SADIS COST RECOVERY & ADMINISTRATIVE GROUP (SCRAG)

SEVENTH MEETING

(Bangkok, 1st and 2nd November 2006)

2005 ACTUAL SADIS COSTS

(Presented by the United Kingdom)

REFERENCES
SADIS Agreement
SCRAG/1/2/3/4/5/6 Reports
SADISOPSG/11 Executive Summary

1.   INTRODUCTION

1.1   Article IX of the SADIS Agreement stipulates that the United Kingdom shall furnish on or before 30 June of each year, a statement of the actual costs of the SADIS, expressed in pounds sterling, for the previous calendar year. These costs are identified in the attached Annex 1.

1.2   The format of the table is similar to that provided for the 2004 Actual Costs and is consistent with information provided in the SADIS Inventory.

. **DISCUSSION**

2.1   Notes to the actual costs for 2005 and forecast costs for 2006

a.   Communications between Whitehill and the Met Office
Terrestrial communications costs between Exeter and the SADIS Uplink site at
Whitehill became effective from 1st October 2003. The cost in 2005 covers two
circuits at £1,569.75 per annum for SADIS 1G, one circuit for SADIS 2G of
£1,569.75 and a further circuit at £4,795 per annum billed from May 5 2004.

b.   NATS Links
Communications costs between the SADIS Gateway, operated by NATS, and the
Met Office are provided here. NATS own the links and are billed for the circuits.
NATS invoice the Met Office for the Met Office share of the costs. An additional
link supporting SADIS 2G became operational early in 2005 but UKMO has not
been billed for this. The ISDN back-up link was still in place at June 2006. It is
expected to cease when alternative arrangements are in place.

c.   Message Switch
In 2005, data feeds were provided to both SADIS 1G and SADIS 2G. With effect
from 1 July 2005, the cost of the data feeds to the FTP server and the Corobor
comparator system were to be recovered. FTP equipment running costs include
software licences, depreciation and contractor support.

d.   Satellite Segment
2004 was the last year of the original 10-year Satellite lease negotiated through
Astrium. In 2005 a new lease was negotiated through Cable & Wireless PLC for a
period of 12 months. The lease was renewed in January 2006.

e.   Annual Maintenance
Maintenance comprises:- (i) A maintenance contract with Cable & Wireless for
SADIS 1G Infrastructure, (ii) and (iii) A facilities Management Charge for the
SADIS 1G and 2G Equipment. (iv) A maintenance Contract with Satelcom for
SADIS 2G Infrastructure, this ran to 31 Jul 2005 at a cost of £16,750. The
replacement contract with Vados Systems is for 17 months to 31 Dec 2006 at a cost
of £33,392 (v) IT Halls costs are charges made to the SADIS Programme based on
floor usage of the IT Halls at Exeter for all SADIS equipment.

f.   ad-hoc maintenance
SCRAG/6 proposed that a charge of £5,000 be budgeted for ad-hoc maintenance
activity in future years. In 2005 no ad-hoc maintenance activity was required.
During 2006 two additional items of equipment will be installed to increase the
resilience of the SADIS 2G Network, this work was approved by SADISOPSG/11
and totals £14,169.

g.   Help Desk
The help desk function was again re-structured during mid-2005 resulting in a
reduced charge for this activity.

h.   Other staff costs

The cost rates have been updated using the latest available figures. The percentage attribution rates can be found in the SADIS Inventory.

i.   Enhancements to FTP service

2006 estimates are in line with figures presented to SADISOPSG/11 and SCRAG/6.

j.   Travel Costs

Actual travel and subsistence costs for two members of UKMO staff to attend the SADISOPSG and SCRAG meetings are included here.

k.   Cost of depreciated capital

See WP/8

l.   Cost of Capital

In 2005 and 2006 the overall mark-up on costs applied is 10.0%.

2.2   Notes on SADIS Gateway Costs

o.   Staff Costs – Systems Engineers
10% of the time allocated to the CoreMet system is dedicated to supporting the SADIS Gateway. 24-hour engineering support equates to 10% of an ATCE4 (£11,607 per annum). Daytime support for the SADIS Gateway equates to 10% of 0.75 of an ATCE4 (£8,705 per annum). Total Engineering support for 2005 was therefore £20,312. The cost of operational and administration staff have increased in line with inflation.

p.   Systems Maintenance
Under the terms of the contract, maintenance charges commenced at the end of the warranty period (June 2005). The full cost of software maintenance is £31,323.75 per annum, 20% of which is allocated to SADIS (£6,264).

q.   Depreciation
The actual capital expenditure of the project was £1,137k. 20% of this sum is allocated to SADIS (£227.4k). This cost is to be depreciated over 5 years using the straight-line method at £45.5k per annum.

r.   Cost of Capital
A rate of 7.75% has been applied to the average net book value of the asset. In 2005 the average NBV was £126,728 * 7.75% = £9,821.

