

On this point, Mr. Brooks spoke of the meeting held with the National Planning Commission on 7 December at which time details of the building were explained and preliminary discussions held on the matter of height, access to the building, etc. Another meeting has been scheduled for 21 December to discuss these points in detail with the technical staff of the Commission and to obtain the necessary approvals from that group as well as from the D. C. Zoning Board. A meeting is also scheduled with the Fine Arts Commission on 20 December.

Dr. Horwitz reminded the members that, at the time the International Competition to design a Headquarters building was initiated, space requirements for Washington staff was estimated at approximately 350 but in rapid succession thereafter the Act of Bogotá and the Alliance for Progress programs as they may affect the work of the Bureau now point to the necessity of housing some 500. It is therefore important he stated that approval be granted by the local governing bodies to permit a height of 120 ft. This will make possible the addition of another floor and with certain other adjustments provide enough space.

Mr. Brooks then informed the Subcommittee that the Bureau had engaged the services of the law firm of Wilkes and Artis to assist in the various zoning problems and that the members of the Subcommittee would be kept fully informed of the progress made.

Mr. Wachob then proceeded to enlighten the members with regard to the current status of the site. On 20 October the U. S. Government deposited into the registry of the District Court \$1,092,150 for the purchase of the land and at the same time received title to the land. At the request of the Bureau, the U. S. Government will retain the title until such time as it is needed by the Bureau to begin the construction phase of the new building. The U. S. Government through its General Services Administration will manage the property in compliance with all district regulations thereby relieving the Bureau of the many problems in connection therewith. In order to maintain the best public relations eviction notices will not be issued until such time as the building program makes it necessary to do so.

Dr. Horwitz again voiced his appreciation to the members of the Subcommittee for their efforts to date in helping to make the permanent Headquarters building a reality; solicited their continued interest and assistance for the many decisions that still must be made and paid special tribute to the U. S. Government for its many efforts and actions to alleviate any problems for the Organization.

The meeting was adjourned.

PAN AMERICAN HEALTH ORGANIZATION

Report of the Meeting of the Permanent Subcommittee
on Buildings and Installations

The Permanent Subcommittee on Buildings and Installations met at
2:30 p.m., Tuesday, 17 April 1962.

Present:

Mr. James Wachob, Chairman (United States of America)
Mr. Olegario Russi, Alternate (Chile)

The Subcommittee was assisted by:

Dr. Stuart Portner (PASB) Chief of Administration
Mr. James Callmer, Architect
Mr. Román Fresnedo Siri, Architect
Mr. Earl Brooks, (PASB) Chief, Management and Personnel
Mr. Eugene Settino (PASB) Chief, General Services

The meeting was called for the purpose of reviewing the current
situation regarding the new permanent Headquarters building.

The meeting was called to order by the Chairman, Mr. Wachob, who
asked Dr. Portner to review the latest developments in the planning for
the permanent Headquarters building of the Pan American Health Organization.

In considerable detail, Dr. Portner informed the members of the
events which had transpired since the last meeting of the Subcommittee in
early December 1961. He indicated that the main objective for the
secretariat of the PASB during this period had been to obtain clearances
from the local authorities with respect to height of and access to the
building.

Appearances before the National Capital Planning Commission had
resulted in securing the necessary approvals for construction and design.

At the request of Dr. Portner, Architect Fresnedo Siri described briefly, through the media of drawings and sketches, the few changes made with regard to the approaches to the building from the surrounding thoroughfares. He explained that the height of the building, as approved would be 110 feet, with an additional penthouse of 11.5 feet to house air-conditioning equipment and elevator machinery.

The Chairman then commented favorably on the manner and content of the presentations made by Dr. Portner and the Architect before the several governmental agencies responsible for the review of the Organization's building plans. He expressed the belief that the cooperative attitude which the responsible PAHO staff members had displayed in the course of their meetings with representatives of these agencies had expedited the approval which this plan had received from those agencies.

Dr. Portner then detailed the work accomplished during this period, which consisted, in the main, of revision of space requirements, preparation of new drawings showing office layouts, etc. He informed the members that arrangements had been made for topographical and outline surveys of the building site, as well as test borings, which, of necessity, had to be deferred pending the clearances as to height and access.

