



Procurement of  
Supplies/Container Services  
between Baku (Azerbaijan) and  
Turkmenbashi (Turkmenistan)  
**Inception Report**  
06 March 1998

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**Procurement of  
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## **1. Introduction**

GABEG Anlagenbau-Engineering GmbH received contract for project 'Procurement of Supplies / Container Services between Baku (Azerbaijan) and Turkmenbashi (Turkmenistan), project no. TNREG9754, from the European Community. Contract was put into force on 19 January 1998. Athens Law Firm was announced as consultant of EU for the project. Kick-off meetings took place in Baku on 10 January 1998 and in Turkmenbashi on 12 January 1998.

## **2. Description**

### **2.1 General**

GABEG started working on the project immediately after awarding of contract. Works commenced before kick-off meetings contains e. g. administrative works, preparing of documents (e. g. certificates of construction material) and surveying of construction site.

GABEG has not seen protocols/minutes of kick-off meetings yet.

### **2.2 Tax and Customs Duty Exemption**

GABEG informed Takis in Ashgabat/Turkmenistan about tax/customs duty problems with letter dated 24 January 1998. To Takis Baku GABEG started talking on 27 January 1998 on that matter.

GABEG has not received the necessary documents from Takis to get tax and customs duty exemption yet. GABEG already had expenses including payment of VAT e. g. for hotel accommodation of experts, fuel and office material. As already discussed with Mr Marc Graille on 03 March 1998 GABEG will stop all activities on the project until the tax and customs duty problems are solved. First consignment to Turkmenbashi containing equipment for engineer's office (item 0.5) and GABEG's office (item 0.1) is still held by Customs department.

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### **2.3 Civil Works in Turkmenbashi**

GABEG carried out demolition of existing warehouse (item 2.1) immediately after kick-off meeting held on 12 February 1998. In addition starting of construction works for new gate house was agreed in kick-off meeting. All others works are held because of queries. Mr Durdiev and Mr Markatos send a letter to Ramboll for clarification of queries. GABEG added additional queries and sent them to Mr Markatos on 23 February 1998. There are no answers on queries to date. All correspondences on this matter was also sent to EU Task Manager and TRACECA Office.

Mr Durdiev shut down all work activities on 14 February 1998 (see Annex 6). GABEG has expenses for stand-by of personnel and equipment since that date.

Mr Durdiev asks for a new design of a combined gate house and administration building. In addition he wants to relocate the container terminal. Marc Graille has scheduled a meeting with vice prime minister, port authorities, TRACECA, Athens Law Firm and GABEG in Ashgabat for 09 March 1998 to resolve the problems.

Our schedule for the works was reviewed after signing of contract. New Schedule takes in consideration the workload of GABEG and subcontractors in result of postponed awarding of contract. Please find details in Annex 1 'Programme Civil Works in Turkmenbashi'.

As advised by port authorities and Athens Law Firm GABEG has deleted item 0.4 & 0.6. Out of item 0.5 one (1) plain copy machine (A3 & A4) and one (1) electric writing machine will be purchased only. Amount of this purchase will be ECU 7,458.00. Saved money out of that items will be spend for variations. See relevant correspondence with Athens Law Firm.

For customs problems see 2.1 above.

### **2.4 Temporary Raising of Yard Surface**

Because of the postponed award of contract we reviewed the proposed schedule for that part of the project. In result of the weather condition of the winter in Baku we have postponed construction of temporary raising of yard surfacing. We will start working in March 1998. Please find details in Annex 2 'Programme Civil Works in Baku'.

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## **2.5 Adaption of Warehouse No. 5**

Because of the postponed award of contract we reviewed the proposed schedule for that part of the project. In result of the weather condition of the winter in Baku we have postponed adaption of warehouse no. 5. Please find details in Annex 2 'Programme Civil Works in Baku'.

Shipment of two new gates (8 x 5 m) was stopped because tax and customs duty problem is not solved yet (see 2.2).

## **2.6 Rehabilitation of Cargo Handling Equipment in Baku**

Inspection of cargo handling equipment has been carried out from 11 February to 4 March 1998. During this time nine (9) cranes, eleven (11) forklifts, five (5) tractors and six (6) locomotives have been inspected. A list of required spare parts for each machinery was prepared. Partly port authorities provided their own lists. GABEG is calling for tender including spare parts, tools, packing, shipment, handling and installation now. GABEG will propose use of the budget as soon as quotations are submitted. It is obvious that within the budget of ECU 569,037.00 it is not possible to repair all equipment. Please find enclosed 'Programme Rehabilitation of Cargo Handling Equipment in Baku' (Annex 3).

