

TACIS Regional 2004 TRACECA Programme

Rehabilitation of Caucasian Highways Azerbaijan Monthly Progress Technical Report

*Segment 2 for Project Component II: Construction Supervision of Ganja
to Gazakh - Highway Lot №1 Contract CW2002-1 and Lot №2 Contracts
CW2003-1 to CW2003-4*

Monthly Progress Report

August 2004 – MPR15/2004/AZ



This project is funded by
The European Union



A project implemented by
Louis Berger SA Paris France

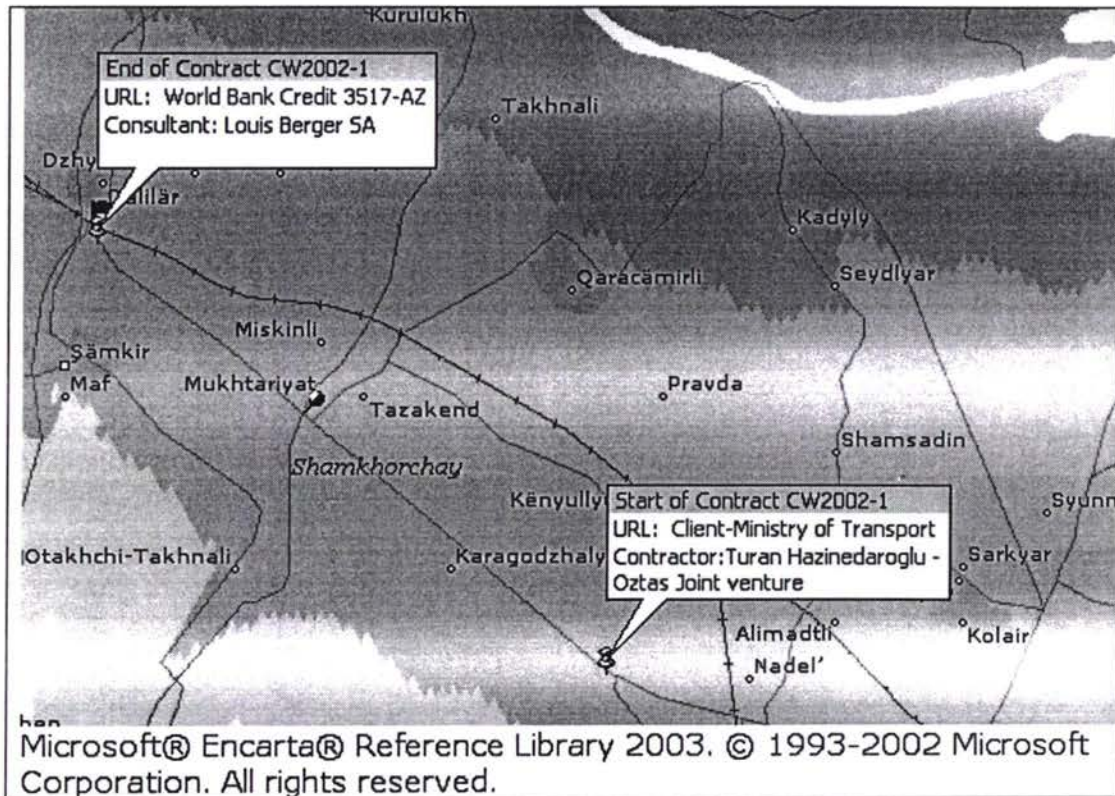
Contents

		Page
I.	Segment 2 for Project Component II: Construction Supervision of Ganja to Gazakh - Highway Lot 1 Contract CW2002-1	2
1.1.	Cover page	2
1.2.	Project synopsis	3
1.3.	Monthly progress report	3
II.	Segment 2 for Project Component II: Construction Supervision of Ganja to Gazakh - Highway Lot 2 Contracts CW2003-1 to CW2003-4	19
A.	Contracts CW2003-1 and CW2003-2, Shemkir to Tovuz	19
A.2.1.	Cover page	19
A.2.2.	Project synopsis	20
A.2.3.	Monthly progress report	20
B.	Contracts CW2003-3 and CW2003-4, Tovuz to Gazakh	38
B.2.1.	Cover page	38
B.2.2.	Project synopsis	39
B.2.3.	Monthly progress report	39
III.	General	56
3.1.	Consultant's Management staff organogramme	57
3.2.	Management Meetings and Correspondence	57
3.3.	Daily Weather records	58
3.4.	Environmental	59
3.5.	Safety on Projects	60
3.6.	Guest visiting the Projects	61
3.7.	Quality control procedure	61
3.8.	Redesign notes for Contracts CW2003-1 to 4	67
3.9.	Summary estimate extra cost to Contracts CW2002-1 and CW2003-1 to 4	68
3.10.	Attachments	69

<i>EC Service Contractor's</i>
<i>EC Delegation</i>
<i>TACIS Bureau (Task Manager)</i>
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

Rehabilitation of Caucasian Highways Azerbaijan Monthly Technical report

Segment 2 for Project Component II:
Construction Supervision of Ganja to Shemkir - Highway
Contract CW2002-1



I. Segment 2 for Project Component II: Construction Supervision of Ganja to Gazakh - Highway - Lot 1, Contract CW2002-1

1.1. Report Cover page

Table 1

Project Title	Construction Supervision of Ganja to Shemkir - Highway - Lot 1 Contract CW2002-1	
Service Contract	EUROPEAID/113179/C/SV/MULTI	
Country	Azerbaijan	
	Local Recipient - Partner	EC Service Contractor
Name	Azerbaijan Republic Ministry of Transport	Louis Berger SA
Address	The Head of Road Transport Service Department Prospect Tbilisi 1054 The Ministry of Transport	Mercure III 55 Bis Quai de Grenelle 75015 Paris France
Tel No	+99 412 4930192	+ 33 1 45 78 39 32
Fax No	+99 412 4315655	+ 33 1 45 77 74 69
Contact Person	Mr. Javid G. Gurbanov	Mr. F. Signor
E-mail		fsignor@louisberger.com
		Project Team Leader
		Baku, Azerbaijan
		+994 12 498 84 31
		+994 12 493 24 76
		R. Degheim

1.2. Project Synopsis

Table 2

Project Objectives	<ul style="list-style-type: none"> To support the Republic of Azerbaijan to catch up with their serious backlog maintenance, and to cope with growing Local, and International Transport. To improve and provide a better level of service for the travelling public on route corridors, To reduce costs in road transportation, To arrest deterioration of pavements (<i>road surfaces</i>) by timely intervention, To reduce costs for road rehabilitation and maintenance. The specific objective of this component of the Project is the supervision of the Works between Ganja and Shemkir. This forms part of the ancient "Silk Road" To ensure that the new road rehabilitation and reconstruction is completed to the internationally specified standards and to be completed within the budget and time Available. To strengthen the national road construction and maintenance capabilities through Transfer of technology.
Outputs	<ul style="list-style-type: none"> Good Roads completed to best standards and at the budget price.
Project activities	<ul style="list-style-type: none"> To rehabilitate and upgrade the existing highway Ganja to Shemkir Lot 1, Contract CW2002-1
Start date	<ul style="list-style-type: none"> Contract signature March 24th2003
Start activities	<ul style="list-style-type: none"> April 21st2003
Duration	<ul style="list-style-type: none"> 458 days + extension of time of 3 months (92 days) or total of 550 days

1.3. Monthly Progress Report

1.3.1. General

This section of the Project covers the supervision of the Rehabilitation and Upgrading of the Ganja-Shemkir section of the Azerbaijan Highway Project Contract CW 2002-1. The project is organised in the standard International format using the General Conditions of Contract as issued by the World Bank for projects under \$10,000,000. The works were designed in coordination with Azeravtoyol by a consortium composed of Kocks Consult GMBH (Germany) BCEOM (France) and Finnroad Ltd (Finland). The supervision of the Works Contract forms part of the Rehabilitation of Caucasian Highways Azerbaijan Georgia and Armenia Contract Number

EUROPEAID/113179/C/SV/MULTI and is carried out by Louis Berger SAS of Paris France. The project is funded by means of a credit from the International Development Association (IDA), or the World Bank. A Project Implementation Unit attached to RoadTransService controls the project on behalf of the Employer. A list of the Key Personal is presented below.

Table 3

Funding Agent	International Development Association The World Bank 1818 H Street, NW Washington, DC 20433, USA
Mr. Oliver Le Ber	Lead Transport Specialist Infrastructure Sector Unit Europe and Central Asia Region
Employer	Azerbaijan Republic Ministry of Transport "Yolnegliyatservis" address: Prospect Tbilisi 10/54 The Ministry of Transport Tel: 99412 4930192 Fax: 99412 4315655
Mr. Cavid Gurbanov Gamber	Chief of the Department
Project Implementation Unit	72/4 Uzeyir Hajibeyov Street 370010 Baku
Mr A. Gojajev	Director
EUROPEAID EC Brussels	
Mr. E. Dalamangas	Project Manager
Service Supervision Contractor	
Louis Berger SAS	Murcure III, 55Bis Quai de Grenelle Paris 75015
R. Degheim	Team Leader / Project Manager
S. I. Dotchev	Project Manager's Representative, Resident Engineer
Contractor	Turan Hazinedaroglu Joint Venture
T. Uslu	Project Manager

1.3.2. Project Data

Table 4

Works Contract CW 2002-1	
Works Tender Opened	14 th May 2002
Contract Awarded	30 th December 2002 by IDA
Letter of Acceptance Issued	24 th March 2003
Contract Agreement Signed	April 9 th 2003
Tender Amount	28,749,462,180.50 AZM
Contract Amount Article 15.3	29,903,403,179.00 AZM
Revised Contract amount-Art.15.3	29,755,540,898.14 AZM
Contract Start Date	21 st April 2003
Original Contract Completion Date	21 st July 2004
Extended Completion Date	21 st October 2004
Defects Liability Period	365 days
1 st Works Programme received	18 th April 2003
Last revision of Works Programme	6 th July 2004
Value of Works to date as per IPCs	22,204,835,159.00 AZM
Value of Works to date	22,316,655,673.50 AZM
Value of Works to date (%)	75%
Variations	VO №1 - Extension of 3 months without additional cost. VO №2 - Modifying end of the Project. New end at 20+680 For the amount of -147,862,280.86 AZM
Advance Payment Received – 20%	5,980,680,936.00 AZM
Repayments made	5,293,525,682.00 AZM
Delays	30 days as per last approved revised updated Programme

Claims	New claim entered - Adjust Contract price - Clause 45 Taxes – Contractor letter 157 dated July 30 th 2004
Time elapsed to date	499 days
Time remaining to date	51 days

1.3.3. Progress report

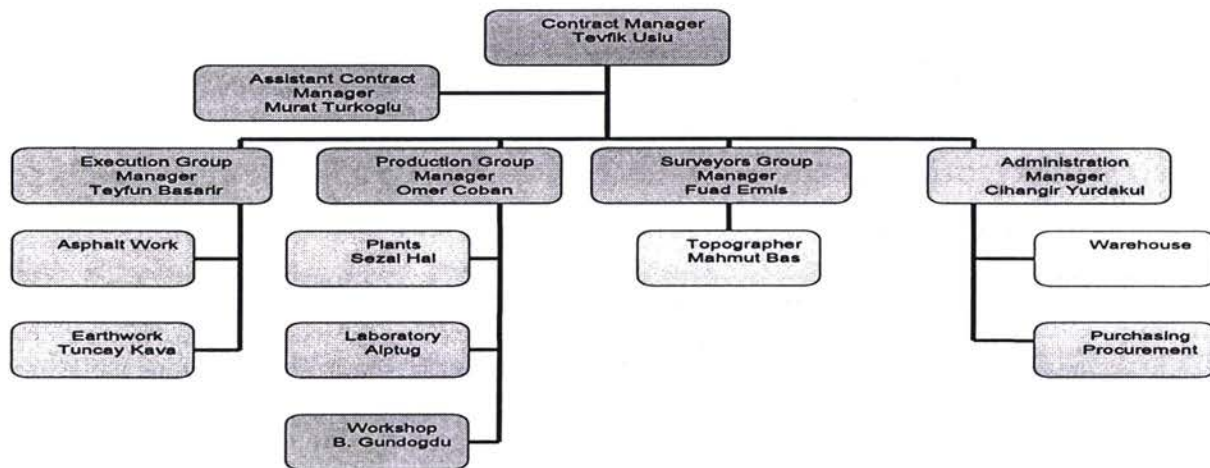
1.3.3.1. Status of the Contract

Since start (April 21, 2003) the Contractor have been on site 499 days or 90.73% of the Contractual time and to date are remaining 51 days or 9.27% of the Contractual time to the extended Completion date (October 21, 2004)

1.3.3.1.1. Contractor's staff

1.3.3.1.1.1. Management staff and organization (organogramme)

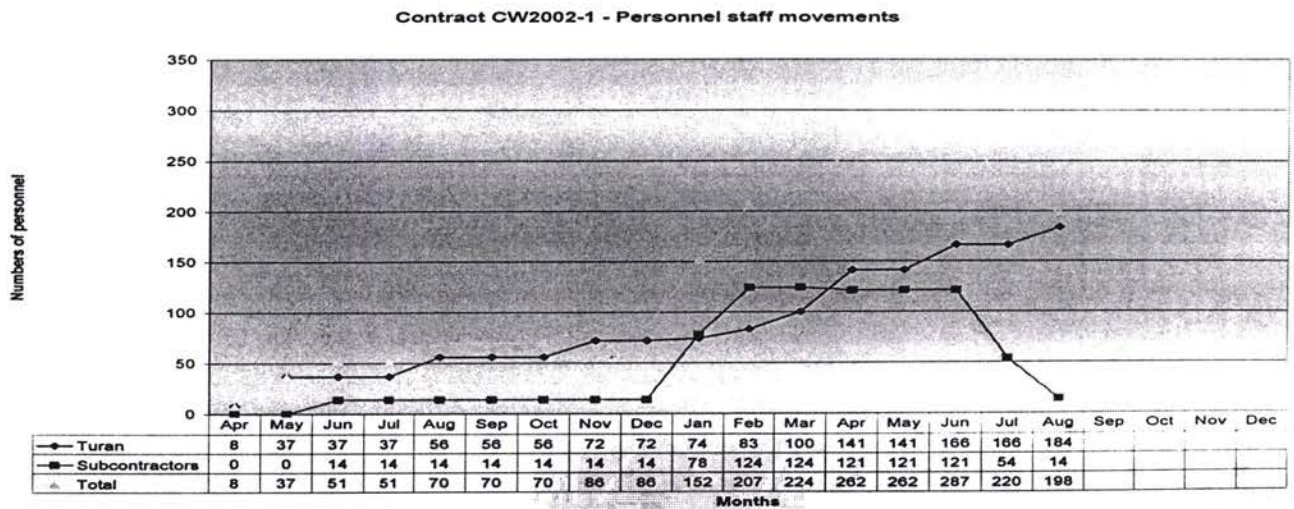
Figure 1



1.3.3.1.1.2. Personnel staff employed

Contractor at present have employed for purpose of construction on this Project 166 people from his own staff and additional 14 people from the Subcontractors.

Figure 2



1.3.3.1.2. Contractor's machinery and equipment



Contractor has employed this month machinery and equipment for execution of this Project as follows:

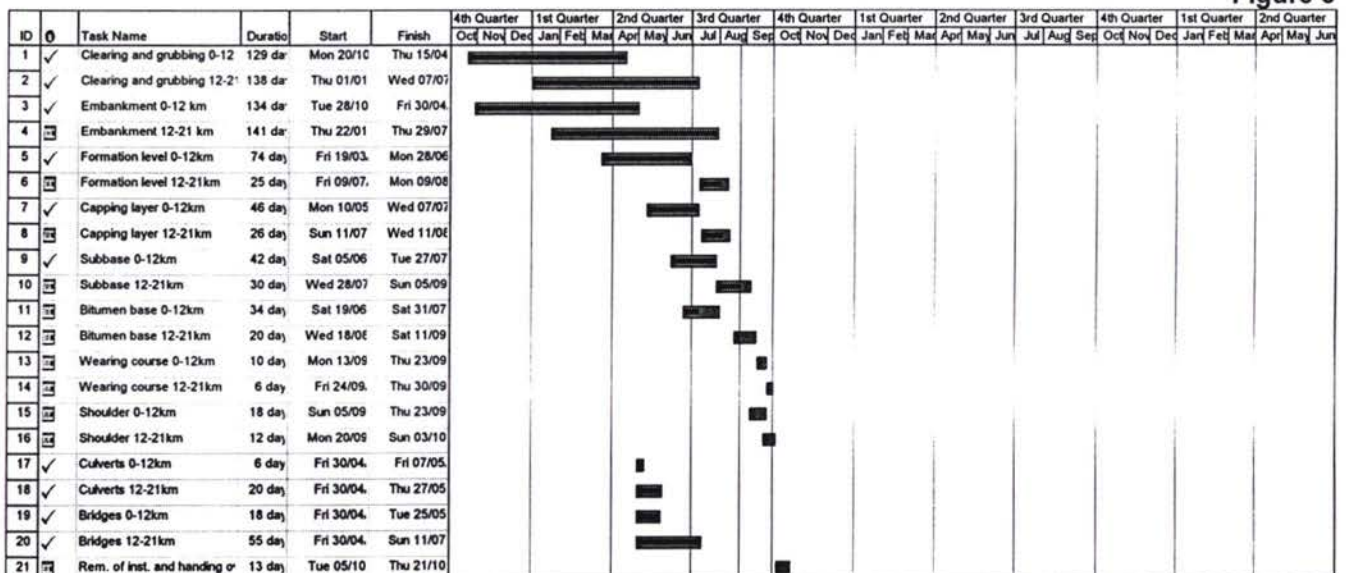
Table 5

Item	Description	Model and capacity	Unit	For Project	Available	Work day
1	Asphalt Plant		no	1	1	30
2	Batch Plant for Sub-base	GMS,400t/h	no	1	1	30
3	Crusher and Sorter	NACE,250t/h	no	1	1	30
4	Scale	ESIT,100t	no	1	1	30
5	Generators	FIAT,50kW	no	1	3	30
6	Cut-Back Plant for MC C55S-1		no	0		
6	Asphalt and Sub-base Paver		no	3	2	30
7	Rubber Banded Asphalt Roller		no	2	2	30
8	Steel Banded Asphalt Roller		no	3	3	30
9	Rolley Tank		no	5	2	30
10	Distributor for Bitumen		no	1	1	30
11	Graders	CAT140G/H,Champion	no	6	5	30
12	Bulldozers	CAT D7-G,D7-R,D9-L	no	3	3	30
13	Excavators	CAT315/325/Fiat-Hitachi	no	3	3	30
14	Loaders	CAT950/938/966	no	5	5	30
15	Backhoe loader	EFERMEC	no	1	1	30
16	Vibratory Rollers	BOMAG212,16t.	no	4	3	30
17	Water Distributor		no	3		
18	Trailer for carrying Equipments		no	2		
19	Trucks	BMC/DODGE/FORD/IVECO/KAMAZ-10/15t	no	25	45	30
Subcontractors						
1	Concrete Batch Pant		no	1		
2	Trans-Mixer		no	4		
3	Excavator		no	3		
4	Small Type Excavator		no	1		
5	Dump Trucks		no	10		
6	Crane		no	4		
7	Vibratory Roller (steel banded)		no	1		
8	Vibratory Rollers for backfill		no	2		
9	Trucks		no			

1.3.3.1.3. Contractor's Work programme

The Contractor last revised programme has been submitted July 6th2004. Revised Works Programme has been requested where the revised volume of Works to be shown.

Figure 3



1.3.3.2. Project activity to date



Table 6

Item	Project activity to date																	%	
	100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20		15
1	Consultant's staff mobilization																	100	
2	Project Manager's office accommodations																	100	
3	Project Manager's house accommodations																	100	
4	Project Manager's vehicles																	100	
5	Contractor's staff mobilization																	100	
6	Contractor's office accommodations																	100	
7	Contractor's staff quarters																	100	
8	Contractor's laboratory																	100	
9	Contractor's machinery and equipment mobilization																	100	
10	Site Clearing 19,5 km																	94	
11	Embankment (19,5km)																	94	
12	Milling/Removing of existing asphalt pavement (20.680 km out of 20.680 km)																	99	
13	shoulders (both sites 19km)																	92	
14	Drainage - culverts (63 out of 63 units)																	100	
15	Bridges 6																	95	
16	Formation level out of(17km)																	82	
17	Granular Capping layer 350mm(15.5km)																	75	
18	Granular Sub base layer 225mm(14km)																	68	
19	Bituminous base course 175mm(7,5km)																	36	
20	Wearing course 50mm (0km out of 20,68km)																	0	
21	Granular shoulder 225mm(0km out of 20.68km)																	0	
22	Road signs and marking																	0	
23	Site drains																	0	

1.3.3.3. Project progress summary

The Volume of Works completed to August 31st2004 represents a 75% from the Revised Contract value.

1.3.3.3.1. Work Progress on structures

1.3.3.3.1.1. Progress on culverts

Table 7

No	Chainage		Type	Size m	Length m	Gradient	Repair Date	Work done to structures	Replace Date	Note
	Project	Draw.						Extent Date		
a	b	c	d	e	r	s	f	g	J	i
1e	0+002	0+002	Box	2x2	49.94	0.014			work on	Extra
2e	0+766	0+764	Box	1,5x1,5	26.85	0.032		17/02/2004		
3e	1+371	1+369	Box	2x2	38	0.035		17/02/2004		Extra
4e	1+559	1+558	Pipe	1	35.00	0.012			03/02/2004	Extra
5e	1+922	1+920	Box	2x2	31.65	0.021			17/02/2004	Extra
6e	2+173	2+171	Pipe	1	60	0.02			19/01/2004	Extra
7e	2+370	2+368	Box	2(2x2)	39.62	0.02			04/04/2004	Extra
8e	3+190	3+187	Pipe	1	50	0.008			30/03/2004	Extra
9e	3+248	3+246	Pipe	1	50	0.013			16/02/2004	Extra
10e	3+643	3+641	Pipe	1	40	0.035			16/02/2004	Extra

11e	3+759	3+757	Pipe	1	25.2	0.026			26/02/2004	Extra
12e	3+866	3+863	Pipe	1	25.2	0.038			27/02/2004	Extra
	4+020	4+020	Box	4,0x2,1	29.81	0.037			15/04/2004	Animal cross
13e	4+073	4+024	Pipe	1	35.24	0.037			14/04/2004	Extra
14e	4+121	4+118	Pipe	1	36.6	0,004	17/08/2003		07/04/2004	
	4+220	4+220	Pipe	1.20	30	0.003			11/03/2004	
15e	4+362	4+360	Pipe	1	22.4		22/08/2003	22/07/2004		
16e	4+616		Pipe	1						Extra (deletec
17e	4+783	4+781	Pipe	1	25.77	0,020	20/08/2003	17/02/2004		
18e	4+866	4+863	Pipe	1	25.51	0,017	26/07/2003	17/02/2004		
	4+950		Box	2x2						deleted
20e	5+009	5+008	Pipe	1,5x1,5	35.03	0.024			04/05/2004	Extra
21e	6+124		Pipe	1						Extra (deletec
	6+150	6+122	Box	4,0x2,5	24.2	0.083			11/04/2004	Animal cross
23e	6+406	6+404	Pipe	1	24.8	0,008	29/07/2003	23/04/2004		
24e	6+741	6+739	Pipe	1	20.08	0.037	21/07/2003	21/04/2004		
25e	6+826	6+826	Pipe	1	20.57	0,027	17/07/2003	16/04/2004		
26e	7+350	7+350	Pipe	1	22.47	0,010	16/07/2003	22/05/2004		
27e	7+564	7+562	Pipe	1	21.95	0,015			15/04/2004	Extra
28e	7+889	7+889	Pipe	1	37.78	0,015	25/08/2003	15/06/2004		
29e	8+337	8+316	Pipe	1	25.15	0,015			09/04/2004	Extra
30e	8+554	8+554	Box	2x2	40.08	0,013		22/07/2004		Extra
	8+897	8+872	Pipe	1	32.6	0,024	14/07/2003		22/07/2004	
32e	9+029	9+006	Pipe	1	27.58	0,019	23/09/2003	10/07/2004		
	9+100	9+060	Box	2(2x2)	21.32	0.03			14/04/2004	
	9+400	9+400	Pipe	2x1,2	20.22	0.009			07/04/2004	
35e	9+552	9+529	Pipe	1	19.91	0,010	22/07/2003	14/05/2004		
36e	9+823	9+801	Pipe	1	20.43	0,009	30/08/2003	30/06/2004		
37e	9+890	9+867	Pipe	1	22.87	0,017	09/09/2003	12/06/2004		
	10+075	10+040	Pipe	2x1,2	25.2	0.025			01/05/2004	
39e	10+504	10+482	Pipe	1	22.3	0,013	02/09/2003	10/07/2004		
40e	11+066	11+043	Pipe	1	21.53	0,020	19/09/2003	03/06/2004		
41e	11+451	11+428	Pipe	1	23.89	0,014	05/07/2003	12/05/2004		
	12+993		Pipe	2x1,2					31/07/2004	
	13+360	13+360	Pipe	1	35,25	0,012			10/06/2004	
	13+350		Box	4x2,5					01/06/2004	Animal cross
44e	13+572		Pipe	1			13/12/2003	30/06/2004		
	14+000		Pipe	2x1,5					22/05/2004	
46e	14+112		Pipe	1			05/12/2003	16/06/04		
47e	14+489		Pipe	1			29/07/2003	19/05/2004		
48e	14+602		Pipe	1			23/07/2003	22/05/2005		
49e	15+007		Pipe	1,5x1,5			26/12/2003	12/06/2004		
50e	15+203		Pipe	1			07/07/2003	04/06/2004		
51e	15+571		Pipe	1			29/07/2003	04/06/2004		
52e	16+020	15+997	Pipe	1	29.05	0,011	10/09/2003	30/04/2004		
53e	16+340	16+317	Box	2x2					22/05/2004	Extra
54e	16+653	16+630	Pipe	1	20.46	0,015	13/07/2003	29/05/2004		
55e	17+194	17+171	Pipe	1	20.14	0,023	28/07/2003	22/05/2004		
	17+500		Box	2x2					07/06/2004	
57e	18+366	18+344	Pipe	1	20.39	0,018	23/07/2003	12/06/2004		
58e	18+794	18+770	Pipe	1	22.87	0,015	28/07/2003	16/06/2004		
	18+799	18+776	Pipe	1	22.62	0,016	02/10/2003	26/07/2004		
59e	19+411	19+388	Pipe	1	20.12	0,009			16/04/2004	Extra
60e	19+769	19+746	Pipe	1	20.59	0,027	23/09/2003	10/07/2004		
61e	20+306	20+283	Pipe	1	20.64	0,023	11/07/2003	03/07/2004		
62e	20+522	20+500	Pipe	1	33.31	0.04			25/07/2004	
63e	20+719		Pipe	1						Extra (deletec
64e	20+767		Pipe	1						Extra (deletec

Subtotal:



Total numbers locations in the Project to work on
 Total numbers new culverts in the Project to work on-indication red colour
 Total number where extra works has been instructed
 Total numbers deleted-indication grey colour
 Indication for works in progress light green
 Indication for works completed dark green

63

22

5

1

32

1.3.3.3.1.2. Progress on Bridges

Table 8

Unit	Structure	Location	Type	Size	Length	Gradient	Status
1	Bridge 29 at 0+216	0+214	Box	5.0x2.5	28.0	0.085	30/03/2004
2	Bridge 30 at 2+555	2+555	Bridge	-	20.7		work on
3	Bridge 31 at 5+589	5+588	Box	4.24x3.0	25.36	0.035	12/05/2004
4	Bridge 31.1 at 12+400	12+400	Rehabilitation				work on
5	Bridge 33 at 16+230	16+235	Box	2.5x4.0	24	0.005	01/07/2004
6	Bridge 34 at 16+272	16+277	Box	2.5x3.0	22.3	0.005	23/07/2004

Note:

Total numbers Bridges on the Project to work on
 Works are completed on - dark green
 Works in progress on - light green

6

4

2

1.3.3.3.2. The Productions figures for some major Works operations

Table 9

Item	Description	Unit	As per Programme		Actual achieved on site weekly			
			0 -12km	12-20km	Average	Maximum	Last week	
201	Site cleaning	ha	2.66	3.55	0.28	9.5	0.14	
207 209	Milling of existing asphalt	M3	Works has been completed					
206 210	Construction of embankment	M3	9556	6230	1379	16000	970	
213	Works on formation level	M2	28658	33851	16630	30780	10980	
301	Construction of capping layer	M3	10185	12731	7145	11640	8288	
302	Construction of sub base	M3	6356	5832	4098	5540	3791	
304	Prime Coat	M2	44421	29694	11299	26922	9589	
306	Bituminous Base/binder coarse	M2	18662	21532	16733	31182	8829	
	Crusher plant production	M2	7945		8587	18400	8690	

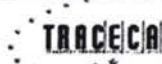
1.3.3.3.3. Conclusions

Comparing the Programmed with the actual production rates (see table above) - shows that at present the Contractor get close to the programmed production for capping, sub base layer and prime coat. Base/binder course is progressing well. The Contractor in general has improved on production however because of the increase scope of Works (about 10%), delay with bitumen supply and unexpected volumes of unsuitable material hampering the Contractor's earthworks at this point of time we might expect that the Contract might complete the works within 30 to 40 days behind the completion date October 21st2004.