The Chairman then recognized Mr. Callmer, representative of the architectural firm with which Mr. Fresnedo Siri is associated. Mr. Callmer presented an estimate of the cost of the building which he indicated was \$6,060,000. He added that it would cost another \$400,000 for a third basement if additional parking space were required. He emphasized that these were provisional estimates which would be refined at a later date.

Discussion then was undertaken as to the availability of funds, and Dr. Portner referred to the total currently estimated as available at \$4,800,000. It was agreed, after further discussion that refinement of space estimates, including expansion potential, would be made in consultation with the architects and that it would be possible to present this additional information to the Subcommittee at a meeting scheduled on 3 May 1962. It was also agreed that at the 3 May meeting, the Organization would present its plan for additional financing if the estimated financial requirements for a suitable headquarters were greater than the currently available funds.

The meeting was adjourned.

PAN AMERICAN HEALTH ORGANIZATION

Report of the Meeting of the Permanent Subcommittee on
Buildings and Installations

The Permanent Subcommittee on Buildings and Installations met at
11:00 a.m., Thursday, 3 May 1962.

Present:

Mr. James R. Wachob, Chairman (United States of America)
Mrs. Lilian O'Connell d'Alurralde (Argentina)

The Subcommittee was assisted by:

Dr. Abraham Horwitz (PASB), Director
Dr. Stuart Portner (PASB), Chief of Administration
Mr. Román Fresnedo Siri, Architect
Mr. Earl Brooks (PASB) Chief, Management and Personnel
Mr. Eugene Settino (PASB) Chief, General Services

The meeting was called to order by the Chairman, Mr. Wachob, who first expressed his regrets that the full membership of the Subcommittee was not present at this meeting. He expressed the opinion that, in view of the increasing importance of the items on which the Subcommittee must make decisions, future meetings should not be held unless all three members were present.

After reporting briefly on his appearance at the 46th Executive Committee Meeting in connection with the presentation of the Report on Buildings and Installations for Headquarters (Document CE46/13), the Chairman then asked Dr. Portner to address the meeting and report on the latest developments in connection with the subject at hand.

Dr. Portner reviewed in considerable detail the work of the secretariat in the interval since the 17 April meeting. In the course of its consultations with the architectural firm, the secretariat learned that the firm's preliminary estimate of \$6,060,000 covered in general only the basic construction costs and that certain additional costs would have to be incurred before work on the site could be considered completed. The costs of demolition on the site, landscaping, paving, interpreting equipment and special furniture for the meeting rooms were among those not included in the above figure. An approximate calculation of the additional costs would raise the total estimate to \$6,500,000 or \$6,600,000. This did not include additional furniture needed for the staff offices.

Dr. Portner proceeded to explain that the basic cost of \$6,060,000 was computed on an average cost of \$25.00 per sq. ft., as compared to an estimate of \$21.00 per sq. ft., furnished by the architect who had served as Professional Adviser to the secretariat in the conduct of the international competition for the design of the Headquarters building. This difference of \$4.00 per sq. ft., would account for a difference of about \$1,000,000 in the overall cost of the building.

Representatives of the secretariat had made an extensive review of buildings recently erected in the Washington area and had contacted U. S. General Services Administration for cost data on these buildings. Information received indicated a cost range of from \$16.00 per sq. ft. for commercial type buildings, to \$18.00 per sq. ft. for certain government installations, and up to \$27.00 per sq. ft. for the more elegant type of building.

In view of the wide variance in cost factors, where a difference of only a few dollars per sq. ft. represented a sizeable amount of money in terms of overall construction costs, it was imperative that the secretariat obtain the most specific information possible on the range of cost of each of the main elements in building construction. Dr. Portner stated that prudent financial management dictated the necessity of securing professional advice in this regard by the employment of a cost estimator.

Although this estimate would be subject to modifications as the building program moved forward and more detailed building plans were prepared, it would be more definitive than an average square footage dollar cost and would prove especially useful at this critical stage, when a decision needed to be taken with respect to seeking additional financial resources or adjusting the physical make-up of the building.

At the request of the Chairman, Dr. Horwitz gave his views on the situation. He reiterated the many problems of the building program and emphasized his great concern with regard to the financial aspects thereof. In his opinion, it was absolutely necessary at this time to be assured of a more accurate cost estimate so that appropriate action could be taken to move the project along.

