



**FOURTH REGULAR SESSION
FINANCE AND ADMINISTRATION COMMITTEE
Tumon, Guam, USA
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HEADQUARTERS BUILDING

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Paper prepared by the Secretariat

Introduction

1. The Committee may recall that threshold issues for occupancy of the Commission headquarters building included the execution of both a land lease from the Pohnpei State Government and a grant agreement for the building from the Government of the Federated States of Micronesia as well as the need for a due diligence report on the building and grounds. The lease and grant have been negotiated but of necessity the lease is for a reduced portion of land relative to that included in the original bid and a due diligence report completed. The lease terms required that a significant portion of land originally understood to be available to the Commission¹ was released back to the Pohnpei State; the building grant agreement was concluded as a concurrent exercise with the signing of the lease and the independent due diligence exercise has brought attention to a range of issues, some of which are sufficiently significant as to preclude immediate occupancy. It is hoped that these matters can be addressed promptly and progressively so that occupancy can occur in January 2008.

2. The Secretariat has now been required to occupy an interim office for two years. This is an unsatisfactory situation which places considerable stress on staff and their working arrangements, the capacity to recruit new staff and is a drain on the resources of NORMA. It is also source of bemused concern to the Pohnpei public and its business sector. The ongoing work involved in dealing with all the issues associated with the provision of a fully functional headquarters complex remains a significant burden on the Secretariat's resources.

Lease and Grant Arrangement

3. It was understood that the Commission had been offered two adjoining parcels of land with a total area of 17,973 square meters (009-A-47; 14,868 sq. m and 009-A-48; 3,105 sq. m) on which to locate its headquarters complex. Unfortunately the actual headquarters building was placed on the far south eastern boundary of the land rather than on a less restricted area which caused access issues for the local Peacecorps Office and several State Government agencies. In addition the State resolved to excise a further area in order to preserve a building considered of heritage value. Complete identification of these issues and their negotiation took considerable time however both a lease and grant agreement were signed on 19 July 2007. Copies of these documents are available from the Secretariat. The lease is now for 12,839 square meters of land (parcel 009-A-103) and provides for the Commission to forego the use of part of the leased land for a further period of up to 2 years to enable the State and National Governments to relocate certain personnel, demolish certain

¹ Approximately 5,000 sq. m. was released back to Pohnpei State.

buildings and construct an alternate access road for the Peacecorps. The lease also provides for the State Government to remove or relocate all third parties and to permanently block the access road located at the rear of the property, but these actions are yet to occur and it is likely the Secretariat will need to play a lead role in their resolution.

Due Diligence Exercise

4. The Secretariat experienced considerable difficulty in identifying a contractor to undertake the due diligence exercise. Eventually a local sub-contracting company was engaged at considerable savings to the price overseas firms were quoting, and has now presented its final report. The Terms of Reference for the due diligence exercise is appended at Attachment A. The Report will be available to the Committee at Guam for review, if required.

5. As may be expected the long period of vacancy has not been helpful in preserving the condition of the building. In addition few manuals and instructions guides have been made available and some of those that are available are not in English. This creates obvious building management problems.

6. The report sets out a formidable list of issues recommended for remedial action. The priority matters precluding occupancy are:

- repair or replacement of the main electrical circuit breaker (the current breaker trips when any air-conditioning load is applied;
- the lack of secure ground floor doors and windows;
- the need for temporary, then permanent fencing, to prevent public access to the site;
- unsanitary waste water plumbing arrangements inside the building; and
- the danger of electrocution caused by the electrical power wiring put in place by the construction workers that are resident (without permission of the Commission) on the Commission's land.

7. These are among the matters identified in the Report that are being taken up with the National Government by the Secretariat. Some will require the assistance and cooperation from the original contractor to resolve. The Secretariat will also contact the Pohnpei State about the continued occupation of the Commission's leased land by the third party construction workers and the danger the current electricity wiring they have installed presents to the general public, Commission staff and visitors to the site. It is anticipated that the Secretariat will be able to update the Committee during its session in Guam on the outcomes of these discussions.

8. Until the key issues are addressed the Commission will not be able to secure full replacement value insurance for the building or full burglary cover for its assets. In addition the building and site will continue to deteriorate as the building remains vacant and the site is used by the public for parking, as access to the softball ground and as a general thoroughfare road.

9. A ceremonial opening was conducted in September 2007 to coincide with the presence in Pohnpei of representatives of Member States, Non-members and Participating Territories at the Third Annual Technical and Compliance meeting.

Recommendation

10. The Committee is invited to note the status of the headquarters building and grounds and the ongoing unresolved issues.

TERMS OF REFERENCE

Commissioning of Western and Central Pacific Fisheries Commission Head Quarters Building

SCOPE

Compile and submit a written report on the building designated to house the Western and Central Pacific Fisheries Commission, property and redundant structures on the same property. Report to include the following;

1. Observations and findings for suitability and compliance on the following:

Electrical wiring Fittings and Infrastructure;
Utility connections to Main grids and Systems;
Air-conditioning units and integrated systems;
Computer and Telecommunications cabling;
Plumbing and Plumbing Fixtures;
Emergency Back up Generator;
Retaining Walls;
Car parks;
Site drainage; and
Flagpoles.

2. Structural or functional improvements considered essential or practical.

3. Suitability and safety of the headquarters building, facilities and property for occupancy based on acceptable Pacific Island Standards. Specify any additional works or actions required to bring the property up to minimal local standards.

4. Works required for putting the undeveloped portions of the headquarters property into a fit and reasonably easy to maintain condition.

5. Suitability of the usefulness and completeness of operating manuals provided by the building constructor. Provide advice on appropriate action if these are seriously deficient or incomplete.

6. Compile an owners manual of all literature supplied by client and associated with the construction and maintenance of the building, equipment etc.

7. Detail ways of minimizing operating costs over the life of the building (and current facilities).

8. Detailed budget for maintenance and cleaning of the building, equipment and grounds over the course of one year.

9. Detailed budget of operating the building with the current staff level and with full occupancy, identifying the main cost elements:

Two budgets will be submitted, one for current staff levels and the second for full capacity. The second estimate will be based on figures supplied by the client on total occupancy and expected usage of the building. Estimates will include the following:

- Utilities

- Building maintenance
- Cleaning Building
- Ground maintenance
- Security
- Generator maintenance
- Mechanical maintenance.

10. Detailed budget for security fencing of the property including the costs and recommendations for strategic segments if the property has to be progressively fenced with designated access gates as required. The budget will therefore be for a suitable short term arrangement and for a longer term design.

Budgets will be submitted for:

A. Post and chain across front of building and across access road to Ellen's Market.

B. Chain Link fence to entire property,

C. A combination of A, B and pole and barbed wire similar to that used for the site of the new US Embassy.

D. For a concrete and wrought iron low wall/fence from the edge of the current access road to Peace Corps to the end of the paved car-park

11. Detailed budget of any works/ actions noted in item 3.

12. Detailed budget on securing and rehabilitating the building adjacent Peace Corps.

13. Detailed budget to block off road to Ellen's market

14. Detailed budget to restore the fountain.

15. Detailed budget to clear land of all building equipment and trash.

16. Detailed budget to demolish specified interior walls to make better use of existing office space.

17. Detailed budget to construct two space carports over existing car park spaces.

OUTPUTS

A written report on the building designated to house the Western and Central Pacific Fisheries Commission, property and redundant structures on the same property that addresses all the scope of works above.