1.3.3.3.4. Some problems which might effect on completion date

Table 10

Problems associated with completing the Contract in time	Actions taken
<u>Guard rails</u> – Preliminary estimates shown that the required length is just about double the volumes given in the Project B&Q	PIU to clarify with RSTD and Confirm Contractor's proposal.
<u>Petrol stations</u> – They are 7 station at this section of the road. In order to be constructed in accordance with the Project standards extra cost is required – our letter 64 dated June 3 rd 2004 and 98 dated August 30 th 2004	PIU to clarify with the RTS and confirm
<u>Gas service lines</u> – There are several km of pipe lines remaining under the widened embankment of the rehabilitated road which must be removed	PIU instructions received on last Minutes of Meeting July 26 th . No Funds no relocation of services
<u>Electrical service lines</u> – There are 18 crossings not conforming the standards To date only 4 crossing has been instructed so far.	PIU instructions received on last Minutes of Meeting July 26 th . No



	Funds no more than 4 relocations
<u>Single seal to shoulders</u> - In order to prolong the design period of the road And to improve on safety and maintenance expenses Contractor's proposal to Provide single seal on shoulders	PIU to clarify with the Client and confirm
<u>High fills water collector drain</u> - In order to improve the design and stability on high fills, Contractor proposed water rain collector drain	PIU to clarify with the Client and confirm
<u>Unsuitable material</u> - Unexpected large quantities (km 14+000 to km18+000) of unsuitable material hampering the earthworks for the Contractor	Client has been informed about of Letter 97, August 26 th 2004

1.3.4. Claims and Variations Orders

1.3.4.1. Claims

1.3.4.1.1. Intention for claim

1.3.4.1.1.1. IPC late payments

The Contractor has recorded - intention to claim extra cost (see Contractor's letter 97 dated April 8th2004) under - Clause 43.1 Section IV. Conditions of Contract for late payments on IPCs, however the claim has not been forwarded yet.

1.3.4.1.1.2. Shortage of Bitumen

The Contractor has recorded – intention to claim extra time (see Contractor's letter 169 dated 20th2004)

1.3.4.1.3. New Claims

The Contractor entered new claim – Claim change in Legislation; VAT - Clause 45 Taxes – Contractor's letter 157 dated July 30th2004. Claim has been forwarded to RSD on 02 August 2004 (Consultant letter P228).

1.3.4.2. Variation Orders

1.3.4.2.1. Variation order №1 – Extension of time

The Contractors claim №1 for extension of time have been resolved and new completion date have been fixed as 21stOctober 2004 (VO №1).

1.3.4.2.2. Variation order №2 – Modifying the end of the Project for an amount of (-147,862,280.86AZM)

The end of the Project has been modified by reducing 60m' in order to have existing ring crossing road in one Contract (Contract 2003-1). The end of Contract CW2002-1 is now at km 20+680 instead of km 20+740. The Variation Order №2 has been issued to the Contractor on 26thJuly 2004.

1.3.5. Financial

1.3.5.1. Interim Payment Certificates to date

Table 11

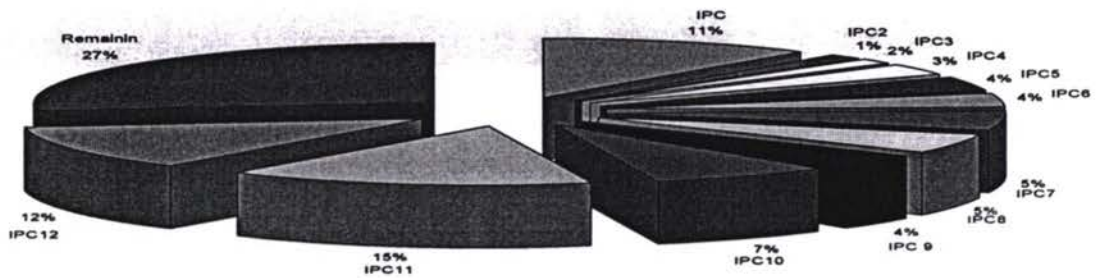
Item	Date	IPC	Value AZM	%	Status
1	30/05/03	IPC 1	3,277,448,972.89	11.01%	paid
2	04/07/03	IPC 2	417,198,206.00	1.40%	paid
3	17/08/03	IPC 3	467,687,830.00	1.57%	paid
4	10/09/03	IPC 4	900,048,107.00	3.02%	paid
5	30/11/03	IPC 5	1,110,117,798.00	3.73%	paid
6	31/01/04	IPC 6	1,072,592,505.00	3.60%	paid
7	29/02/04	IPC 7	1,623,995,889.00	5.46%	paid
8	31/03/04	IPC 8	1,552,060,284.00	5.22%	paid
9	30/04/04	IPC 9	1,092,735,343.00	3.67%	paid

10	31/05/04	IPC10	2,132,600,087.00	7.17%	paid
11	30/06/04	IPC11	4,478,712,465.00	15.05%	paid
12	31/08/04	IPC12		12.15%	Not yet
		To date	21,739,359,605.89	73.06%	Not fully
		Available	8,016,181,292.11	26.94%	Remained
		Contract price	29,755,540,898.00	100.00%	

The IPC 12 has been forwarded for Client consideration and payment.

Figure 4

Contract CW2002-1, IPCs payments and the remaining value of Works

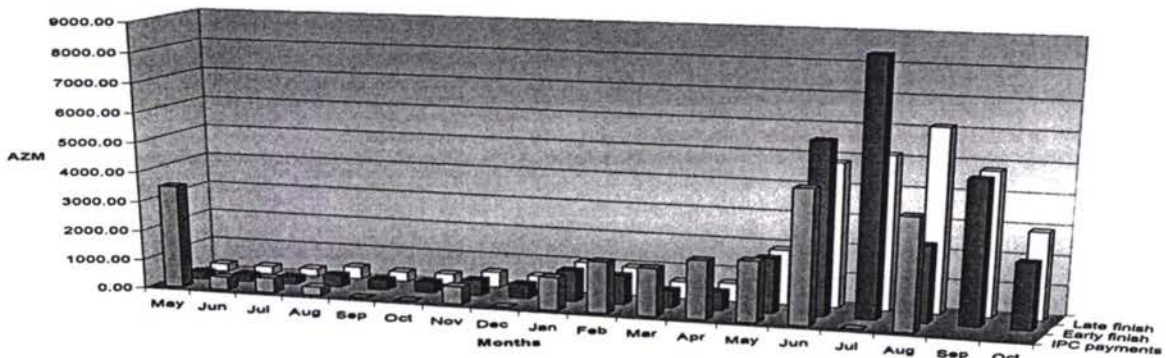


1.3.5.2. Cash flow projection

The Contractor has submitted his revised and updated Cash flow Projection along with the revised Programme of Works on July 6th2004. Revised updated Work Programme is expected shortly.

Figure 5

Contract CW2002-1, Comparison between the Contractor's updated cash flow projection (July 6th 2004) and the actual IPCs payments



1.3.5.3. Contract (Project) Assessment

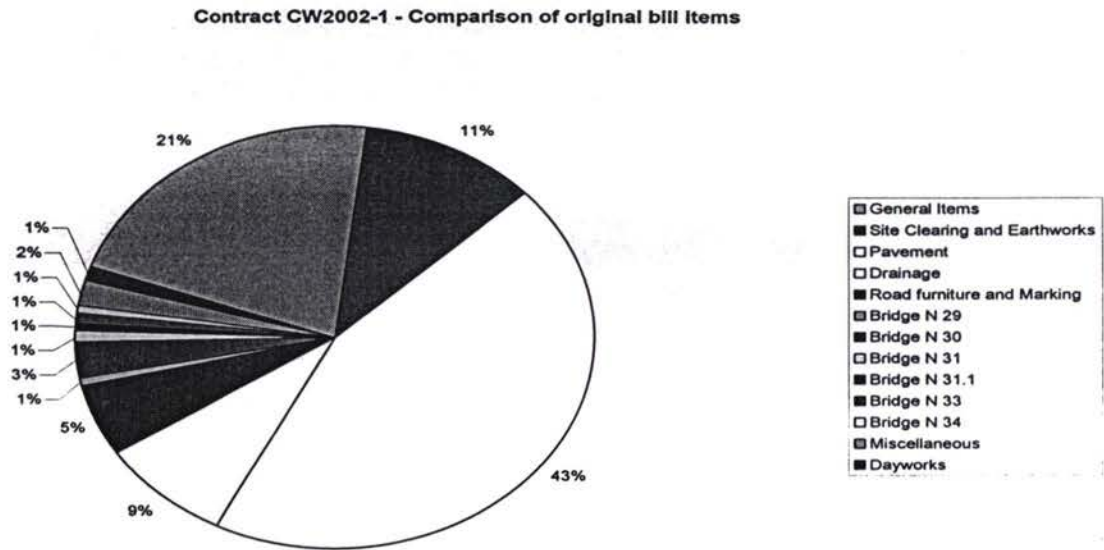
1.3.5.3.1. Contract time

In order to assess whether the Contractor shall complete the Project in time the delay due to required longitudinal redesign (realistically of about 120 days) should be taken out of the 499 days and shall leave us with 379 days to date, Contractor has been on site. The values of Works achieved to date are at 75%. Thereafter for the remaining 51 days (just under 2 months) the Contractor must produce value of Works (25%) of Contract revised price or in real terms about 3,700,000,000.00 AZM a month. Contractor to date achieved a maximum monthly value of works of a bit more than 4,478,000,000.00 AZM. Thereafter our assessment base on value of Works achieved on record to date is that at present the Contractor shall be able to complete this

Project whit in 15 days delay. Please note that to date the preliminary estimate for extra work required to this Contract is at about 10-11% and that might push the completion of Works with other month behind. Further under account should be taken the unexpected volumes of unsuitable material between km 14 and 18 and the problems with Bitumen supply the Contractor experience lately. Or realistically we might expect completion of Works around middle/end December 2004.

However, the Consultant is keeping pressure on the Contractor to complete the Works by the Intended Completion Date (please refer to our letters P188 and P212 of 22 June and 13th July 2004).

Figure 6



1.3.5.3.2. Contract price – (Budget expecting estimates)

Hereunder are given some preliminary final estimates figures and additional extra cost to the Project.

Table 12 %

Item	Description of Works	by Project B&Q	On site + estimate	Extra over	%
Final estimates base on Works done to date (+) preliminary estimates for remaining Works to end					
100	General items	6,151,879,349.00	6,151,879,349.00	0.00	0.00%
200	Site clearing and Earthworks	3,214,117,430.00	4,307,710,825.00	1,093,593,395.00	3.68%
300	Pavement	12,736,637,395.00	14,446,086,771.00	1,709,449,376.00	5.74%
400	Drainage	2,445,473,396.00	3,051,527,207.00	606,053,811.00	2.04%
500	Road furniture and marking	1,563,671,857.00	1,563,671,857.00	0.00	0.00%
600	Bridge 29	180,782,400.00	217,918,546.00	37,136,146.00	0.12%
700	Bridge 30	803,163,672.00	754,664,179.00	48,499,493.00	0.16%
800	Bridge 31	184,290,142.00	201,417,286.00	17,127,144.00	0.06%
900	Bridge 31.1	216,248,033.00	261,992,266.00	45,744,233.00	0.15%
1000	Bridge 33	221,525,537.00	211,591,438.00	9,934,099.00	0.03%
1100	Bridge 34	168,259,848.00	162,272,511.00	5,987,337.00	0.02%
1200	Miscellaneous	580,300,024.00	289,773,408.00	290,526,616.00	0.98%
1300	Day works	283,113,099.00	0.00	283,113,099.00	0.95%
		28,749,462,182.00	31,620,505,643.00	2,871,043,461.00	9.65%
Special	Adjust to bid 4.01378291%	29,903,403,181.78	32,889,684,094.55	2,986,280,912.78	10.04%
Special	Revised Contract price VO2	29,755,540,898.94	32,889,684,094.55	3,134,143,195.61	10.53%

Contractor's proposal for Improving quality of road if accepted by Client

Extra	Bitumen seal to shoulders	0.00	440,190,000.00	440,190,000.00	1.48%
Extra	Pavement approach to petrol	0.00	293,460,000.00	293,460,000.00	0.99%
Extra	Drainage to petrol stations	0.00	122,275,000.00	122,275,000.00	0.41%
Extra	Side drain collectors/shuts	0.00	293,460,000.00	293,460,000.00	0.99%
	Sub total	0.00	1,149,385,000.00	1,149,385,000.00	3.86%
	Total	29,755,540,898.94	34,039,069,094.55	4,283,528,195.61	14.40%

Further information has been forwarded as requested at the Minutes of Meeting August 27th2004 held at RTSD chair by Mr. B. Huseynov see our letter 98 dated August 30th2004.

№	Description	Unit	Volumes of Works		Extra cost AZM	%
			required	accept		
	Revised Contract price Art 15.3 is at AZM29,755,540,898.00					
	The 15% on that price is AZM4,463,331,135.00					
0	Additional amount from the revised B&Q				3, 134,143,195.61	10.53
A	Minimum Additional volumes of Works required to complete the Project					
1	Petrol stations – asphaltting the approach roads	M2	7,620.00		294,040,560.00	0.99
2	Petrol station – rain water collector drain	M'	900.00		124,325,100.00	0.41
3	Single seal on shoulders	M2			439,143,600.00	1.48
4	Rainwater collector and shuts to dewatering the high fills and eliminate the erosion	M'	3160+500		280,044,480.00	0.99
5	Site culverts diameter 600 at the access roads crossing	M'	150.00	150.00	85,010,890.00	0.28
6	Other 3 electrical service line (10 KV) crossings required	№	3		59,000,000.00	0.20
	Subtotal from 1 to 6	AZM			1, 281,564,630.00	4.31
	Subtotal from 0 to 6	AZM			4,415,707,825.61	14.83
B	Min additional to complete Project as per technical standards and codes					
7	Remaining amount of guard rails	M'	5301.00		827,692,839.00	2.78
8	Access roads additional (if any)					
8.1	Extra over for additional access roads required	№	0		0.00	0.00
8.2	Extra over for access road to be constructed in accordance with the applicable standards	AZM			581,758,118.00	1.96
9	The remaining electrical services lines	№	10		279,102,088.00	0.94
10	Gas service lines running under widened rehabilitated embankment	km	4		180,000,000.00	0.61
	Subtotal from 7 to 10	AZM			1,868,553,045.00	6.29
	Subtotal from 0 to 10	AZM			6,284,260,870.61	21.12

1.3.6. Testing results

Table 13

SUMMARY OF LABORATORY TESTING DURING AUGUST MONTH

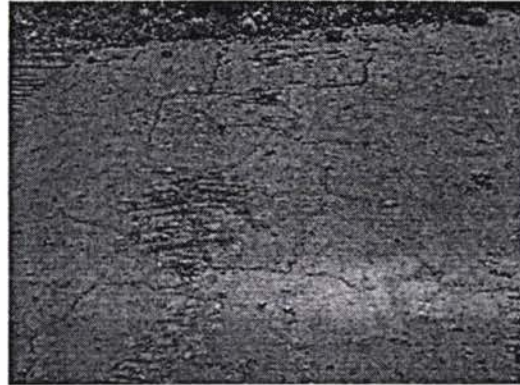


Description of Work		Test Performed				Remarks
		Total	Passed	Retested	Passed %	
Road Embankment						
1	FDT/Nuclear Density	257	220	37	85.6	
2	PI	1	1	0	100	
3	MDD/Proctor	1	1	0	100	
4	CBR	3	3	0	100	
5	Moisture Content	1	1	0	100	
Granular capping layer or selected sub grade fill-1 (175mm of 350mm)						
1	Gradation	1	1	0	100	
2	FDT/Nuclear Density	42	34	8	80.9	
3	MDD/Proctor	1	1	0	100	
4	PI	1	1	0	100	
5	CBR	1	1	0	100	
6	Moisture Content	1	1	0	100	
Granular capping layer or selected sub grade fill-2 (175mm of 350mm)						
1	Gradation	2	2	0	100	
2	FDT/Nuclear Density	46	39	7	84.8	
3	MDD/Proctor	2	2	0	100	
4	PI	2	2	0	100	
5	CBR	2	2	0	100	
6	Moisture Content	2	2	0	100	
Granular sub base layer (from recycled asphalt concrete and recycled sub base material) 225mm						
1	Gradation (Combined)	3	3	0	100	
2	FDT/Nuclear Density	70	53	17	75.7	
3	MDD/Proctor	3	3	0	100	
4	LAA	1	1	0	100	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	0	0	0	0	
7	Moisture Content	3	3	0	100	
8	CBR	3	3	0	100	
9	PI	3	3	0	100	
Granular Shoulder (sub base material) 225mm						
1	Gradation (Combined)	3	3	0	100	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	3	3	0	100	
4	LAA	1	1	0	100	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	0	0	0	0	
7	Moisture Content	3	3	0	100	
8	CBR	3	3	0	100	
9	PI	3	3	0	100	
Concrete Works						
1	Compression Test	61	61	0	100	
2	Slump	7	7	0	100	
3	Gradation	1	1	0	100	
4	LAA	1	1	0	100	
5	Soundness	0	0	0	0	
6	Sp. Gravity	1	1	0	100	
7	Flakiness Index	1	1	0	100	
8	Sand equivalent	1	1	0	100	
9	Unit Weight	1	1	0	100	
Bituminous road base 2 (100mm)						
1	Gradation	7	7	0	100	
2	LAA	1	1	0	100	
3	Stripping Test	1	1	0	100	
4	Fractured face	1	1	0	100	
5	Core-cutting (thickness)	7	7	0	100	
6	Extraction test	7	7	0	100	
7	Stability	7	7	0	100	
8	Flow	7	7	0	100	
9	Air Voids	7	7	0	100	
10	VMA/VFA	7	7	0	100	
Bituminous road base 2 (75mm)						
1	Gradation	4	4	0	100	
2	LAA	1	1	0	100	

3	Stripping Test	1	1	0	100	
4	Fractured face	1	1	0	100	
5	Core-cutting (thickness)	4	4	0	100	
6	Extraction test	4	4	0	100	
7	Stability	4	4	0	100	
8	Flow	4	4	0	100	
9	Air Voids	4	4	0	100	
10	VMA/VFA	4	4	0	100	

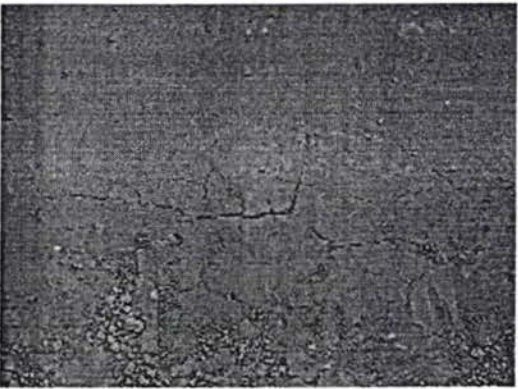
1.3.7. Project photographs

Unexpected volumes of unsuitable material hampering completion of the earthworks





Unsuitable spots not open yet



Earthworks in progress elsewhere on the Project





Completion of Works around culvert at km 12+970





1.3.8. Correspondence records

1.3.8.1. Incoming Letters

Table 14

Item	Date Received	Author from	Sender's ref	Date on the Letter	In response to	Subject	Attach-ments	Reply status		
								Required Yes / No	Date Sent	Our Ref:
1	06/07/2004	M.T	140	06/07/2004	N/A	Revised Work Program	yes	Yes	14/07/2004	194
2	07/07/2004	M.T	141	06/07/2004	N/A	Gas Pipelines within ROW	yes	yes	14/07/2004	196
3	08/07/2004	M.T	142	08/07/2004	N/A	Anti-Erosion Basins for outlet of Culverts	no	yes	15/07/2004	200
4	12/07/2004	M.T	143	12/07/2004	N/A	IPC No 1	no	yes	12/07/2004	195
5	15/07/2004	M.T	144	14/07/2004	N/A	Correction of letter No 143	no	yes	21/07/2004	201
6	15/07/2004	M.T	145	14/07/2004	N/A	Slow Progress	no	no		
7	15/07/2004	M.T	146	15/07/2004	N/A	Breakdowns for new work items	yes	no		
8	19/07/2004	M.T	147	19/07/2004	188/03.07.04	Shop Drawing For culvert at km 8+890	yes	yes	22/07/2004	202
9	19/07/2004	M.T	148	19/07/2004	N/A	Shop Drawing For culvert at km 12+960	yes	yes	22/07/2004	204
10	19/07/2004	M.T	149	19/07/2004	187/03.07.04	Shop Drawing and BOQ for additional bridge	yes	yes	22/07/2004	203
11	19/07/2004	M.T	150	19/07/2004	N/A	Material samples for crush barriers and marking post	no	yes	22/07/2004	205
12	26/07/2004	M.T	151	24/07/2004	N/A	Work item 306	yes	yes	29/07/2004	209
13	26/07/2004	M.T	152	24/07/2004	203/22.07.04	Re-evaluation of the Structure at km 12+980	yes	yes	02/08/2004	214
14	26/07/2004	M.T	153	24/07/2004	202/22.07.04	Re-evaluation of the Structure at km 8+890	no	yes	28/07/2004	208
15	26/07/2004	M.T	154	24/07/2004	205/22.07.04	Re-evaluation of the Structure at km 8+891	no	yes	28/07/2004	207
16	26/07/2004	M.T	155	24/07/2004	197/14.07.04	Documents for new borrow pits	yes	yes	29/07/2004	210
17	27/07/2004	M.T	156	27/07/2004	227/22.06.04-R.D	Prise analyze items	yes	yes	02/08/2004	216
18	30/07/2004	M.T	157	30/07/2004	N/A	Changes in taxes	yes	no	02/08/2004	215

1.3.8.2. Outgoing letters

Table 15

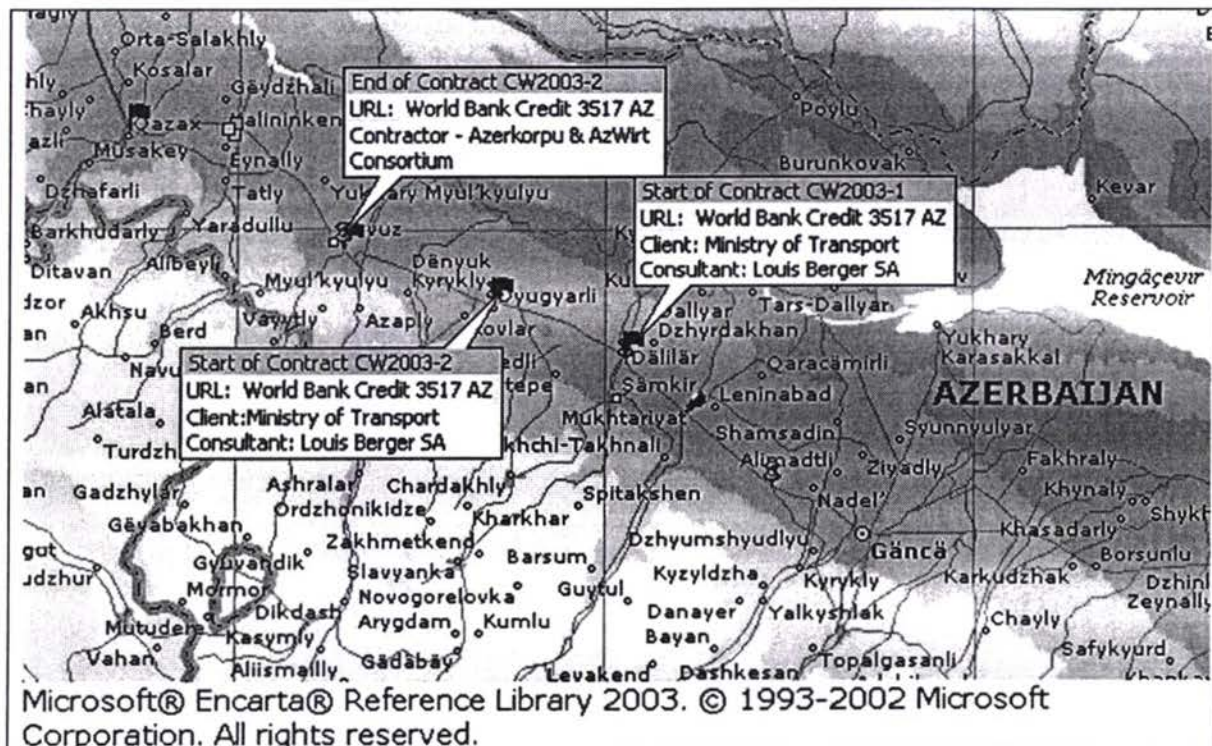
Item	Date Posted	Author initials	Our ref:	Date Written	In response to	Subject	Attach-ments	Reply status		
								Required Yes/No	Date Sent	Sender's Ref:
1	02/08/2004	S.D	213	02/08/2004	N/A	Minutes of Meeting	yes	no		
2	03/08/2004	S.D	214	02/08/2004	152/24.07.04	Reevaluation of the structure	no	no		
3	03/08/2004	S.D	215	02/08/2004	157/30.07/04	Claim under clause 45	no	no		
4	03/08/2004	S.D	216	02/08/2004	156/24.07.04	Price analysis	no	no		
5	05/08/2004	S.D	217	04/08/2004	N/A	Protection of works	yes	no		
6	07/08/2004	S.D	218	05/08/2004	158/02.08.04	Revised B&Q	no	no		
7	07/08/2004	S.D	219	05/08/2004	159/02.08.04	Additional works items	no	no		
8	07/08/2004	S.D	220	05/08/2004	160/08.08.04	Instruction to drivers	no	no		
9	11/08/2004	S.D	221	11/08/2004	161/09.08.04	Protection of works	no	no		
10	18/08/2004	S.D	222	18/08/2004	162/14.08.04	Unsuitable soil	no	yes		
11	18/08/2004	S.D	223	18/08/2004	163/14.08.04	Bus stop	no	no		