Considerable discussion then followed on the matter. Mention was made of various methods of reducing costs with respect to materials used, as well as possibilities of decreasing the overall square footage. In

response to a question by the Representative of Argentina, the Chairman stated that any external modification of the building plans would have to be considered in the light of the regulations of the local authorities which had already agreed to the present external design.

Dr. Portner indicated that several professional estimators were under consideration and, if authorized by the Subcommittee, selection and employment of one would be undertaken immediately, so that the required information could be obtained as soon as possible.

The members of the Subcommittee agreed that there was a need to obtain the cost estimates from a professional source and authorized the Director to secure immediately the services of a competent consultant.

On the recommendation of the Chairman, it was agreed that a meeting would be convened as soon as the cost data was obtained. Further, a summary report of such data would be made available to each member for review prior to the meeting.

The meeting was adjourned.

PAN AMERICAN HEALTH ORGANIZATION

Report of the Meeting of the Permanent Subcommittee on
Buildings and Installations

The Permanent Subcommittee on Buildings and Installations met at
10:30 a.m., Thursday, 5 July 1962.

Present:

Mr. James R. Wachob, Chairman, (United States of America)
Mrs. Lilian O'Connell d'Alurralde (Argentina)
Mr. Olegario Russi (Chile)

The Subcommittee was assisted by:

Dr. Abraham Horwitz (PASB), Director
Dr. Stuart Portner (PASB), Chief of Administration
Mr. Román Fresnedo Siri, Architect
Mr. Louis Justement, Architect
Mr. Clarence Moore (PASB), Chief Budget and Finance Branch
Mr. Earl D. Brooks, (PASB), Chief Management and Personnel Branch

The meeting was called to order by the Chairman, Mr. Wachob, who explained that the main purpose of this meeting was to discuss the cost estimates prepared by the professional estimators who were authorized by the Subcommittee at its last meeting. The Chairman requested Dr. Portner to present the subject.

Dr. Portner presented the Subcommittee with a chart showing comparative estimate costs of the new building (copy attached), and explained to the Committee that the Organization had available a total of 4.8 million dollars and that the first estimate as made by our architects came to a total of 6.51 million, (Column 2 attached table). The Subcommittee had authorized the Director at its last meeting to contract for the

services of a professional estimator, and after consultation with our architects and experts of the U. S. Government, H. A. Sloane Associates in New York were employed. On the basis of preliminary drawings and information furnished by our architects the Sloane Company's first estimate came out at 7,073,000. The firm was then requested to make as accurate an estimate as possible based upon present building costs with a 10 per cent contingency and this estimate came out to 6,634,000. It was realized at this point that in order to come near to our available funds some changes in construction would have to be made, without, however, doing violence to the architect's design and bearing in mind that this was to be a monumental building.

The changes were based upon the following alternatives:

1. Procast architectural concrete facing should be used instead of pink marble facing. This would result in a saving of \$58,179.

2. Use of aluminum column facing in lieu of black granite. This would have resulted in a saving of \$14,297 but it was decided that the aluminum column facing would not be in keeping with the structure of the building. Accordingly, the change was not recommended.

3. The use of architectural concrete grille in lieu of bronze. The saving of this would amount to \$181,200 and was in line with the suggestion made by the Fine Arts Commission.

4. The use of architectural concrete in lieu of granite, on the walls of the first floor. Assurance was given by both the architect and Sloane Company that architectural concrete could closely simulate granite in texture and color. A saving of \$29,663 could be realized.

5. The use of flagstone paving in lieu of exposed aggregate. By using Philadelphia flagging a saving of \$13,224 could be realized.

6. The omission of two escalators in the Conference Building would result in a saving of \$88,000.

7. Plaster partitions in lieu of removable metal partitions. Although it was realized that removable metal partitions give a maximum of flexibility in a changing organization, the cost of \$261,786 for these partitions seemed prohibitive. It was felt, however, that some portion of the Secretariat Building required removable partitions to meet the changing need of the Organization. It was therefore agreed that plaster partitions should be used in about 3 floors, resulting in a net saving of \$115,268.

8. Reduce sub-basement area. In the original plans provision was made for 2 basements. The elimination of the sub-basement would cut available parking below the minimum level prescribed by the National Capitol Planning Commission. Accordingly it is necessary to retain approximately 1/3 of the sub-basement, thereby affecting a saving of \$164,000, rather than \$244,000.

