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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 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 key objectives, project scope, and initial cost estimate and schedule were described in the 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). Updates on the progress made in implementing the project were provided in Notes S/1769/2019 (dated 9 July 2019), S/1859/2020* (dated 9 March 2020), and S/1881/2020 (dated 30 June 2020), all entitled “Progress in the Project to Upgrade the OPCW Laboratory and Equipment Store to a Centre for Chemistry and Technology”. Note S/1769/2019 also provided detailed information regarding the project’s expected benefits as well as its revised scope, cost, and schedule.
3. The Secretariat has provided numerous briefings on the project to States Parties at side events during regular sessions of the Executive Council and the Conference of the States Parties. 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, 2019, and 2020. A pre-recorded briefing was provided to States Parties in April 2020 to present the preliminary design of the OPCW Centre for Chemistry and Technology (ChemTech Centre).
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/1881/2020).



IMPLEMENTATION PROGRESS

Impact of the COVID-19 pandemic

5. The Secretariat continues to closely monitor the potential impact of the coronavirus disease (COVID-19) pandemic on the project. To date, owing to the mitigation efforts by the Secretariat, the impact on the current design phase has been limited and the project remains on track. However, there remains a possibility that the pandemic may result in delays to future progress and have an impact on the construction price. The Secretariat will continue with its efforts to assess and mitigate, to the extent possible, the existing and potential impact of the pandemic on the project, and will keep States Parties informed.

Design phase progress

6. Following the completion of the draft design in February 2020 and the preliminary design in April 2020, the final design was completed in July 2020. The final design gives a detailed image of the building, giving a good impression of the architectural shape and external and internal structure of the building, including weight-bearing structures and features, use of materials, details, and the character and capacity of the installations. Figures 1, 2, and 3 below show renderings from the final design of the ChemTech Centre.

FIGURE 1: DESIGN RENDERING OF THE OPCW CENTRE FOR CHEMISTRY AND TECHNOLOGY



FIGURE 2: DESIGN RENDERING OF THE OPCW CENTRE FOR CHEMISTRY AND TECHNOLOGY



FIGURE 3: DESIGN RENDERING OF THE OPCW CENTRE FOR CHEMISTRY AND TECHNOLOGY



7. The technical design is under development and is currently scheduled to be completed in December 2020. It builds upon the final design in order to specify the building to a level of detail and information that will allow the constructor to build the detailed structure.

Construction tenders and permit progress

8. In order to optimise the construction process and reduce risks, the tender for the construction of the project was split into the following tenders:
 - (a) Main construction tender: This lot will contain the main construction for the building, including the terrain and interior. The main construction company will also be the lead on overall construction coordination.
 - (b) Security tender: This lot will contain the security-related installations. Having a specialist contractor to install these items will ensure that the work is done appropriately and cost-effectively.
 - (c) Laboratory furniture tender: separating this lot from the previous two tenders will provide the OPCW with more flexibility and options to customise the laboratory furnishings. In addition, this approach is expected to save overhead costs.
9. The request for expression of interest (REOI) phase for the main construction contract, during which potential bidders were pre-selected to submit bids for the tender, was completed in August 2020. The request for proposal (RFP) phase, during which the Secretariat will review the bids and award the contract, started in October 2020. The pre-selection of the companies for the security tender is in the final stages.
10. In preparing the construction tender documents, the Secretariat worked with a number of partners: its design team, which has extensive experience in the construction industry; an external project management consultant with experience procuring and managing construction services for projects implemented by other international organisations; its external legal counsel, which has experience with the contract model created by the International Federation of Consulting Engineers (FIDIC); and a FIDIC consultant, to develop appropriate contractual mechanisms that strike a proper balance between securing the interests of the OPCW and attracting a sufficient number of quality bids, while respecting best market practices. Currently, the Secretariat expects to award the construction contract in the first quarter of 2021.
11. The application for the construction permit was submitted to the Municipality of Pijnacker-Nootdorp, which is the permitting authority for the project, following the completion of the final design. The Secretariat has been engaged in an ongoing dialogue with the permit authority for more than two years to ensure that it is appropriately informed of the planned activities and features of the ChemTech Centre and of the progress of the project. The Secretariat will continue its dialogue with the permit authority throughout the application review process to ensure that the process goes smoothly. The review process is expected to be finished at the beginning of the first quarter of 2021.

