



COUNCIL  
23rd session  
Agenda item 4(b)

C/ES.23/4(b)  
11 October 2005  
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## PROGRAMME FOR CHANGE

### (b) HQ building refurbishment

#### Note by the Secretary-General and the United Kingdom Government

##### SUMMARY

<b><i>Executive summary:</i></b>	This document provides information on the work to be undertaken under Phase 1 of the planned Headquarters Building refurbishment; and on the consequential effects on IMO operations and related issues
<b><i>Action to be taken:</i></b>	Paragraph 25
<b><i>Related documents:</i></b>	C/ES.23/5; C 94/D; C 94/4(b) and addendum; C 94/WP.1; and C 92/17(e)/3

### Background

1 The Council, at its ninety-fourth session (20 to 24 June 2005), welcomed revised proposals made by the Host Government for the financing of the proposed refurbishment of the IMO Headquarters Building (C 94/WP.1) and, in particular, its willingness to share a greater part of the costs (i.e. for this two phase refurbishment project only, on a 90:10 formula, against the 80:20 in the relevant Lease Agreement).

2 In recognizing the importance of undertaking some key elements of the unavoidable works programme without undue delay, **plus** some elements of other work, the Council, *inter alia*:

- .1 agreed, in principle, to going forward with a revised programme of works on the basis of the 90:10 cost-sharing formula;
- .2 invited the Secretary-General and the Host Government to continue their negotiations with a view to identifying the detailed programme of work to be undertaken within the proposed Phase 1 funding limit of £25 million; and
- .3 requested the Secretary-General to present more detailed information to the twenty-third extraordinary session of the Council, including alternative options for financing the programme of work, on the basis of guidance from the Council; proposals for any necessary amendments to the budget and appropriations for the next biennium; and identification of any repercussions on the Meetings' programme.

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## **Management of the Refurbishment Project**

3 As the Council was advised at its ninety-second session in June 2002 (C 92/17(e)/3), a Project Steering Board has been established to oversee progress with the refurbishment project. The Board is chaired by the United Kingdom Government's Permanent Representative to IMO and has met approximately monthly since the Council agreed, in principle, to going forward with the project. The IMO Secretariat, the United Kingdom Government's Department for Transport Estates Division, the Project Managers and an Independent Project Advisor are also represented on the Board. The principal function and objectives of the Board are to oversee all aspects of the planning and delivery of the refurbishment project and to provide a forum that will ensure the necessary governance is exercised.

## **Programme of works**

4 As was foreshadowed in the United Kingdom's submission to C 94 (C 94/WP.1), the refurbishment project has been split into two phases, chiefly to address the budgetary limitations on both the Organization and the United Kingdom Government. The first phase of the project, costing approximately £25 million, will consist of a major portion of the works identified as unavoidable (C 94/4(b) and addendum), but omitting those items which would need to be re-worked due to the adoption of a two phase approach. In addition, and within the available funds, some of the work originally identified as necessary and which would be needed to be undertaken in the near future will be included in the refurbishment.

5 In order to provide the Project Managers with a provisional brief, a design workshop was held with representatives of the Organization to discuss and review the options for the scope of Phase 1 of the refurbishment project. The first priority work was that identified as unavoidable in respect of the urgent mechanical, electrical and building fabric works to be undertaken in Phase 1. An outline of these works is given at annex 1. The starting point for the discussion on items not considered to be unavoidable was the need to upgrade some facilities in the main conference hall, upgrade catering and dining facilities, enhance building security and effectively utilize the space vacated on the ground floor by the closure of the Production Unit. An outline of these works is given at annex 2. The recommendations from the workshop have subsequently been endorsed by the Project Steering Board.

6 The Host Government's Project Managers plan to make a presentation to interested Member Governments at IMO Headquarters on the evening of Wednesday, 16 November 2005\* to provide information on the outline design proposals and to answer any questions that might arise.

7 The Project Steering Board has carefully considered the possibility of conducting the proposed refurbishment works concurrently with the normal, or a possibly reduced, work programme of the Organization and its Secretariat at the Headquarters Building. The Board has concluded, on the basis of the advice of the Project Managers, that it would not be possible for the work of IMO and the Secretariat to continue at IMO Headquarters during the period of refurbishment. The key reasons are those relating to maintaining a safe and healthy operational environment; the extensive scope and number of locations in the building that will be affected by the work (particularly the mechanical and electrical systems); the inevitable noise of the works and completing them according to a reasonable timetable and within budget.

