

**Sixteenth session**

New York, 4-14 December 2017

**Capital replacements at
the International Criminal Court's permanent premises*****I. Background**

1. The Total Cost of Ownership (TCO) of the Court's Permanent Premises includes the following costs:¹

(a) Financial costs of the construction and transition activities borne by States Parties individually, by paying their contributions to the project in advance (one-time payment) or by repaying pro-quota the loan;

(b) Operating costs associated with running the building, including utilities such as electricity and water supply. These costs are included in the Court's yearly budget proposals; and

(c) Long-term maintenance (preventive and corrective) and capital replacement (investments to replacing parts of the building that have a significant cost impact). The costs of maintenance are included in the Court's yearly budget proposals. Capital investment costs are excluded.

2. At the request of the Focal Point for the topic of premises of the Hague Working Group, the Court has identified the elements of its permanent premises at Oude Waalsdorperweg 10, The Hague that will be subject to capital replacement.

II. Long-term capital replacement

3. During the construction project, a long-term capital replacement cost model was developed by the project management company on behalf of the Project Director's Office – Permanent Premises (PDO) including various funding scenarios. The model was presented to the working group on TCO.

4. The Oversight Committee on the permanent premises (OC) reviewed these conclusions and presented its decisions to the ASP at its fourteenth session. The ASP approved the decision of the OC² which included a clarification on the long-term cost projections to the extent that "*since the working group's projected long-term costs are only an estimate – and require regular and timely monitoring and refining, as well as better assessment by a permanent governance structure – the currently projected expenditure spikes remain a working model, only.*"³

* Previously issued as CBF/29/2.

¹ ICC-ASP/14/Res.5, annex II, Decision on Total Cost of Ownership.

² ICC-ASP/14/Res.5.

³ ICC-ASP/14/Res.5, annex II, Decision on Total Cost of Ownership.

5. In its Proposal to the Bureau on the TCO and governance structure⁴ the OC further states that a long-term “50-year maintenance plan is not realistic in terms of foreseeability, nor can States Parties be expected to make decisions potentially committing their governments for financial contributions that far in the future.”⁵ The proposals of the OC were welcomed by the ASP at its fifteenth session on 24 November 2016.

6. Further considerations undertaken by the Court have confirmed the correctness of this assumption. In this regard, a medium-term “multiannual” plan for capital replacements “which appears most advantageous from technical perspective”⁶ will be further elaborated in connection with the implementation of the future maintenance contract as of the beginning of 2018 as “maintenance and capitals replacement costs are closely interrelated”.⁷ The multiannual plan “often has a horizon of 7 – 10 years” and it “can be revised every 5 years.”⁸

III. Five year plan

7. In this paper the Court provides a five year plan that shows the projected costs for capital replacement at the premises, based on the Court’s experience since their construction. The plan uses the input of internal technical expertise and up-to-date information on the actual performance of the materials that make up the various building components.

8. It has to be noted that the OC stated that “capital replacement costs would not be factored in for the first ten years”⁹ of operations until 2026. However, based on the experience of the Court, there is the obvious need to replace some of the building’s components already during this period.

9. The below table shows the capital replacement necessary to preserve the building value and reliable operability for the years 2018 to 2022. Considering that the permanent premises were occupied in December 2015, the period refers to the years 3 to 7 of the building’s operation.

10. The calculation is based on the assumption that appropriate regular preventive maintenance is applied and that corrective maintenance will be implemented as necessary. The calculations are based on 2016 prices.

11. The following building elements are foreseen to be replaced during the term of the five years plan 2018-2022:

Table 1: Capital Replacement - 5 Year Plan (2018-2022) - Cashflow (2016 prices)

	2018	2019	2020	2021	2022	Total
Building Management System (BMS)			115,000.00 €	50,000.00 €		165,000.00 €
Security Management System (SMS)			795,000.00 €	75,000.00 €		870,000.00 €
Security systems (indoor installation)					70,000.00 €	70,000.00 €
Security systems (outdoor installation)					60,000.00 €	60,000.00 €
Floor finishings					640,000.00 €	640,000.00 €
Electro-Mechanical installation				125,000.00 €		125,000.00 €
Central HVAC building technology			30,000.00 €		120,000.00 €	150,000.00 €
ICT hardware and AV technology of Courtrooms and conference cluster				150,000.00 €		150,000.00 €
Total	0.00 €	0.00 €	940,000.00 €	400,000.00 €	890,000.00 €	2,230,000.00 €

⁴ ICC-ASP/15/Res.2, annex II, Proposals to the Bureau on the total cost of ownership and governance structure.

