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BUDGET ESTIMATES FOR THE FINANCIAL YEAR 1960

Major Maintenance and Capital Improvement Programme  
at Headquarters

(Report by the Secretary-General)

Introduction

1. The Secretary-General submitted to the General Assembly at its thirteenth session a three-year plan for major maintenance and capital improvement at Headquarters.<sup>1/</sup> The projects included in the plan constituted major non-recurring or periodic requirements and were therefore exclusive of the annual and standard replacement repairs or maintenance items normally provided for in the regular budget. They covered work in three areas: (a) major improvements to the premises; (b) major replacement requirements; and (c) major buildings requirements.
2. The Advisory Committee on Administrative and Budgetary Questions<sup>2/</sup> considered that there would be advantage, before long-term plans were finalized, in making an over-all examination, from the point of view of the annual incidence of costs, of such major undertakings as the programme of modernization of the Palais des Nations at Geneva, the construction of a United Nations building at Santiago and the major maintenance and improvement programme at Headquarters. In consequence approval was given in 1958 only to the more urgent items under the last-named programme.

<sup>1/</sup> Official Records of the General Assembly, Thirteenth Session, Annexes, agenda item 44, document A/C.5/738.

<sup>2/</sup> Ibid., document A/4004, para. 4.

3. The developments which led the General Assembly to decide in November 1959 to construct a new library building [A/RES/1354 (XIV)] and the Secretary-General to postpone until 1960 the engineering and architectural survey of the requirements of the Organization at Headquarters (A/4110, Foreword, para. 19), substantially modify even the minimum programmes approved for 1959.

4. These developments together with those outlined in reports on the modernization of the Palais des Nations<sup>3/</sup> and the United Nations building at Santiago<sup>4/</sup> enable the question of major maintenance and capital improvement to be viewed rather more closely along the lines envisaged by the Advisory Committee. The present report, which does not call for action by the General Assembly at the current session beyond that already proposed in separate reports contains information on three aspects of the question: (1) the approved programme, (2) the future programme and (3) the financial perspective of the programme.

#### The approved programme

5. The 1960 estimates provide \$40,000 for an engineering and architectural survey to be undertaken early in 1960. A like sum is surrendered in the 1959 supplementary estimates. This technical survey will provide the Organization with a sound guide as to the best manner in which maximum use of existing facilities can be assured as well as to the most suitable means by which they might be expanded to meet the possibility of a future increase in the membership of the Organization. Although the major problem would appear to be in the conference rooms and allied facilities, the study will also embrace lounge and dining facilities as well as other requirements of the delegations and servicing staff.

6. The Secretary-General has explained in his report on the 1959 supplementary estimates (A/4198) that as a result of experimental changes in the operation of the refrigeration equipment, it has been possible to retard, at least during 1959, the corrosion of the refrigeration condenser tubes. In consequence, only \$7,000 of the sum of \$37,000 provided for the replacement of such tubes will be required in 1959 and the balance of \$30,000 can be released. The provision in the 1960 estimates of \$67,000 for repairs to the refrigeration condensers must, however, stand.

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<sup>3/</sup> See documents A/C.5/775, A/4157 and A/C.5/SR.737.

<sup>4/</sup> See document A/4239.

7. All but the most urgent repairs to the structure now housing the Library were delayed pending the outcome of negotiations regarding the Ford Foundation gift for the construction of a new Library building. Hence, expenditure for repairs during 1959 has been limited to approximately \$1,000, leaving a balance of \$60,000. This amount will be surrendered in 1959 in addition to the sum of \$36,500 initially included in the estimates for 1960.

The future programme

8. The projects for major improvements to premises must await the outcome of the architectural survey. Meanwhile further thought has been given to the development of the basement area, regarding which the Secretary-General's earlier proposals were limited to the construction of a television and film studio and production and processing centre.

9. The existing arrangements are inadequate and unsatisfactory and, in the opinion of the Secretary-General, cannot be indefinitely continued. After further study the Secretary-General doubts whether the limited and provisional arrangements previously proposed would in fact be technically satisfactory and in the long run provide the most efficient and economical solution. Although cogent arguments can be adduced in support of a full development of the area, he feels that it would not be reasonable to expect Member Governments to pass judgement at short notice on a much more ambitious and necessarily costly proposal. In the circumstances Member Governments should have an opportunity to appraise during 1960 the considerations (set out in the annex to the present report) which have led him to the conclusion that, in the long run, advantages would result from a fuller development of the basement area. It would also be a wise course if the development of the area could be independently reviewed at the time of the contemplated survey of Headquarters facilities.

10. As regards major replacement requirements, no proposal is made for 1960 to replace the carpeting on the second floor or to proceed with re-landscaping the First Avenue perimeter area. The need to carry out either of these projects in 1961 will be re-examined before the end of 1960.

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11. The two principal items of major buildings maintenance included in the 1958 report to the General Assembly have now been adequately provided for. Individually, none of the remaining items under this heading is very costly. Unless earlier, urgent need arises, it would be reasonable to provide for them in the estimates for either 1961 or 1962.

The financial perspective of the programme

12. While it is too early to give precise information, a forecast of the likely trend of future costs can be attempted. The following table accordingly contains a five-year projection of the cost elements which emerge from the several proposals and reports relating to capital expenditures. To make this projection as comprehensive as possible the table includes the expenses arising from General Assembly resolution 250 (III) on the transfer of assets of the League of Nations to the United Nations and from resolution 242 (III) on the amortization of the Headquarters Construction Loan.