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\* Meeting Room 1, starting at 16:00 hrs.

8 Within the overall £25 million budget for the Phase 1 works, a provision of £1.9 million has been made to meet the costs of the relocation of the IMO Secretariat to and from a temporary office location. A portion of this allocation will also be required to be utilized to meet the costs of relocating IMO meetings to other locations during the period of the refurbishment.

### **Timing of Phase 1**

9 The Project Board has carefully considered the timing and duration of Phase 1 of the refurbishment project. Expert advice has been sought from the Project Managers and validated by the Independent Project Advisor. On the assumption that the Headquarters Building will be made fully available to the refurbishment contractors and there is no concurrent use by the Organization and Secretariat, the scope of works is anticipated to be of approximately 13 months' duration, inclusive of the time necessary to set up and dismantle the contractor's site arrangements. The refurbishment project would therefore run through the period from the end of July 2006 to the end of August 2007. This timing also offers the following benefits:

- .1 allows sufficient lead in for the necessary detailed design and costs to be finalized;
- .2 allows sufficient time for alternative meeting arrangements and venues to be finalized;
- .3 is favourable in terms of a relocation of the Secretariat to alternative offices; and
- .4 will minimize the effects of inflation on the costs of the project.

### **Temporary relocation of the IMO Secretariat**

10 The United Kingdom Government has identified an office building which is suitable as a temporary location to accommodate the Secretariat whilst the Phase 1 works are being undertaken. The offices are leased by the host Government's Department for Transport and will become available from May 2006. These offices are located at 55 Victoria Street, London SW1. The Secretary-General, senior management and staff representatives have visited the offices, which IMO will solely occupy for the duration of the relocation, and they have found them adequate for the needs of the Secretariat for the projected period of the refurbishment work. The Organization will be responsible for the management and organization of the temporary relocation of the Secretariat and the Meetings' programme.

11 The market value rent of 55 Victoria Street is substantially more than the amount which the IMO currently pays the United Kingdom Government under the terms of the HQ Lease Agreement for 4 Albert Embankment. While the United Kingdom Government will continue to be obliged to pay the full amount of the rent to the owners of the building, it has, however, confirmed that it will continue to accept the same payments from IMO for the duration that the IMO Secretariat occupies 55 Victoria Street as it would have been paying for 4 Albert Embankment. The Host Government has also confirmed that arrangements will be made such that IMO will pay reduced rates at 55 Victoria Street for the duration that it is occupied by the IMO Secretariat. The insurance of the IMO Headquarters Building and of 55 Victoria Street will continue to be the responsibility of the Host Government. The Organization will remain responsible for the insurance of its contents at both locations.

12 Article 3 of the IMO Headquarters' Agreement states that "Where premises are temporarily used or occupied by the Organization for the fulfilment of its official functions, these premises shall, with the agreement of the appropriate authorities, be accorded the status of

premises of the Organization". The Host Government has confirmed that the full range of privileges and immunities will continue at 55 Victoria Street for the duration that it is occupied by the IMO Secretariat. The Organization will take all necessary steps, in consultation with the relevant authorities in the United Kingdom, to ensure that security is commensurate with that expected and provided at the Headquarters Building.

13 The Host Government will conduct a survey of 55 Victoria Street in advance of the Organization's tenure of the building and draw up a Schedule of Condition. The Organization's occupation of the premises will be on the basis that the building will be maintained in no worse state of repair throughout the period of the temporary relocation. The Organization is expected to provide vacant possession of the Headquarters Building no later than 31 July 2006.

14 The Organization will assume responsibility for building security, cleaning and maintenance at 55 Victoria Street. Some limited security and maintenance responsibilities for the Headquarters Building will also be retained by the Organization. The selection of appropriate contractors for these services will be on the basis of competitive quotations to provide the most cost-effective solution.

15 In view of the foregoing, and in order to properly and accurately reflect all these issues, the Project Steering Board has identified the need for an appropriate temporary addendum to the existing HQ Lease Agreement and for other agreements between the host Government and IMO to be entered into for the duration of the project. The Council will be kept informed in this regard.

### **Meetings' programme**

16 The proposals for the Meetings' programme aim to minimize disruption to the programme and to limit, as far as possible, expenditure on the rental of alternative conference facilities as expenditure on the hiring of facilities will be met from the project budget and, therefore, will have a direct impact on the amount of funds available for the refurbishment work.

