

PANAMA CANAL AUTHORITY	VARIATION	PAGE 1 OF 3
1. REQUEST FOR PROPOSAL No.:  RFP-76161	2. CONTRACT No.:  CMC-221427	3. DATE: June 5, 2015
		4. VARIATION No.: 135

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 (INCLUDE PHYSICAL & POSTAL ADDRESS)  Grupo Unidos por el Canal, S.A. Building 22B, Brujas Road Cocoli, Republic of Panama	7. CONTRACTOR'S TELEPHONE NUMBER:  507-316-9900
	8. CONTRACTOR'S FACSIMILE NUMBER:

9. VARIATION:

- The contract referred to in item No. 2 is hereby varied as set forth in item 10, entitled "DESCRIPTION OF VARIATION".  
 YES.  NO. The contractor shall send a copy, duly signed, of this Variation to the Employer's Representative/Contracting Officer.

	9 A. THIS VARIATION IS EXECUTED ON THE BASIS OF: (Specify the legal authority).  <u>THE VARIATION DESCRIBED IN ITEM 10 IS HEREBY INCORPORATED AND MADE A PART OF THE CONTRACT.</u>
	9 B. THE CONTRACT REFERRED TO IN ITEM NO. 2, IS VARIED TO INCORPORATE ADMINISTRATIVE CHANGES (such as the paying office, account numbers, etc.).
X	9 C. THIS BILATERAL AGREEMENT IS SIGNED AND INCORPORATED INTO THE CONTRACT REFERRED TO IN ITEM NO. 2 OF THIS FORM, ON THE BASIS OF: (Specify the legal authority) <b>Volume III, Conditions of Contract, Sub-Clause 5.2 [Entire Agreement], 4<sup>th</sup> Paragraph:</b>
	9 D. OTHER. (Specify manner and the legal authority).
	9 E. ACCOUNT NUMBER (If required):

10. DESCRIPTION OF THE VARIATION (List in accordance with the order of the Contract. If additional space is required, use blank sheets).

**See attached**

Except for the variation(s) herein specified, all other terms and conditions of the Contract remain unchanged.

11. NAME AND TITLE OF THE PERSON AUTHORIZED TO SIGN (Type or print)  Giuseppe Quarta Contractor's Representative		12. NAME AND TITLE OF THE EMPLOYER'S REPRESENTATIVE/CONTRACTING OFFICER (Type or print)  Jorge de la Guardia, Employer's Representative	
13. CONTRACTOR  (Authorized signature)	14. DATE: 9/6/2015	15. PANAMA CANAL AUTHORITY  (Employer's Representative/Contracting Officer's signature)	16. DATE: 5/11/2015

1. The Employer and the Contractor are party to Contract CMC-221427 for the Design and Construction of the Third Set of Locks, dated August 11, 2009 (as the same has been or may be varied, amended, supplemented or otherwise modified (the "Contract")).
2. The Contractor by letter GUPC-IAE-3014 dated July 24, 2014, proposed to carry out leakage tests of the culvert valves using a special bulkhead in return for an increase in the Contract Price but without time implications.
3. The Employer by letter IAE-UPC-2311 dated October 28, 2014 responded to the Contractor's letter GUPC-IAE-3014, stating that the Employer agreed with the Contractor's proposal in principle, but stating that the Employer would only accept it on the following conditions:
  - a) The proposal would allow valve leakage testing to be carried out prior to the flooding of each lock.
  - b) Water for the testing could be obtained from sources other than a pipeline feeding from Gatun Lake.
  - c) The bulkhead could be used as a spare by the Employer after the commissioning activities, and would be delivered to the Employer in a suitable condition.
  - d) The maximum amount which the Employer would be prepared to pay for providing the bulkhead would be USD 285,000.

A variation agreement setting out the arrangements between the parties would be entered into, provided the Contractor accepted the conditions set above.

4. The Contractor replied by letter GUPC-IAE-3271 dated December 2, 2014, confirming the Employer's conditions in letter IAE-UPC-2311 dated October 28, 2014 albeit stating that the special bulkhead would be delivered to the Employer "as is". Additionally, the Contractor indicated it disagrees with the Employer's cost estimation but would accept an upward adjustment of the Contract Price of USD 285,000 with no time implication to the Locks Contract in regards of present value engineering proposal.
5. The Employer responded by letter IAE-UPC-2357 dated December 17, 2014 and IAE-UPC-2426 dated February 13, 2015 stating that a variation agreement would be prepared setting out the Employer's proposals but that the Employer was not prepared to accept the special bulkheads in an "as is" condition.
6. Therefore, subject to the terms of this Variation Agreement No. 135, the Parties have agreed to a variation of the Contract as hereinafter stated, but not further or otherwise.





June 5, 2015

Design and Construction of the Third Set of Locks

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THE PARTIES HEREBY AGREE AS FOLLOWS:

1. The following shall be added as Paragraph 1.06.E.3 of Section 01 81 23 of the Employer Requirements:
  - "3. Special Bulkhead: The Contractor shall provide one special bulkhead to be used for the leakage tests of the culvert valves described in Paragraph 1.06.E.2 of Section 01 81 23 of the Employer Requirements together with 28 hydraulic jacks and related equipment as described in the Contractor's letter GUPC-IAE-3014 dated July 24, 2014 (i.e. bearing blocks, hydraulic lines, bearing bars/support, bar guides, seals, etc). The provision and use of the special bulkhead shall allow the valve leakage testing to be carried out with water obtained from sources other than a pipeline feeding from Gatun Lake and to be carried out prior to the flooding of each Lock. The bulkheads shall be as described in the Contractor's letter dated GUPC-IAE-3014. The bulkhead, hydraulic jacks and related equipment shall be delivered to the Employer in a suitable and usable condition forthwith after the tests referred to in Paragraph 1.06.E.2 of Section 01 81 23 of the Employer Requirements are complete. The provisions of the Contract (and in particular the Employer's Requirements) shall prevail over the Contractor's letter GUPC-IAE-3014. "
2. There will be an increase in the Contract Price of USD 285,000 apart from which the Parties agree that the Contractor shall have no claims for additional time or money or any other relief or entitlement of any kind as a consequence of this Variation Agreement No. 135 or arising out of it or in any way in connection with it.
3. All of the Contractor's other existing and ongoing obligations as to the progress of the Works remain unaffected.

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