

C: MASTER CAPITAL INVESTMENT PLAN

Periodic Report on the Implementation of the Master Capital Investment Plan

Introduction

1. This document summarizes the Master Capital Investment Plan (MCIP) activities and projects for the current 2010–2011 biennium, for those proposed for the 2012–2013 biennium, and for those requested for the remainder of the ten-year plan 2014–2019 that may be funded by the Master Capital Investment Fund (MCIF) and by the PAHO Holding Account (HA).

Master Capital Investment Plan

2. The Master Capital Investment Plan reflects the Organization's increasing efforts 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 activities and projects in the Master Capital Investment Plan that are funded by the MCIF and the HA, in this document and in the attached annexes, the Secretariat has included references to both MCIF and HA activities and projects.

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 (October 2008). These included the creation of the Emergency Operations Center/Knowledge Center and repairs to the roof of the Washington Headquarters building. Specific descriptions for HA projects are found in Document CE146/27 (June 2010). Details on the MCIF are outlined below.

Master Capital Investment Fund, 2010–2011 Biennium Funding

4. The Master Capital Investment Fund for the 2008–2009 biennium was initially funded in January 2008, with \$2 million* for the Real Estate and Equipment Subfund and \$6 million for the Information Technology Subfund. In accordance with Resolution CSP27.R19 (October 2007), the Director notified the Executive Committee in June 2010 of the transfer of \$2 million of excess income over expenditure from the 2008–2009 Regular Program Budget to the MCIF for the 2010–2011 biennium.

5. As stipulated in that same resolution, the Director received the approval of the Executive Committee in June 2010 to transfer an additional \$2 million of excess income over expenditure from the 2008–2009 Regular Program Budget funds to the 2010–2011 MCIF. The new funding was divided between the Real Estate and Equipment Subfund (\$1 million) and the Information Technology Subfund (\$3 million).

6. As of 31 December 2010, there was a balance of \$2,987,687 in the Information Technology Subfund, \$1,588,000 of which ITS expects to receive in 2011, leaving a balance of \$1,399,687 in the subfund. The available amount in the Real Estate and Equipment Subfund for 2011 is \$1,589,502.

7. The Real Estate and Equipment Subfund may receive additional funding from the WHO Capital Plan, which was reactivated in the 2010–2011 biennium. The distribution of funds from this program has not yet been finalized.

Real Estate and Equipment Subfund

Projects at Headquarters in 2010–2011

8. The rehabilitation of the four elevators at the Headquarters building, previously approved in the 2008–2009 biennium, should proceed in this biennium. The General Services Area at Headquarters has received \$30,000 to conduct a study of the major building systems and renovation projects at the Headquarters building. A variety of repairs are planned. These include: (a) a recaulking project to stop rain infiltration from gaps in exterior stonework, (b) an assessment/repair of the main electrical switch room in the basement conducted every five years, and (c) preparation of the specifications for the elevator replacement project for which several potential consultants have been located.

* Unless otherwise specified, all monetary values in this document are expressed in US dollars.

Projects in PAHO/WHO Representatives' Offices in 2010–2011

9. A total of \$547,090 has been provided to six PAHO/WHO Representatives Offices (PWR)^{*1} for projects in 2010–2011. See Annex A for further details. This annex also describes a number of projects that are being considered for funding in 2011 at various PWRs. One of the largest efforts will be the rebuilding of the PWR office in Haiti. The MCIF will be used to reimburse some of the costs incurred by the PWR and charged to its regular budget and also start work on some projects, such as the leaky fuel tanks, in advance of the rebuilding of the main wing. The rebuilding costs will have to be spread into the next biennium. AM has requested each PWR to develop its own 10-year plan to assess the condition of facilities throughout the Region and assist in long range planning efforts.

Projects Planned for 2012–2013 and 2014–2019

10. Given the limited funds available, the proposed Real Estate and Buildings projects planned for the 2012–2013 will be reviewed by the Project Infrastructure Investment Committee, which was created by the Director in September 2009, to analyze the Master Capital Investment Plan projects in both subfunds and issue recommendations regarding their feasibility and priority. The distribution of projects for 2012–2013 and the subsequent biennia in the remaining ten-year plan will depend on the results of the aforementioned study at the Headquarters building, as well as the completion of similar studies in the different locations of Country Offices and Centers.

Information Technology Subfund

Projects in 2010–2011

11. A total of \$1,773,000 was expended in 2010 on various Master Capital Investment Plan information technology projects (Annex C-4), including:

- the procurement of desktop computers, laptops, and peripherals (printers and other equipment);
- the procurement and installation of servers and hosting infrastructure;
- the upgrading and renewal of existing software and procurement of new software; and
- information security.

^{*1} Also referred as “Country Offices.”

12. Expenditures during the biennium's second year (Annex C-4) are expected to amount to \$1,588,000 to cover:

- procurement of desktop computers and memory upgrades to allow for the migration to Windows 7;
- procurement of essential peripherals and printers;
- continued investment in servers and data storage to strengthen the Organization's "private cloud" capacity and to strengthen the capability for business continuity;
- continued investments in information security;
- continuation of software licenses for network and network hardware; and
- continued investment in software licenses.