Rehabilitation of Caucasian Highways Azerbaijan Monthly Technical report

Segment 2 for Project Component II:

Construction Supervision of Shemkir to Gazakh - Highway

Contracts CW2003-1 and CW2003-2



II.Segment 2 for Project Component II: Work Contracts Lot 2, Contract CW 2002-2 now referred to as Contracts CW 2003-1 to CW2003-4 Shemkir-Gazakh Section

A. Contracts CW2003-1 and CW2003-2

A.2.1. Report Cover page

Table 1

Project Title	Construction Supervision of Shemkir to Gazakh Highway - Contracts CW2003-1 and CW2003-2	
Service Contract	EUROPEAID/113179/C/SV/MULTI	
Country	Azerbaijan	
	Local Recipient - Partner	EC Service Contractor
Name	Azerbaijan Republic Ministry of Transport	Louis Berger SA
Address	The Head of Road Transport Service Department Prospect Tbilisi 1054 The Ministry of Transport	Mercure III 55 Bis Quai de Grenelle 75015 Paris France
Tel No	99412 4930192	+ 33 1 45 78 39 32
Fax No	99412 4315655	+ 33 1 45 77 74 69
Contact Person	Mr. Javid G. Gurbanov	Mr. F. Signor
E-mail		fsignor@louisberger.com
		Project Team Leader
		Baku, Azerbaijan
		+994 12 498 84 31
		+994 12 493 24 76
		R. Degheim

A.2.2. Project Synopsis

Table 2

Project Objectives	<ul style="list-style-type: none"> To support the Republic of Azerbaijan to catch up with their serious backlogs in road maintenance, and to cope with growing Local, and International Transport. To improve and provide a better level of service for the travelling public on route corridors, To reduce costs in road transportation, To arrest deterioration of pavements (<i>road surfaces</i>) by timely intervention, To reduce costs for road rehabilitation and maintenance. The specific objective of this component of the Project is the supervision of The Works Contracts between Shemkir and Gazakh. This forms part of the ancient "Silk Road" To ensure that the new road rehabilitation and reconstruction is completed to the internationally specified standards and to be completed within the budget and time available. To strengthen the national road construction and maintenance capabilities Through transfer of technology.
Outputs	<ul style="list-style-type: none"> Good Roads completed to best standards and at the budget price.
Project activities	<ul style="list-style-type: none"> To rehabilitate and upgrade the existing highway Shemkir to Gazakh – Contracts CW2003-1 and CW2003-2
Start date	<ul style="list-style-type: none"> February 23rd2004
Start date activities	<ul style="list-style-type: none"> February 23rd2004
Project duration	<ul style="list-style-type: none"> 18 months or 548 days

A.2.3. Monthly Progress Report

A.2.3.1. General

This section of the Project covers the supervision of the Rehabilitation and Upgrading of the Shemkir - Gazakh section of the Azerbaijan Highway Project Contracts CW 2003-1 and CW 2003-2. The project is organised in

the standard International format using the General Conditions of Contract as issued by the World Bank for projects under \$10,000,000. The works were designed in coordination with Azeravtoyol by a consortium composed of Kocks Consult GMBH (Germany) BCEOM (France) and Finnroad Ltd (Finland). The supervision of the Works Contract forms part of the Rehabilitation of Caucasian Highways Azerbaijan Georgia and Armenia Contract Number EUROPEAID/113179/C/SV/MULTI and is carried out by Louis Berger SA of Paris France. The project is funded by means of a credit from the International Development Association (IDA), or the World Bank. A Project Implementation Unit attached to RoadTransService controls the project on behalf of the Employer. A list of the Key Personal is presented below.

Table 3

Funding Agent	International Development Association The World Bank 1818 H Street, NW Washington, DC 20433, USA
Mr. Oliver Le Ber	Lead Transport Specialist Infrastructure and Sector Unit Europe and Central Asia Region
Employer	Azerbaijan Republic Ministry of Transport "Yolnegliyatservis" address: Prospect Tbilisi 10/54 The Ministry of Transport Tel:99412 4930192 Fax:99412 4315655
Mr. Cavid Gurbanov Gamber	Chief of the Department
Project Implementation Unit	72/4 Uzeyir Hajibeyov Street 370010 Baku
Mr A. Gojayev	Director
EUROPEAID EC Brussels	
Mr. E. Dalamangas	Project Manager
Service Supervision Contractor	
Louis Berger SAS	Murcure III, 55Bis Quai de Grenelle Paris 75015
R. Degheim	Team Leader / Project Manager
S. I. Dotchev	Project Manager's Representative, Resident Engineer
Contractors	Azerkorpu – Azwirt Consortium

A.2.3.2. Project Data

Table 4

Works Contracts CW 2003-1 and CW2003-2	
Works Tender Opened	September 2 nd 2003
Letter of Acceptance	December 27 th 2003
Contract Agreement Signed	January 22 nd 2004
Possession of site	February 5 th 2004
Tender amount	61,800,315,562.42 AZM
Contract Amount	60,082,264,241.00 AZM
Contract revised value including VO	60,214,171,978.85 AZM
Contract Start Date	February 23 rd 2004
Original Contract Completion Date	August 23 rd 2005
Extended Completion Date	N/A
Defects Liability Period	365 days
1 st Works Programme received	March 24 th 2004
Last revision of Works Programme	July 2004
Value of Works to date as per IPCs	4,783,040,706.00AZM
Value of Works done	4,783,040,706.00AZM
Value of Works done (%)	7.9%
Variations	Variation order №1 for amount of 131,907,737.85 AZM
Advance Payment (20%)	AZM 12,016,452,848.20
Repayments made	N/A

Delays	40 days
Claims	Claim №1 – Late advance payment, under PM consideration Claim №2 – Late paid portion of advance payment, under PM consideration
Time elapsed to date	191 days
Time remaining to date	357 days

A.2.3.3. Progress report

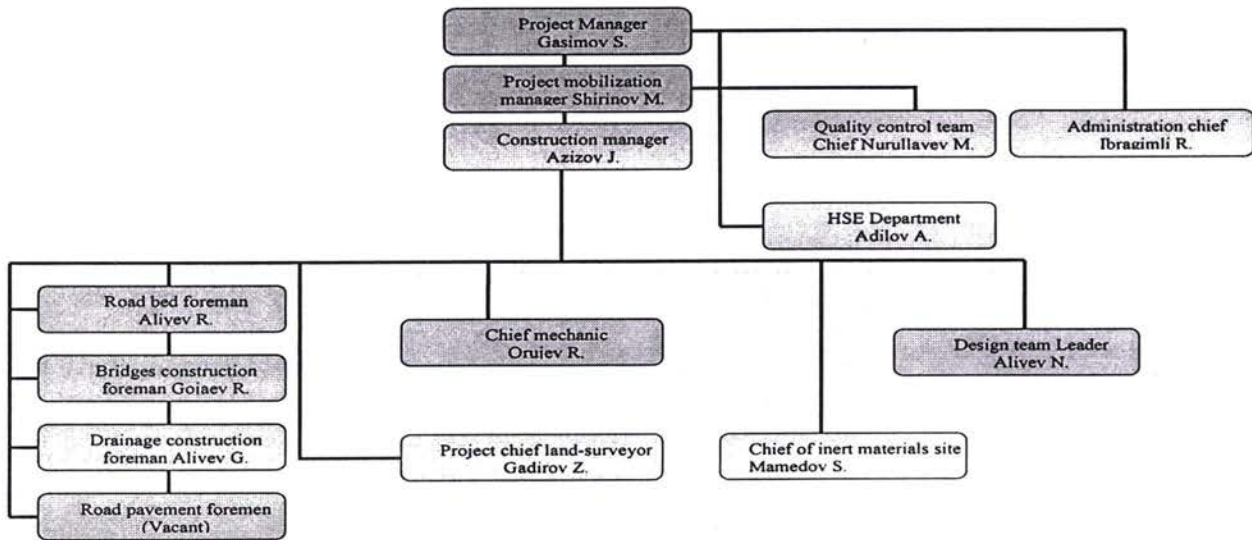
A.2.3.3.1. Status of the Project

Since start (February 23, 2004) the Contractor have been on site 191 days or 34.85% of the Contractual time and to date are remaining 357 days or 65.15% of the Contractual time.

A.2.3.3.1.1. Contractor's site staff

A.2.3.3.1.1.1. Contractor's site management staff organisation (organogramme)

Figure 1

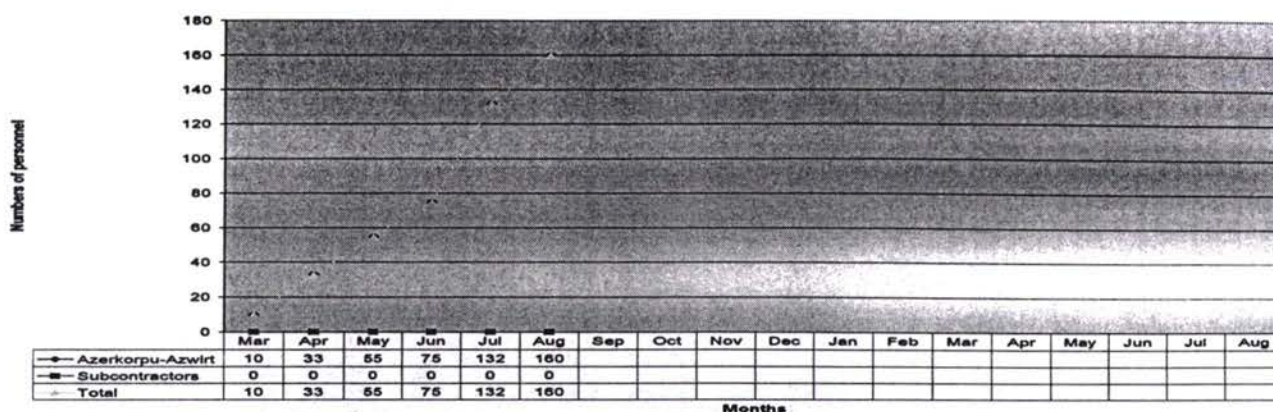


A.2.3.3.1.1.2. Contractor's site staff employed

Contractor at present has employed for construction on this project – 160 people (including locals 92)

Figure 2

Contracts CW2003-1 & 2 - Personnel staff movements



A.2.3.3.1.2. Contractor's machinery and equipment

Table 5

Item	Description	Model and capacity	Unit	For Project	Available	Work day
1	Asphalt Plant	Lintec	no	1	0	
2	Batch Plant for Sub-base		no	1	0	
3	Crusher and Sorter	Nase Konkosor Tesisi	no	1	0	
4	Scale		no	0	0	
5	Generators	AD-30C, AD-50	no	4	1	25
6	Asphalt and Sub-base Paver	Vogel	no	2	0	
7	Rubber Banded Asphalt Roller		no	2	0	
8	Steel Banded Asphalt Roller		no	4	0	
9	Rolley Tank		no	3	0	
10	Distributor for Bitumen		no	0	0	
11	Graders	Komatsu, CAT	no	5	2	30
12	Bulldozers	CAT D8R, PR712, DZ129, DZ170	no	4	3	27
13	Excavators	Liebherr, CAT330B/L, EO5124,5122A	no	10	4	28
14	Loaders	L-538,L-551, L-541, MT	no	5	0	
15	Backhoe loader	YALCHIN BT2000	no	2	0	
16	Vibratory Rollers	BOMAG,BOXER, DYNAPAC	no	5	2	26
17	Water Distributor	KO-002, AW-6.0, AW-7.0	no	5	2	27
18	Trailer for carrying Equipments		no	0	0	
19	Trucks	Maz/Mercedes/KamazQaz	no	16	14	28
20	Concrete trucks	HTM 604F, KaMAZ5511	no	5	3	25
21	Concrete pump	CB170-1, Mercedes	no	2	0	
22	Crane	KC/KATO/PDK	no	2	4	30
23	Welding machine	W350, W230	no	4	0	
24	Compressor	XAS-46 DdG	no	1	0	
25	Plate compactor	LP750H,LP500H, LH300, LG160	no	4	0	
26	Drilling machine	Soilmec	no	0	1	22
27	Car	VAZ	no	0	6	30
28	Concrete plant		no	1	0	
29	Machine for asphalt milling		no	1	0	
30	Fuel tanker	ZIL - 130	no	0	0	
31	Microbus	KIA	no	0	1	30
32	Bus	KAVZ	no	0	1	21

A.2.3.3.1.3. Contractor's Work programme

The Contractor has submitted his Project Works programme on March 24th2004. The 1st updated revised Works Programme has been submitted in July 2004 and approved.

Figure 3

ID	Task Name	Duration	Start	Finish	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter									
					Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Preliminary Works	262 da	Tue 15/06	Wed 08/06	[Gantt bars]																														
2	Earthworks	283 da	Sun 20/06	Wed 13/07	[Gantt bars]																														
3	Pavement Works	269 da	Tue 10/06	Tue 16/06	[Gantt bars]																														
4	Overlay 40mm	24 da	Tue 10/06	Fri 10/06	[Gantt bars]																														
5	Overlay 80mm	44 da	Tue 31/06	Thu 28/07	[Gantt bars]																														
6	Overlay 120mm	22 da	Mon 01/07	Tue 30/07	[Gantt bars]																														
7	Shoulder Sub base	254 da	Fri 20/06	Fri 05/08	[Gantt bars]																														
8	Sub base layer work	189 da	Tue 10/06	Wed 27/06	[Gantt bars]																														
9	Reconstruction- aspha	192 da	Thu 16/06	Tue 07/06	[Gantt bars]																														
10	Drainage	254 da	Sat 10/07	Fri 24/06	[Gantt bars]																														
11	Bridge 36	107 da	Sat 02/10	Fri 25/02	[Gantt bars]																														
12	Bridge 37	78 da	Thu 09/06	Fri 24/12	[Gantt bars]																														
13	Bridge 38	55 da	Tue 15/02	Mon 02/02	[Gantt bars]																														
14	Bridge 39	137 da	Fri 25/06	Thu 30/12	[Gantt bars]																														
15	Bridge 40	64 da	Thu 03/03	Mon 30/03	[Gantt bars]																														
16	Bridge 41	61 da	Sat 21/05	Fri 12/08	[Gantt bars]																														
17	Bridge 42	52 da	Mon 06/06	Tue 16/06	[Gantt bars]																														
18	Miscellaneous	166 da	Sat 01/01	Thu 18/06	[Gantt bars]																														
19	Furniture and marking	19 da	Thu 28/07	Tue 23/06	[Gantt bars]																														

A.2.3.3.2. Project activity to date

Table 6

Item	Project activity to date 19/21km																			%
	100	95	90	85	80	75	70	65	60	55	50	45	40	35	30	25	20	15	10	
1	[Bar chart showing 100% completion]																			100
2	[Bar chart showing 100% completion]																			100
3	[Bar chart showing 100% completion]																			100
4	[Bar chart showing 75% completion]																			75
5	[Bar chart showing 80% completion]																			80
6	[Bar chart showing 70% completion]																			70
7	[Bar chart showing 80% completion]																			80
8	[Bar chart showing 70% completion]																			70
9	[Bar chart showing 50% completion]																			50
10	[Bar chart showing 60% completion]																			60
11	[Bar chart showing 40% completion]																			40
12	[Bar chart showing 0% completion]																			0
13	[Bar chart showing 0% completion]																			0
14	[Bar chart showing 0% completion]																			0
15	[Bar chart showing 0% completion]																			0
16	[Bar chart showing 0% completion]																			0
17	[Bar chart showing 20% completion]																			20
18	[Bar chart showing 15% completion]																			15
19	[Bar chart showing 0% completion]																			0
20	[Bar chart showing 0% completion]																			0
21	[Bar chart showing 0% completion]																			0
22	[Bar chart showing 0% completion]																			0
23	[Bar chart showing 0% completion]																			0
24	[Bar chart showing 0% completion]																			0
25	[Bar chart showing 0% completion]																			0
26	[Bar chart showing 0% completion]																			0
27	[Bar chart showing 0% completion]																			0
28	[Bar chart showing 0% completion]																			0
29	[Bar chart showing 0% completion]																			0

30	Formation level - (6158/11254m2) 1.657km/1.236km	0
31	Granular Capping layer - (350mm-7651/6983m3) 1.657km/1.236km	0
32	Granular Sub base layer - 225mm - (6030/4340m3) 1.657km/1.236km	0
33	Bituminous base course - 175mm - (16736/12139m2) 1.657km/1.236km	0
34	Wearing course - 50mm - (16435/11946m2) 1.657km/1.236km	0
35	Granular shoulder - 225mm - (2032/1385m3) 1.657km/1.236km	0
36	Structures - Bridges (6), culverts (103)	0
37	Bridges new(2), rehab.(4)	25
38	Culverts - 48/55num To start clearing on 20 culverts	19
39	Finishing off the Project - 40km	0
40	Road signs and marking - 40km	0
41	Site drains	0
	100 95 90 85 80 75 70 65 60 55 50 45 40 35 30 25 20 15 10 5	

A.2.3.3.3. Project progress summary

Since the start February 23rd2004 the Contractor completed the verifying of Project Bench marks. To date produced longitudinal redesign for km 27+000 to km 37+000 (10km - July 2004) and km 20+396 to 27+000 (6.604km -August 2004), start on rehabilitations of culverts along the road. At the same time Works on Bridge 39 are progressing as well as. However as per the latest approved Programme of Works the Contractor is about 50 days behind on earthworks.

A.2.3.3.3.1. Works Progress on structures

A.2.3.3.3.1.1. Progress on culverts

The Contractor has been instructed (April 7th2004) to start work on required by the Project rehabilitation works for culverts. There are 73 numbers of culverts where the Works might be started. Contractor start with cleaning and rehabilitation works as required. To date some 20 culverts are cleaned. Along the Contractor is progressing with checking/verifying the existing structure conditions of the culverts and list and sketches have been submitted for culverts between km 27+000 to km 37+000.

Table 7

Item	Num	Exist	Location	Type	Size	Checked	Start	End	Action
1	1	yes	0+021	pipe	1250	Yes			Replace
2	2	yes	0+027	pipe	1250	Yes			Replace
1n	3	yes	0+370	pipe	1000	yes			Rehabilitate
2e	4	yes	0+789	pipe	1000	Yes			Rehabilitate
3e	5	yes	1+429	pipe	1000	Yes			Rehabilitate
4e	6	yes	3+117	pipe	1000	Yes			Rehabilitate
5e	7	yes	3+451	pipe	1000	Yes			Rehabilitate
6e	8	yes	3+799	pipe	1000	Yes			Rehabilitate
7n	9	no	4+070	pipe	3x1250	no			New
8e	10	yes	4+410	pipe	1000	Yes			Rehabilitate
9n	11	no	4+908	pipe	2x1250	no			New
10e	12	yes	5+103	pipe	1000	Yes			Rehabilitate
11e	13	yes	5+875	pipe	2,5x2,0	Yes			Replace
12n	14	no	5+889	pipe	1250	no			New
13e	15	yes	6+348	pipe	1000	Yes			Rehabilitate
14e	16	yes	6+650	pipe	1000	Yes			Rehabilitate
15e	17	yes	7+247	pipe	1000	Yes			Rehabilitate
16n	18	no	7+405	pipe	3x1250	no			New
3	19	yes	7+690	pipe	1000	Yes			Rehabilitate
17n	20	no	7+780	pipe	3x1250	no			New
18e	21	yes	7+964	pipe	1000	Yes			Rehabilitate
19e	22	yes	8+182	pipe	1000	Yes			Rehabilitate
20n	23	no	8+415	pipe	1250	no			New
4	24	yes	8+582	pipe	1000	Yes			Rehabilitate

21e	25	yes	8+948	pipe	1200	Yes		Rehabilitate
22e	26	yes	9+721	pipe	1000	Yes		Rehabilitate
23n	27	yes	9+928	pipe	1000	yes		Replace
24e	28	yes	11+070	pipe	1000	Yes		Replace
25e	29	yes	11+106	box	2,0x2,0	Yes		Replace
26e	30	yes	11+246	pipe	1000	Yes		Rehabilitate
5	31	yes	11+326	pipe	1000	Yes		Rehabilitate
27n	32	no	11+563	pipe	3x1250	no		New
6	33	yes	12+063	pipe	1000	Yes		Rehabilitate
28e	34	yes	12+738	pipe	1000	Yes		Rehabilitate
29e	35	yes	13+169	pipe	1000	Yes		Rehabilitate
30n	36	no	13+230	pipe	1250	no		New
31e	37	yes	13+368	pipe	1000	Yes		Rehabilitate
32e	38	yes	13+947	pipe	1500	Yes		Rehabilitate
33n	39	no	14+015	pipe	3x1250	no		New
34e	40	yes	14+737	pipe	1000	Yes		Replace
7	41	yes	14+837	pipe	1000	Yes		Rehabilitate
35e	42	yes	15+151	pipe	1000	Yes		Rehabilitate
36n	43	no	15+421	box	4,0x2,5	no		New
37e	44	yes	15+883	pipe	1000	Yes		Rehabilitate
38e	45	yes	15+965	pipe	1000	yes	05/07/2004	Rehabilitate
8	46	yes	16+365	pipe	1000	Yes	05/07/2004	Rehabilitate
39n	47	no	16+788	box	3,0x2,5	no		New
40n	48	yes	17+318	pipe	1250	yes		Replace
41n	49	yes	17+347	box	2,0x2,0	yes		Replace
42n	50	yes	17+429	pipe	1250	yes		Replace
43e	51	yes	17+731	box	2000*2000	Yes	09/07/2004	Rehabilitate
44e	52	yes	18+141	pipe	1000	Yes		Replace
45e	53	yes	18+409	pipe	1000	Yes	09/07/2004	Rehabilitate
46n	54	no	18+460	box	3,0x2,5	no		New
47e	55	yes	18+609	pipe	1000	Yes		Replace
48e	56	yes	18+797	pipe	1000	Yes	09/07/2004	Rehabilitate
9	57	yes	19+797	pipe	1250	Yes		Replace
49e	58	yes	20+988	pipe	1000	Yes		Replace
50e	59	yes	21+074	pipe	1000	Yes		Rehabilitate
51e	60	yes	21+158	pipe	1000	Yes		Rehabilitate
52e	61	yes	21+333	pipe	1000	Yes		Rehabilitate
53e	62	yes	21+693	pipe	1000	Yes		Rehabilitate
10	63	yes	21+893	box	2000*1000	Yes		deleted
54e	64	yes	22+136	pipe	1000	Yes	09/07/2004	Rehabilitate
55e	65	yes	22+148	pipe	1000	Yes	09/07/2004	Rehabilitate
56e	66	yes	22+379	pipe	1000	Yes	09/07/2004	Rehabilitate
57n	67	yes	22+726	pipe	2x1250	yes		Replace
11	68	no	22+926	pipe	1250	Yes		Replace
58e	69	yes	23+359	pipe	1250	Yes		Replace
59e	70	yes	23+948	pipe	1000	Yes		Replace
60e	71	yes	24+024	pipe	1000	Yes		Replace
61e	72	yes	24+521	pipe	1500	Yes		Rehabilitate
62e	73	yes	24+687	pipe	1000	Yes		Rehabilitate
12	74	no	24+887	pipe	1000	Yes	09/07/2004	Rehabilitate
63e	75	yes	25+113	pipe	1000	Yes	28/06/2004	Rehabilitate
64n	76	no	25+688	pipe	4,0x2,5	no		New
65e	77	yes	25+721	pipe	1000	Yes	28/06/2004	Rehabilitate
66e	78	yes	26+149	pipe	1000	Yes		Replace
13	79	yes	26+449	pipe	1000	Yes		Replace
67e	80	yes	26+742	pipe	1000	Yes		Replace
68e	81	yes	27+018	pipe	1000	Yes		Replace
69e	82	yes	27+123	pipe	1500	Yes		Replace
70e	83	yes	27+543	box	2,0x2,0	Yes		Replace
71e	84	yes	27+643	box	2(2,0x2,0)	Yes		Replace
14	85	yes	27+743	pipe	1200	Yes		deleted
72e	86	yes	27+944	pipe	1000	Yes	28/06/2004	Rehabilitate
73e	87	yes	28+050	pipe	1000	Yes		Replace
15	88	yes	28+150	pipe	1000	Yes	06/07/2004	Rehabilitate
74e	89	yes	28+481	pipe	1000	Yes		Replace

75n	90	no	28+580	pipe	1250	no		New
76e	91	yes	28+620	pipe	1000	Yes		Replace
77e	92	yes	28+790	pipe	1000	Yes		Replace
78e	93	yes	28+999	pipe	1000	Yes	28/06/2004	Rehabilitate
79e	94	yes	29+399	box	2,0x2,0	Yes		Replace
80e	95	yes	29+461	pipe	1000	Yes		Replace
16	96	no	29+561	pipe	1000	Yes		Replace
81e	97	yes	29+952	pipe	1000	Yes	28/06/2004	Rehabilitate
82n	98	no	30+000	pipe	3x1250	no		New
17	99	yes	30+300	pipe	1000	Yes		Replace
83n	100	no	30+538	pipe	1250	no		New
84e	101	yes	30+892	pipe	1000	Yes		Replace
85e	102	yes	31+154	pipe	1000	Yes		Replace
86e	103	yes	31+515	pipe	1500	Yes		Rehabilitate
18	104	yes	31+615	pipe	1000	Yes	28/06/2004	Rehabilitate
87e	105	yes	31+962	pipe	1000	Yes		Replace
88e	106	yes	32+096	box	2,0x2,0	Yes		Rehabilitate
89e	107	yes	32+611	pipe	1000	Yes	06/07/2004	Replace
90e	108	yes	32+876	pipe	1000	Yes		Replace
91e	109	yes	33+096	pipe	1000	Yes	28/06/2004	Rehabilitate
92e	110	yes	33+351	pipe	1000	Yes		Replace
93e	111	yes	33+643		2,0x2,0	Yes		Replace
94e	112	yes	33+832	pipe	1000	Yes		Replace
95e	113	yes	34+073	pipe	1000	Yes	28/06/2004	Rehabilitate
96e	114	yes	34+379	box	2,0x2,0	Yes		Replace
97n	115	no	34+400	pipe	2x1250	no		New
98e	116	yes	35+076	box	1250	Yes		Replace
99e	117	yes	35+533	pipe	1000	Yes	23/08/2004	Rehabilitate
100n	118	no	35+770	pipe	2x1250	no		New
101n	119	no	36+100	pipe	2x1250	no		New
102e	120	yes	36+211	pipe	1000	Yes		Replace
19	121	yes	36+361	pipe	1000	Yes		Rehabilitate
103e	122	yes	36+585	pipe	1000	Yes		Rehabilitate
104n	123	yes	38+575	pipe	1250	yes		Replace
105e	124	yes	38+591	box	2,0x2,0	Yes		Rehabilitate
20	125	yes	38+796	pipe	1000	Yes		Replace
106e	126	yes	39+377	pipe	1250	Yes		Replace

Notes								
1			106	Design documents calls for work to be done on				
2			20	Our study discovered add existing culverts				
3			126	Total culverts to work on those Projects				

A.2.3.3.3.1.2. Progress on bridges

A.2.3.3.3.1.2.1. General on bridge structures

The Contractor has been instructed (April 7th2004) to start with preparation of the shop drawings for bridge 36 (cross over the existing railway at km 2+310) since is not affected by the required correction to longitudinal road profile. However to date no design has been produced. The Contractor is considering different options relating to the plan and profile of the approach roads and the tie in with the Bridge 37 next door.

