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NOTE BY THE TECHNICAL SECRETARIAT**PROGRESS IN THE PROJECT TO UPGRADE THE OPCW LABORATORY AND EQUIPMENT STORE TO A CENTRE FOR CHEMISTRY AND TECHNOLOGY****BACKGROUND**

1. On 10 July 2017, the Technical Secretariat (hereinafter “the Secretariat”) issued Note S/1512/2017 entitled “Upgrading the OPCW Chemical Laboratory to a Centre for Chemistry and Technology”, explaining the new challenges and changing requirements that made it necessary to undertake a project to modernise and expand the capabilities of the current OPCW Laboratory and Equipment Store in Rijswijk. In Note S/1561/2017 entitled “Request from the Director-General to States Parties for Voluntary Contributions to a New Trust Fund for Upgrading the OPCW Chemical Laboratory to a Centre for Chemistry and Technology” (dated 8 December 2017), the Secretariat informed States Parties of the establishment of a trust fund for this project and requested voluntary contributions.
2. The Secretariat then issued a Note entitled “Needs Statement for Upgrading the OPCW Chemical Laboratory to a Centre for Chemistry and Technology” (S/1564/2017, dated 22 December 2017 and Corr.1, dated 3 January 2018) (hereinafter “the Needs Statement”). The Needs Statement outlined the key objectives and scope of the project and provided an initial cost estimate and schedule. A subsequent update on the project was provided in Note S/1769/2019 entitled “Progress in the Project to Upgrade the OPCW Laboratory and Equipment Store to a Centre for Chemistry and Technology” (dated 9 July 2019). That document described progress made in project implementation and provided detailed information regarding the project’s expected benefits as well as its revised scope, cost, and schedule.
3. Since the issuance of Note S/1512/2017, the Secretariat has provided States Parties with briefings on the project at side events during all regular sessions of the Executive Council (hereinafter “the Council”) and the Conference of the States Parties (hereinafter “the Conference”). Additional briefings were provided to States Parties during the meeting of the Open-Ended Working Group on the Future Priorities of the OPCW on 2 October 2017, and during informal budget facilitations and meetings of the Friends of the Laboratory Group in 2018 and 2019.

* Reissued in English for technical reasons.



4. This Note is intended to update States Parties on the progress made in the implementation of the project since the issuance of the previous update (S/1769/2019). Beginning with this document and until the project's completion, updates will be provided in advance of each regular session of the Council in March and July, and in advance of each regular session of the Conference.

IMPLEMENTATION PROGRESS

5. Significant progress has been made in key areas since the issuance of the previous update. This has resulted in the successful completion of the project's preparatory phase and the start of the design phase.

Site for construction of the Centre for Chemistry and Technology

6. On 19 December 2019, the Secretariat and the municipality of Pijnacker-Nootdorp signed the purchase agreement for the plot of land identified for the construction of the OPCW Centre for Chemistry and Technology (ChemTech Centre), and ownership of the land was transferred to the OPCW. The plot is located in Business Park Heron, which is 12 km outside The Hague. The purchase was made possible by a voluntary contribution of EUR 2.3 million provided by the Netherlands. The Director-General and the mayor of Pijnacker-Nootdorp signed the agreement during a ceremony that took place at the City Hall of Pijnacker-Nootdorp. The event was attended by the Chairpersons of the Conference and the Council, regional coordinators, the co-coordinators of the Friends of the Laboratory Group, senior officials of the municipality, and senior OPCW staff.

Project Management Team

7. Recruitment processes for the Project Management Team (PMT) were completed in August 2019, and all positions were filled by 1 October 2019. The PMT is led by a Project Manager and will provide, procure, and supervise the technical expertise required to ensure the successful, on-time completion of design and construction deliverables. The PMT will also provide essential project support functions, such as accounting, procurement, and administrative support, to reduce the burden the project will place on the Division of Administration. The PMT is comprised of the following extrabudgetary staff positions:
 - (a) Project Manager (P-5);
 - (b) Finance Officer (P-3);
 - (c) Procurement Officer (P-3); and
 - (d) Senior Administrative Assistant (G-5).

