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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1978-1979

Revised estimates under section 26B: Alteration
and improvement, Headquarters

Nineteenth report of the Advisory Committee on Administrative
and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on revised estimates under section 26B: Alteration and improvement, Headquarters (A/C.5/32/56).
2. In paragraph 2 of his report, the Secretary-General recalls that the General Assembly, at its thirty-first session, approved \$12,918,900 in connexion with the expansion of meeting rooms and conference servicing and delegates' facilities at Headquarters and appropriated \$2,565,000 for the 1977 phase of the project. 1/ In the Secretary-General's proposed programme budget for the biennium 1978-1979, 2/ a provision of \$10,490,792 was requested to cover the 1978-1979 costs of the project. In its related report, 3/ the Advisory Committee drew attention to the fact that actual requirements for the project would become clearer only after detailed specifications had been worked out and the bids received and analysed. In the circumstances, the Committee, at that stage, recommended that the request should be reduced to \$9,000,000.
3. The Secretary-General states, in paragraph 3 of his report, that on the basis of actual bids received, the cost of the entire project is now estimated at \$14,269,000. The Advisory Committee has been informed that the basic construction cost component, which is now estimated at \$9.8 million, is a guaranteed maximum price and that actual costs would be less if the contractor's actual expenses proved to be lower. A breakdown of the revised estimate of \$14,269,000 is provided in paragraph 4 of the Secretary-General's report and the division of this amount among three financial periods is given in paragraph 5.

1/ See Official Records of the General Assembly, Thirty-first Session, Annexes, agenda item 92, document A/31/470.

2/ Ibid., Thirty-second Session, Supplement No. 6 (A/32/6), vol. II, para. 26.11.

3/ Ibid., Supplement No. 8 (A/32/8), para. 26.6.

4. The Advisory Committee notes from paragraphs 3 and 4 (g) of the Secretary-General's report that an amount of \$250,000 has been included in the estimate to cover the additional cost which might be incurred if, because of construction noise, it proves necessary to discontinue work during normal working hours in order to avoid disruption of meetings. While the Advisory Committee does not rule out such an eventuality, it trusts that the necessary understanding will be shown by all concerned so that the additional expenditure need not arise. In the circumstances, and bearing in mind that the estimate also includes a contingency provision of \$650,000, the Committee recommends that the amount of \$250,000 listed in paragraph 4 (g) should be deleted.

5. If the allowance for extra construction costs is deleted, the total cost of the project becomes \$14,019,000, of which \$10,954,000 would be required under section 26B for 1978-1979. The latter amount represents an increase of \$463,208 over the Secretary-General's initial estimate of \$10,490,792 in the proposed programme budget for 1978-1979, 4/ and an increase of \$1,954,000 over the amount of \$9 million provisionally recommended by the Advisory Committee in its related report. 5/

6. The Advisory Committee has no objection to the Secretary-General's proposal, in paragraph 8 of his report, that the funds appropriated for this project be placed in a separate account and that unexpended balances be carried forward into succeeding biennia until the project is completed and the final accounts audited.

7. The Advisory Committee notes the information provided by the Secretary-General, in paragraph 9 of his report, on the study to be made of cafeteria, kitchen and dining facilities and his intention to absorb the related costs. The study is in response to a request from the Advisory Committee (A/32/8/Add.1) and is to form the basis for a comprehensive report which the Secretary-General will submit to the General Assembly at its thirty-third or thirty-fourth session.

4/ Ibid., Supplement No. 6 (A/32/6), vol.II, para. 26.11.

5/ Ibid., Supplement No. 8 (A/32/8), para. 26.6.