Had all the changes been possible, the estimate of the gross cost of the building would have been \$5,685,000. With the reintroduction of item 2, and portions of items 7 and 8, the new estimated cost of the building was \$5,876,000, which it was believed was as low as could be reached without changing the design concept. It was pointed out that the short fall therefore would be \$1,076,000.

The Chairman then called on Dr. Horwitz and asked him if he had any comments to make regarding the methods of making up the difference of this shortfall. The Director suggested three methods which could be used.

- (1) A direct subscription by Member Governments
- (2) A bank loan, with repayment to be made through an item in the Regular Annual Budgets, and
- (3) An increase of the original grant from the Kellogg Foundation.

Dr. Horwitz pointed out further that experience had shown that in building programs a 10 per cent contingency as calculated in the construction cost estimate, rarely met the needs and he recommended that an attempt be made to raise a total of \$1,250,000 from any one of the above sources.

A discussion was then held by the members of the Subcommittee and it was the intent of the meeting that

- (1) an approach should be made first to the Kellogg Foundation for the amount of \$1,250,000 and

(2) that if the Kellogg Foundation were unable to increase the amount of the grant, an approach be made to one or more other foundations.

The Director requested the opinion of the Subcommittee on the matter of instruction to the architects to undertake detailed drawings for the building at the estimated cost of \$5,876,000, with the changes noted above.

While the Subcommittee agreed that they had authority to act in this matter, the Members felt that they should consult with their Governments. Dr. Portner was requested to prepare a background paper in order to assist the Members in presenting the case to their Governments. It was pointed out to the Subcommittee that any delay now would increase the length of time necessary for construction of the building and that from the time the architects were given authority, a period of 6 months would be needed to prepare the detailed drawings.

It was therefore agreed that the Subcommittee would meet on 19 July 1962, at 10:30 a.m. in order to whether authorization should be given for the preparation of the detailed drawings, based upon the revised estimate of \$5,876,000.

The meeting adjourned at 12:05 p.m.

COMPARATIVE ESTIMATE COST OF NEW BUILDING
(Dollars)

	(1) Available	(2) Architect Estimate	(3) 1st. Estimate Sloane Co.	(4) Revised Estimate Sloane Co.	(5) Estimate After Suggested Arch. Changes	(6) Estimate After Revision Arch. Changes
Construction	-	-	5,685,000	5,304,000	4,490,000	4,654,000
Contingency (10% of Construction Estimate)	-	-	568,000	530,000	449,000	465,000
Sub-total		5,717,000 ^{1/}	6,253,000 ^{2/}	5,834,000 ^{3/}	4,939,000 ^{4/}	5,119,000 ^{5/}
Architect Fees		342,000	370,000	350,000	296,000	307,000
Sub-total		6,060,000 ^{5/}	6,623,000 ^{6/}	6,184,000 ^{7/}	5,235,000 ^{8/}	5,426,000 ^{9/}
Special Equipment ^{11/}		450,000	450,000	450,000	450,000	450,000
Total	\$ 4,800,000 ^{12/}	6,510,000	7,073,000	6,634,000	5,685,000	5,876,000

- ^{1/} Cost per sq. ft. \$26.92
- ^{2/} Cost per sq. ft. 29.07
- ^{3/} Cost per sq. ft. 27.52
- ^{4/} Cost per sq. ft. 25.72
- ^{5/} Cost per sq. ft. with architect fees 28.63
- ^{6/} Cost per sq. ft. with architect fees 31.24
- ^{7/} Cost per sq. ft. with architect fees 29.17
- ^{8/} Cost per sq. ft. with architect fees 27.26
- ^{9/} Cost per sq. ft. 25.59
- ^{10/} Cost per sq. ft. with architect fees 27.36
- ^{11/} Special equipment cover: electronic equipment, seats, tables, booths

and all other furnishings for the Conference areas and for other elements of the new building.

^{12/} Rounded off from \$4,773,000

PAN AMERICAN HEALTH ORGANIZATION

Report of the Meeting of the Permanent Subcommittee on
Buildings and Installations

The Permanent Subcommittee on Buildings and Installations met at
3:00 p.m. Wednesday, 25 July 1962.