2.3   Notes on CAA and ICAO Administration Costs

s.   CAA Administration Costs comprise the following:

Met Technical Expert (4%)	£5,070
Invoicing & Credit Control (5% of Admin post)	£1,550
General Admin (5% of Manager & Admin posts)	£7,200
Travel costs of 2 staff to SCRAG6 in Paris	£1,144
Bank charges	£ 124
Interest receivable	(£ 81)
Total	£15,007

t.   ICAO Administration costs are detailed in WP/4.

3   ACTION

3.1   The SCRAG/7 is requested to note the cost information provided by the United Kingdom and approve for these costs to be recovered from States within the Cost Recovery Scheme.

TABLE 1: 2005 and 2006 SADIS Costs

INVENTORY REF:	Note	DESCRIPTION	2005 Actual (Jan-Dec)	2005 Estimate (SCRAG5)	2006 Forecast Outturn	2006 Estimate (SCRAG6)
1 **UK MET OFFICE COSTS**						
1. Equipment						
Principally procured for SADIS						
comms between Whitehill & Met Office	a	SADIS 1G	3,139	4,709	3,139	3,139
		SADIS 2G	6,364		6,364	6,364
comms link SADIS Gateway & Met Office		SADIS 1G	3,340	3,340	3,340	3,340
	b	SADIS 2G	0			3,000
ISDN back-up link			372	372	372	
Not procured principally for SADIS						
message switch (FROST/SADIS)	c	SADIS 1G	24,120	14,630	37,800	32,280
message switch (FROST/FTP)		SADIS FTP	6,360	5,720	10,920	12,720
message switch (FROST/2G)		SADIS 2G	13,680	14,630	21,840	13,680
internet bandwidth (FTP)		FTP	12,495	13,000	13,532	26,000
FTP equipment running costs		FTP	7,577	11,000	12,300	11,000
		sub total	**77,447**	**67,401**	**109,607**	**111,523**
2. Procured Services						
space segment annual lease	d	Satellite Segment	90,504	78,264	85,565	94,576
annual maintenance	e	SADIS 1G C&W	9,816	9,816	9,816	10,500
		1G Facilities Mgmt	6,300	6,300	6,300	6,300
		2G Maintenance	19,592	16,750	23,570	23,570
		2G Facilities Mgmt	6,300	6,300	3,150	6,300
		IT Halls	6,306		11,000	8,542
	f	ad hoc maintenance			14,169	
		sub total	**138,818**	**117,430**	**153,570**	**149,788**
3. Annual Staff Requirements						
Help Desk	g	Help Desk	16,004	25,519	17,000	25,018
Additional Support	h					
Systems Integration Team		Network Comp Eng.	12,721	12,685	6,658	12,326
Administrator		Executive Officer	47,705	55,640	49,934	54,066
International Aviation Management		Aviation Manager	13,324	13,712	12,773	13,324
Data Traffic		Communications Engineer	3,180	3,823	3,329	3,604
Contract Management		Senior Procurement Officer	3,180		3,329	3,604
UNIX Support		Computer Engineer	6,361		6,658	3,604
Web Team Support		Website Designer	6,361		6,658	7,208
enhancements to FTP service	i				12,000	12,000
Travel Costs	j	SADISOPSG & SCRAG	2,163		6,300	5,000
		sub total	**110,999**	**111,379**	**124,639**	**139,754**
		TOTAL	**327,264**	**296,210**	**387,816**	**401,065**
Cost of Depreciated Capital	k					
		SADIS 2G	17,485	17,485	17,485	17,485
		FTP enhancements			10,000	10,000
		sub total	**344,749**	**313,695**	**415,301**	**428,550**
	l	Cost of Capital	34,475	31,370	41,530	42,855
		Total UKMO Costs	**379,224**	**345,065**	**456,831**	**471,405**

TABLE 1: 2005 and 2006 SADIS Costs

INVENTORY REF:	Note	DESCRIPTION	2005 Actual (Jan-Dec)	2005 Estimate (SCRAG5)	2006 Forecast Outturn	2006 Estimate (SCRAG6)
2 **NATS Gateway Costs**						
Staff Costs	o.					
Operational Staff		Air Traffic Services Asst.	50,256	48,793	52,066	50,256
Engineering Staff		Systems Engineer	20,312	19,775	21,043	20,368
Administration Support		Administration Officer	13,686	13,287	14,178	13,686
		sub total	**84,254**	**81,855**	**87,287**	**84,310**
Communications		link to UKMO	0	0	0	0
Maintenance	p.	Systems Maintenance	3,132	3,132	6,264	6,264
Cost of Depreciated Capital	q.	Depreciation	45,492	45,492	45,492	45,492
	r.	Cost of Capital	9,821	9,821	6,296	6,296
Total NATS Gateway Costs			**142,699**	**140,300**	**145,339**	**142,362**
CAA Administration Costs	s.		**15,007**	**20,000**	**20,000**	**20,000**
ICAO Administration Costs	t.		**11,567**	**20,000**	**35,154**	**35,154**
TOTAL SADIS COSTS			**548,497**	**525,365**	**657,324**	**668,921**