Table 8

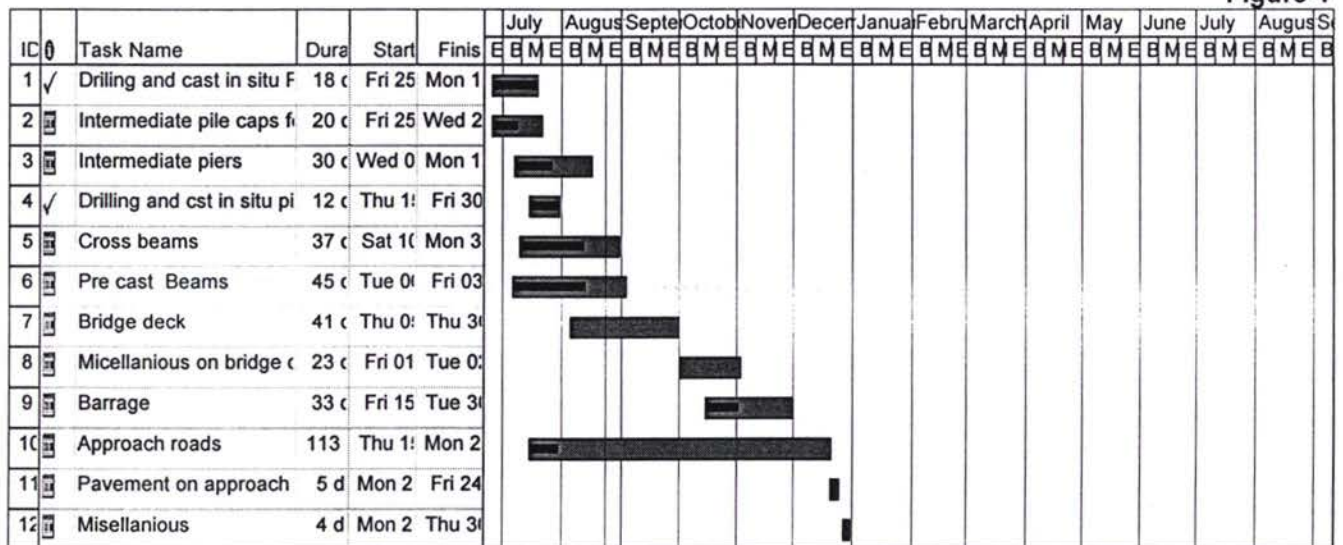
Bridge No	Chainage where the to be build	Description of the existing structure	Existing (meter)	Carriage way	Action proposed by our design tender review done August 2003	Description according to the project (meter)	Size According to the project	Carriage way
36	2+310	3*14.0	48	7	Replace/New	12+21+12	54.3	11.5
37	3+076	1*22.16	28	7	Replace/New	1*22.16	36.21	11.5

38	5+597	1*13.50	14.6	7	Repair	1*18.0	18.9	11.5
39	20+168	3*22.16	82.43	7	New	5*13.0	90.0	41.5
40	27+997	4.4*5.0 B	9.4	7	Box culvert	5.0*2.5 B	23.5	9
41	34+870	1*22.16	23.06	7	Repair	1*22.16	23.06	11.5
42	37+539	6*22.16	138.96	8.9	Repair	6*22.16	138.96	10

A.2.3.3.3.1.2.2. Bridge 39

Due to the urgencies of the matter the Contractor started works on Bridge 39 and Works are progressing in accordance with the Programme as shown below. Drilling cast in situ intermediate and abutment piling has been completed. Piles caps have been cast over three intermediate supports and Prefabricate piers have been install over the whole four intermediate pile caps. Work on Bridge approach roads started as well as. Simultaneously Work on the barrage is progressing.

Figure 4



A.2.3.3.3.1.2.3. Bridge 41

The contractor forwarded preliminary design on 28th August 2004. The design is under consideration.

A.2.3.3.3.2. Problems which might effect the completion date

Table 9

Problems associated with completing the Contract in time	Actions taken
Early warnings – clause 32, Conditions of Contract – existing buildings along the road, narrow road within the urban locations and our proposal to original pavement urban design	Comprehensive study done by us and sent for Client consideration and instructions
For overlay sections - Existing road width measured across the Road is highly variable	Client inform/advise – our letter 58 dated May 14 th 2004
Shemkir - Dallier ring cross road (start of Contract CW2003-1) according Contract Documentations – half is reconstruction and the other half overlay, the question is what to be applied for whole ring cross road – reconstructions or overlay only	Client inform/advise – our letter 61, dated May 20 th 2004 The Client instruction pending
Some of existing culverts are badly displaced and rehabilitation works recommended shall not improved the present structures situation, thereafter replacement required	Contractor jointly with Consultant verify the present status (see table 7 above)
About 17km of longitudinal redesign has been submitted; however there are other 23km of road to be redesign. Further Contractor have been urge to forward the remaining bridges design for consideration, review and approval	The Contractor is warn to speed up with road redesign and bridge design

- Expropriations and compensation claims – Sketch plans for possible public claims

Figure 5

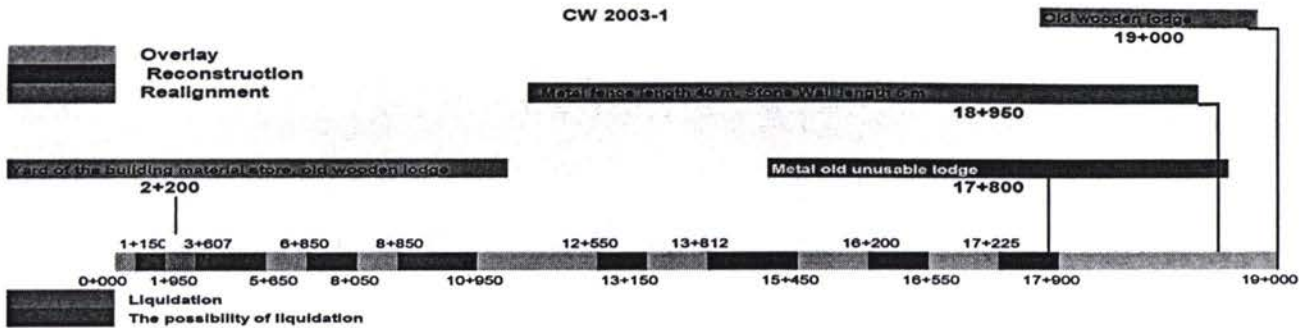
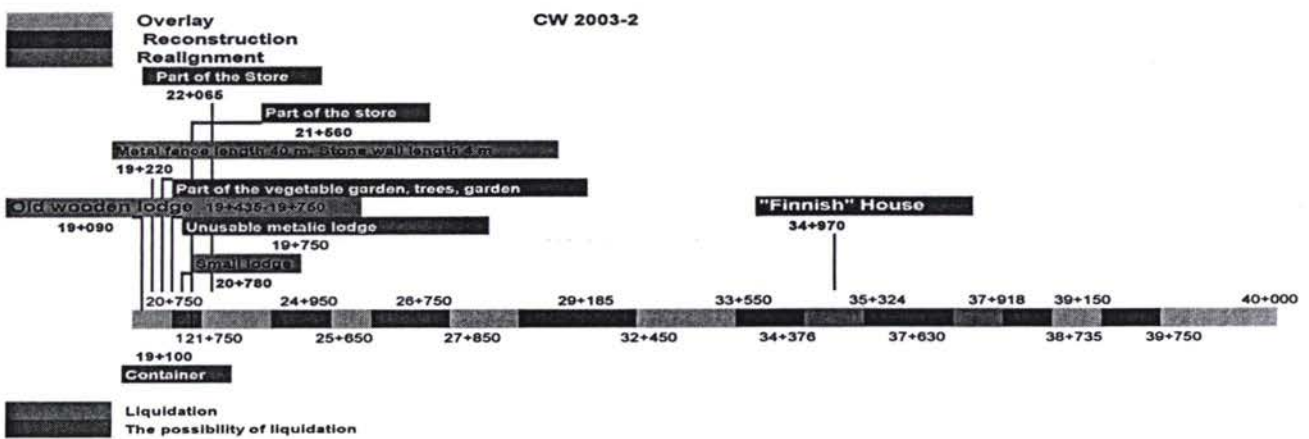


Figure 6



- For overlay sections - Existing road width measured across the Road is highly variable specially for second Contract CW2003-2 – km 19+000 to km 40+000

Figure 7

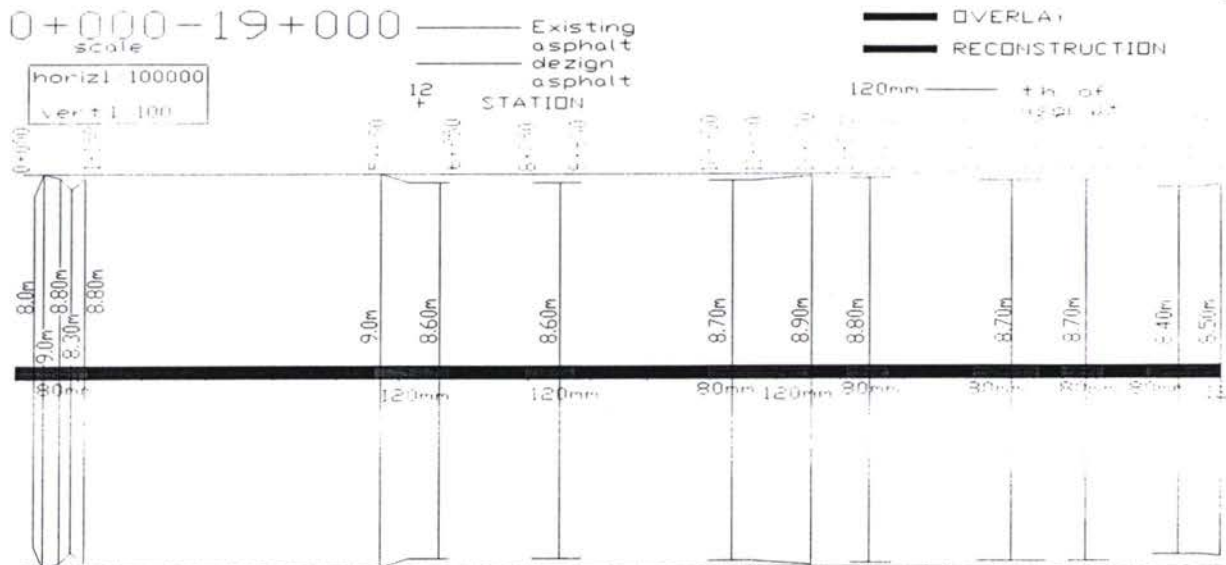
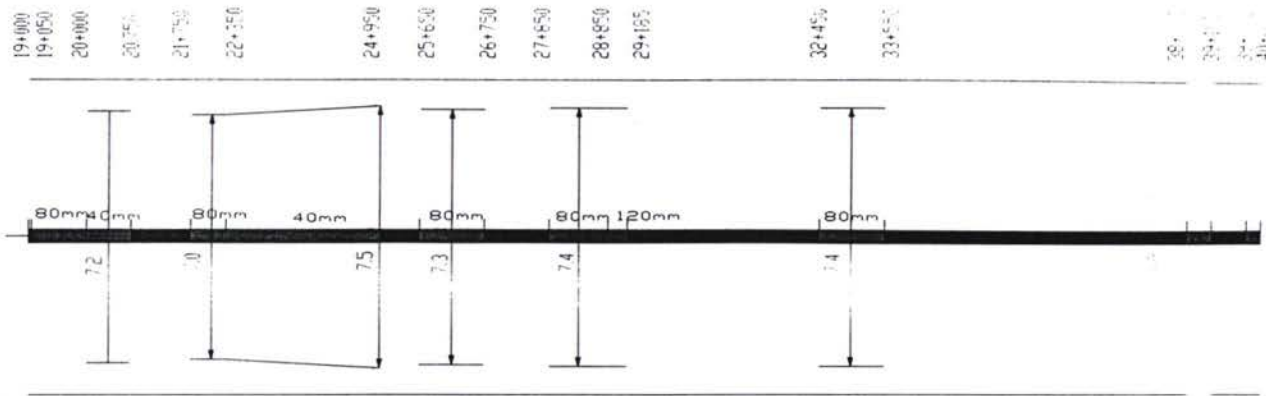


Figure 8

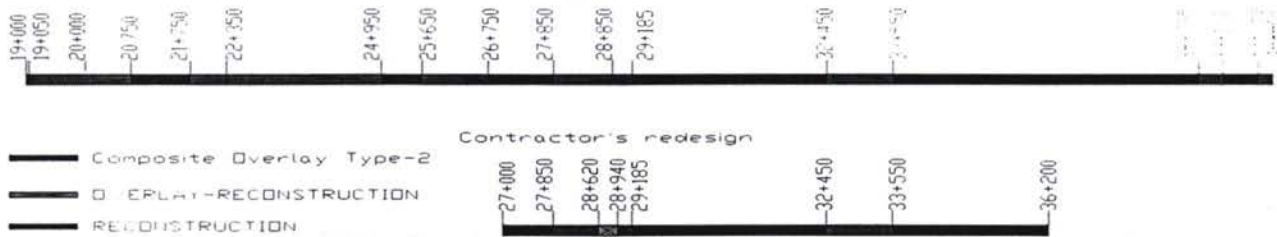
19+000 - 40+000

Scale
-horiz. 1/100000
-vert. 1/1000



- For longitudinal redesign – Explanatory notes (please see item 3.8 section III)

19+000 - 40+000
KODKAS design



A.2.3.4. Claims and Variations

A.2.3.4.1. Claims

A.2.3.4.1.1. Claim №1 – Late advance payment

First Contractor's claim has been received - Requested Advance payment of 20% has been delayed and Contractor has claimed (see Contractor's letter 248 dated May 11th, 2004 and Consultant letter to the MoT P170 dated 11 May 2004) in accordance to the Conditions of Contract, clause 44, sub-clause 44.1(i) the delay of advance payment is a compensation event. This includes compensation on both additional cost (clause 44.2) and extension of time due to a compensation event (clause 28.1). Further the Contractor refers to Clause 43 (Payment), sub-clause 43.1, and claimed interest on late payments. The claim is under PM's consideration and attention.

A.2.3.4.1.2. Claim №2 – Late payment of Azeri part of advance payment

Second Contractor's claim has been received - Requested Advance payment of 20% has been paid partially and Contractor has claimed in accordance to the Conditions of Contract, clause 44, sub-clause 44.1(i) the delay of advance payment is a compensation event. This includes compensation on both additional cost (clause 44.2) and extension of time due to a compensation event (clause 28.1). Further the Contractor has referred to Clause 43 (Payment), sub-clause 43.1, and claimed interest rate on late payments. The Claim is under PM's consideration and attention.

A.2.3.4.2. Variations

A.2.3.4.2.1. Variation order №1

For the amount of 131,907,737.85 AZM, new beginning of Contract CW2003-1 – On Client's instruction, 60m' a part of Contract 2002-1 are to be added, in order to have existing ring cross road in one Contract (Contract CW2003-1). Variation Order approved and submitted to the Contractor.

A.2.3.4.2. Variation Order №2

Bridge №39 at km 411+143 (new construction instead of rehabilitation).

The first intermediate foundation support at Baku site has collapsed. The reason for collapsing is that the river bed at that location has been eroded and the foundation left on air unsupported.

Originally, this bridge is to be rehabilitated but due to the actual situation of the bridge, a new construction is required.

Drawings received from the Contractor and submitted to the Employer on 08 July 2004 for approval.

This VO would be finalized after receiving breakdown for new items from the Contractor.

A.2.3.4.2.3. Variation order №3

Under preparation - On Client instruction, Works on Contract CW2003-2 km 37+700 to km 40+000 are to be stopped due to potential planned construction of Tovuz bypass.

This VO-3 would be finalized after agreement between the Employer and the WB if Tovuz bypass would be constructed and after Employer instruction about the Works to be done between km 37+700 – km 40+000.

A.2.3.5. Financial

A.2.3.5.1. Interim Payment Certificates to date

Table 10

Item	Date	IPC	Value AZM	%	Status
1	30/05/04	Advance	12,016,452,848.20	19.96%	paid
2	15/07/04	IPC1	603,439,200.00	1.00%	not yet
3	30/07/04	IPC2	1,491,459,373.00	2.48%	not yet
4	30/08/04	IPC3	2,455,375,624.00	4.08%	not yet
		To date	14,111,351,421.20	23.44%	Not fully
		Available	46,102,819,957.65	76.56%	Remained
		Contract price	60,214,171,378.85	100.00%	

The IPC 3 has been forwarded to Client for consideration and payment

Figure 9

Contracts CW2003-1 & 2, Payments to date and the remaining value of Works

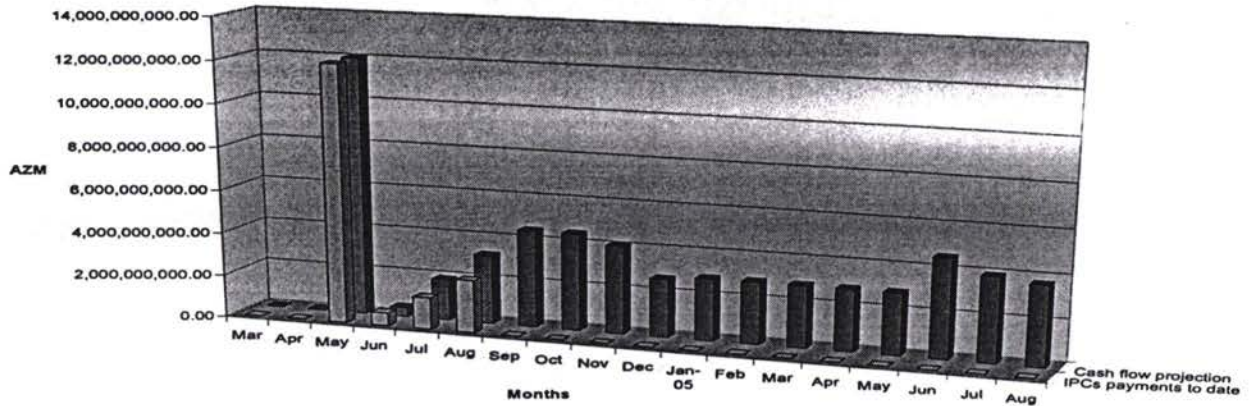


A.2.3.5.2. Cash Flow projection

Contractor has submitted the revised updated cash flow projection on July 9th2004 (see below).

Figure 10

Contract CW2003-1&2, Comparison between the Contractor's updated cash flow projection (July 9th2004) and the actual IPC payments



A.2.3.5.3. Contract assessment

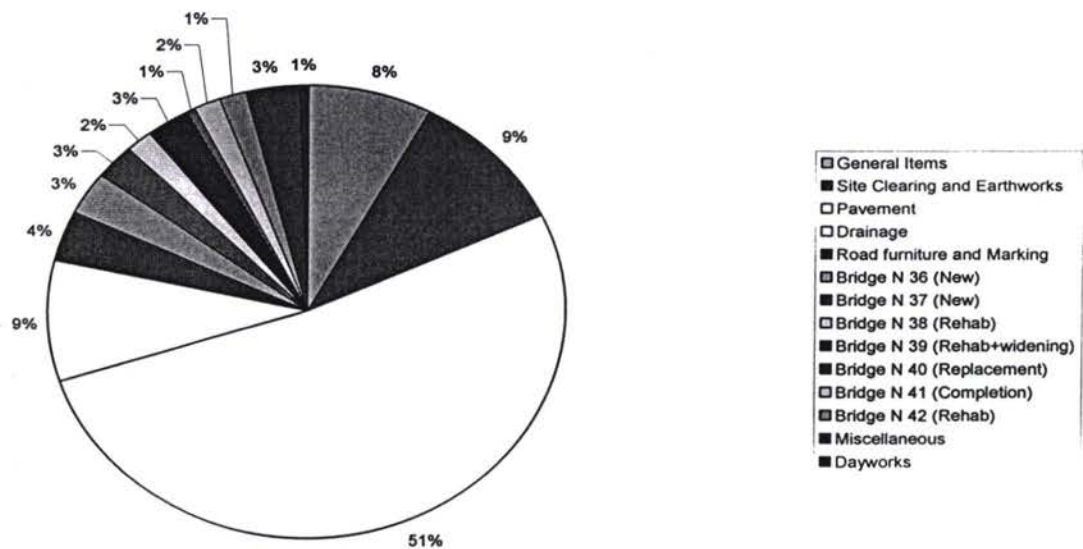
A.2.3.5.3.1. Contract time

In view of forwarded and approved by us revised/updated Works Programme (July 2004) the Contractor is running late 50 days on Earthworks.

Comparison of the Bill of Quantities items as shown on the graph under

Figure 11

Contracts 2003-1 & 2 (km 0+000 to km 40+000) , Comparison of the original Bill Items



A.2.3.5.3.2. Contract price- (budget expecting preliminary estimates increase/decries)

Table 11

Item	Description	Unit	Quantity	Cost
A	Estimated savings to Contract budget cost			AZM
1	Due to MoT letter 01/581 dated Apr 26th, 2004 temp. stop work at km 37+500 to km 40+000	AZM	estimate	3,009,034,085.10
	Estimated savings cost to the Contract	AZM	estimate	3,009,034,085.10
		US\$		612,588.37
B	Estimated extra cost to Contractor			AZM

1	Due to underestimated volumes of Works at the Project B&Q for capping layer	m3	25426	482,127,812.00
2	Due to underestimated volumes of Works at the Project B&Q for granular sub base	m3	11977	1,287,024,466.00
3	Due to underestimated volumes of Works at the Project B&Q for bituminous base	m2	13593	746,106,177.00
4	Due to underestimated volumes of Works at the Project B&Q for bituminous surface	m2	13048	221,098,360.00
5	Due to underestimated volumes of Works at the Project B&Q for sub base to shoulders	m3	13091	1,406,732,678.00
6	Due to extra existing culverts on site but not included into B&Q - 18 numbers	AZM	estimate	444,616,556.00
7	Due to collapsing of Bridge 39, km 29+168 and required replacement instead of reconstruction	AZM	estimate	4,676,215,995.00
8	If longitudinal redesign might require completely Change from Overlay to Reconstruction.	AZM	estimate	10,940,986,361.70
9	Due to underestimated volumes of Works at the Project for Bridge 42 across Tovuz Cay	AZM	estimate	2,701,600,000.00
10	Due to review of existing structures at July 2004 for Pipes (Km 0+000 to km 40+000)	num	33	670,760,099.00
11	Extra over for unexpected miscellaneous during construction period	AZM	estimate	2,456,000,000.00

	Estimated extra cost to Contract Budget	AZM	estimate	26,033,268,504.70
		US\$		5,299,932.51
C	Contract Price at present	AZM		60,082,264,241.00
		US\$		12,231,731.32
	Due to MoT decision to cut short Contract 2002-1 within 60 m and add to 2003-1&2	AZM	Vo 1	131,862,280.86
C'	Contract revised price (VO 1)	AZM		60,214,126,521.86
D	Estimated extra cost to Contract price	AZM	38.24%	23,024,234,419.60
		US\$		4,687,344.14
F	Estimated revised Contract price at present	AZM		83,238,360,941.46
		US\$	4912	16,945,920.39

Note The estimate is not final and might be change as the Works progress

Item 8 Please in order to safe on extra cost during the longitudinal redesign supervision shall be exercised and wherever overlay must be substitute then Composite overlay shall be introduced.

Item 9 preliminary estimate has been done by the Contractor's representative at the Meeting held June 12th 2004 and might be chance as the Works progress

Item 10 The preliminary estimates shown here above are including the required extra volumes of Works under estimated by the Project B&Q and as reviewed and approved by July 15th 2004

Item 11 estimate have not been calculated because at present is not clear the expected volumes of Works

We have to expect some extras due to underestimated Works at the Project B&Q for Bus stops, Petrol stations Access roads, service ducts and etc.

