

UPDATE ON THE “NOUVEAU CENTRE” PROJECT

Background

1. In 1972, the 8500 m² tower building opened to host IARC activities. Construction of the tower was funded jointly by the French Government, the Rhône Department and the City of Lyon on land owned by the City of Lyon.
2. Reflecting expansion of IARC activities, three additional structures were later built on the compound. The Biological Resources Centre (BRC) and Latarjet buildings were built with funding made available by the Governing Council; and the Sasakawa Memorial Hall was built thanks to a generous donation from the Japan Shipbuilding Industry Foundation. This resulted in the current footprint of 10 050 m².
3. Since 2008, several technical reports revealed the poor state of the tower building infrastructure. In 2012, all local partners and the Governing Council recognized that the state of the tower's infrastructure was such that it would no longer be viable for continued use by the Agency within a period of five to seven years. Presented with various potential options for long-term continuation of IARC's Headquarters in Lyon, the Governing Council agreed with the recommendation made by the local authorities for a move to a newly built structure on new land for a “Nouveau Centre”.
4. Throughout the process of reviewing the options for IARC's Headquarters, the Secretariat benefitted from strong support and collaboration from the local partners which include the City of Lyon, Métropole de Lyon (formerly called “Grand Lyon”), the Rhône Department and Auvergne-Rhône-Alpes Region (formerly called “Rhône-Alpes Region”), as well as the local Government representation, the Auvergne-Rhône-Alpes Prefecture. Clear statements of intent to continue to host the Agency have also been made at the very highest levels of the Central French Government and repeated at the Governing Council by the French Representative.

State of the tower

5. Since 2012, the City of Lyon has invested in a programme of urgent repair works for the tower building (ventilation, air-conditioning and heating systems) in order to ensure occupancy for five to seven years. Despite these concentrated efforts, the state of the building remains a major concern and continues to cause unanticipated interruptions of the Agency's work. During 2017 the incidents of note included: concrete falling from the pillars of the façades; significant leaks and infiltration of rain water in offices, laboratories and biobank rooms during storms; continued burst pipes from the aging piping network throughout the tower and some power cuts which brought to light failures in the building's electricity systems.

6. As a result of the consistent and substantial problems faced with the daily running of the building, the Secretariat has raised to the attention of the local partners the escalating risk that they may need to relocate the Agency to alternative premises before completion of the "Nouveau Centre" project. Earlier analyses carried out by Métropole de Lyon in 2012 estimated the cost implications for such a relocation at around €28 million for two years.

7. As a mitigation measure and to assess the viability of the current premises for the lifespan of the "Nouveau Centre" building project, the Secretariat requested the City of Lyon to carry out another full technical diagnostic assessment of the tower's physical and system infrastructure in December 2014. This diagnostic was carried out in December 2015, with a second round in March 2016 which concluded that the City of Lyon would help IARC ensuring the continuity of the Agency's activities by acting upon demand and emergency, without a planned, official programme of repair works.

8. Consequently, the City of Lyon agreed to carry out the following major works in 2017: cement repairs on the pillars of the Tower, renewal of the engines of the central air handling system for the laboratories, waterproofing the roof/terrace above the reception area, securing the sources and supply of the electricity system.

Financing the project

9. Following the detailed study commissioned by Grand Lyon in 2012–2013, the Secretariat presented to the Governing Council, at its 55th session, a project scope for a new building of 12 685 m² with a cost of €64.5 million. During subsequent discussions with the French Ministries in Paris, a reassessment of the scope in line with French public institutional norms was carried out, resulting in a revised project of 11 060 m² with an estimated cost of €48.3 million. During this process confirmation was also received that the project would be led by the Métropole de Lyon team (formerly Grand Lyon), under the direction of Mr Gérard Collomb, Mayor of the City of Lyon and President of Métropole de Lyon. This revised project scope was submitted to the Governing Council at its 56th session in May 2014, and approved with a decision on the financing still pending from the Central French Government.