Present:

Mr. James R. Wachob, Chairman (USA)
Mrs. Lilian O'Connell d'Alurralde (Argentina)
Mr. Olegario Russi (Chile)

The Subcommittee was assisted by:

Dr. Stuart Portner (PASB) Chief of Administration
Mr. Román Fresnedo Siri, Architect
Mr. Louis Justement, Architect
Mr. Eugene Settino (PASB) Chief, General Services

The meeting was called to order by the Chairman, Mr. Wachob, who referred to the request made at the Subcommittee's meeting on 5 July 1962 to approach the W. K. Kellogg Foundation for the additional funds required to meet the estimated shortfall in the construction of the new Headquarters of PASB. Mr. Wachob asked Dr. Portner to enlighten the members with respect to the results to date on this matter.

Dr. Portner informed the Subcommittee that immediately after the 5 July 1962 meeting, and pursuant to the request of the Subcommittee, the Director communicated with Dr. Emory Morris of the Kellogg Foundation for the purpose of arranging a meeting to discuss the financial situation in regard to the new Headquarters building. Unfortunately, Dr. Morris was travelling for the Foundation, which precluded an immediate meeting with Dr. Horwitz.

Finally, after additional exchange of communications, a meeting mutually satisfactory to Dr. Morris and Dr. Horwitz was arranged for 14 August 1962.

The Chairman then opened for discussion the matter of approving the preparation of the detailed drawings for the building, which matter the members of the Subcommittee had decided at its 5 July 1962 meeting warranted consultation with their respective Governments before reaching final decision.

The member from Argentina, Mrs. d'Alurralde, addressed the meeting and indicated that, because of the importance of first resolving the financial position and the short period of time intervening before the Meeting of the XVI Pan American Sanitary Conference, it was the desire of her Government to withhold approval for the preparation of the detailed plans at this time.

In succession, the member from Chile, Mr. Russi, and the member from the United States of America, Mr. Wachob, both reiterated the importance of resolving the matter of the financial position before proceeding with the decision on the preparation of the detailed drawings. The decision to defer the preparation of the detailed drawings was carried unanimously.

The Chairman further expressed the desire on the part of his Government (USA) that the Subcommittee should be convened as soon as the results of the Director's negotiations with the Kellogg Foundation were

known. He requested Dr. Portner to inform the members how this could be timed in view of the approaching Pan American Sanitary Conference.

Dr. Portner indicated that the Director's departure for the Pan American Sanitary Conference was scheduled for 17 August. In view of the 14 August meeting with Dr. Morris, a meeting of the Subcommittee could be called on either 15 or 16 August 1962, at which time the Director would report on the results of his financial negotiations.

PAN AMERICAN HEALTH ORGANIZATION

Report of the Meeting of the Permanent Subcommittee
on Buildings and Installations

The Permanent Subcommittee on Buildings and Installations met at 3:15 p.m., on Thursday, 16 August and at 11:00 a.m., on Monday, 20 August 1962.

Present:

Mr. James R. Wachob, Chairman (United States of America)

Mrs. Lilian O'Connell de Alurralde (Argentina)

Mr. Olegario Russi (Chile)

The Subcommittee was assisted by:

Dr. Abraham Horwitz, Director, PASB

Dr. Stuart Portner, Chief of Administration, PASB

The meeting was called to hear the report of the Director of the Bureau on the interview which, in accordance with the instructions of the Subcommittee, he had had with Dr. Emory Morris of the Kellogg Foundation concerning the possibility of an additional grant for the new Headquarters building.

Dr. Horwitz (Director, PASB) stated that he had met with Dr. Morris on the preceding Tuesday. He had given him a detailed account of the events which had occurred since the XIII Meeting of the Directing Council and which had led the Subcommittee to reiterate its concurrence in the winning design of Sr. Roman Fresnedo for a structure containing, after elimination of certain items, a total of 197,000 square feet, at a construction cost of

just over \$27 per square foot. He had also informed him of final changes to reduce the costs, all of which had been approved by the Subcommittee and that, after a careful review by the architect and by special consultants, the present estimate of the total cost of the building was \$5,876 million or slightly over a million dollars more than what was available.

Dr. Morris had promised to study the situation and stated that, as he was to be a member of the United States Delegation to the XVI Pan American Sanitary Conference, he would let Dr. Horwitz know his decision in Minneapolis.

Dr. Horwitz stated that during the interview he had learned that the \$3,75 million grant had come from the capital of the Foundation, not from current income. Detailed arrangements had therefore been made by the Foundation for the sale of securities, etc., so that the full amount of the grant would be available in January 1963 when construction was to begin. Any delay in beginning construction would entail changes in those financial arrangements, which would be difficult to entertain unless there were very definite and solid grounds for it. Moreover, construction costs were rising at the rate of about 5 per cent per annum, so that a year's delay would add approximately \$300,000 to the total cost.