A.2.3.6. Testing results



Table 12

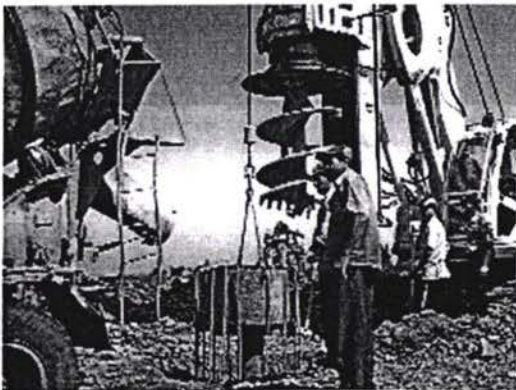
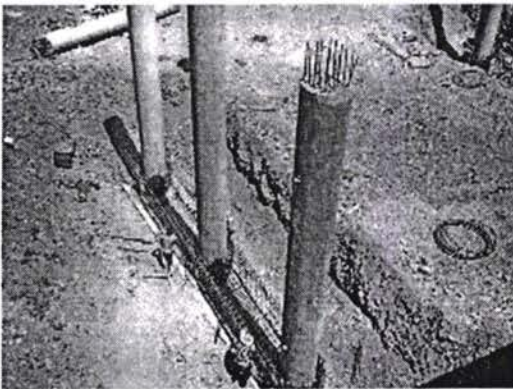
SUMMARY OF LABORATORY TESTING DURING AUGUST MONTH

Description of Work		Test Performed				Remarks
		Total	Passed	Retested	% Passed	
Road Embankment						
1	FDT/Nuclear Density	167	155	12	92.8	
2	PI	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	CBR	0	0	0	0	
5	Moisture Content	0	0	0	0	
Granular capping layer or selected sub grade fill- 1 (175mm Of 350mm)						
1	Gradation	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	PI	0	0	0	0	
5	CBR	0	0	0	0	
6	Moisture Content	0	0	0	0	
Granular capping layer or selected sub grade fill- 2 (175mm Of 350mm)						
1	Gradation	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	PI	0	0	0	0	
5	CBR	0	0	0	0	
6	Moisture Content	0	0	0	0	
Granular sub base layer (from recycled asphalt concrete and recycled sub base material) 225mm						
1	Gradation (Combined)	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	LAA	0	0	0	0	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	0	0	0	0	
7	Moisture Content	0	0	0	0	
8	CBR	0	0	0	0	
9	PI	0	0	0	0	
Granular Shoulder (sub base material) 225mm						
1	Gradation (Combined)	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	LAA	0	0	0	0	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	0	0	0	0	
7	Moisture Content	0	0	0	0	
8	CBR	0	0	0	0	
9	PI	0	0	0	0	
Concrete Works						
1	Compression Test	25	25	0	100	
2	Slump	14	14	0	100	
3	Gradation	0	0	0	0	
4	LAA	0	0	0	0	
5	Soundness	0	0	0	0	
6	Sp. Gravity	0	0	0	0	
7	Flakiness Index	0	0	0	0	
8	Sand equivalent	0	0	0	0	
9	Unit Weight	0	0	0	0	
Bituminous road base 2 (90mm)						
1	Gradation	0	0	0	0	
2	LAA	0	0	0	0	
3	Stripping Test	0	0	0	0	
4	Fractured face	0	0	0	0	
5	Core-cutting (thickness)	0	0	0	0	
6	Extraction test	0	0	0	0	
7	Stability	0	0	0	0	
8	Flow	0	0	0	0	

9	Air Voids	0	0	0	0
10	VMA/VFA	0	0	0	0
Bituminous road base 2 (85mm)					
1	Gradation	0	0	0	0
2	LAA	0	0	0	0
3	Stripping Test	0	0	0	0
4	Fractured face	0	0	0	0
5	Core-cutting (thickness)	0	0	0	0
6	Extraction test	0	0	0	0
7	Stability	0	0	0	0
8	Flow	0	0	0	0
9	Air Voids	0	0	0	0
10	VMA/VFA	0	0	0	0

A.2.3.7. Project photographs

Works at Zayam Chay Bridge at full swing





Earthworks in progress – Clearing and grubbing



A.2.3.8. Correspondence records

A.2.3.8.1. Incoming Letters

Table 13

Item	Date Received	Author from	Sender's ref	Date on the Letter	In resp to	Subject	Attach	Replay status		
								Require Yes/No	Date Sent	Our Ref:
1	02/08/2004	G.S	74	02/08/2004	79	Price analysis	yes	yes		
2	03/08/2004	G.S	75	03/08/2004	N/A	Provide traffic safety	yes	yes	04/08/2004	109
3	03/08/2004	G.S	77	03/08/2004	N/A	Design Method of Motor road	yes	yes	04/08/2004	111
4	04/08/2004	G.S	79	04/08/2004	N/A	Cross sectional level approaches	yes	yes	23/08/2004	122
5	06/08/2004	G.S	80	06/08/2004	N/A	Cerificates	yes	yes		
6	07/08/2004	G.S	81	07/08/2004	N/A	Polygon and elevation works	yes	yes	11/08/2004	115
7	09/08/2004	G.S	81-D	08/08/2004	N/A	Design drawings and explanatory notes	yes	yes	24/08/2004	123
8	10/08/2004	G.S	82-D	10/08/2004	N/A	Existing obtacles	yes	yes	17/08/2004	117
9	10/08/2004	G.S	83-D	10/08/2004	N/A	IPC 2	yes	yes	11/08/2004	116
10	12/08/2004	G.S	84-D	12/08/2004	N/A	shop drawing	yes	yes	19/08/2004	118
11	12/08/2004	G.S	86-D	12/08/2004	N/A	summary tables of elevation works	yes	yes	24/08/2004	124
12	17/08/2004	G.S	87-D	17/08/2004	N/A	Formula of establishment headwalls location	yes	yes	23/08/2004	125
13	17/08/2004	G.S	88-D	17/08/2004	N/A	Letter from Road Maintainance Establishment	yes	yes		
14	17/08/2004	G.S	89-D	17/08/2004	N/A	Method Statement	yes	yes		
15	17/08/2004	G.S	90-D	17/08/2004	N/A	Certificates	yes	yes	19/08/2004	120
16	17/08/2004	G.S	412	17/08/2004	N/A	letter of agreement	yes	yes		
17	21/08/2004	G.S	92-D	23/08/2004	N/A	Revised shop drawings	yes	yes	23/08/2004	126
18	24/08/2004	G.S	93-D	23/08/2004	N/A	Shedule of construction work on bridge 45	yes	yes	23/08/2004	127
19	24/08/2004	G.S	94-D	23/08/2004	N/A	Albums of American and eng standarts	yes	yes		
20	24/08/2004	G.S	95-D	23/08/2004	N/A	Revised project	yes	yes		
21	24/08/2004	G.S	96-D	24/08/2004	N/A	table of workers and equipment for august	yes	yes		
22	24/08/2004	G.S	97-D	24/08/2004	N/A	table of workers and equipment	yes	yes		
23	25/08/2004	G.S	98-D	25/08/2004	N/A	topografic plan of highway and existing cross sections	yes	yes		
24	25/08/2004	G.S	99-D	25/08/2004	N/A	Design drawing	yes	yes		
25	26/08/2004	G.S	100-D	26/08/2004	N/A	Polygon table	yes	yes		

A.2.3.8.2. Outgoing letters

Table 14

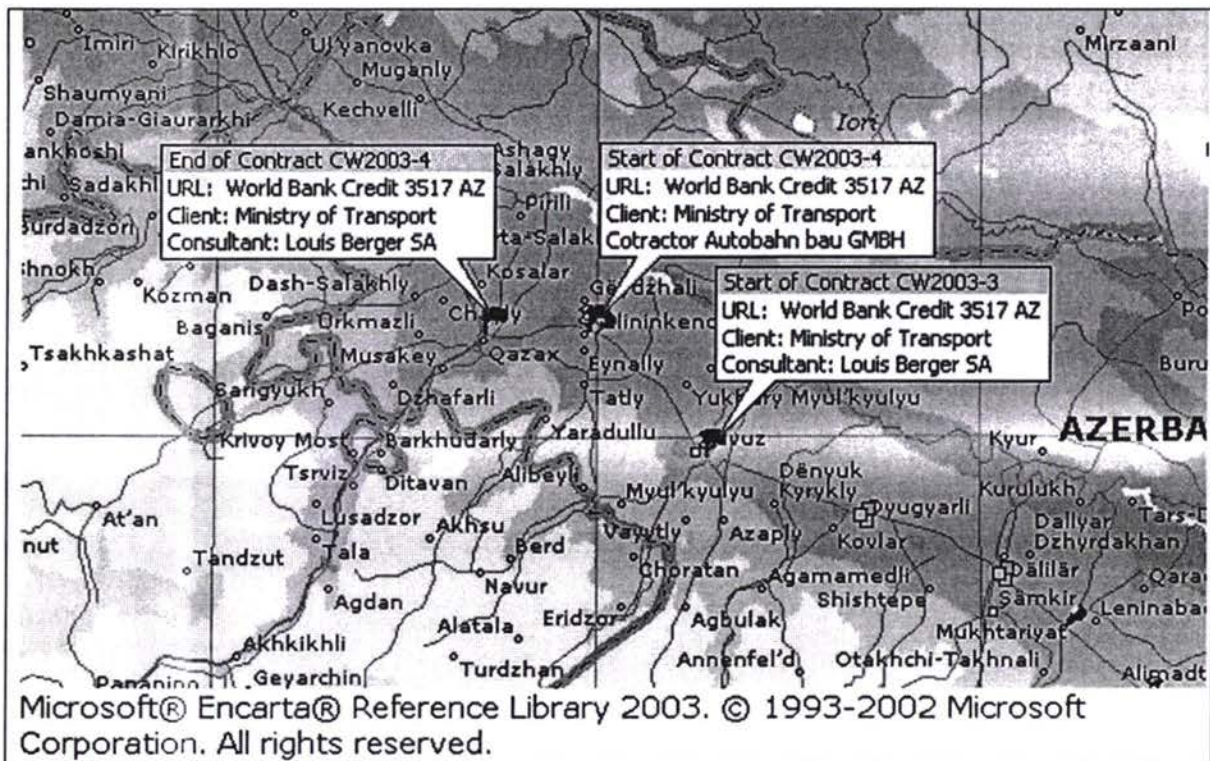
	Date Posted	Author initials	Our ref:	Date Written	In response to	Subject	Attach-ments	Replay status		
								Require Yes/No	Date Sent	Sender's Ref:
1	03/08/2004	S.D	103	02/08/2004	71-D/29.07.04	List of staff and equipmenbt	no	no		
2	03/08/2004	S.D	104	02/08/2004	373/26.07.04	B&Q Bridge 39	no	no		
3	05/08/2004	S.D	105	03/08/2004	69-D/23.07.04	Longitudinal redesign	no	no		
4	05/08/2004	S.D	106	03/08/2004	72-D/29.07.04	price analysis for pipes	no	no		
5	05/08/2004	S.D	107	03/08/2004	74-D/30.07.04	Design cross sections	no	yes		
6	05/08/2004	S.D	108	04/08/2004	N/A	Minutes of Meeting	yes	no		
7	07/08/2004	S.D	109	04/08/2004	75/03.08.04	Start of Cleaning and grabbing operations	no	no		
8	06/08/2004	S.D	110	04/08/2004	70-D/29.07.04	Staff organogramme and cv of the new staff	no	no		
9	05/08/2004	S.D	111	04/08/2004	77/03.08.04	Design soft ware	no	no		
10	07/08/2004	S.D	112	06/08/2004	N/A	Monthly Progress Meeting	no	no		
11	11/08/2004	S.D	113	11/08/2004	68/21.07.04	Quality manufacturing certificate	no	no		
12	11/08/2004	S.D	114	11/08/2004	73-D/30.07.04	Ground test results	no	no		
13	11/08/2004	S.D	115	11/08/2004	81/07.08.04	Surveyor's data	no	no		
14	13/08/2004	S.D	116	11/08/2004	83-D/10.08.04	IPC 2	no	no		
15	17/08/2004	S.D	117	13/08/2004	82-D/10.08.04	Existing obtacles	no	no		
16	19/08/2004	S.D	118	18/08/2004	84-D/12.08.04	Shop drawings for culvert	no	no		
17	19/08/2004	S.D	119	18/08/2004	85-D/12.08.04	Job mix for waterproof joints	no	no		
18	19/08/2004	S.D	120	18/08/2004	90-D/17.08.04	Manufacturing certificates for cement	no	no		
19	20/08/2004	S.D	121	19/08/2004	N/A	Mobile tel number 2255067	no	no		
20	24/08/2004	S.D	122	23/08/2004	79/04.08.04	Existing ground elevations	no	no		
21	24/08/2004	S.D	123	23/08/2004	81-D/ 08.08.04	Design cross sections for cross sections for bridge 39	no	no		
22	24/08/2004	S.D	124	23/08/2004	86-D/12.08.04	surveyor data	no	no		
23	24/08/2004	S.D	125	23/08/2004	87-D/17.08.04	Foundation depth of culverts wingwalls	no	no		
24	24/08/2004	S.D	126	23/08/2004	92-D/23.08.04	Shop drawings	no	no		
25	24/08/2004	S.D	127	23/08/2004	93-D/23.08.04	Work programme for bridge 39	no	no		

Rehabilitation of Caucasian Highways Azerbaijan Monthly Technical report

Segment 2 for Project Component II:

Construction Supervision of Shemkir to Gazakh - Highway

Contracts CW2003-3 and CW2003-4



B. Contracts CW2003-3 and CW2003-4

B.2.1. Report Cover page

Table 1

Project Title	Construction Supervision of Shemkir to Gazakh - Highway - Contracts CW2003-3 and CW2003-4	
Service Contract	EUROPEAID/113179/C/SV/MULTI	
Country	Azerbaijan	
	Local Recipient - Partner	EC Service Contractor
Name	Azerbaijan Republic Ministry of Transport	Louis Berger SA
Address	The Head of Road Transport Service Department Prospect Tbilisi 1054 The Ministry of Transport	Mercure III 55 Bis Quai de Grenelle 75015 Paris France
Tel No	99412 4930192	+ 33 1 45 78 39 32
Fax No	99412 4315655	+ 33 1 45 77 74 69
Contact Person	Mr. Javid G. Gurbanov	Mr. F. Signor
E-mail		fsignor@louisberger.com
		Project Team Leader
		Baku, Azerbaijan
		+994 12 498 84 31
		+994 12 493 24 76
		R. Degheim

B.2.2. Project Synopsis

Table 2

Project Objectives	<ul style="list-style-type: none"> To support the Republic of Azerbaijan to catch up with their serious backlog maintenance, and to cope with growing Local, and International Transport. To improve and provide a better level of service for the travelling public on route corridors, To reduce costs in road transportation, To arrest deterioration of pavements (<i>road surfaces</i>) by timely intervention, To reduce costs for road rehabilitation and maintenance. The specific objective of this component of the Project is the supervision of the Works Contracts between Shemkir and Gazakh. This forms part of the ancient "Silk Road" To ensure that the new road rehabilitation and reconstruction is completed to the internationally specified standards and to be completed within the budget and time Available. To strengthen the national road construction and maintenance capabilities through Transfer of technology.
Outputs	<ul style="list-style-type: none"> Good Roads completed to best standards and at the budget price.
Activities	<ul style="list-style-type: none"> To rehabilitate and upgrade the existing highway Shemkir to Gazakh - Contracts CW2003-3 and CW2003-4
Start date	<ul style="list-style-type: none"> February 23rd2004
Start date activities	<ul style="list-style-type: none"> February 23rd2004
Duration	<ul style="list-style-type: none"> 18 months or 548 days

B.2.3. Monthly Progress Report

B.2.3.1. General

This section of the Project covers the supervision of the Rehabilitation and Upgrading of the Shemkir - Gazakh section of the Azerbaijan Highway Project Contracts CW2003-3 and CW2003-4. The project is organised in the standard International format using the General Conditions of Contract as issued by the World Bank for projects under \$10,000,000. The works were designed in coordination with Azeravtoyol by a consortium composed of Kocks Consult GMBH (Germany) BCEOM (France) and Finnroad Ltd (Finland). The supervision of the Works Contract forms part of the Rehabilitation of Caucasian Highways Azerbaijan Georgia and Armenia Contract

Number EUROPEAID/113179/C/SV/MULTI and is carried out by Louis Berger SA of Paris France. The project is funded by means of a credit from the International Development Association (IDA), or the World Bank. A Project Implementation Unit attached to RoadTransService controls the project on behalf of the Employer. A list of the Key Personal is presented below.

Table 3

Funding Agent	International Development Association The World Bank 1818 H Street, NW Washington, DC 20433, USA
Mr. Oliver Le Ber	Lead Transport Specialist Infrastructure and Sector Unit Europe and Central Asia Region
Employer	Azerbaijan Republic Ministry of Transport "Yolnegliyatservis" address: Prospect Tbilisi 10/54 The Ministry of Transport Tel:99412 4930192 Fax:99412 4315655
Mr. Cavid Gurbanov Gamber	Chief of the Department
Project Implementation Unit	72/4 Uzeyir Hajibeyov Street 370010 Baku
Mr A Gojayev	Director
EUROPEAID EC Brussels	
Mr. E Dalamangas	Project Manager
Service Supervision Contractor	
Louis Berger SA	Murcure III 55Bis Quai de Grenelle Paris 75015
R. Degheim	Team Leader / Project Manager
S. I. Dotchev	Project Manager's Representative, Resident Engineer
Contractors	Autobahn Bau GMBH

3.3.2. Project Data

Table 4

Works Contracts CW2003-3 and CW2003-4	
Works Tender Opened	September 2 nd 2003
Letter of Acceptance	December 27 th 2004
Contract Agreement Signed	January 22 nd 2004
Possession of site	February 5 th 2004
Contract Amount	AZM 45,937,384,407.14
Contract revised amount	N/A
Contract Start Date	February 23 rd 2004
Original Contract Completion Date	August 23 rd 2005
Defects Liability Period	365 days
Extended Completion Date	N/A
1 st , Works Programme received	March 1 st 2004
Last revision of Works Programme	July 2004
Value of Works to date as per IPC	582,606,720.00AZM
Value of Works done to date	1,263,278,071.19AZM
Value of Works done to date (%)	2.75%
Variations	N/A
Advance Payment (20%)	9,187,476,881.42 AZM
Repayments made	N/A
Delays	N/A
Claims	Claim №1 – Late advance payment, under PM consideration Claim №2 – Late payment on portion of Advance payment, under PM consideration
Time elapsed to date	191 days

Time remaining to date	357 days
------------------------	----------

B.2.3.3. Progress report

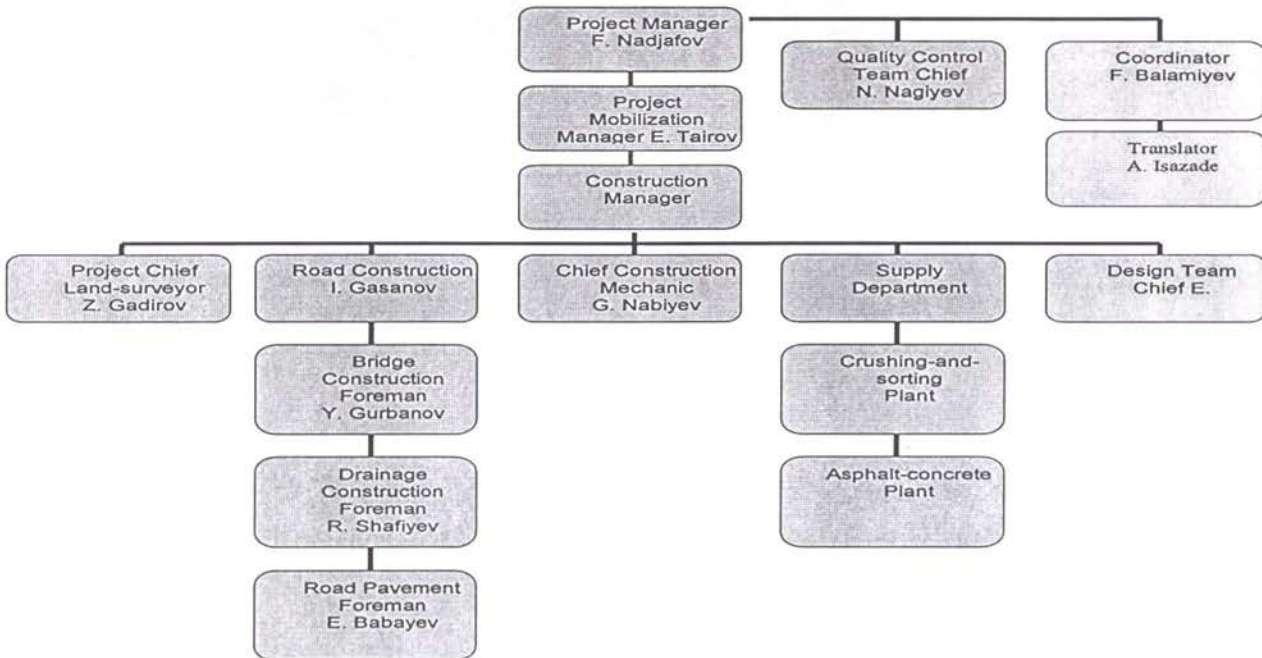
B.2.3.3.1. Status of the Contract

Since start (February 23rd2004) the Contractor have been on site 191 days or 34.85% of the Contractual time and to date are remaining 357 days or 65.15% of the Contractual time.

B.2.3.3.1.1. Contractor's site staff

B.2.3.3.1.1.1. Contractor's site management staff organisation (organogramme)

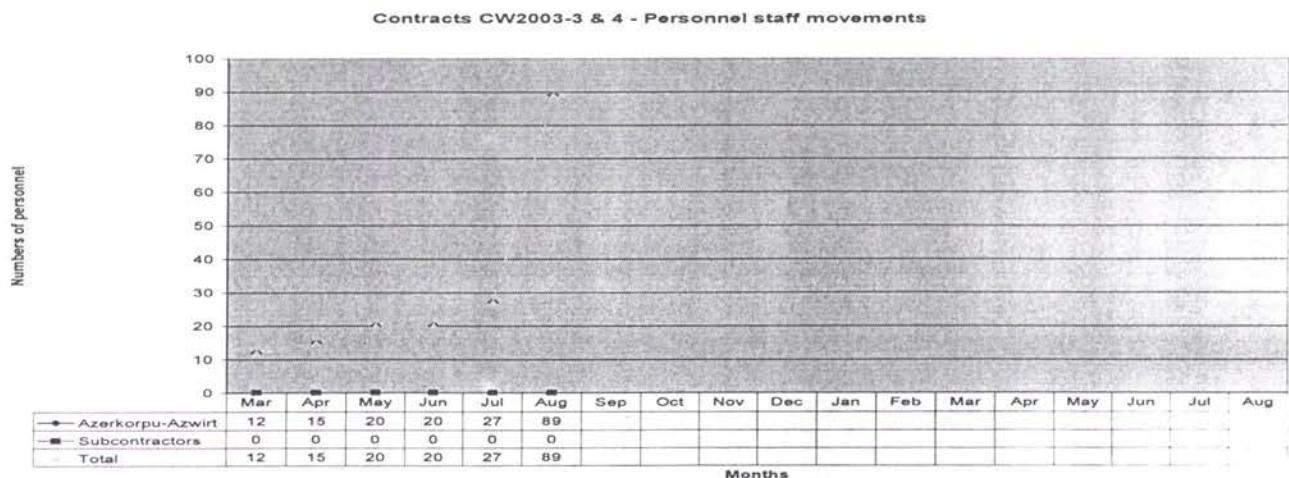
Figure 1



B.2.3.3.1.1.2. Contractor's site staff employed

This month Contractor have employed for purpose of construction on this Project 89 people (including 64 locals)

Figure 2



B.2.3.3.1.2. Contractor's machinery and equipment

Table 5

Item	Description	Model and capacity	Unit	For Project	Available	Work day
1	Single-bucket excavator	Caterpillar V=1.25-1.75m ³	no	6	2	20
2	Single-bucket excavator	Pneumatic V=0.65-1.5m ³	no	2	2	24
3	Bulldozers		no	2	2	24
4	Graders		no	4	3	24
5	Vibratory Rollers	12-19 tn	no	6	2	24
6	Truck cranes	Carrying capacity 8-25 tn	no	4	4	24
7	Truck cranes	Carrying capacity 40 tn and more	no	2	1	5
8	Dump trucks		no	40-45	11	30
9	Self-acting mixer		no	3		
10	Motor-car repair shop		no	1		
11	Fork-lift trucks		no	5		
12	Self-acting compressor		no	2		
13	Water carrier		no	4	2	17
14	Welding set		no	2		
15	Hand vibrrollers, plate vibrators		no	4		
16	Bowser		no	2		
17	Bus		no	2		
18	Generators		no	4	1	24
19	Mobile floodlights		no	4		
20	Vibrators		no	6		
21	Armatures work machines		no	1+1		
22	Truck tractor	70 tn	no	1		
23	Truck tractor	50 tn	no	1		
24	Power transformer	1000Kva	no	1		
	Power transformers	600Kva	no	2		
25	Power generator	500Kva	no	1		
26	Asphalt concrete plant		no	1		
27	Crushing device/crusher		no	1		
28	Mechanical mixer for subbase		no	1		
29	Concrete mixing plant		no	1		
30	Laboratory (complete set)		no	1		
31	Asphalt paver	Vogele-1900	no	2		
32	Roller	6-8 tn	no	2		
		8-12 tn	no	2		
		12-18 tn	no	1		
33	Milling cutter	2m	no	1		
34	Milling cutter	0.5-1.0 m	no	1		
35	Asphalt cutting device		no	1		
36	Compressor		no	1		
37	Distributor		no	1		
38	Concrete carrier truck		no	4	3	6
39	Car	UAZ, Niva	no		5	29
40	Sampler	Hamm	no		1	14
41	Trailer	MAZ	no		2	16
42	Drilling Rig	Soilmec	no		1	18

B.2.3.3.1.3. Contractor's Work programme

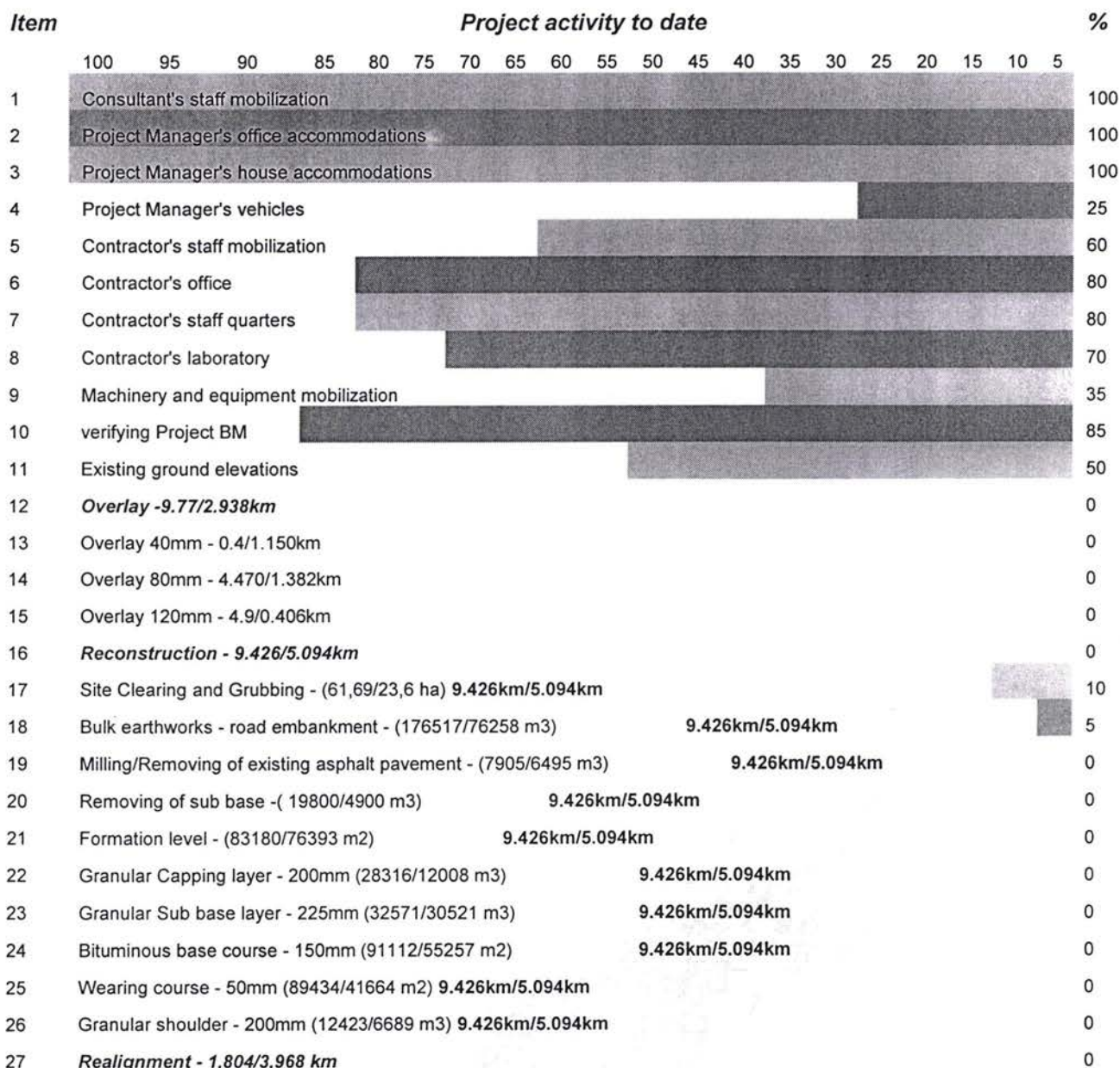
The required updated and revised Work Programme has been received on July 8th2004. The submission has been accepted. However, the detailed bridge programmes have not been provided yet.