17 In reviewing the Meetings' programme for 2006, radical solutions, such as holding all the planned meetings in the first half of the year, were discounted on operational grounds. To ensure sound management of the Organization during the Secretariat's temporary relocation, the Secretary-General has concluded that it would be prudent to hold as many meetings as possible in London. With this consideration in mind and the need for economy of operation, a revised schedule of meetings for the latter half of 2006 is given at annex 3, which shows how the meetings in that period might be managed and their approximate cost.

18 As availability of conference facilities in London of a size commensurate with the Organization's major meetings (i.e. MSC and MEPC) is limited and, therefore, needs to be booked in advance to secure occupancy, the Secretary-General has made bookings at the locations indicated. Consultations are on-going on having the MSC meeting in November/December 2006 take place in a member country. The Host Government has undertaken to identify a suitable location in London for the November Council meeting. Consideration will be given to the meetings schedule for 2007, in consultation with the relevant Chairmen, in due course and on the basis of the experience gained during 2006.

### **Maintaining information systems**

19 The effective and efficient work of the Organization relies substantially on its information systems. In order to ensure the minimum disruption to services provided by the Secretariat,

arrangements will be put in place to continue running the Organization's IT infrastructure at the Headquarters Building during the refurbishment work with the necessary contingency back-up. The Secretariat will thus be able to access information contained on the IT systems at 55 Victoria Street and remotely elsewhere, as appropriate.

20 The current research and information services provided by the IMO Library will, however, be limited during the refurbishment project to access to electronic information due to lack of space at 55 Victoria Street for the current catalogue of hard copies and the related costs of relocating such an extensive amount of information. Documents will be accessible through IMODOCS and IMOARCHIVES and the Library will undertake the scanning of some historical material. All sections of the public website will be maintained as usual and a small library of reference material will be retained.

### **Financing**

21 Under the proposed 90:10 cost-sharing formula, the Organization's contribution to the cost associated with Phase 1 of the refurbishment works is £2.5 million. The Host Government has confirmed that it will accept the Organization's contribution being paid over two biennia. In his revised budget proposals for the 2006-2007 biennium (C/ES.23/5), the Secretary-General has made an appropriate allocation to meet this repayment schedule. The Secretary-General has also outlined proposals for the future rebuilding of the Headquarters Capital Fund with a view to ensuring proper maintenance of the enhanced facilities and making provision for the Organization's share of the costs of Phase 2.

22 The timing and duration of Phase 2 of the refurbishment works (unavoidable works and works from other categories as required) will be subject to a final decision by the Council. However, at this time, it is not expected that such a decision will be sought before 2010. At this stage and at today's prices, based on Phase 1 costing £25 million, it is still anticipated that the funding limit for Phase 2 of the refurbishment project will be a further £21 million – providing a total budget for Phases 1 and 2 of £46 million. The Organization's contributions to Phase 2 of the project would continue to be according to the 90:10 cost-sharing formula.

23 It is estimated that, at today's prices, £13.5 million of 'unavoidable' works will be deferred to Phase 2 in order to avoid abortive or duplicative work. In due course, when the Council is invited to consider the scope and content of Phase 2 of the project, a range of fully-costed options will be presented for the utilization of the available budget with the objective of providing a prestigious, user-friendly and fit-for-purpose twenty-first century home for the Organization.

24 At this time it is not possible to foresee if temporary relocation of the Secretariat or changes to the Meetings' programme would be necessary for Phase 2 of the project.

### **Action requested of the Council**

25 The Council is invited to:

- .1 endorse the contents of the programme of works in Phase 1 (paragraph 5 and annexes 1 and 2);
- .2 note the proposed timing and duration of the Phase 1 works (paragraph 9);

- .3 note the consequential effects on the Meetings' programme and the work of the Secretariat and the proposals for the temporary relocation of the Secretariat (paragraphs 10 to 15);
- .4 endorse the proposals for the Meetings' programme in the latter part of 2006 (paragraph 17 and annex 3);
- .5 authorize the Secretary-General to make the necessary financial commitments to ensure a cost-effective and efficient schedule of meetings for 2007 (paragraph 18); and
- .6 invite the Secretary-General to continue his negotiations with the Host Government in order to ensure an efficient and cost-effective refurbishment of the Headquarters Building whilst maintaining the core work of the Organization.