It should also be borne in mind that, in the absence of a definite instruction to begin construction in January, the architects had meanwhile stopped all work on the drawings, on which about 5 months' work needed to be done. Moreover, the architect was likely to have difficulties in recruiting draftsmen in the near future, should the current stoppage continue. Those facts should be taken into account by the Subcommittee.

If the decision of the Kellogg Foundation was negative, then arrangements should be made for a loan of the \$1,25 million. In view of what the Organization had already received --donation of the site by the United States, the Kellogg Foundation grant-- the Director did not believe there would be any difficulty. A long-term, low-interest loan could be negotiated with a bank, and repaid in annual installments without there being any increase in the quota contributions of Governments. In any event, work on the building should not be stopped. Whether or not the Kellogg Foundation gave a favorable reply --and he felt sure it would-- or whether the idea of a bank loan found favor with the Subcommittee, the Director thought it highly desirable that concrete proposals be made to the Conference.

Mr. Wachob (United States of America) thanked the Director for his report on his interview with Dr. Morris. He suggested that the Subcommittee adopt the following procedure: first, the members should put to Dr. Horwitz any questions they felt necessary; then the Subcommittee should go into executive session and work out its recommendations to the Conference.

It was so agreed.

In reply to questions by the Representatives of Argentina and the United States of America, concerning the anticipated difficulties with draftsmen, Dr. Portner (Chief of Administration, PASB) explained that, in addition to their permanent basic staff, architects employed a team of temporary draftsmen when working on a project. They were highly skilled personnel, in great

demand and short supply. Architects usually planned their work so that one project followed closely on another. In that way they were able to retain their temporary staff. The architects of the new Headquarters building would finish a project in the following week and, while in the course of normal business, they might keep on their temporary staff for two or three weeks in anticipation of definite instructions to proceed with work on the detailed drawings, they obviously could not do that if they would have to wait two or three or more months for such instructions. If they had to let their temporary staff go, there would be a further delay and that would have to be added to the five months which, as Dr. Horwitz had pointed out earlier, were needed for work on the drawings; in other words, construction would not then be begun, at the very earliest, until March. Any delay might very well make even the revised costing inadequate, since construction costs continued to rise.

With reference to the idea of a loan, Mrs. de Alurralde (Argentina) asked Dr. Horwitz to explain how it could be repaid without increasing quota contributions and rearranging programs.

Dr. Horwitz (Director, PASB) stated that the Program and Budget would contain more than 330 projects and amount to about \$13 million. It would have to be reviewed, and a saving of say, \$60,000, was not impossible (delays in recruiting staff, non-implementation of projects, etc.). Of course, all such rearrangements would be submitted to the Executive Committee. Moreover, certain Governments were in arrears with their quotas. Were they to pay them, the \$60,000 could be obtained from the Working Capital Fund instead.

The Subcommittee then went into Executive session.

It reviewed in detail the progress made and reaffirmed the conclusion it had reached earlier, namely, that everything possible had been done to reduce costs, and that any further reductions would (a) violate the basic design of the building, which design had already been approved by the Fine Arts Commission and the National Capital Planning Commission, and (b) create a new need for space in a relatively short time. On the initiation of detailed plans for the building, the Subcommittee felt it necessary to have the opinion of the Conference. It recommended the figure of \$5,876 million as the absolute minimum construction cost, in keeping with the review of the architect and the expert construction estimators, H.A. Sloane and Co., who had undertaken a comprehensive review of the cost of constructing the proposed Headquarters. That amount would provide for a building that embraced all the elements of the original design, including 197,000 square feet of construction with accomodation for a maximum of 395 persons.

Finally, the Subcommittee requested the Conference to authorize it to instruct the Director of the Bureau to continue his efforts to obtain the necessary funds to cover the total cost of constructing the new Headquarters building, it being understood that the total construction costs will not involve any increase in the quota contributions of the Governments.

The meeting recessed at 5:50 p.m. and reconvened 20 August 1962 at 11:00 a.m. with representatives of the Bureau.

The Subcommittee approved the text of its report to the XVI Pan American Sanitary Conference.

The meeting adjourned at 1:30 p.m.