

(I) Reply to PAC Letter Dated 30 April 2015

(a) with reference to the seven out of the eight major contracts for implementing the new air traffic system project (excluding the Air Traffic Management System (“ATMS) contract), please provide the following details of each contract:

- (i) the contract completion date;
- (ii) duration and expiry date of the warranty period;

Reply to (i) – (ii):

Please refer to **Appendix I**.

- (iii) whether extra cost would be incurred to extend the warranty periods of the contracts as a result of the delay in the implementation of the ATMS contract, if yes, the amount involved; and
- (iv) if the warranty period cannot be extended, any provisions in the contract to allow CAD to procure maintenance service after the expiry of the warranty period. If yes, please provide details.

Reply to (iii) – (iv):

Seven out of the eight major systems of the new Air Traffic Control (ATC) System have been substantially completed, two of the systems have been operational since 2013 and others will be put into use by phases from 2015. These systems are now operating to support the existing ATC equipment operations and training of the Air Traffic Control Officers. Upon the commencement of the new ATMS, they will be fully integrated with the new system. The commencement and expiry of the warranty periods of these systems

**\*Note by Clerk, PAC:** *Please see Appendix 28 of this Report for Appendix I.*

are independent from the implementation of the new ATMS contract. No extra costs were incurred in extending the warranty periods for these systems as a result of the delay of the implementation of the new ATMS contract. There are provisions in the contracts allowing CAD to procure maintenance services for all the systems after the expiry of the warranty period.

(b) [Redacted]

[Redacted]

[Redacted]

[REDACTED]

[REDACTED]

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