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## ANNEX 1

### **OUTLINE OF PRINCIPAL UNAVOIDABLE MECHANICAL, ELECTRICAL AND BUILDING FABRIC WORKS TO BE UNDERTAKEN AS PART OF PHASE 1 OF THE REFURBISHMENT PROJECT**

- Replace all flat roof coverings and carry out repairs to all other roof areas
- Replace fourth floor terrace paving and gullies in areas not incorporated into extended kitchen and restaurant facilities
- Carry out remedial works to external vertical tiling
- Replace secondary chilled water pumps
- Replace main boiler plant, including associated flues, gas boosters and pipework
- Replace primary and secondary pumps for low pressure hot water system
- Replace main 11kV switchgear panel, cabling and ancillaries
- Replace five oil filled transformers, cabling and ancillaries
- Replace main 44V distribution switchgear panel, cabling and ancillaries
- Replace standby generator set, controls, cabling and ancillaries (including new air supply and exhaust systems)
- Provide central surge protection system
- Upgrade earthing system
- Repair lightning protection system
- Replace general extractor fans in areas to be refurbished as part of the Phase 1 works
- Replace toilet supply air handling units and all toilet extractor fans
- Modify or replace local control panels for services in areas to be refurbished as part of the Phase 1 works
- Replace field controls and associated wiring for services in areas to be refurbished as part of the Phase 1 works

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**ANNEX 2****OUTLINE OF THE OTHER WORKS TO BE UNDERTAKEN AS PART OF PHASE 1  
OF THE REFURBISHMENT PROJECT**

- Refurbishment of principal lift carriages, including the three main lifts used by delegates and staff on the north side of the building
- Provide new catering store in basement
- Install new ceiling, lighting and reception desk in main entrance lobby
- Remove existing cloakroom and open up this space to improve flow in and out of plenary. Reposition main cloak room on north side of entrance lobby and provide additional cloakrooms behind existing toilet facilities
- Reposition pigeon holes and telephone booths on ground floor
- Refurbish toilets on ground, first, second and fourth floors
- Provide flexible meeting room accommodation, including the provision of audio-visual equipment, by opening up all meeting rooms behind the dais in plenary (existing rooms 007 and 010) with the provision of two folding walls
- Provide new audio-visual and IT facilities in plenary, including power points at all desks and five cameras with 'zoom to speaker' control and relay to meeting rooms on second floor. Provision of central screens and eight plasma relay screens around plenary
- Increase capacity by 30 of delegates in plenary who have microphones and can work at desks and provide in total 647 seats in plenary, with a further 97 seats in the balcony for people to observe plenary proceedings (which will be accessible internally)
- Provide new office accommodation and reposition registry and reprographic facilities from first floor to north-east wing of ground floor (area to be vacated by printing facilities)
- Upgrade sound control room and provide new audio-visual equipment for interpreters' booths for plenary
- Provide new office accommodation in north-east wing of first or second floor
- On the fourth floor, redesign and upgrade restaurant facility with all new services, finishes and furniture, and increase capacity from existing 176 to 250 persons. Provide private dining facilities for up to 26 people
- Extend and completely refurbish kitchen on fourth floor to meet best practice and latest health and hygiene regulations
- Reduce size of external roof terrace to accommodate increase in restaurant capacity and size of kitchen

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## ANNEX 3

## PROPOSED REVISED MEETINGS' PROGRAMME FOR 2006

July	3-7	FAL 33		
	10-14			
	17-21	NAV 52		
	24-28	SLF 49		<i>Re-scheduled from September</i>
Aug	(31)-4			
	7-11			
	14-18			
	21-25			
	28-(1)	(28th Late Summer Holiday)		
Sept	4-8			
	11-15	[SLF 49] DSC 11	<i>Coffee Organization</i>	<i>Approximate cost £35k</i>
	18-22			
	25-29	[DSC 11]		
Oct	2-6			
	9-13	MEPC 55	<i>Central Hall</i>	<i>Approximate cost £170k</i>
	16-20	LEG 92	<i>UNESCO Paris</i>	<i>Approximate cost £37k</i>
	23-27	IOPCF	<i>IOPCF to arrange</i>	
Nov	(30)-3	LC 28	<i>Coffee Organization</i>	<i>Approximate cost £35k</i>
	6-10	C 97	<i>[Location to be confirmed by the United Kingdom]</i>	<i>Costs to be confirmed</i>
	13-17			
	20-24			
	27-(1)	) MSC 82	<i>[Consultations are on-going on having the session take place in a member country]</i>	
	(29 <sup>th</sup> Nov – 8 <sup>th</sup> Dec)			
Dec	4-8	) " "		
	11-15			
	18-22			
	25-29	(25 <sup>th</sup> & 26 <sup>th</sup> Christmas)		