## **2.7 Supply of Container Operation Facilities, Training & Assistance**

Preparations for this part of the project are ongoing. Required container is ordered. Please find details in Annex 4 'Programme Supply of Container Operation Facilities, Training & Assistance'.

## **2.8 Supply of Marine Spare Parts**

Inspection of ferries has been carried out from 11 to 23 February 1998. Please find details in report 'Summary of the Inspection of five out of six Railway/Vehicle/Passenger Ferries of the Caspian Shipping Corporation in Baku from 10.02.1998 to 24.02.98'. This report was sent to consultant on 02 March 1998. Please find enclosed 'Programme of Marine Spare Parts' (Annex 5).



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### **3. Summary**

GABEG has started project in Baku without major problems. Co-operation with port authorities and Caspian Shipping Company is good. GABEG is quite confident that project will be finished within time frame.

In Turkmenbashi there are a lot of unsolved queries and problems. Unfortunately already six weeks since signature of contract have been passed without real progress. If problems will not be solved very soon it will be difficult to carry out project within schedule. GABEG will prepare an addendum to this Reception Report as soon as problems of 'Civil Works in Turkmenbashi' are resolved.

Baku, 06 March 1998

GABEG  
Anlagenbau-Engineering GmbH

i. V. Hermann Zießnitz  
Project Manager

A handwritten signature in black ink, consisting of several overlapping loops and lines, positioned to the right of the typed name.



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**ANNEX 1**

Programme Civil Works in Turkmenbashi

Nr.	Vorgangsname	Anfang	Ende	1. Quartal			2. Quartal			3. Quartal			4. Quartal			1. Quartal			2. Quart			
				Jan	Feb	Mär	Apr	Mai	Jun	Jul	Aug	Sep	Okt	Nov	Dez	Jan	Feb	Mar	Apr	Mai		
1	Contract	19.01.98	19.01.98	◆ 19.01.																		
2	Kick off meeting	12.02.98	12.02.98	◆ 12.02.																		
3	Mobilisation	28.01.98	20.03.98																			
4	Survey	02.02.98	25.09.98																			
5	Demolition Works	02.02.98	23.02.98																			
6	Earth Works	16.02.98	16.04.98																			
7	Concrete Works	20.02.98	29.05.98																			
8	Masonry Works	06.03.98	15.06.98																			
9	Steel Works	02.03.98	05.06.98																			
10	Roofing Works	10.04.98	30.04.98																			
11	Finishing Works	20.04.98	30.06.98																			
12	Joinery Works	05.05.98	25.06.98																			
13	Electrical Works	20.02.98	31.07.98																			
14	Plumbing	20.02.98	31.07.98																			
15	Paving, Fencing, Railway Works	20.03.98	24.09.98																			
16	Demobilisation	24.09.98	09.10.98																			
17	Handing over meeting	12.10.98	12.10.98	◆ 12.10.																		

Projekt:  
Datum: 06.03.98

Vorgang		Sammelvorgang		Rollup-Fortschritt	
Fortschritt		Rollup-Vorgang			
Meilenstein	◆	Rollup-Meilenstein	◇		

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**ANNEX 2**

Programme Civil Works in Baku

Nr.	Vorgangsname	Anfang	Ende	r														
				Februar		März		April		Mai		Juni		Juli				
1	Contract	19.01.98	19.01.98	▶ 19.01.														
2	Kick off meeting	10.02.98	10.02.98		◆ 10.02.													
3	Mobilisation	16.03.98	20.03.98															
4	Clean up and levelling	23.03.98	27.03.98															
5	Excavation	30.03.98	03.04.98															
6	Fill with concrete	06.04.98	17.04.98															
7	Adaption Warehouse	01.04.98	31.07.98															
8	Handing over meeting	31.07.98	31.07.98															◆

Projekt:  
Datum: 06.03.98

- Vorgang Sammelvorgang
- Fortschritt Rollup-Vorgang
- Meilenstein Rollup-Meilenstein
- Rollup-Fortschritt