Figure 3

ID	Task Name	Duration	Start	Finish	1st Quarter				2nd Quarter				3rd Quarter				4th Quarter															
					Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec				
1	General Items	150 da	Wed 25/01	Fri 10/06	[Gantt bar]																											
2	Installation of asphalt pla	25 da	Tue 15/01	Thu 15/01	[Gantt bar]																											
3	Site clearing	235 da	Mon 19/01	Wed 01/06	[Gantt bar]																											
4	Overlay 40mm	16 da	Fri 10/01	Thu 30/01	[Gantt bar]																											
5	Overlay 80mm	53 da	Fri 01/10	Fri 10/12	[Gantt bar]																											
6	Overlay 120mm	53 da	Fri 22/10	Fri 31/12	[Gantt bar]																											
7	Sub base on Shoulders	241 da	Fri 10/01	Mon 08/06	[Gantt bar]																											
8	Subbase under carriage	202 da	Sun 08/01	Fri 06/05	[Gantt bar]																											
9	Bider course	138 da	Wed 01/11	Thu 09/01	[Gantt bar]																											
10	Wearing course	60 da	Tue 10/01	Mon 01/01	[Gantt bar]																											
11	Drainage	238 da	Thu 15/01	Thu 02/06	[Gantt bar]																											
12	Road furniture and mark	20 da	Tue 26/01	Sat 20/06	[Gantt bar]																											
13	Bridge 43	63 da	Mon 03/01	Wed 30/01	[Gantt bar]																											
14	Bridge 45	185 da	Fri 01/10	Mon 13/01	[Gantt bar]																											
15	Bridge 46	105 da	Sun 15/01	Thu 30/11	[Gantt bar]																											
16	Bridge 47	243 da	Wed 01/01	Mon 01/06	[Gantt bar]																											
17	Miscellaneous	70 da	Sun 16/01	Sun 15/01	[Gantt bar]																											

B.2.3.3.2. Project activity to date

Table 6



28	Site Clearing and Grubbing- (11,81/18,4 ha) 1.804km/3.968km	0
29	Bulk earthworks road embankment- (33783/59402 m3) 1.804km/3.968km	0
30	Formation level- (15920/59507 m2) 1.804km/3.968km	0
31	Granular Capping layer - 200mm (899/1542 m3) 1.804km/3.968km	0
32	Granular Sub base layer - 225mm (6279/23774 m3) 1.804km/3.968km	0
33	Bituminous base course - 150mm (17438/43043 m2) 1.804km/3.968km	0
34	Wearing course - 50mm 917116/53486 m2) 1.804km/3.968km	0
35	Granular shoulder - 200mm (2377/5211 m3) 1.804km/3.968km	0
36	Structures - Bridges (4), culverts (75)	0
37	Bridge -(1)new,(3)rehab. To start 1 new bridge	5
38	Culverts - 52/23num To start clearing on 5 in CW 2003-3 & on 4 in CW2003-4	7
39	Finishing off the Project - 33km	0
40	Road signs and marking - 33km	0
41	Site drains	0

100 95 90 85 80 75 70 65 60 55 50 45 40 35 30 25 20 15 10 5

B.2.3.3.3. Project progress summary

Since the start February 23rd2004 the Contractor completed the required verifying of Project Bench marks. To date Contractor produced longitudinal redesigns for km 47+000 to km 57+000; km 56+300 to km 59+590 and km 61+044 to km 63+935 (send for Client's consideration/attention and approval) and started with earthworks on his own risk and cost in order to minimised on delay they are progressing with rehabilitations works on culverts along the road as well as. As per last revised updated (July 2004) approved Programme of Works the Contractor is running this Project within 25 days delay.

B.2.3.3.3.1. Work Progress on structures

B.2.3.3.3.1.1. Progress on culverts

The Contractor has been instructed (April 7th2004) to start work on required by the Project rehabilitation works for culverts. There are 11 numbers of culverts where the Works might be started. However the Contractor started with cleaning existing culvert structures. At present works is going on 5 locations.

Table 7

Item	Num	Exist	Location	Type	Size	Checked	Start	End	Action
107e	1	yes	40+788	Box	2,0x2,0	yes			Replace
108e	2	yes	41+896	Box	3,0x3,5	yes			Replace
109e	3	yes	42+241	Pipe	1000	yes			Replace
110e	4	yes	42+518	Pipe	1250	yes			Replace
22	5	yes	42+618	Pipe	1250	yes			Replace
111e	6	yes	42+872	Pipe	1250	yes			Replace
23	7	yes	42+972	Pipe	1250	yes			Replace
112e	8	yes	43+188	Pipe	1250	yes			Replace
113e	9	yes	43+454	Pipe	1250	yes			Replace
114e	10	yes	43+772	Pipe	1250	yes			Replace
115e	11	yes	44+040	Pipe	1250	yes			Replace
116e	12	yes	44+230	Pipe	1000	yes			Replace
117e	13	no	44+450	Box	4,0x2,5	no			New
118e	14	no	45+075	Pipe	2x1250	no			New
119e	15	yes	45+099	Pipe	1250	yes			Replace
120e	16	yes	45+515	Pipe	1250	yes			Replace
121e	17	yes	45+804	Pipe	1250	yes			Replace
122e	18	yes	46+242	Box	2,0x2,0	yes			Replace
24	19	yes	46+421	Pipe	1000	yes			Replace
123e	20	yes	46+504	Pipe	1250	yes			Replace
25	21	yes	46+704	Box	2,0x2,0	yes			Replace

26	22	yes	47+137	Pipe	1000	yes		Replace
27	23	yes	47+270	Pipe	1250	yes		Replace
28	24	yes	47+204	Pipe	1000	yes		Replace
124e	25	yes	47+730	Box	2,0x2,0	yes	05/07/2004	Rehabilitate
125e	26	yes	48+108	Pipe	1000	yes		New
126e	27	yes	48+396	Box	2,0x2,0	yes	07/07/2004	Rehabilitate
127e	28	yes	48+608	Pipe	1250	yes		Replace
128e	29	yes	49+066	Pipe	1250	yes		Replace
129e	30	yes	49+247	Pipe	1200	yes		Replace
130e	31	yes	49+375	Pipe	1250	yes		Replace
29	32	yes	49+675	Pipe	1000	yes		Replace
131e	33	yes	50+155	Box	4,0x5,0	yes		Replace
132e	34	yes	50+845	Pipe	1000	yes		Replace
133e	35	yes	50+964	Pipe	1250	yes		Replace
30	36	yes	51+064	Pipe	1000	yes		Replace
31	37	yes	51+360	Pipe	1000	yes		Replace
134n	38	yes	51+410	Pipe	2x1250	yes		Replace
135e	39	yes	51+540	Pipe	1000	yes		Replace
136e	40	yes	51+648	Pipe	1000	yes		Replace
32	41	yes	51+800	Pipe	1000	yes		Replace
137e	42	yes	52+041	Pipe	1000	yes		Replace
138e	43	yes	52+360	Pipe	1000	yes		Replace
33	44	yes	52+960	Pipe	1000	yes		Replace
139e	45	yes	53+435	Pipe	1000	yes		Replace
140e	46	yes	53+456	Pipe	1000	yes		Replace
141e	47	yes	53+697	Pipe	1000	yes		Replace
142e	48	yes	53+865	Pipe	1000	yes		Replace
143e	49	yes	53+981	Pipe	1000	yes		Replace
144e	50	yes	54+121	Pipe	1000	yes		Replace
145e	51	yes	54+323	Pipe	1000	yes		Replace
146e	52	yes	54+505	Pipe	1000	yes		Replace
147e	53	yes	54+588	Pipe	1250	yes		Replace
148e	54	yes	54+924	Pipe	1250	yes		Replace
34	55	yes	55+150	Pipe	1000	yes		Replace
149e	56	yes	55+405	Pipe	1000	yes		Replace
35	57	yes	55+548	Pipe	1200	yes		Replace
150n	58	yes	56+775	Pipe	1250	yes		Replace
151e	59	yes	57+002	Pipe	1250	yes		Replace
152e	60	yes	57+091	Pipe	1250	yes		Replace
153n	61	yes	57+380	Pipe	1250	yes		Replace
154e	62	yes	58+123	Box	1250	yes		Replace
36	63	yes	58+223	Pipe	1250	yes		Replace
155e	64	yes	58+519	Pipe	1250	yes		Replace
156e	65	yes	58+545	Box	2x1000	yes		Replace
157n	66	yes	58+756	Pipe	1250	yes		Replace
37	67	yes	59+156	Pipe	1250	yes		Replace
158e	68	yes	59+593	Box	1250	yes		Replace
159n	69	no	59+850	Box	4,0x2,5	no		New
160e	70	yes	60+986	Box	1250	yes		Replace
161n	71	no	62+050	Box	3,0x2,5	no		New
162e	72	yes	62+449	Pipe	1000	yes		Replace
163e	73	yes	62+627	Pipe	1250	yes		Replace
164e	74	yes	63+233	Pipe	1000	yes	06/07/2004	Rehabilitate
165e	75	yes	63+744	Pipe	1000	yes		Replace
166e	76	yes	64+039	Pipe	1250/1000	yes		Replace
167e	77	yes	64+456	Pipe	1000	yes	06/07/2004	Rehabilitate
168e	78	yes	65+004	Box	4,0x2,0	yes		Replace
169e	79	yes	65+725	Box	2,0x1,5	yes		Replace
170e	80	yes	67+033	Pipe	1250	yes		Replace
171e	81	yes	67+320	Pipe	1250	yes		Replace
172e	82	yes	67+612	Pipe	1000	yes		Replace
173e	83	yes	67+880	Pipe	1000	yes	06/07/2004	Rehabilitate
174e	84	yes	68+095	Pipe	1000	yes		Replace
175e	85	yes	68+654	Box	4,5x3,5	yes		Replace
38	86	yes	68+954	Pipe	1000	yes		deleted
176e	87	yes	69+427	Box	3(3,0x4,0)	yes		Full water

39	88	yes	69+600	Pipe	1250	yes		Replace
177e	89	yes	70+250	Box	2,0x2,0	yes		Replace
178e	9	yes	70+361	Box	3,5x3,5	yes		Replace
179e	91	yes	71+562	Pipe	1000	yes		Replace
180n	92	yes	71+641	Box	2,0x2,0	yes		Replace
181e	93	yes	71+851	Box	2,0x2,0	yes		Full water
182e	94	yes	72+709	Pipe	1000	yes		Replace

1			76	Tender design documents calls for work to be done on				
2			18	Our study discovered additional existing culverts				
3			94	Total culverts to work on those Projects				

B.2.3.3.3.1.2. Progress on Bridges

B.2.3.3.3.1.2.1. General on Bridge structures

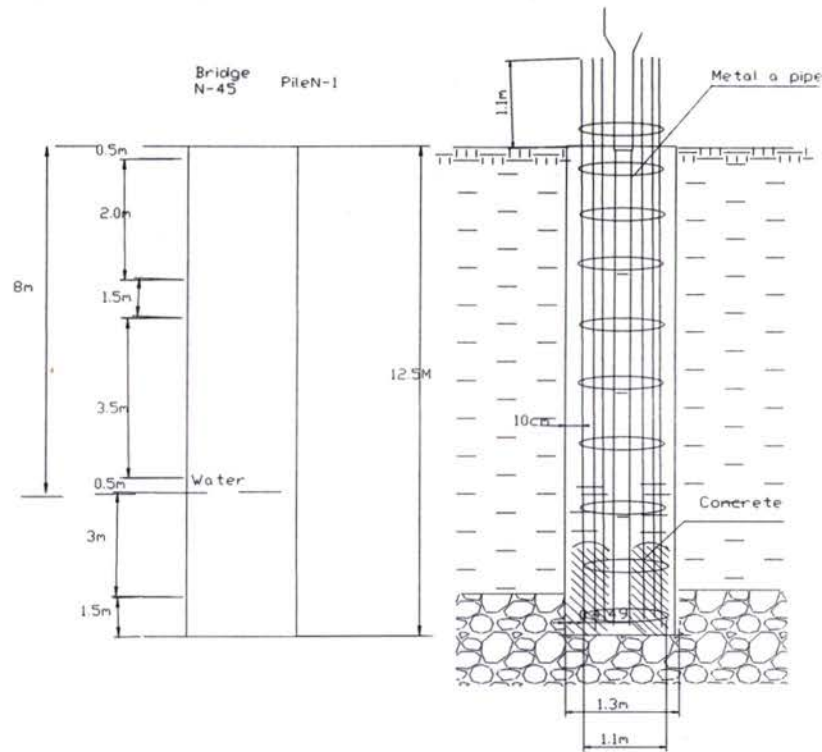
The Contractor has been instructed (April 7th2004) to start with preparation of the shop drawings for Bridge 45 (cross over the existing railway at km 60+101) since is not affected by the required correction to longitudinal road profile.

Table 8

Bridge No	Chainage	Description of the existing structure	Existing length (meter)	Carriage way	Action	Description according to the project (meter)	Size according to the project	Carriage way
43	44+808	4.4*5.0 B	9.1	8.7	Box culvert	5.0*2.5 B	23.5	9
45	60+101	10.2+16.1+ 10.2	46	7	Replace/New	12+15+12	48.5	11.5
46	66+144	1*13.70	19.7	7	Replace/New	1*15	27	11.5
47	70+940	(3*22)+(3*21)	145	7	Replace/New	(3*22)+(3*21)	14.5	11.5

B.2.3.3.3.1.2.2. Bridge 45

Contractor's design (15x18x15) and B&Q have been received on July 30th2004. The Contractor produced a design base on the existing poor ground conditions stated in the Engineering report and proposed cast in situ piles foundations which did differ financially and structurally from the original structural scheme (monolith reinforcement concrete foundations) proposed by the Project. The applicable B&Q have exceed the tendered amount and in order to confirm the requirements for cast in situ piles, the Contractor has been instructed to proceed in accordance with the Engineering report item 4.8 page 39,40 and 41 and verify/confirm the existing ground conditions. Trial test hole has been done (20thAugust 2004) and soil samples have been taken. The independent Client's RSTD-laboratory has been employ to verify/confirm the poor ground conditions. The material born from the trial hole visually confirmed that the ground conditions are extremely poor and that the ground water shows at 7-8m'. Both sags at the adjacent existing bridge just at the approach slabs suggest poor ground conditions as well as. Well awaiting for the results from the laboratory the Contractor confident in the poor soil conditions precede construction Works on his own risk and cost. To date six cast in situ piles have been cast. Our approval is pending the outcome from the laboratory results. As soon as the results confirm the poor conditions the Contractor's design shall be forwarded for Client consideration and approval.



B.2.3.3.2. Problems which might effect onto completion date

Table 9

Problems associated with completing the Contract in time	Actions taken
Early warnings – clause 32, Conditions of Contract – existing buildings along the road, narrow road within the urban locations and our proposal to original pavement urban design	Comprehensive study done by us and sent for Client consideration and instructions
For overlay sections - Existing road width measured across the Road is highly variable	Client inform/advise – our letter 58, dated May 14 th 2004
First 16.20km of longitudinal redesign has been submitted; however there are other 16.80km of road to be redesign. Further have been urged to forward the bridges design for consideration review and approval	The Contractor is warn to speed up with road redesign and bridge redesign

- Expropriations and compensation claims - Sketch plans for possible public claims

Figure 4

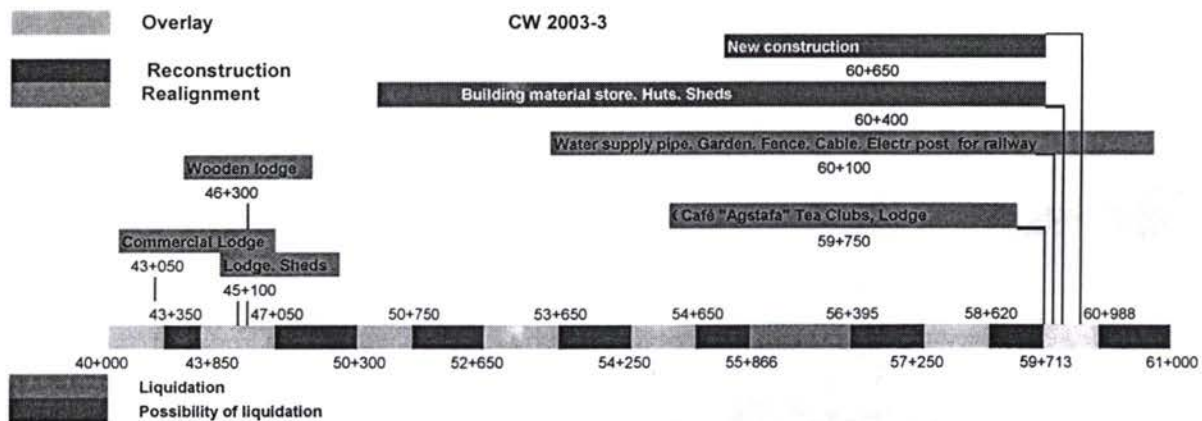
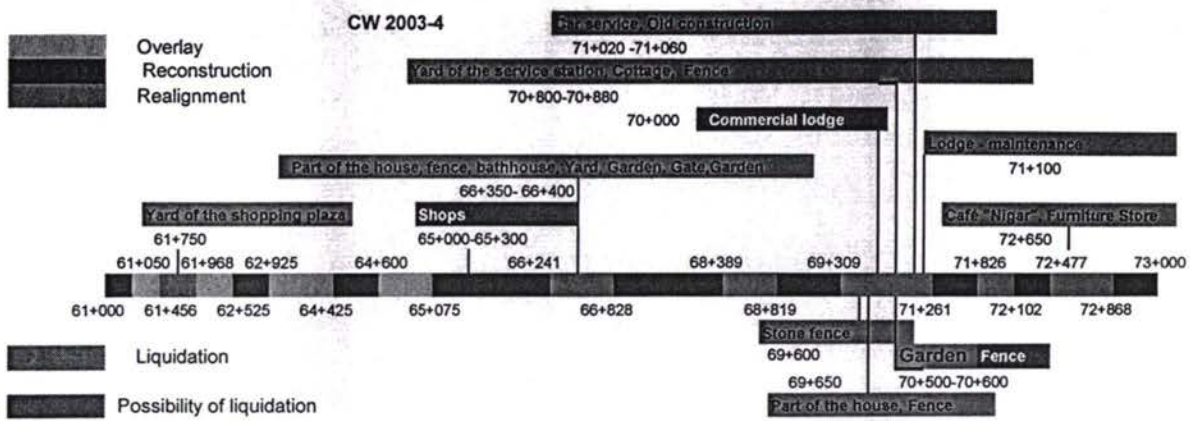


Figure 5



- For overlay sections - Existing road width measured across the Road is highly variable

Figure 6

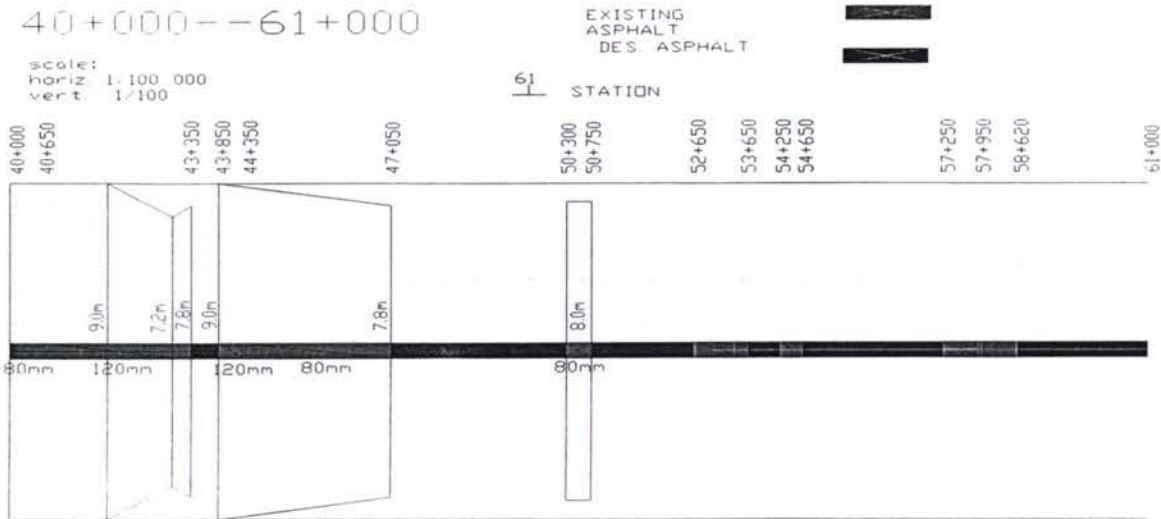
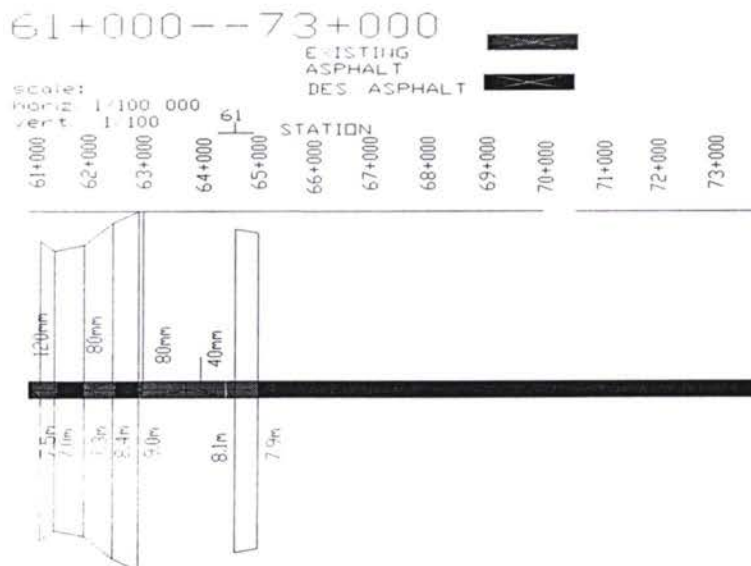


Figure 7



- For longitudinal redesign – Explanatory notes (please see item 3.8 section III)

Figure 8

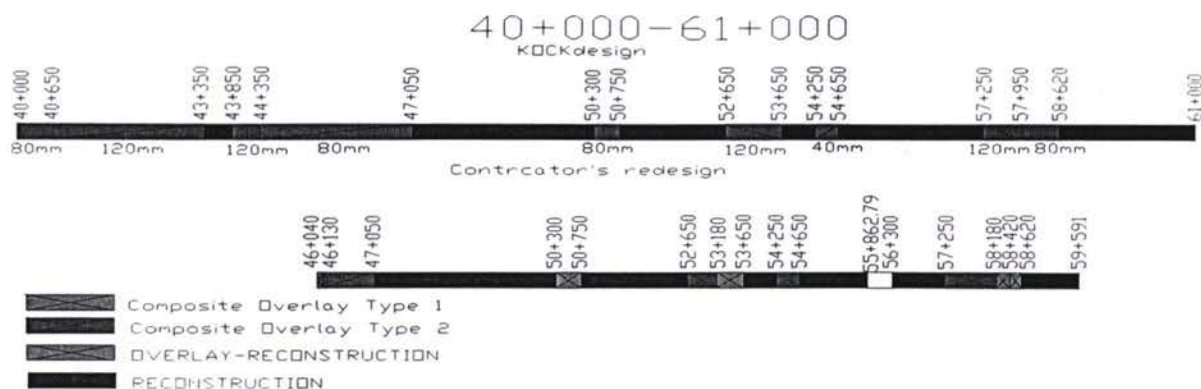
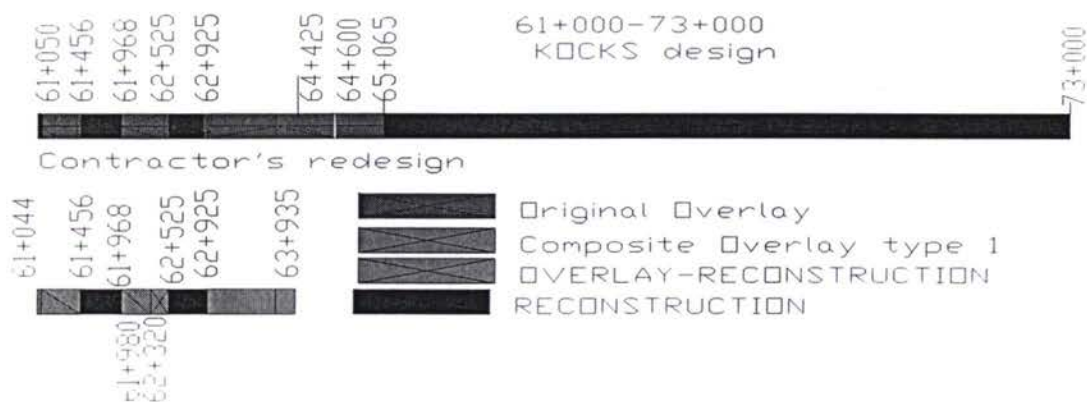


Figure 9



B.2.3.4. Variations and claims

B.2.3.4.1. Claims

B.2.3.4.1.1. Claim №1

First Contractor's claim has been received - Requested Advance payment of 20% has not been paid yet and Contractor is claiming (see Contractor's letter MM-37/04 dated May 6th, 2004 and Consultant letter P167 of 10 May 2004) in accordance to the Conditions of Contract, clause 44, sub-clause 44.1(i) the delay of advance payment is a compensation event. This includes compensation on both additional cost (clause 44.2) and extension of time due to a compensation event (clause 28.1). Further the Contractor refers to Clause 43 (Payment), sub-clause 43.1, and claiming interest rate on late payments.

B.2.3.4.1.2. Claim №2

Second Contractor's claim has been received - Requested Advance payment of 20% has not been paid partially and Contractor is claiming in accordance to the Conditions of Contract, clause 44, sub-clause 44.1(i) the delay of advance payment is a compensation event. This includes compensation on both additional cost (clause 44.2) and extension of time due to a compensation event (clause 28.1). Further the Contractor refers to Clause 43 (Payment), sub-clause 43.1, and claiming interest rate on late payments.

B.2.3.4.2. Variations

B.2.3.4.2.1. Variation order №1

Under preparation – On Client instruction, Works on Contract CW2003-3 since km 40+000 to km 42+000 are to be stopped temporary due to potential planned construction of Tovuz bypass.

This VO would be finalized after agreement with the Employer and WB if Tovuz bypass would be constructed and Employer decision on Works to be done between km 40+000 – km 42+000.

