

**INTERNATIONAL CIVIL AVIATION ORGANIZATION
South American Regional Office**

**UNDP/ICAO REGIONAL PROJECT RLA/98/019
IMPLEMENTATION OF THE SOUTH AMERICAN DIGITAL NETWORK (REDDIG)**

SIXTH MEETING OF THE COORDINATION COMMITTEE (RCC/6)

(Lima, Peru, 20 – 21 November 2003)

Agenda item 4: Analysis about follow-up actions in the implementation of the REDDIG, and considerations about project RLA/98/019 closure

**REPORT ON FOLLOW-UP ACTIONS WITH SEEE REGARDING
CONTRACTUAL COMMITMENTS**

(Paper presented by the Secretariat)

Summary

In this working paper, information on the administration of the contract with SEEE and the current issues is being presented.

1. Financial Claims:

1.1 The Contractor SEEE has made a number of claims relating to alleged additional expenses he incurred due to delays in the Contract execution by ICAO and the national administrations:

- Guayaquil node: US \$23,855
- Manaus node: US \$31,200
- Central administration additional costs: US \$38,316

1.2 Situation: ICAO does not find these claims neither acceptable nor justified. They are the subject of current negotiations with SEEE, which results shall be communicated when available.

2. Technical Issues:

2.1 There are currently many technical issues relating to the majority of these nodes. In the absence of a resident Project Engineer from SEEE, they are currently fixed by the ICAO SAM Office staff with a telephonic limited support provided by a SEEE Engineer based in London.

2.2 Situation: ICAO does not find acceptable that SEEE had not sent a resident Project Engineer to Lima as it was contractually agreed and intends to push vigorously in this direction. A strongly worded message has been prepared accordingly and, in the case where SEEE would refuse to comply; more stringent measures could be taken.

3. New Proposals:

3.1 Contractor SEEE has presented the following new proposals:

- a) Transfer of the NCC from Lima to Manaus: SEEE has submitted an offer of US\$ 150,046 for the provision of this task (it should be noted that an original offer of US\$ 115,187 had been submitted by SEEE on 29/10/02 – the costs of this increase might be the rate of inflation plus the decreasing ration between US\$ and Euro).
- b) Offer of a contract for maintenance of the network (amount not précised).

3.2 ICAO considers that SEEE technical support shall be provided during the warranty period, according to contract procedures indicated in the Technical Specifications Document, Attachment (A) to the ICAO/SEEE contract. ICAO personnel acting as administrator from the REDDIG NCC will support maintenance of the network. ICAO opinion is that maintenance activities by SEEE are part of the present contract and will notify the contractor in this regard.

4. Suggested Action:

4.1 The meeting is invited to:

- a) Take note about the information provided in this working paper
- b) Make a decision about what have been expressed in paragraph 3.1 a)