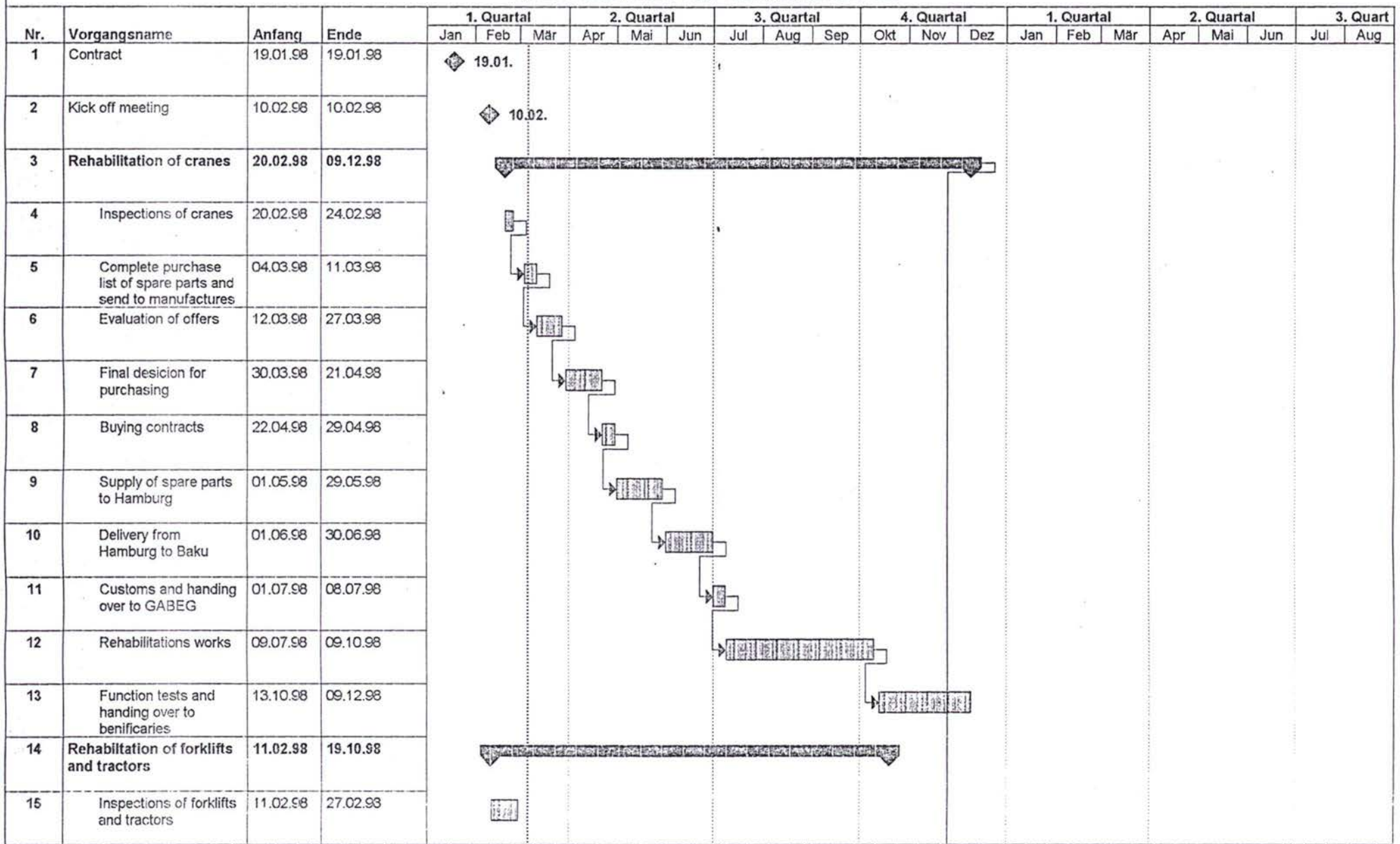
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## **ANNEX 3**

Programme Rehabilitation of Cargo Handling Equipment in Baku



Projekt:  
Datum: 06.03.98

Vorgang



Meilenstein



Rollup-Vorgang



Rollup-Fortschritt:



Fortschritt



Sammelvorgang



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Programme Rehabilitation of Cargo Handling Equipment in Baku