Projects in 2012–2013 and 2014–2019

13. The projects planned for the 2012–2013 biennium (Annex C-4) include:

- software licenses;
- network infrastructure;
- licenses and replacement systems for telephone systems, primarily at the country level;
- information security hardware and software;
- servers and hosting infrastructure at Headquarters and Country Offices; and
- replacement of desktops, notebooks, and peripherals, including printers and scanners.

14. It is anticipated that from 2012 onwards there will be a significant shift to a server-centric computing model that emphasizes cloud computing. Consequently, the investment in desktops will shift toward notebooks replacing desktops in cases where high mobility is required.

15. The chart which outlines the 2012–2013 investment program (included in Annex C-4) also outlines the program for the final years of the current ten-year program ending in 2019. Because the currently anticipated costs from 2014 onwards are likely to be affected by the deployment of the PAHO Management Information System (PMIS), significant changes in the projected costs are likely from that point on. At this time, these projects are included as information only.

Next Steps

16. The Organization is committed to monitor and reassess essential projects and their estimated costs on an ongoing basis and regularly provide Member States with the most accurate updated information.

Action by the Executive Committee

17. The Executive Committee is invited to take note of this report and provide comments and recommendations.

Annexes

**Master Capital Investment Fund
(Real Estate and Equipment Subfund)
Completed & Proposed Projects – 2010-2011**

Location	Project	Final Cost	Estimated Cost
PWR Chile	Internal renovations at new office site after relocation in February 2010 following earthquake	\$33,000	
PWR Trinidad and Tobago	Internal renovations at new office site after relocation to office space provided by the Member State	\$340,242	
PWR Panama	Partial costs for rental of replacement air conditioning system at PWR office	\$12,000	
PWR Suriname	Final renovation costs at PWR office building provided by the Member State	\$65,000	
PWR Guyana	Expenditures for repair/renovation of a building provided by the Member State	\$50,800	
PWR Haiti	Legal fees to complete purchase of parking lot adjacent to PWR office (\$6,048) and initial repairs to PWR office (\$40,000)	\$46,048	
HQ Washington	Condition assessment/development of rehabilitation program		\$30,000
HQ Washington	Rehabilitation of four elevators		\$850,000
HQ Washington	Recaulk stone work		\$81,000
HQ Washington	Electrical assessment in basement		\$35,000
Barbados ECC	Interior repainting		\$52,000
Barbados ECC	Tiling and carpet replacement		\$48,000
Barbados ECC	Air conditioning assessment and replacement		\$61,000
Haiti	Various repairs paid from Haiti budget		\$178,611
Haiti	Replacement of leaking fuel tanks for emergency generators		\$41,145
Jamaica	Expenditures for relocation to CFNI building		\$60,000
TOTAL		\$547,090	\$1,436,756

**Current 2010 and Planned 2011 Expenditures for GSO Projects
Funded by the Holding Account as of 31 December 2010
(in US\$)**

Location	Project Description	2010 Expenditures	2011 Planned Expenditures
Regional	Emergency Operations Center (EOC) and Knowledge Center (KC) (Holding Account Profile 1A)—first funding source	241,264	2,184,499
Country Offices	Improvements to facilities: Minimum Operating Security Standards (MOSS) Upgrades and security measures (Holding Account Profile 4A)	82,560	115,646
Headquarters (WDC)	Improvements to facilities: energy-saving measures (Holding Account Profile 4B)	6,000	1,409,000
Headquarters (WDC)	Improvements to facilities: the plaza drainage system repairs (Holding Account Profile 4C)	0	375,000
Headquarters (WDC)	Improvements to facilities: security and sanitary measures (Holding Account Profile 4D)	0	100,000
Headquarters (WDC)	Improvements to facilities: HQ office tower roof repairs (Holding Account Profile 4E)	247,923	0
Headquarters (WDC)	Improvements to facilities: renovation of Headquarters buildings (Holding Account Profile 4F)—first funding source	0	575,000

**Current 2010 and Planned 2011 Expenditures for ICT Projects
Funded by the Holding Account as of 31 December 2010
(in US\$)**

Project Description	Amount Approved	2010-11 Allotted Planned Expenditures
2C. Modernization of the Service Model for the Delivery of IT and KM Services	\$1,500,000	\$700,000*
3B. Strengthening Communications through Improved Country Office Connectivity	\$2,000,000	1,385,000

*\$300,000 allotted to KMC

**Projected Costs for Projects in the Information Technology Subfund,
as of 31 December 2011
(in US\$)**

Project	2010–201 1	2012–201 3	2014–201 5	2016–201 7	2018–201 9	Total
Desktops and laptops	486,200	450,000	400,000	400,000	400,000	2,136,200
Other peripherals including printers	206,900	250,000	250,000	250,000	250,000	1,206,900
Servers and hosting infrastructure	800,000	1,000,000	1,200,000	1,200,000	1,200,000	5,400,000
Information security	412,650	200,000	230,000	250,000	280,000	1,372,650
Telephony	216,800	200,000	200,000	200,000	200,000	1,016,800
Network infrastructure	110,500	200,000	200,000	200,000	200,000	910,500
Software	1,128,500	1,125,000	1,125,000	1,125,000	1,125,000	5,628,500
Totals	<u>3,361,550</u>	<u>3,425,000</u>	<u>3,605,000</u>	<u>3,625,000</u>	<u>3,655,000</u>	<u>17,671,550</u>