

December 2, 2014

DCN: IAE-UPC-2342

Mr. Giuseppe Quarta Grupo Unidos por el Canal, S.A. Building 22B, Brujas Road Cocoli, Republic of Panama

Reference:

Contract No. CMC-221427, Design and Construction of the Third Set of Locks,

Panama Canal

Subject:

Numbering of Variations

Dear Mr. Quarta:

The Employer refers to a number of determinations, as listed below, which have resulted in changes to the Contract Price. For administrative purposes, the Employer has assigned variation numbers to each determination as shown in the table below. This is not intended to have any defining, modifying or other effect on the contents of the letters referred to.

ITEM	REFERENCE	DATE	VO NUMBER
Range Tower No. 2	IAE-UPC-1201	13-Aug-2012	122
Claim No. 10 Fiscal Law 8	IAE-UPC-1202	13-Aug-2012	123
On-Site Testing	IAE-UPC-1203	13-Aug-2012	124
Transition Walls	IAE-UPC-2119	25-Jun-2014	125
Gate Drive Mechanism	IAE-UPC-2122	25-Jun-2014	126
Claim No. 66 Increase in Wages	IAE-UPC-2127	2-Jul-2014	127
VDS Semaphores	IAE-UPC-2156	24-Jul-2014	128
Claim No. 96 - Labor Strike	IAE-UPC-2192	6-Aug-2014	129
Maintenance Closure System	IAE-UPC-2199	8-Aug-2014	130
Fingerprint Readers	IAE-UPC-2217	26-Aug-2014	131

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The Employer attaches a variation form in respect of each of the items above. The Contractor's Representative's signature is not required.

Sincerely yours,

Jorge de la Guardia

Employer's Representative

Locks Project Management Division

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 1
1. REQUEST FOR PROPOSAL No.:	2. CONTRACT No.:	3. DATE:
RFP-76161	CMC-221427	December 2, 2014 4. VARIATION No.: 130
5. ISSUED BY:		
PANAMA CANAL AUTHORITY Employer's Representative Locks Project Management Division Building 740, Corozal Panama, Republic of Panama		
6. NAME AND ADDRESS OF CONTRACTOR (INCLU- PHYSICAL & POSTAL ADDRESS)	JDE 7. CONTRACTOR'S TELEPHONE	NUMBER:
Grupo Unidos por el Canal, S.A.	507-316-9900	
Building 22B, Brujas Road Cocoli, Republic of Panama	8. CONTRACTOR'S FACSIMILE N	UMBER:
9 A. THIS VARIATION IS EXECUTED ON T THE VARIATION DESCRIBED IN ITEM 9 B. THE CONTRACT REFERRED TO IN I (such as the paying office, account nur)	M 10 IS HEREBY INCORPORATED AND I	MADE A PART OF THE CONTRACT.
9 C. THIS BILATERAL AGREEMENT IS SIGNO. 2 OF THIS FORM, ON THE BASIS		CONTRACT REFERRED TO IN ITEM
X 9 D. OTHER. (Specify manner and the legal Refer to the Employer's Representati		C-2199 dated August 8, 2014
9 E. ACCOUNT NUMBER (If required):		
10. DESCRIPTION OF THE VARIATION (List in accosheets).	ordance with the order of the Contract. If a	dditional space is required, use blank
	See attached	
Except for the variation(s) herein specified, all other	er terms and conditions of the Contract	remain unchanged.
11. NAME AND TITLE OF THE PERSON AUTHORIZE TO SIGN (Type or print)	ED 12. NAME AND TITLE OF THE EM REPRESENTATIVE/CONTRAC	
	Jorge de la Guardia, Employer	• 10 - 00 - 00 - 00 - 00 - 00 - 00 - 00
13. CONTRACTOR 14. DA	ATE: 15. PANAMA CANAL AUTHORIT	16. DATE: 2/×11/20
(Authorized signature)	(Employer's Representative/Contra	cting Officer's signature)



August 8, 2014

DCN: IAE-UPC-2199

Mr. Giuseppe Quarta Grupo Unidos por el Canal, S.A. Building 22B, Brujas Road Cocoli, Republic of Panama

Reference: Contract No. CMC-221427, Design and Construction of the Third Set of Locks,

Panama Canal

Subject: Maintenance Closure System – Employer Representative's Determination

Dear Mr. Quarta:

Reference is made to the Employer's letter IAE-UPC-0964, dated February 8, 2012 responding to the Contractor's letter GUPC-IAE-1096 dated February 2, 2012.

It is agreed between the Parties that the Contract Price contains an amount of \$831,721.22 associated with the design, supply and installation of the Maintenance Closure System, which has been deleted by the Employer from the Works. The Parties disagree on the extent to which this sum should be deducted from the Contract Price.

There are two outstanding issues between the Parties:

- 1. The Contractor has carried out some of the design work and now values this at \$83,172.22 (10% of the total). However, the Contractor's letter GUPC-IAE-0589 dated 7 February, 2011 stated that a "small amount of design work" was carried out, payment for which was requested by the Contractor in Interim Payment Application No. 8 (August 2010). The amount certified by the Employer in respect of this work was \$31,169.80 which reflects the value of the intermediate design work actually performed. No evidence has been presented by the Contractor as to any further work having been carried out. Deducting \$31,169.80 leaves a balance of \$800,551.42.
- 2. The Contractor considers that a further reduction should be made to the balance of \$800,551.42 on the basis that it contains elements of the Contractor's indirect costs and overheads. However, no evidence has been presented by the Contractor suggesting that the balance of \$800,551.42 contains any indirect cost or overheads which would still be incurred regardless of the deletion of the Maintenance Closure System.

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The Employer's letter IAE-UPC-0964 dated February 8, 2012 setting out a proposal for a reduction of \$800,551.42 in the Contract Price has not been responded to by the Contractor.

As it appears that the outstanding issues will not be resolved by agreement, the Employer's Representative hereby determines, pursuant to Sub-Clause 3.5 [Determinations] of the Conditions of Contract, that the amount to be deducted to the Contract Price is \$800,551.42 for the deletion of the design, supply and installation of the Maintenance Closure System, and the Contract Price should be adjusted by that amount.

Sincerely yours,

Jorge de la Guardia

Jorge de la Guardia

Employer's Representative

Locks Project Management Division