Nr.	Vorgangsname	Anfang	Ende	1. Quartal			2. Quartal			3. Quartal			4. Quartal			1. Quartal			2. Quartal			3. Quart	
				Jan	Feb	Mär	Apr	Mai	Jun	Jul	Aug	Sep	Okt	Nov	Dez	Jan	Feb	Mär	Apr	Mai	Jun	Jul	Aug
16	Complete purchase list of spare parts and send to manufactures	04.03.98	11.03.98			■																	
17	Evaluation of offers	12.03.98	25.03.98			■																	
18	Final desicion for purchasing	17.04.98	21.04.98				■																
19	Buying contracts	22.04.98	27.04.98				■																
20	Supply of spare parts to Hamburg	05.05.98	11.05.98					■															
21	Delivery from Hamburg to Baku	25.05.98	12.06.98						■														
22	Customs and handing over to GABEG	15.06.98	19.06.98							■													
23	Rehabilitations works	22.06.98	12.08.98								■	■	■										
24	Function tests and handing over to benificaries	13.08.98	19.10.98										■	■	■								
25	Rehabilitation of locomotives	18.02.98	14.09.98	▶																			
26	Inspections of locomotives	18.02.98	26.02.98	■																			
27	Complete purchase list of spare parts and send to manufactures	26.02.98	05.03.98			■																	
28	Evaluation of offers	09.03.98	03.04.98			■																	
29	Final desicion for purchasing	06.04.98	21.04.98				■																
30	Buying contracts	22.04.98	29.04.98				■																

Projekt:  
Datum: 06.03.98

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Fortschritt



Sammelvorgang










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Programme Rehabilitation of Cargo Handling Equipment in Baku

Nr.	Vorgangsname	Anfang	Ende	1. Quartal			2. Quartal			3. Quartal			4. Quartal			1. Quartal			2. Quartal			3. Quart	
				Jan	Feb	Mär	Apr	Mai	Jun	Jul	Aug	Sep	Okt	Nov	Dez	Jan	Feb	Mär	Apr	Mai	Jun	Jul	Aug
31	Supply of spare parts to Baku	07.05.98	25.05.98																				
32	Customs and handing over to GABEG	26.05.98	01.06.98																				
33	Rehabilitations works	02.06.98	03.08.98																				
34	Function tests and handing over to beneficiaries	04.08.98	14.09.98																				
35	Planing and organisation rehalibitation works	25.05.98	09.12.98																				
36	Maintenance strategy and organisation	25.05.98	03.07.98																				
37	Maintenance training for personnel	09.07.98	04.09.98																				
38	Training for services works	23.11.98	09.12.98																				
39	Handing over meeting	09.12.98	09.12.98																				

Projekt: Datum: 06.03.98

Vorgang  Meilenstein  Rollup-Vorgang  Rollup-Fortschritt   
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## **ANNEX 4**

