

# **United Nations Selects Skanska as Construction Manager for Capital Master Plan**

27 July, 2007

The United Nations has selected Skanska USA Building Inc., a subsidiary of Skanska AB, Stockholm, Sweden, as Construction Manager for the preconstruction phase of the United Nations Capital Master Plan (CMP). The Preconstruction Phase Services Agreement for the renovation of the United Nations Headquarters was signed today in New York.

Alicia Bárcena, UN Under-Secretary-General for Management, says: “The signing of the agreement with Skanska is a major step forward to make the UN Headquarters a safer and healthier, more secure and more energy efficient place for staff, delegations, and visitors. It will help us meet modern standards for building codes, fire safety and accessibility”. Bárcena also underlines that Skanska has been a participant in the UN Global Compact since 2001.

Skanska is one of the world’s leading construction groups with expertise in construction, development of commercial and residential projects and public-private partnerships. The Group currently has 56,000 employees in selected home markets in Europe, in the U.S. and Latin America. Headquartered in Stockholm, Sweden and listed on the Stockholm Stock Exchange, Skanska’s sales in 2006 totaled USD 17 billion.

Stuart Graham, President and CEO of Skanska, says: “We are extremely honored to partner with the United Nations to help them create a modern and environmentally sound headquarters for its membership and staff. We are committed to working in the same international spirit as the UN.”

Skanska was selected after a technical, contractual and commercial evaluation by the United Nations and independent outside senior industry experts in a competitive bidding process with altogether three proposals.

During the preconstruction phase, Skanska will review the current design drawings of the Capital Master Plan for constructability, value engineering, as well as cost savings opportunities, and advise the United Nations accordingly. Skanska will provide detailed cost estimates in the light of current market conditions and projected future cost escalations. This will be summed up in a number of guaranteed price contracts for the various parts of the renovation. Upon submission of a guaranteed maximum price to the United Nations to perform the construction, the United Nations has the right to accept or reject Skanska’s pricing. The United Nations has the option to

award the Construction Management Agreement to Skanska, which has been extensively negotiated and agreed to by the two sides.

The CMP, mandated by the General Assembly on 30 June 2006, is the first thorough renovation project for the UN Headquarters since it was opened in 1952. The project is done to replace deteriorated systems, remove asbestos, and achieve compliance with building and fire safety codes and modern standards for security, energy efficiency, sustainability and accessibility. The UN Headquarters includes six buildings with a total of about 2.6 million square feet / 241,000 square meters on 17 acres / 6.9 ha. The General Assembly approved a budget of \$1,876.7 for the CMP on 22 December 2006, to be borne by the Member States based on the regular budget scale of assessments applicable for 2007.

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