⁵ Ibid.

⁶ ICC-ASP/15/Res. 2.

⁷ PDO: Proposal to the OC on how to organize Maintenance and Capital Replacements, 13.10.2016.

⁸ Ibid.

⁹ ICC-ASP/14/Res.5, annex II.

12. The elements shown in the table are:

(a) *Building Management System (BMS)*: This is a building automation system composed of a main server and several sub-servers to control and monitor mechanical and electrical equipment such as the heating and the ventilation system, the lighting system and the elevators. It is essential for the functioning of the building technology. According to industry standards and to the advice of the system supplier, the BMS requires a replacement of its server infrastructure after 5 years of uninterrupted operation. The same applies for the monitors in the technical control room which are running 24/7 as they will have passed their working hours according to their product specifications. The replacement together with comprehensive system software upgrades are precondition to continue operating reliably. Failure to replace this would result in a significant increase in the risk of disruption and in higher costs for ad-hoc repairs. Failure of the BMS would affect the general operability of the Court's premises;

(b) *Security Management System (SMS)*: SMS integrates all security technologies at the premises such as access control and management, surveillance and detection systems. SMS requires replacement of several hardware components which are used 24/7 after 5 years of uninterrupted use. The replacement is in accordance with industry standards and strongly recommended by the system supplier considering the expected time of its useful life. This relates to the replacement of the complex SMS server infrastructure, consisting of a substantial number of servers and sub-servers and to the monitors and the video wall in both security control rooms which will have exceeded their working hours by then;

(c) *Security systems (indoor installation)*: Several internal access control mechanisms exist at the premises in line with internal security requirements and limited access rights to certain group of actors. The replacement of the most frequently used locks and biometric hand-scanners at the external and internal access controlled doors is required after 7 years of use as the risk of failure will increase drastically after this time. Failure will affect the Court's operations immediately and create besides the additional repair cost higher operational costs. Determination of the need for this replacement is based on the Court's own experience with such systems. The approach to focus on the most frequently used components is a best practice model;

(d) *Security systems (outdoor installation)*: Due to the constant exposure to elements (wind, rain, salt and sand, etc.) some of the external surveillance cameras will be replaced after 7 years of uninterrupted use. The Court has operated such systems for a long period already and this provision is based on this experience. It is strongly supported by the system suppliers;

(e) *Floor finishing*: Carpet tiles are used as floor finishing on all office floors. Provision has been made to replace part of them focusing on the areas which are heavily used such as corridors, after 7 years of use. The approach is in line with industry standards;

(f) *Electro-mechanical installations*: The premises are equipped with several Uninterrupted Power Supply (UPS) systems located throughout the building. Replacement of the batteries of the UPS systems in the Main Equipment Room and Satellite Equipment Rooms after 6 years of uninterrupted use is necessary to maintain their functionalities as they, in accordance with the product specifications, will have exceeded their performance cycle by then. Without such replacement, the secured uninterrupted power supply of the Court's main technical building equipment such as the security control rooms, cameras, access control and in particular the technical equipment of all Court rooms could not be guaranteed which would have immediate effect on the Court's operations;

(g) *Central heating, ventilation and air conditioning (HVAC) building technology*: Pumps are running 24/7 and required to be replaced after 7 years of use as they have reached the end of their lifer span according to their operational hours. Similarly, the sand filters in the mirror pond will need replacing after 5 years of use in order to maintain the system operational; and

(h) *ICT hardware and AV technology of courtrooms and conference cluster:*
Some of the ICT hardware components and of the AV systems of the courtroom will require replacement during the term of the five year plan. In particular, it is required to replace cameras, microphones and other audio-visual equipment in the courtrooms and conference cluster, including the AV director and translation booths.