Design phase initiation and progress

8. The design tender process was completed in December 2019 with the finalisation of separate tenders for architectural and structural design, engineering design, and laboratory planning contracts. The completion of these tenders, in addition to the signing of the land purchase agreement and onboarding of the PMT, resulted in the successful conclusion of the preparatory phase of the project and enabled the start of the design phase.
9. Also in December 2019, the Secretariat completed a tender for security advisory services to obtain expert advice regarding the security aspects of the ChemTech Centre's design. A further tender for the procurement of independent cost advisory services is in progress and planned for completion in March 2020. The cost adviser will evaluate design deliverables and cost estimates provided by the design team to help the Secretariat maximise cost efficiency in terms of both construction and the future operational costs of the ChemTech Centre.
10. The design phase is comprised of several stages and intermediate deliverables: the draft design, preliminary design, final design, technical design, and detailed design. The draft design was completed in February 2020, and the preliminary design is currently under development. The vision for the building, prepared by the architectural design consultants in their tender proposal, is shown in Figure 1 below. The Secretariat will provide updated renderings upon completion of the preliminary design.

FIGURE 1: VISION FOR THE CENTRE FOR CHEMISTRY AND TECHNOLOGY



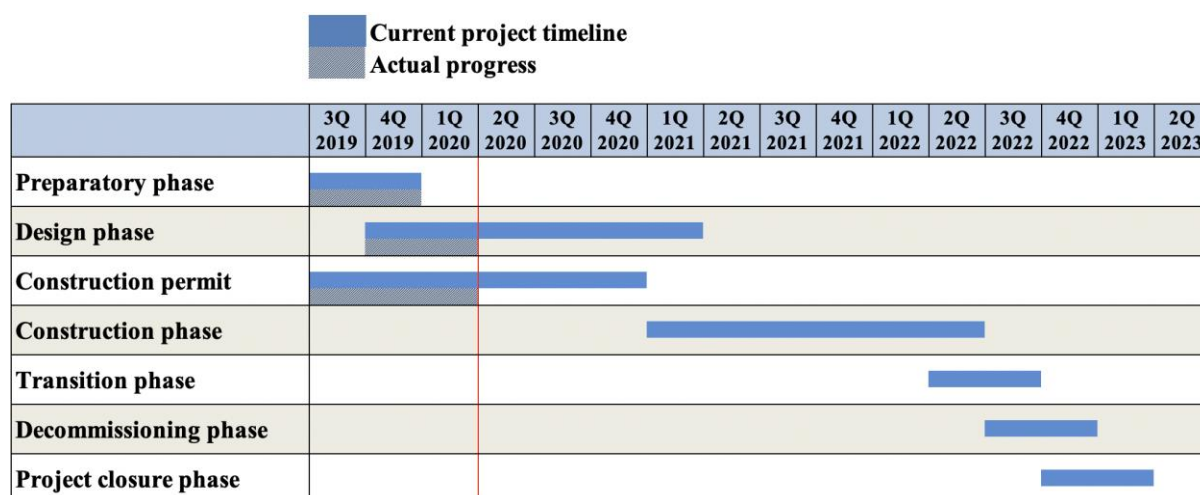
11. Upon completion of the final design, which is currently planned for July 2020, the application for the construction permit will be submitted and the construction tender will be issued. The Secretariat has been in regular, informal contact since 2018 with the permit authorities on all aspects of the permit application, and this contact will continue until the application is submitted. This is to ensure that the authorities are well-informed of the plans for the ChemTech Centre and to enable the Secretariat to address any concerns raised by the authorities before the application is submitted.

12. In January 2020, the Secretariat began to prepare for the issuance of the construction tender to ensure a smooth and successful tender process. Preparatory activities will include: informal outreach to the market to raise awareness of this commercial opportunity and to gauge market interest; the seeking of initial and informal feedback on the model contract that the Secretariat plans to use to gather concerns that the market may raise, and to subsequently modify the draft contract as appropriate; and the engagement of an external legal adviser and an additional market consultant with expertise in the type of contract that the Secretariat will use, to ensure that it is suitably structured both to meet the OPCW's interests and to attract desirable bids.
13. The Secretariat will use a contract model created by the International Federation of Consulting Engineers (FIDIC), an organisation based in Geneva, Switzerland, with members in 104 countries. A key focus of FIDIC's work is the definition and dissemination of internationally standardised conditions of contract for the construction industry. The Secretariat, therefore, selected a FIDIC model contract to ensure that the tender process is as open and competitive as possible for bidders from any State Party. The Secretariat is currently using a FIDIC model contract with the consultants engaged in the design phase.
14. Upon completion of these preparatory activities for the construction tender, the Secretariat will begin the tender process with a pre-qualification phase to identify suitable bidders. This will be followed by a request for proposal phase in which the pre-qualified bidders will submit their bids for evaluation by the Secretariat and the awarding of the construction contract.