Projection of capital and major maintenance expenditures

	Annual Payments				
	1960 \$	1961 \$	1962 \$	1963 \$	1964 \$
Transfer of assets of the League of Nations to United Nations	649,500	649,500	649,500	649,500	649,500
Amortization of Headquarters Construction Loan	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
Modernization of the Palais des Nations	121,000	121,000	121,000	131,000	311,000
United Nations Building in Santiago	382,500	382,500	382,500	382,500	
Major maintenance and capital improvement at Headquarters					
(i) general maintenance	107,000	31,000			
(ii) development of basement area		440,000	440,000		
(iii) other major improvements		<u>1/</u>			
(iv) major replacement requirements (carpeting)			125,000	180,000	160,000
(v) Special maintenance requirements		17,500			
Interim arrangements for the Library	114,000	54,000			
	3,874,000	4,195,500 <sup>1/</sup>	4,218,000	3,843,000	3,620,500

<sup>1/</sup> It is anticipated that the architectural survey to be undertaken in 1960 will result in additional costs for 1961 and subsequent years.

ANNEX

DEVELOPMENT OF THE BASEMENT AREA

1. The development of the basement area is among the questions to be considered under the maintenance and capital improvement programme. The original plans for the Headquarters site include an excellent basement space (now known as the hangar area) beneath the Assembly Hall. The development of this area was, however, abandoned mainly because the television services, for which the area had been intended, were then working on too limited a scale to justify the cost. The space was left unfinished and is virtually unusable at present except for storage.
2. It is, however, clear that the use of this area should not be reserved exclusively for the housing of television facilities since, although the services will show still further expansion and are already in urgent need of a studio, it is not planned to enlarge the services to the point where the use of the whole area would be warranted.
3. Furthermore, with the growth of the Secretariat, other pressing demands for space have arisen. The development of the hangar area should be viewed in this broader context and be based on a comprehensive plan, in preference to costly, piecemeal arrangements.
4. The plans now under consideration would provide for the transfer in 1960 to the hangar area of the film editing, cutting and other services which now occupy space in the south basement area needed for the new library building. This transfer should eventually be linked to the additional use of the hangar area for the storage of the film library and for other Visual Services operations. Measures of that kind would represent a much needed improvement in the conditions under which the Visual Services are at present working, in cramped and widely dispersed quarters, and would release space for other necessary purposes. It would therefore be logical to regard the construction of a television studio and a Kinescope processing room, which is considered indispensable, as part of a wider plan according to which the Visual Services as a whole would be grouped together in the basement area. Such a rearrangement would combine efficient operation with economy.

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5. In view of the expansion of the Guided Tours programme, provision should also be made for an adequate briefing-room for visitors. At present, Conference Room 4 is used for this purpose. This offers two disadvantages: first, that only intermittent use (depending on the schedule of meetings) can be made of the room; and second, that the daily influx of an average of 2,500-3,000 visitors (rising on occasion to over 6,000) entails a heavy addition to the cost of wear and tear.
6. Proposals which were submitted to the Fifth Committee at its twelfth (1957) session and approved in principle envisaged the construction of (a) a television studio and a temporary control room (but without adequately permanent electric lighting power or air conditioning); and (b) a Kinescope processing centre with temporary air conditioning tapped from the available supply. No provision was made for the finishing of the walls, floors or ceilings in the space to be occupied in the hangar area.
7. The full development of the basement area, with the incorporation of the television studio and the transfer of other working areas referred to above (including the merger of the Radio and Film Libraries in a single unit) and the installation of a briefing room for the Visitors' Service is estimated to cost about \$880,000.
8. The general construction costs have been estimated by multiplying the number of square metres in the area (2,251 square metres: 24,231 square feet) with a unit construction cost per square metre of \$322, based on the rates prevailing in New York for the remodelling of existing structures, which are higher than those applying to new construction:

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These costs include:

(i) <u>construction</u> of walls, finished floors, ceilings, soundproofing and insulation, etc.	\$393,000	
(ii) <u>mechanical</u> work, plumbing, heating, ventilation, air conditioning, dust control, fire protection equipment and electrical work (40 per cent of general construction costs)	261,000	
(iii) <u>restoration of site</u> : breaking through the wall of the basement area to allow for construction traffic and the closing of the wall; restoration of garden area affected by construction	73,000	727,000
<u>Architect's and engineer's fees as well as blue-prints (10 per cent of above costs)</u>		73,000
sub-total		\$800,000
<u>Contingencies</u> (at a minimum of 10 per cent of above costs)		80,000
GRAND TOTAL		\$880,000

9. The development of the basement area should not, in the Secretary-General's opinion, await the detailed over-all study of Headquarters needs which, as he has proposed, should be postponed until 1960. It might be advantageous to start at an early date on the basic work, such as air conditioning, plumbing, heating, dust control and fire protection. A part of this work has in any case to be undertaken in connexion with the immediate transfer of certain working areas which the construction of the new library necessitates. Hence it would be neither economical nor orderly to incur expenditure on a piecemeal basis instead of planning and providing concurrently for the engineering needs of the whole development.

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