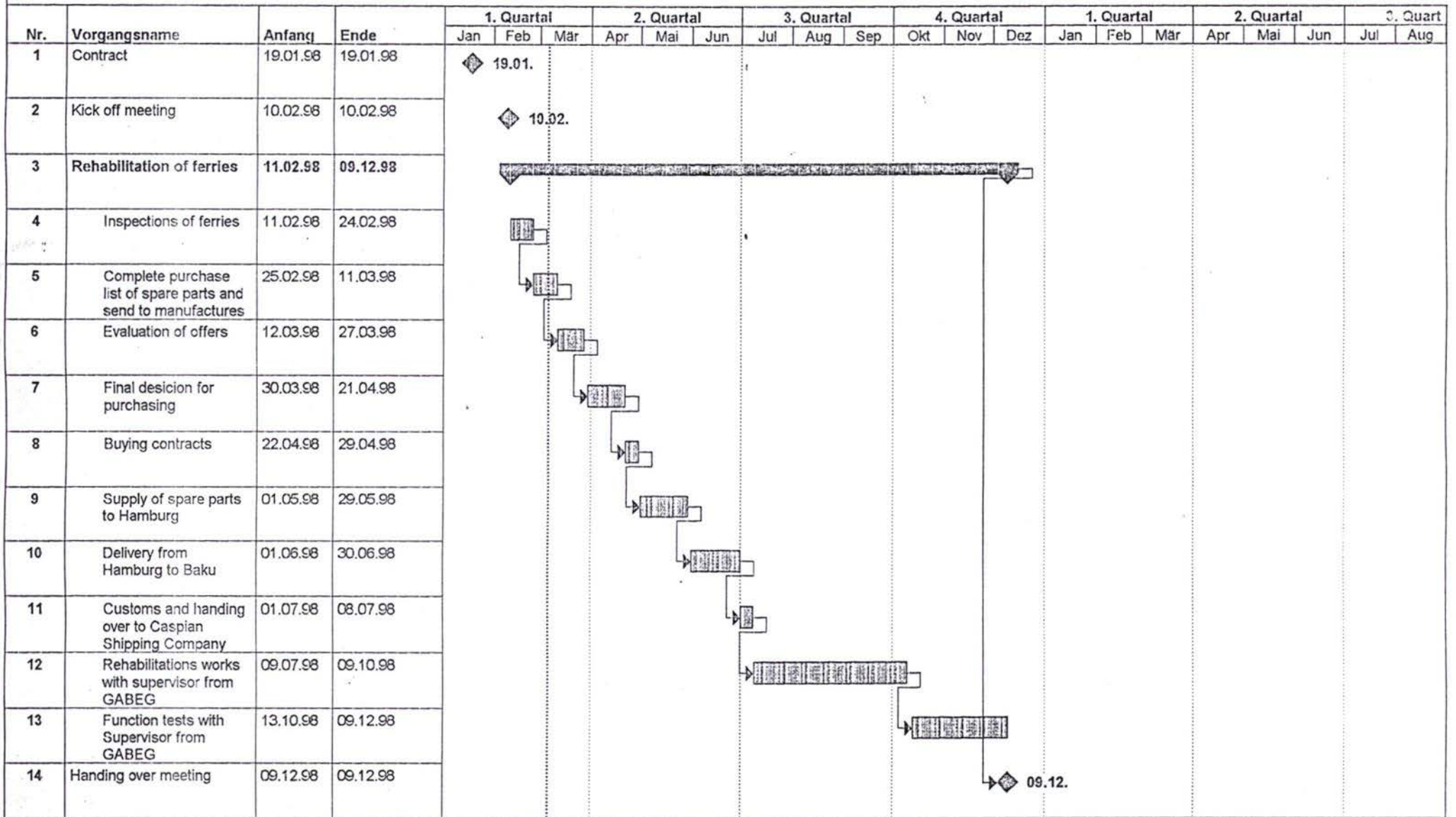




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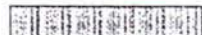
## **ANNEX 5**

Programme Supply of Marine Spare Parts



Projekt:  
Datum: 06.03.98

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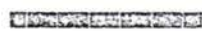
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## **ANNEX 6**

FROM :

PHONE NO. : 511152

FEB. 17 1997 07:02AM

TÜRKMENISTANYŇ  
DEŇIS PAROHODÇYLYGY

745000, Türkmenbaşy şäheri,  
Şagadam köçesi, 8.  
Telefony: 97-2-67, faks: 7-67-85.  
Balkan Welaýatyndaky  
Türkmenwneşekönetbankynyň  
Türkmenbaşy bölümindeki  
423201-nji hasaplaşyk şçety



ТУРКМЕНСКОЕ  
МОРСКОЕ ПАРОХОДСТВО

745000, Туркменбаши, С.Ш.,  
ул. Шагадам, 8.  
Телефон: 97-2-67, факс: 7-67-85.  
Расчетный счет: 423201  
в Туркменнешэкокомбанке  
Балканского  
велаёты

Ygraadylyan № \_\_\_\_\_

Исходящий № 70-6/167

«14» ФЕВРАЛЯ 1998 г.

RECEIVED  
17 FEB 1998  
Btegar

Компания «Gabeo»

Dear Sirs,

Уважаемые господа!

Приостановить

Туркменское Морское Пароходство просит приостановить строительство КПП контейнерного терминала ввиду неясности в проекте и его несогласованности с ТМШ.

Turkmen Shipping Company asks you to stop the construction of Entrance Check Point of the Container Terminal because of its unclearness according to the design and its unclarity with Turkmen Shipping Company.

Начальник Туркменского Морского Пароходства

У. Дурдыев

Head of Turkmen Shipping Company

Durdyev