Overall implementation progress

15. Figure 2 below indicates the overall progress made to date in project implementation, as compared to the current project timeline. The project remains on schedule.

FIGURE 2: OVERALL PROGRESS TO DATE



FINANCIAL STATUS**Expenditures to date**

16. As of 1 March 2020, approximately EUR 2.8 million has been spent on the project. The expenditures to date, as compared to the cost estimate provided to States Parties in Note S/1769/2019, are shown in Table 1 below. The project remains on budget.

TABLE 1: PROJECT BUDGET AND EXPENDITURE

ChemTech Centre Project Budget and Expenditure		
Budget item	<u>COLUMN A</u> Current estimate (June 2019, in EUR)	<u>COLUMN B</u> Expenditure to date (as of 1 March 2020, in EUR)
Land purchase and related costs	2,663,000	1,997,461
Design cost	1,685,000	0
Building cost	16,224,000	0
Equipment costs	1,050,000	0
Furniture and workstations	924,000	0
Outside area and site infrastructure	553,000	0
Transition costs	316,000	0
Decommissioning of facilities	1,000,000	0
OPCW project management staff	1,505,501	286,927
Project management and advisory services	2,525,000	339,799
Contingency	2,809,000	0
Subtotal	31,254,501	2,624,187
Programme support costs (7%)	2,187,815	183,693
Total	33,442,316	2,807,880

Fundraising progress

17. To date, EUR 29.26 million in voluntary contributions has been pledged or provided to the project's Trust Fund by 36 States Parties and the European Union, with a personal contribution also received. These contributions have been made or pledged

by: Algeria, Andorra, Angola, Bangladesh, Belgium, Canada, Chile, China, Cyprus, the Czech Republic, Estonia, Finland, France, Hungary, Ireland, Italy, Japan, Kazakhstan, Luxembourg, Malaysia, Morocco, the Netherlands, New Zealand, Pakistan, Peru, Poland, Portugal, the Republic of Korea, Slovakia, Slovenia, Spain, Switzerland, Turkey, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the European Union, and one private individual.

18. Additional States Parties have indicated that they are considering making contributions. Contributors to the project will be recognised on a donor wall that the Secretariat is preparing in cooperation with the architectural design firm that is leading the design team.
19. A further EUR 4.19 million is still required to reach full funding for the project. Contributions or pledges for the remaining funds are required by July 2020 to ensure that the construction tender can be issued on time and with full funding available. If these contributions or pledges are not received in time, the issuance of the construction tender could be delayed.

NEXT STEPS

20. In the coming months, the Secretariat will continue to focus on the development of the design for the ChemTech Centre, preparations for the issuance of the construction tender, and fundraising.
21. On 24 April 2020, the Secretariat is planning to provide States Parties with a briefing to present the preliminary design of the ChemTech Centre. The Director-General sent a letter to all States Parties on 3 March 2020 to invite them to this event.
22. In addition, the Secretariat will continue its communication and outreach activities related to the project. These will include continued updating of the ChemTech Centre webpage on the OPCW website, the preparation of a leaflet with general project information, the production of the donor wall, the placing of a billboard announcing the coming of the ChemTech Centre at the plot in Pijnacker-Nootdorp, and the production of a physical model of the ChemTech Centre for display at OPCW Headquarters. The Secretariat will also begin considering possibilities for reaching out to the local community in Pijnacker-Nootdorp to establish a positive presence in, and relationship with, the community.
23. The Secretariat will continue to provide States Parties with briefings and written reports to keep them informed of the status of the project. The next report will be submitted to States Parties in advance of the Ninety-Fourth Session of the Council.