10. At the end of 2015 the French Government and the local authorities signed a financial agreement confirming the joint financing of the "Nouveau Centre" project for the relocation of IARC from the current premises to the Biopôle area of Gerland, on land provided by the City of Lyon, with a financial envelope of €48 million divided as:

- French Central Government: €17 million
- Métropole de Lyon: €18 million
- Région Auvergne-Rhône-Alpes: €13 million

11. Nevertheless, at the beginning of 2016, while finalizing the definition of the project scope and detailed specifications ("Programmiste" study) which had begun in July 2014, the Métropole de Lyon project team raised the issue that the financial envelope agreed on by the French Government and the local authorities would not be sufficient for IARC's requirements. Given that the reassessment of the project by the French authorities in 2013 had already been met by a reduction of €16.2 million or 1625 m² in the scope of the project, no further cost cutting measures were possible.

12. To ensure a budgetary buffer, the Secretariat met with Mr Gérard Collomb, former President of Métropole de Lyon and former Mayor of City of Lyon, in May 2016 and agreed on the proposal to increase the budget of the "Nouveau Centre" project from the current €48 million up to €49.26 million taking into account part of the value of the future sale of the Latarjet and BRC buildings, owned by IARC. Those buildings had been estimated by the City of Lyon to have a potential sale value of €2.5 million and the Governing Council's resolution on the transfer of these buildings to the local authorities was made subject to IARC being provided with suitable alternative premises that meet the Agency's requirements (Resolution [GC/55/R12](#) refers).

Current situation, next steps and project timeline

13. Following the financial agreement mentioned above, the IARC Secretariat validated the Nouveau Centre "Programme" (detailed technical and functional specifications) and the Métropole de Lyon launched the bid for the combined design-build contract on 13 May 2016.

14. Nine joint teams submitted their expression of interest. The appointed "first-step" jury met on 4 November 2016, with the Director representing IARC, to select the five best-adapted teams to compete for the project.

15. The five selected teams submitted their projects at the end of May 2017. The technical assessment of the five competing projects was led by the Métropole de Lyon project team in June and July 2017, including IARC and several other experts in the process.

16. The appointed "second-step" jury met on 7, 10 and 13 November, with the Director representing IARC, to make recommendations on the best suited project. At the time of writing this report, the final selection by Métropole de Lyon has not been made (scheduled on 15 December 2017).

17. Should there be no further significant delays, the current project timeline is as follows:

- *Winter 2017–2018*: adaptation of the project and signature of the contract with the selected design-build team.
- *Spring 2018–Spring 2019*: design studies and administrative procedures.
- *Spring 2019–winter 2020*: building works.
- *Spring 2021*: IARC works and move.
- *June 2021*: opening of the "Nouveau Centre".

18. The finalized "Programme" study allowed the Secretariat to assess a better defined cost of the project, which had triggered discussions on whether certain cost elements fall outside of the budget scope under the Métropole de Lyon's responsibility. These include items such as the physical move of all or elements of IARC's operations (e.g. the substantial number of samples in the biobank, which require specialized transportation), including the purchase, transport and installation of laboratory equipment and benching and the installation of specific security requirements as mandated by the UN Security Standards.

19. Other potential costs associated with the move relate to modernization to ensure the best possible working environment in the new IARC Headquarters. This includes the replacement of some of the oversized or old office furniture, outdated laboratory equipment, as well as the auditorium and meeting rooms' video and sound systems. The Agency should also replace old freezers in the biobank and transition to a modern, automated system.

20. The full additional costs consequent to having the precise details of the project from the "Programmiste" have been estimated at €7.78 million. Proactive efforts are underway to mobilize resources in order to cover these costs. Inter alia the Director has put in place a mechanism to set aside €1.5 million from earned overheads over the five year period 2015–2019 for this purpose. The City of Lyon will provide €1.2 million from sales proceeds of the Latarjet and BRC buildings to be utilized to partially cover office design and installation costs. Residual balance of funds approved by the Governing Council (see Resolution [GC/54/R6](#)) and anticipated revenue from sales of old furniture and equipment will further contribute to cover these expenses. Nonetheless, the remaining unfunded balance of €5.04 million will need to be mobilized over the next period, leading up to 2021, with a target of €2.52 million to be raised in the 2018–2019 biennium. The Secretariat has thus made the "Nouveau Centre" one of the priorities in its resource mobilization efforts.