B.2.3.5. Financial

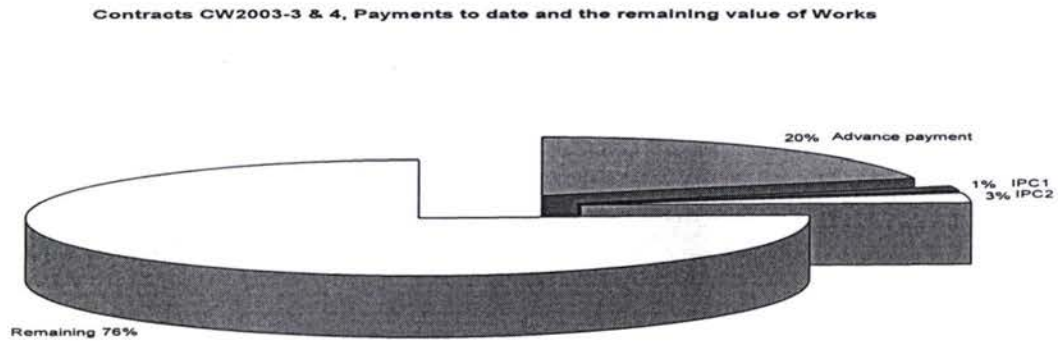
B.2.3.5.1. Interim Payment Certificates to dates

Table 10

Item	Date	IPC	Value AZM	%	Status
1	30/05/04	Advance	9,187,476,881.42	20.00%	paid
2	15/07/04	IPC1	582,606,720.00	1.27%	not yet
3	30/07/04	IPC2	1,367,804,350.40	2.98%	not yet
		To date	11,137,887,951.82	24.25%	not fully
		Available	34,799,496,455.32	75.75%	Remained
		Contract price	45,937,384,407.14	100.00%	

The IPC2 has been forwarded for Client consideration and payment

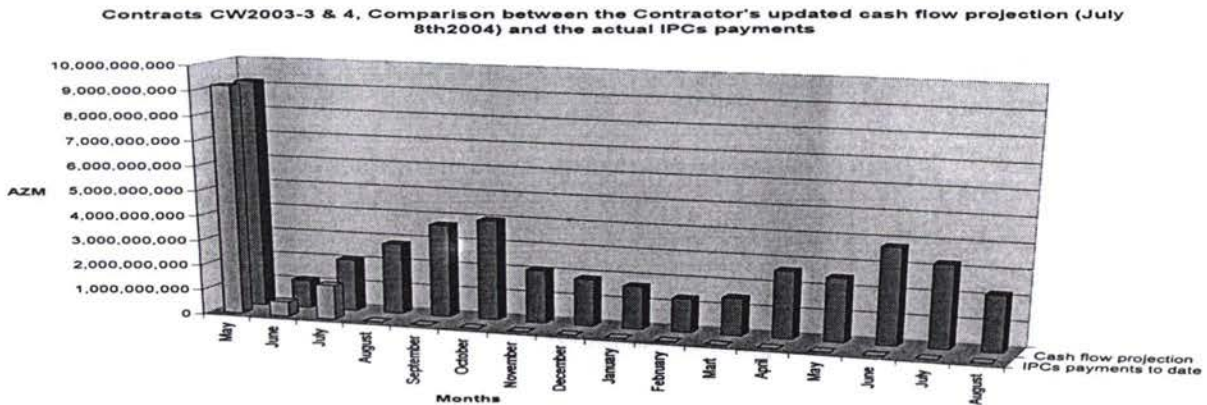
Figure 10



B.2.3.5.2. Cash Flow projection

The Contractor submitted his updated cash flow Projection on July 8th2004.

Figure 9



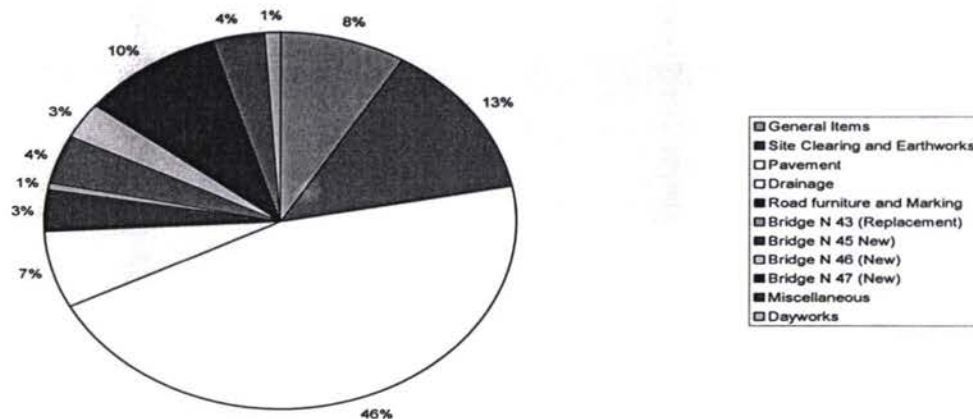
B.2.3.5.3. Contract assessment

B.2.3.5.3.1. Contract time

In view of forwarded and approved by us revised/updated Works Programme (July 2004) the Contractor are running this Project in time.

Comparison of the Bill of Quantities items as shown on the graph under

Contracts 2003-3 & 4 (km 40+000 to km 73+000), Comparison of the original Bill Items



B.2.3.5.3.2. Contract price- (budget expecting preliminary estimates)

Table 11

Item	Description	Unit	Quantity	Cost
A	Estimated savings to Contract budget cost			AZM
1	Due to overestimated volumes of Works at the Project B&Q for granular sub base	m3	12164	510,888,000.00
2	Due to overestimated volumes of Works at the Project B&Q for bituminous base	m2	5307	195,600,842.86
3	Due to overestimated volumes of Works at the Project B&Q for bituminous surface	m2	4177	57,433,750.00
4	Due to MoT letter 01/581 dated Apr 26 th 2004 temp. stop work at km 40+000 to km 42+000	AZM	estimate	1,338,689,941.00
	Estimated savings cost to the Contract	AZM		2,102,612,533.86
		US\$		428,056.30
B	Estimated extra cost to Contract Budget			AZM
1	Due to underestimated volumes of Works at the Project B&Q for capping layer	m3	1503	22,995,900.00
2	Due to underestimated volumes of Works at the Project B&Q for sub base to shoulders	m3	8526	323,988,000.00
3	Due to underestimated volumes of Works at the Project B&Q for overlay of 80mm	m	1901	50,186,400.00
4	Due to underestimated volumes of Works at the Project B&Q for overlay of 120mm	m	1604	51,648,800.00
5	Due to extra existing culverts on site but not included into the B&Q - 12 numbers	AZM	estimate	779,671,764.00
6	If longitudinal redesign might require completely change from Overlay to Reconstruction.	AZM	estimate	6,410,121,472.06
7	Due to review of existing structure at July2004 for Pipes (Km 40+000 to km 73+000)	num	17	552,796,564.00

8	Extra over for unexpected miscellaneous during construction period	AZM estimate	2,456,000,000.00
9	Extra over for Bridge 45 – yet to be proff	AZM estimate	1,518,622,052.00
	Estimated extra cost to Contract Budget	AZM	12,166,030,952.06
		US\$	2,476,797.83
C	Contract Price at present	AZM	45,937,384,407.14
		US\$	9,352,073.37
D	Estimated extra cost to Contract price	AZM 21.91%	10,063,418,418.20
		US\$	2,048,741.53
F	Estimated revised Contract price at present	AZM	56,000,802,825.34
		US\$ 4912	11,400,814.91

Note: The estimates are not final and might be altered as the Works progress;

Item 6 Please in order to safe on extra cost during the longitudinal redesign supervision shall be exercised and wherever overlay must be substitute then Composite overlay shall be introduced;

Item 7 estimate has been done to July 15th2004 and might be chance as the Works progress;

Item 8 estimate have not been calculated because at present is not clear the expected volumes of Works;

We have to expect some extras due to underestimated Works for Bus stops, Petrol stations Access roads, service ducts and etc.

The extra cost of 21.91% is an estimate and would be finalized after Employer decision about Works to be done between km 40+000 – km 42+000.

B.2.3.6. Testing results

Table 12

SUMMARY OF LABORATORY TESTING DURING AUGUST MONTH

Description of Work		Test Performed				Remarks
		Total	Passed	Retested	% Passed	
Road Embankment						
1	FDT/Nuclear Density	90	83	7	92.2	
2	PI	4	4	0	100	
3	MDD/Proctor	4	4	0	100	
4	CBR	1	1	0	100	
5	Moisture Content	4	4	0	100	
Granular capping layer or selected sub grade fill- 1 (175mm of 350mm)						
1	Gradation	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	PI	0	0	0	0	
5	CBR	0	0	0	0	
6	Moisture Content	0	0	0	0	
Granular capping layer or selected sub grade fill- 2 (175mm of 350mm)						
1	Gradation	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	PI	0	0	0	0	
5	CBR	0	0	0	0	
6	Moisture Content	0	0	0	0	
Granular sub base layer (from recycled asphalt concrete and recycled sub base material) 225mm						
1	Gradation (Combined)	0	0	0	0	

2	FDT/Nuclear Density	0	0	0	0
3	MDD/Proctor	0	0	0	0
4	LAA	0	0	0	0
5	Sp. Gravity	0	0	0	0
6	Water Absorption	0	0	0	0
7	Moisture Content	0	0	0	0
8	CBR	0	0	0	0
9	PI	0	0	0	0
Granular Shoulder (sub base material) 225mm					
1	Gradation (Combined)	0	0	0	0
2	FDT/Nuclear Density	0	0	0	0
3	MDD/Proctor	0	0	0	0
4	LAA	0	0	0	0
5	Sp. Gravity	0	0	0	0
6	Water Absorption	0	0	0	0
7	Moisture Content	0	0	0	0
8	CBR	0	0	0	0
9	PI	0	0	0	0
Concrete Works					
1	Compression Test	0	0	0	0
2	Slump	1	1	0	100
3	Gradation	0	0	0	0
4	LAA	0	0	0	0
5	Soundness	0	0	0	0
6	Sp. Gravity	0	0	0	0
7	Flakiness Index	0	0	0	0
8	Sand equivalent	0	0	0	0
9	Unit Weight	0	0	0	100
Bituminous road base 2 (90mm)					
1	Gradation	0	0	0	0
2	LAA	0	0	0	0
3	Stripping Test	0	0	0	0
4	Fractured face	0	0	0	0
5	Core-cutting (thickness)	0	0	0	0
6	Extraction test	0	0	0	0
7	Stability	0	0	0	0
8	Flow	0	0	0	0
9	Air Voids	0	0	0	0
10	VMA/VFA	0	0	0	0
Bituminous road base 2 (85mm)					
1	Gradation	0	0	0	0
2	LAA	0	0	0	0
3	Stripping Test	0	0	0	0
4	Fractured face	0	0	0	0
5	Core-cutting (thickness)	0	0	0	0
6	Extraction test	0	0	0	0
7	Stability	0	0	0	0
8	Flow	0	0	0	0
9	Air Voids	0	0	0	0
10	VMA/VFA	0	0	0	0
Flexible bituminous surface (50mm)					
1	Gradation	0	0	0	0
2	LAA	0	0	0	0
3	Stripping Test	0	0	0	0
4	Fractured face	0	0	0	0
5	Core-cutting (thickness)	0	0	0	0
6	Extraction test	0	0	0	0
7	Stability	0	0	0	0
8	Flow	0	0	0	0
9	Air Voids	0	0	0	0
10	VMA/VFA	0	0	0	0

B.2.3.7. Project photographs

Final - on Asphalt plant mobilization



Works in progress at Bridge 45



B.2.3.8. Correspondence records

B.2.3.8.1. Incoming Letters

Table 13

	Date Received	Author from	Sender's ref	Date on the Letter	In res to	Subject	Attach ments	Replay status		
								Require Yes/No	Date Sent	Our Ref:
1	05/08/2004	F.N	KA/F-83/04	28/07/2004	N/A	Price analyze for concrete works	yes	yes	05/08/2004	87
2	02/08/2004	F.N	KA/F-86/04	02/08/2004	N/A	Project design of pipes D=1200 mm	yes	yes	21/08/2004	101
3	09/08/2004	F.N	KA/F-87/04	09/08/2004	N/A	Design program "CREDO-DIALOG"	yes	yes		
4	09/08/2004	F.N	KA/F-88/04	09/08/2004	N/A	Documents of designed project	yes	yes	20/08/2004	98
5	12/08/2004	F.N	KA/F-89/04	11/08/2004	N/A	Existing obtacles	no	yes	17/08/2004	95
6	12/08/2004	F.N	KA/F-90/04	11/08/2004	N/A	Project design of pipes D=1000 mm	yes	yes	21/08/2004	102
7	12/08/2004	F.N	KA/F-91/04	12/08/2004	N/A	Tests of earth and concrete works	no	yes		
8	13/08/2004	F.N	KA/F-92/04	16/08/2004	N/A	Material composition	no	yes		
9	16/08/2004	F.N	KA/F-93/04	16/08/2004	N/A	Results of sieve analysis	yes	yes	19/08/2004	97
10	20/08/2004	F.N	KA/F-94/04	19/08/2004	N/A	Standarts AASHTO	yes	yes	21/08/2004	99
11	20/08/2004	F.N	KA/F-95/04	20/08/2004	N/A	List of laboratory equipment	yes	yes		
12	23/08/2004	F.N	KA/F-96/04	23/08/2004	N/A	Contract with Subcontractor	yes	yes	19/08/2004	96
13	23/08/2004	F.N	KA/F-97/04	23/08/2004	N/A	Revised shop drawings	yes	yes		
14	23/08/2004	F.N	KA/F-98/04	23/08/2004	N/A	Construction works at Bridge 45	no	yes		
15	23/08/2004	F.N	KA/F-99/04	23/08/2004	N/A	Shop drawing of overpass at br 45	yes	yes		
16	24/08/2004	F.N	KA/F-100/04	24/08/2004	N/A	Contracts with owners of borrow pits	yes	yes		
17	25/08/2004	F.N	KA/F-101/04	25/08/2004	N/A	List of work building macines	yes	yes		
18	25/08/2004	F.N	KA/F-102/04	25/08/2004	N/A	Existing ground elevation	yes	yes		

B.2.3.8.2. Outgoing letters

Table 14

Item	Date Posted	Author initials	Our ref	Date Written	In response to	Subject	Attach- ments	Require Yes/No	Replay status	
									Date Sent	Sender Ref:
1	03/08/2004	S.D	84	02/08/2004	N/A	Minutes of meeting	yes	no		
2	05/08/2004	S.D	85	03/08/2004	KA/F-80/04 26.07.04	Longitudinal redesign	no	yes		
3	05/08/2004	S.D	86	04/08/2004	KA/F-81/04 28.07.04	Project staff and equipment	no	no		
4	05/08/2004	S.D	87	04/08/2004	KA/F-83/04 28.07.04	Price analyses items	no	no		
5	06/08/2004	S.D	88	04/08/2004	KA/F-85/04 30.07.04	B&Q for Bridge 45	no	yes		
6	05/08/2004	S.D	89	04/08/2004	KA/F-76/04 22.07.04	Surveyor works	no	no		
7	05/08/2004	S.D	90	04/08/2004	KA/F-84/04 30.07.04	Topografical survey and cross sections	no	no		
8	07/08/2004	S.D	91	06/08/2004	N/A	Monthly meeting progress for august	no	no		
9	11/08/2004	S.D	92	11/08/2004	KA/F-82/04 28.07.04	Test result for sieve analysis	no	no		
10	11/08/2004	S.D	93	11/08/2004	KA/F-78/04 22.07.04	Intention to use Borrow pits	no	no		
11	13/08/2004	S.D	94	12/08/2004	KA/F-86/04 02.08.04	letter	no	no		
12	17/08/2004	S.D	95	13/08/2004	KA/F-89/04 11.08.04	Existing obtacles	no	no		
13	19/08/2004	S.D	96	18/08/2004	KA/F-92/04 13.08.04	Job mix for waterproofing joints	no	no		
14	19/08/2004	S.D	97	18/08/2004	KA/F-93/04 16.08.04	Test result	no	no		
15	20/08/2004	S.D	98	19/08/2004	KA/F-88/04 09.08.04	Longitudinal redesign	no	yes		
16	21/08/2004	S.D	99	20/08/2004	KA/F-94/04 19.08.04	AASHTO STANDARTS	no	yes		
17	21/08/2004	S.D	100	20/08/2004	KA/F-91/04 12.08.04	Hire of laboratory facilities	no	no		
18	21/08/2004	S.D	101	20/08/2004	KA/F-86/04 02.08.04	Shop drawings for pipe culvets	no	no		
19	21/08/2004	S.D	102	20/08/2004	KA/F-90/04 11.08.04	Shop drawings for pipe culvets	no	no		

Rehabilitation of Caucasian Highways Azerbaijan Monthly Technical report

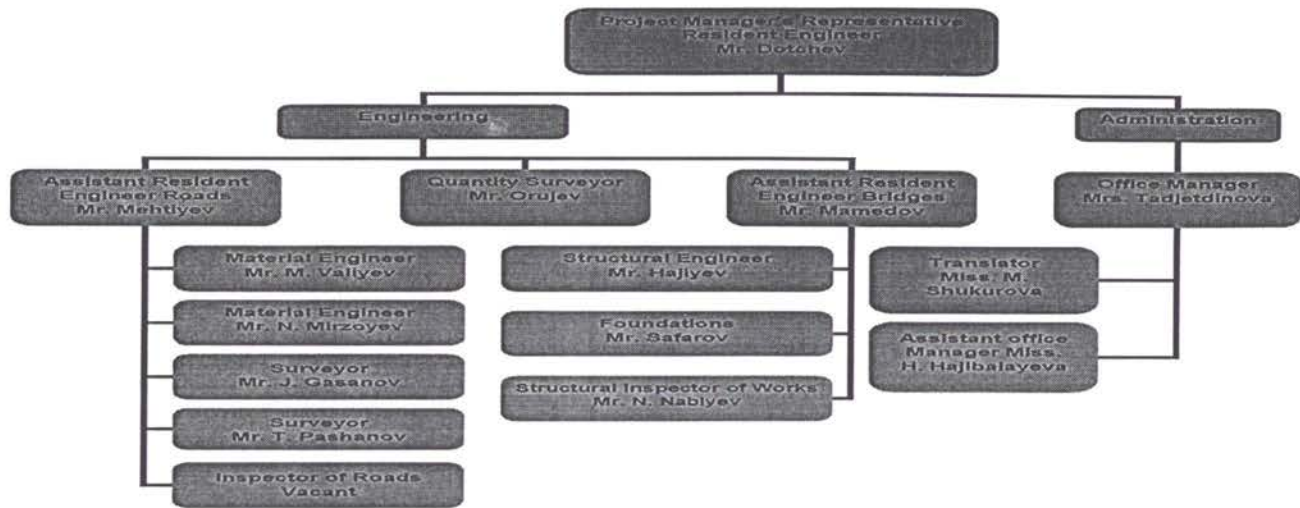
Segment 2 for the Project Component II:

Segment 4 for the Project Component II:

General

3.1. Consultant's site staff management organogramme

Figure 1



3.2. Management Meetings and Correspondence

3.2.1. Management Meetings

Management daily or weekly Meetings (Site Agent/Resident Engineer) has been performed and done as required. Monthly Progress Meeting in accordance with clause 31 of the Condition of the Contract has been set for ones a month (usually at the end of each month). The table below show the Meetings held to date. All Minutes of Monthly Progress Meetings are issued with in a week after each meeting has been held and copies distributed to all concerned parties for consideration and comments if any.

Table 1

CW2002-1		CW2003-1&2		CW2003-3&4	
No	Date	No	Date	No	Date
1	May 29 th 2003				
2	Jun 27 th 2003				
3	Jul 29 th 2003				
4	Aug 26 th 2003				
5	Sep 25 th 2003				
6	Oct 25 th 2003				
7	Nov 28 th 2003				
8	Jan 23 rd 2004				
9	Feb 23 rd 2004				
10	Mar 23 rd 2004	1	Mar 26 th 2004	1	Mar 26 th 2003
11	Apr 27 th 2004	2	Apr 28 th 2004	2	Apr 28 th 2004
12	May 25 th 2004	3	May 27 th 2004	3	May 27 th 2004
13	June 23 rd 2004	4	June 24 th 2004	4	June 25 th 2004
14	July 26 th 2004	5	July 28 th 2004	5	July 28 th 2004
15	August 24 th 2004	6	August 24 th 2004	6	August 24 th 2004

3.2.2. Correspondence

The Correspondence has been always a prime concern and simple rules has been set since beginning of each Project and all parties concern has been requested to obey diligently as follows:

- Correspondence to be on English language and translated into Russian;
- Letters to be answer with in 21 days;
- Letters to contain a reference;
- All attachments to be accompany with cover letter;

- Incoming letters to be numbered and dated;
- Received letter to be signed and dated by the person who receive it;
- Fax/Email are acceptable as a early bird document, however the original letters are to be submitted and signature obtain as soon as possible.

Proper filing system of incoming and outgoing letters has been created for each Project separately in order to avoid misunderstanding and confusion. To date the following numbers of letters has been issued:

Table 2

Incoming letters from Contractors

Contracts	Total to date	Total this month
Contract CW 2001-1	169	12
Contract CW 2003-1 & CW 2003-2	105	25
Contract CW 2003-3 & CW 2003-4	85	19
Contract for bridges	84	0
Summary	443	56

Incoming letters from Client

Contracts	Total to date	Total this month
Contract CW 2001-1	35	2
Contract CW 2003-1 & CW 2003-2	7	1
Contract CW 2003-3 & CW 2003-4	6	0
Contract for bridges	19	0
Summary	67	3

Outgoing letters to Contractors

Contracts	Total to date	Total this month
Contract CW 2001-1	223	11
Contract CW 2003-1 & CW 2003-2	127	25
Contract CW 2003-3 & CW 2003-4	102	19
Contract for bridges	142	0
Summary	594	55

Outgoing letters to Client

Contracts	Total to date	Total this month
Contract CW 2001-1	116	9
Contract CW 2003-1 & CW 2003-2	16	5
Contract CW 2003-3 & CW 2003-4	18	6
Contract for bridges	40	0
Summary	190	20

3.3. Daily Weather Records

Table 6

Month: July
Year: 2004

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Sun	25	24°C	Sunny	Work in progress	
Mon	26	29°C	Sunny	Work in progress	
Tue	27	31°C	Sunny	Work in progress	
Wed	28	31°C	Sunny	Work in progress	
Thu	29	30°C	Rainy	Work in progress	
Fri	30	33°C	Sunny	Work in progress	

Sat	31	35°C	Sunny	Work in progress
Month:	August			
Year	2004			

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Sun	1	34°C	Sunny	Work in progress	
Mon	2	32°C	Sunny	Work in progress	
Tue	3	32°C	Sunny	Work in progress	
Wed	4	30°C	Sunny	Work in progress	
Thu	5	36°C	Sunny	Work in progress	
Fri	6	29°C	Sunny	Work in progress	
Sat	7	31°C	Sunny	Work in progress	
Sun	8	34°C	Sunny	Work in progress	
Mon	9	36°C	Sunny	Work in progress	
Tue	10	34°C	Sunny	Work in progress	
Wed	11	39°C	Sunny	Work in progress	
Thu	12	37°C	Sunny	Work in progress	
Fri	13	38°C	Sunny	Work in progress	
Sat	14	35°C	Sunny	Work in progress	
Sun	15	38°C	Sunny	Work in progress	
Mon	16	39°C	Sunny	Work in progress	
Tue	17	40°C	Sunny	Work in progress	
Wed	18	39°C	Sunny	Work in progress	
Thu	19	38°C	Sunny	Work in progress	
Fri	20	38°C	Sunny	Work in progress	
Sat	21	42°C	Sunny	Work in progress	
Sun	22	40°C	Sunny	Work in progress	
Mon	23	38°C	Sunny	Work in progress	
Tue	24	38°C	Sunny	Work in progress	
Wed	25				

3.4. Environmental impact

This report deals with the environmental consideration during the Construction phase for all three projects to date - Road rehabilitation Project Contracts: CW2002-1, CW2003-1&2 and CW2003-3&4. Its covers the period from commencement of the first Project Contract CW2002-1 – March 2003 to date and take into account the environmental requirements detailed in Project documents.

3.4.1. Environmental impact – around the Project construction site (Vegetation and Land used)

In order to minimize the environmental impact around the project construction site, the Contractors have been limited working close to their Project site as follows:

- **For contract CW2002-1** – Letter 62 dated October 22sd, 2003 has been issued with instruction to the Contractor: "...to proceed with cleaning and grubbing as specify with in the Contract documents both embankment sides along the Road for a width starting from shoulder break point all the way to but not more than one meter from the toe of the design rehabilitated embankment..."
- **For Contracts CW2003 -1 to Cw2003-4** – The Earth Works are not started yet, however similar instruction as above shall follow.

3.4.2. Environmental impact – Borrow pits

- **For Contract CW2002-1.** Prior approval the following Borrow pits have been sampled and tested:

TRACECA Louis Berger SAS - **Monthly Progress Report 59 of 78** August 2004
 Author of Report – S. I. Dotchev Pr. Eng. – Service PM's Representative (RE)

Table 7

Name	Chainage	Site	Km to C/L	Material to be use for	Remark
1	Km 0+200	RHS	0.5	Embankment fill	Approved
2	Km 2+300	RHS	1.2	Sub grade and embankment fill	Approved
3	Km 3+240	LHS	0.7	Sub grade and embankment fill	Approved
4	Km 12+712	RHS	1.5	Sub grade and embankment fill	Approved
5	Km 8+500	LHS	1.5	Sub grade and embankment fill	Approved
6	Km 12+000	LHS	1.5	Sub grade and embankment fill	Approved
7	Km 24+680	LHS	2.0	Sub base	Approved
8	Km 26+680	RHS	1.0	Sub base	Approved

- **For Contracts CW2003-1&2.** The Contractor requested to develop the following Borrow pits and material samples have been taken for testing and approval:

Table 8

Name	Chainage	Site	To C/L	Material to be use for	Remark
(1)Dallier	Km 1+500	LHS		Embankment fill	To be consider
(2)Wine plant	Km 8+000	RHS		Sub grade and embankment fill	To be consider
(3)Zayam-Chay	Km 19+000	RHS		Sub grade and embankment fill	To be consider
(4)Asrik-Chay	Km 35+000	RHS		Sub grade and embankment fill	To be consider
(5)Tovuz-Chay	Km 40+000	RHS		Sub grade and embankment fill	To be consider

- **For Contracts CW2003-3&4.** The Contractor requested to develop the following Borrow pits and material samples have been taken for testing and approval:

Table 9

Name	Chainage	Site	To C/L	Material to be use for	Remark
(1)Channel	Km 45+000	LHS		Embankment fill	To be consider
(2)Gasau Su	Km 56+000	RHS		Sub grade and embankment fill	To be consider
(3)Agstafa-Chay	Km 73+000	LHS		Sub grade and embankment fill	To be consider

Please note that however for Contracts CW2003-1&2 and CW2003-3&4 sampling and testing has been done but the Contractor did not forwarded those Borrow pits for our approval yet. Details on Borrow pits at the addendums

3.5. Safety on Projects

3.5.1. Traffic Management Plan – Detours/Deviations

Safety is prime concern and Traffic Management plan has been required by each of the Contractors. After the approval has been obtained the Contractor (Turan) installed the warning signs and traffic warning lights wherever required. Azerkorpu – Azwirt Consortium and Autobahn Bau – Traffic Management plans have been forwarded and approved by local authorities.

3.5.1.1. Access to properties

The Contractors maintained at all times accesses to the private properties.

3.5.1.2. Traffic Controllers

During short term Works operation Contractors have utilized flagman, with personnel on each end of the restricted controlling section of the Road. For longer sections have been utilized warning lights in combination with flagmen.