Overall implementation progress

12. The Secretariat currently remains on track to achieve the main target of having the ChemTech Centre completed and operational by the end of 2022. After the construction tender has been finalised, a more detailed planning schedule will be available and communicated.

FINANCIAL STATUS

Expenditures to date

13. As of 31 October 2020, approximately EUR 4.15 million had 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 the table below.

TABLE: PROJECT BUDGET AND EXPENDITURE

ChemTech Centre Project Budget and Expenditure		
Budget Item	<u>COLUMN A</u> Current Estimate (as of 1 June 2019, in EUR)	<u>COLUMN B</u> Expenditure To Date (as of 1 November 2020, in EUR)
Land purchase and related costs	2,663,000	1,998,100
Design cost	1,685,000	626,079
Building cost	16,224,000	0
Equipment costs	1,050,000	50,000
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	602,174
Project management and advisory services	2,525,000	615,637
Contingency	2,809,000	0
Subtotal	31,254,501	3,891,990
Programme support costs (7%)	2,187,815	257,631
Total	33,442,316	4,149,621

14. An initial estimate of the future operational costs of the facility is being prepared. Additional time is needed to prepare the estimate based on the latest progress in developing the design and to conduct some additional benchmarking. With regard to the estimate of the building cost, since the RFP for the construction tender has started, the Secretariat intends to update the building cost estimate once the construction and security tenders are completed.

Fundraising progress

15. To date, approximately EUR 32.8 million in voluntary contributions has been pledged or provided to the project's Trust Fund by 45 countries, the European Union, and other donors. These contributions have been made or pledged by: Algeria, Andorra, Angola, Australia, Bangladesh, Belgium, Canada, Chile, China, Cyprus, the Czech Republic, Estonia, Finland, France, Germany, Greece, Hungary, Indonesia, Ireland, Italy, Japan, Kazakhstan, Lithuania, Luxembourg, Malaysia, Morocco, the Netherlands, New Zealand, Pakistan, Peru, Poland, Portugal, the Republic of Korea, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, Thailand, Turkey, the United Arab Emirates, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the European Union, Israel (signatory State), and other donors. In this regard, the Secretariat would like to recognise the strong financial support for the project that has been received from the members of the Global Partnership Against the Spread of Weapons and Materials of Mass Destruction. Additional States Parties have indicated that they are considering making contributions.
16. Approximately EUR 0.7 million is still required by the end of 2020 to reach full funding for the project. Without the timely funding of the remaining amount, the ambitions of the ChemTech Centre, as well as the timeline and cost of the project, will be impacted.

COMMUNICATION

17. A donor wall has been placed at OPCW Headquarters to recognise the contributions of donors. The plates including the names of the countries on the donor wall will be moved to the ChemTech Centre once it is operational and will become an integral part of the interior design.

FIGURE 4: DONOR WALL



18. A maquette of the ChemTech Centre has been on display at OPCW Headquarters since July 2020. A 3D virtual reality tour video of the ChemTech Centre demonstrating the design phase progress was shared with States Parties in July 2020 and made available in August 2020 on the ChemTech Centre webpage on the OPCW website (<https://www.opcw.org/media-centre/featured-topics/chemtech-centre>). A brochure with the project information was produced in October 2020, the digital version of which has been uploaded onto the ChemTech Centre webpage.

FIGURE 5: MAQUETTE OF THE OPCW CENTRE FOR CHEMISTRY AND TECHNOLOGY



NEXT STEPS

19. In the coming months, the Secretariat will continue working on the main construction and security tenders, the permit application process, and fundraising. The completion of these activities will bring an end to the project's design phase. In this regard, the Secretariat will continue to closely monitor the potential impact of COVID-19 on the project, in particular with regard to the construction market.
20. The Secretariat will also continue its communication and outreach activities related to the project, including the regular updating of the ChemTech Centre webpage.
21. 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 the States Parties in advance of the Ninety-Sixth Session of the Executive Council.