3.5.1.3. Detour/Deviation

When the progress of Works demanded removing the traffic from the section of the Road detours/deviations has been utilised. Contractor prior opening of deviation has agreed the trace and the required traffic road signs with the local and traffic authorities and obtain the necessary approvals. For Contracts CW2002-1 and CW2003-1 to 4 the deviations have been choose to run on the existing old road Ganja- Shemkir running parallel to the Project rehabilitated. Contract CW2003-1 to 4 detour sketch plans as attached at the addendums.

Table 11

Projects	Contracts	Contract Length	Detour Length	%	Maintenance this month		
					Satisfactory	Good	Excellent
Ganja-Shemkir	CW2002-1	20,680.00	21.00	100	Yes	-	-
Shemkir to Km 430.8	CW2003-1	19,000.00	0.00	0	-	-	-
	CW2003-2	21,000.00	5.00	25	Yes	-	-
Km 430.8 to Gazakh	CW2003-3	21,000.00	15.00	71	Yes	-	-
	CW2003-4	12,000.00	0.00	0	-	-	-

3.5.2. Work related accidents

Table 12

Projects	Contracts	Contractor	Work accidents	
			This month	To date
Ganja-Shemkir	CW2002-1	Turan Hazinedaroglu &Oztash	0	0
Shemkir to Km 430.8	CW2003-1	Azerkorpu and Azwirt	0	0
	CW2003-2	Consortium	0	0
Km 430.8 to Gazakh	CW2003-3	Autobahn Bau GMBH	0	0
	CW2003-4		0	0

3.5.3. Traffic related accidents

Table 13

Projects	Contracts	Contractor	Traffic accidents	
			This month	To date
Ganja-Shemkir	CW2002-1	Turan Hazinedaroglu &Oztash	0	0
Shemkir to Km 430.8	CW2003-1	Azerkorpu and Azwirt	0	0
	CW2003-2	Consortium	0	0
Km 430.8 to Gazakh	CW2003-3	Autobahn Bau GMBH	0	0
	CW2003-4		0	0

3.6. Guest visiting the Projects

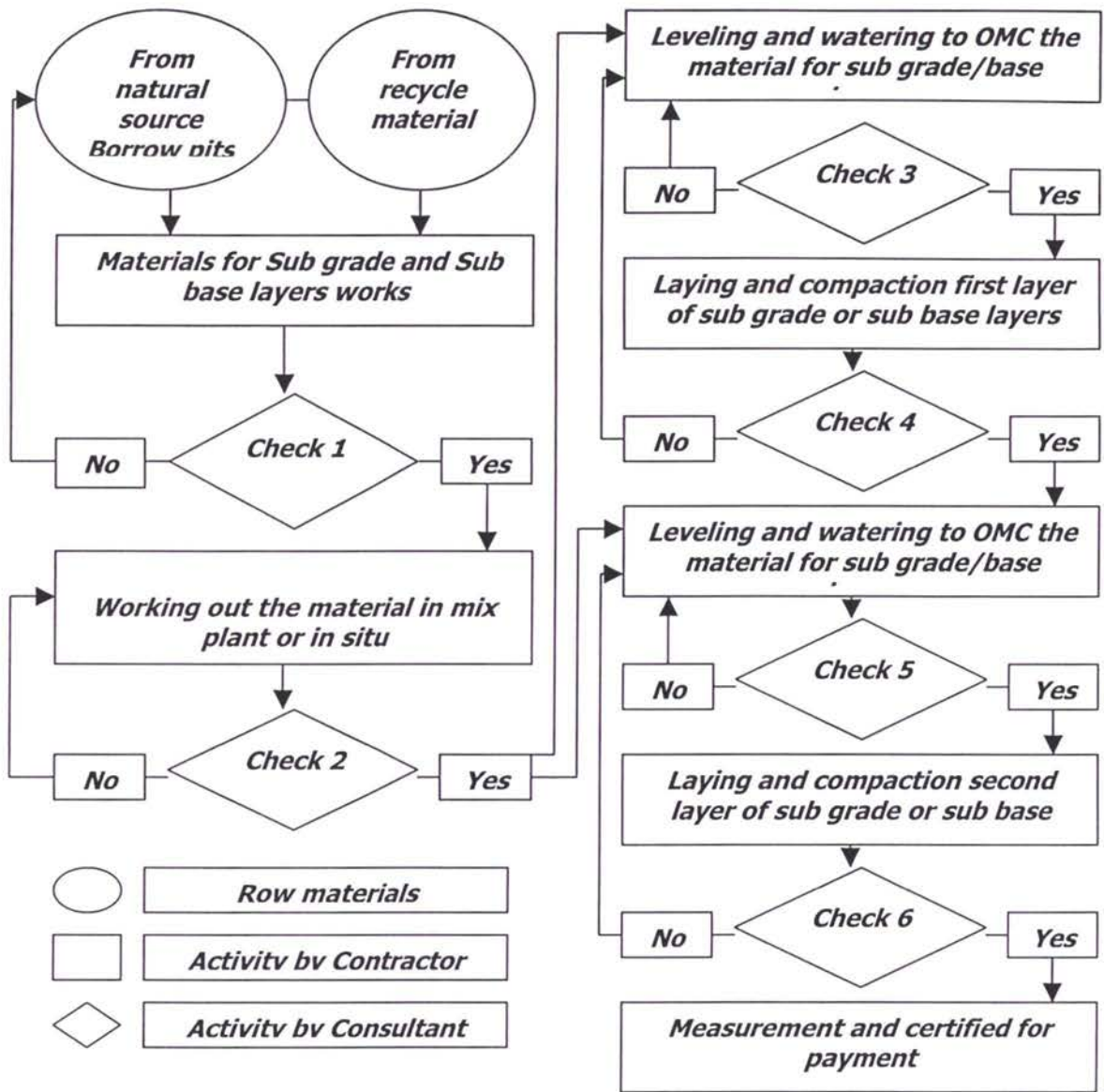
Name	Position	Date of the Visit
Razek Degheim	Louis Berger Team Leader	16-17 of August 2004
Brian Tennant	TRACECA Senior Transport Expert	16-17 of August 2004
Sarah Spink	TRACECA Junior Transport Expert	16-17 of August 2004
Adil Gojayev	PIU director	19 of August 2004
Shaban Hasanov	Deputy Director of the MD of YNS	19 of August 2004
Mezahir Hushenov	Director of the AB of the Shemkir Gas Authority	19 of August 2004
Vagif Mammedov	Chief of the Shemkir Gas Authority	19 of August 2004
Agasiyev Vagif Ahmed	Director of "Azerigaz" QSC	19 of August 2004
Baharginov Isa	Deputy Director of the SPC	21 of August 2004
Mehman Babahanov	Chief of the Laboratory Department of the SPC	21 of August 2004
Mageram Asadov	MT Chief Expert	25- 27 of August 2004
Ibrahim Mammedov	"Azpetrol" Baku Office's Representative	25 of August 2004
Afser Muradov	"Azpetrol" Shemkir Office' Representative	25 of August 2004

3.7. Quality control procedure

3.7.1. For Sub grade and Sub base

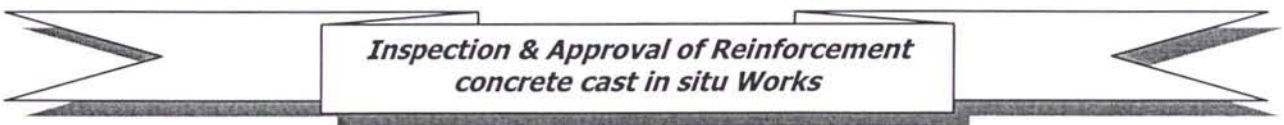
Quality control procedure have been described in TOR and been follow strictly during the execution of Works. Our supervisory staffs has been issue with task schedule where the detail appropriate description has been allocated to any one of the supervisory staff and Contractors have been timely inform for the power of duty given to each individual supervisory staff member.

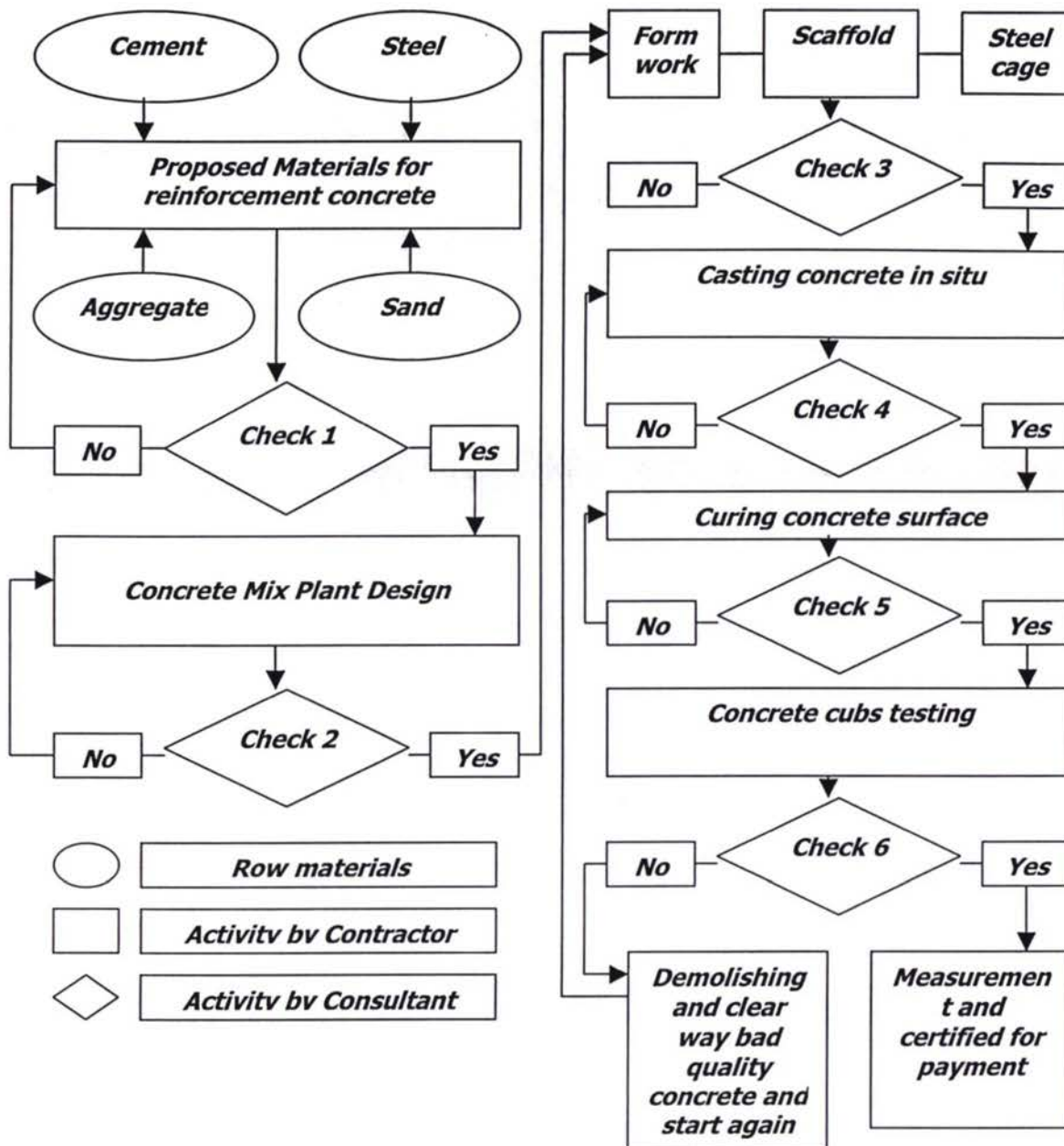
Inspection & Approval of Sub grade and Sub base layers Works



1. **Check 1.**
 - Crushing Strength test Abrasion loss test (other test related to qualify)
2. **Check 2.**
 - Sieve analysis
3. **Check 3.**
 - CBR test (Camber check)

3.7.2. For concrete Work





1. Check 1

- Stone – Crushing strength abrasion loss and requirements
- Cement – Binding Property
- Reinforcement steel – Tensile Strength

2. Check 2

- Crushing strength of Mix-design concrete sample

3. Check 3

- Formwork – Material quality, levels? Joints of form work
- Scaffolding – pro strength, soundness of scaffolding arrangement
- Reinforcement steel – dia, Bending test

4. Check 4

- Distribution and placing of Reinforcement steel, Levels, etc.
- Slam test, taking samples (cubs) for testing on 7th and 28th days

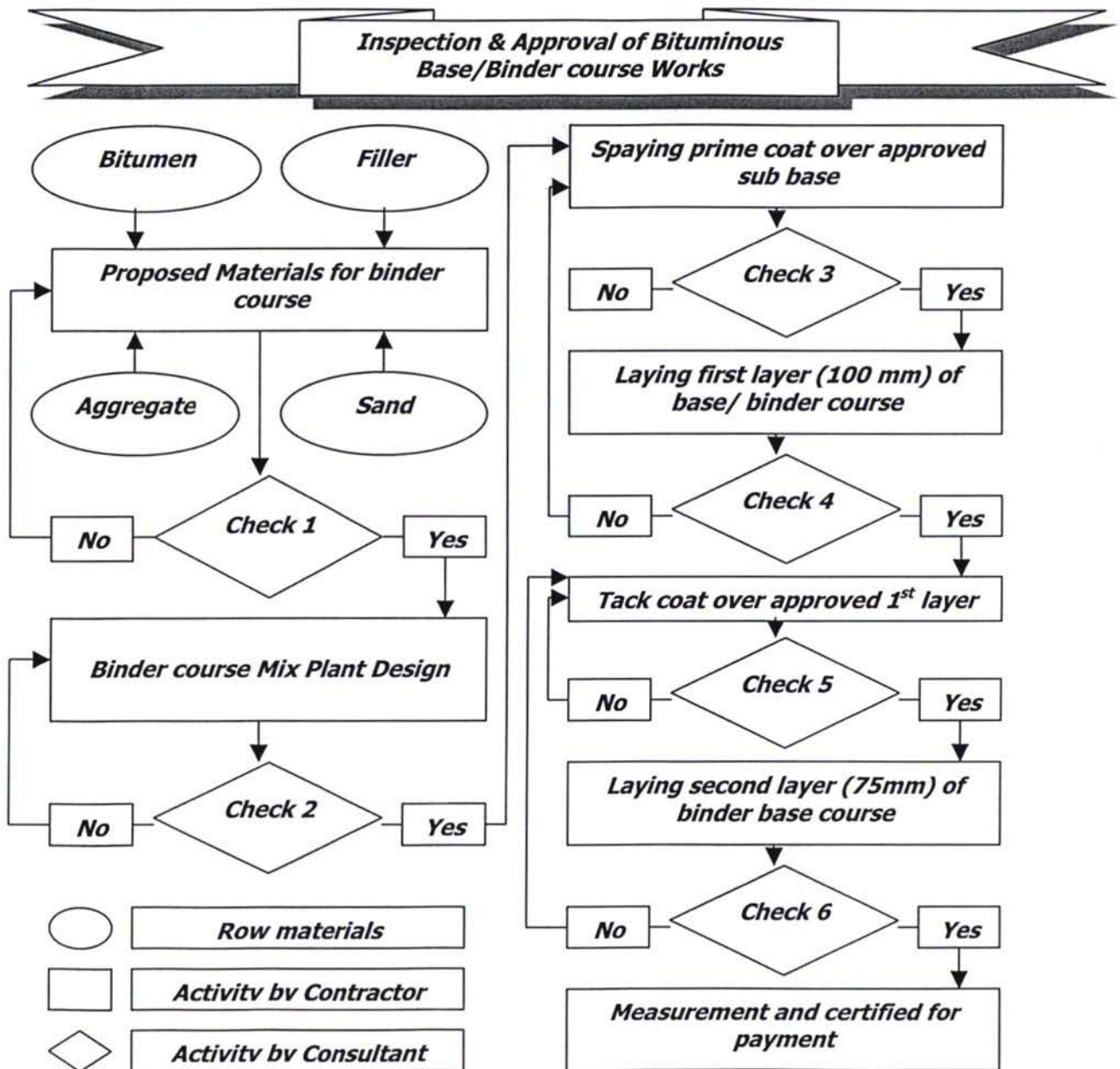
5. Check 5

- Collect concrete samples
- Checking curing process
- Test crushing strength

6. Check 6

- Test crushing strength

For Asphalt Works – Bitumen base/binder



1. Check 1

- Bitumen properties as per Technical specification
- Filler properties as per Technical specification
- Aggregate properties as per Technical specification
- Formulation of Prime and Tack coats



2. Check 2

- Approval of Job mix design
- Method Statement - Laying procedure
- Check heating bituminous & spreading quantity

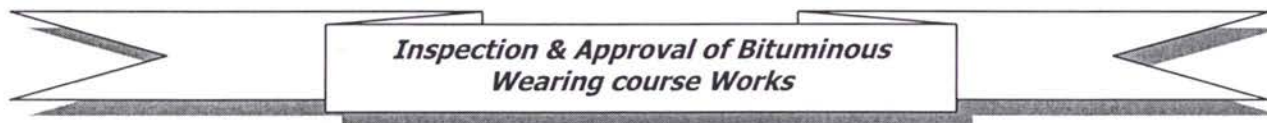
3. Check 3 & 5

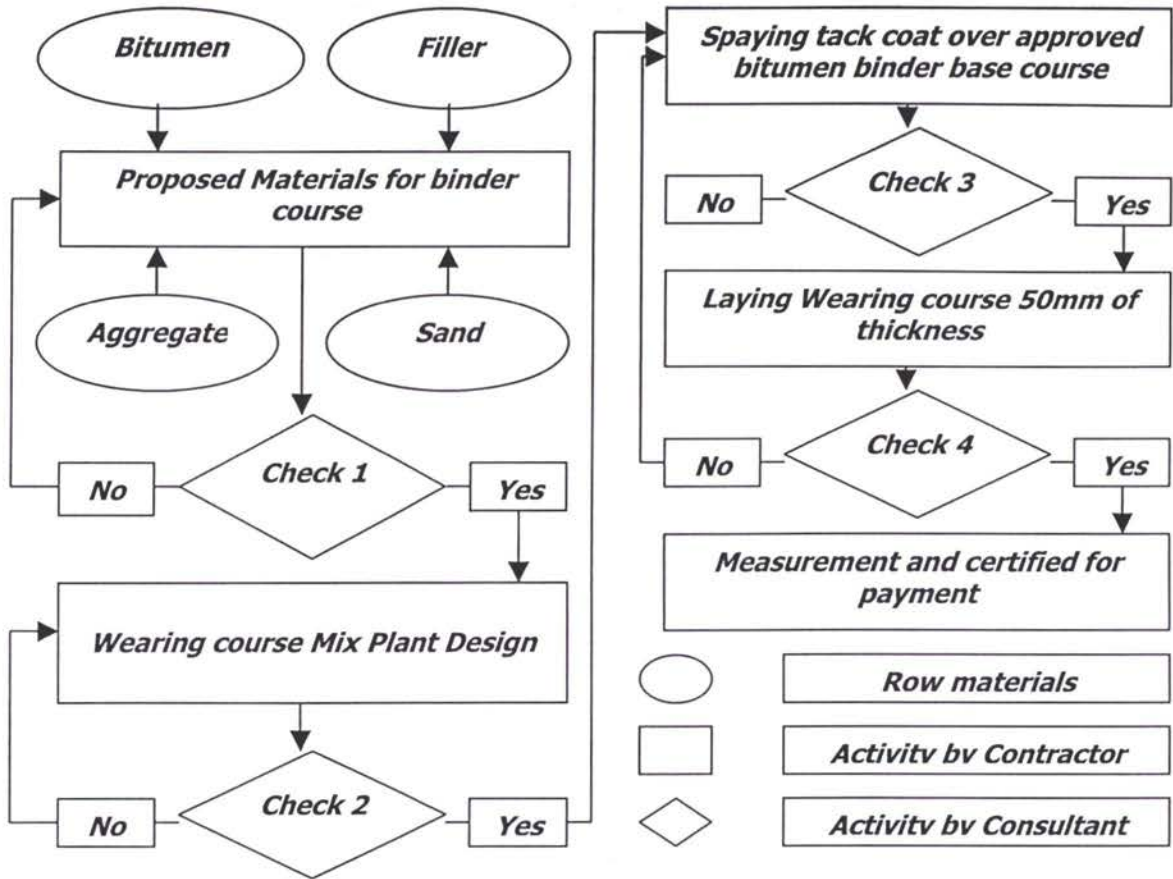
- Testing the application rate

4. Check 4 & 6

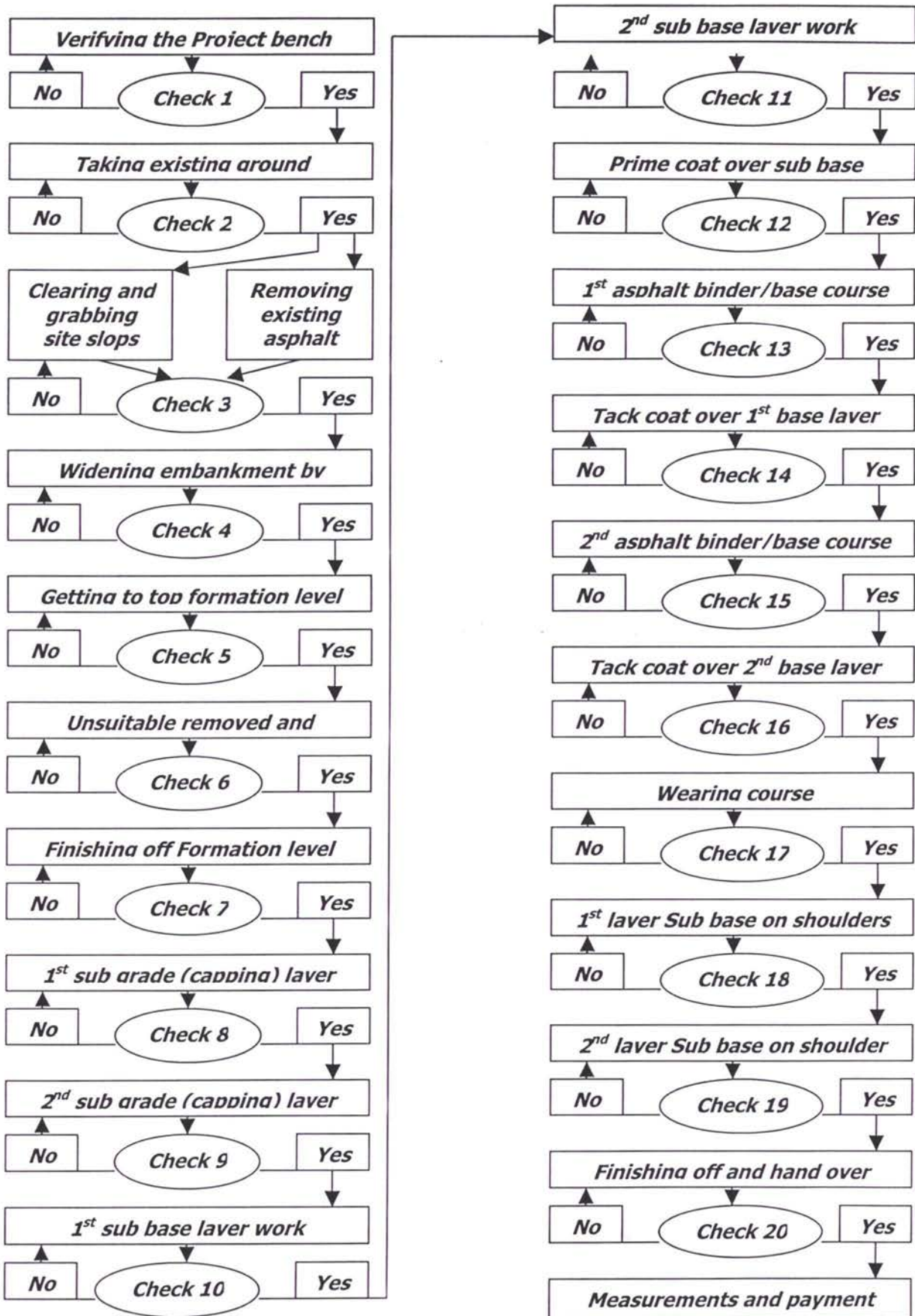
- Coring and crushing core test
- Camber check
- Thickness of layer
- Sieve analysis
- Abrasion loss test
- Bitumen heating check
- Marking procedure
- Laying procedure
- Rolling procedure
- Compaction
- Thickness check
- Camber check

For Asphalt Works – Wearing course (see the checks 1 to 4 above)





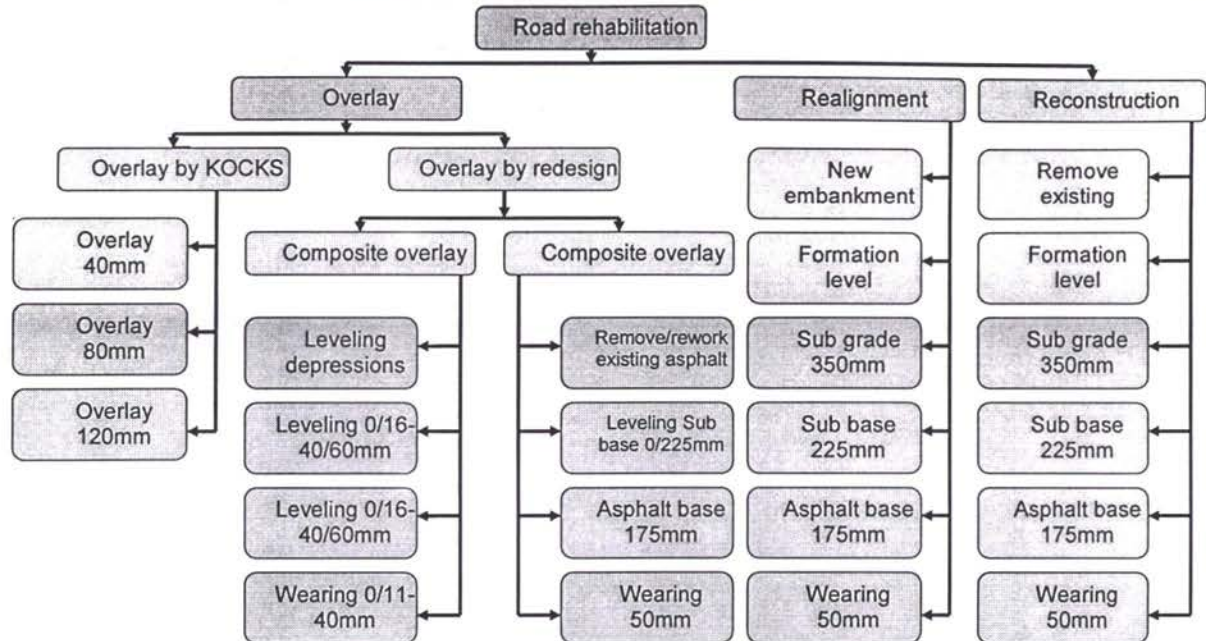
**Full Rehabilitation and reconstruction
Works for CW2002-1 and CW2003-1 to 4**



3.8. Redesign notes applicable for Contracts CW2003-1 to 4

1. Original design calls for Overlay (40,80 and 120mm) and Reconstruction where ever indicated in the Contract drawings
2. Redesign conditions set by June 29, 2004 meeting are as follows:
 - The redesign must be prepared with diligent consideration and based on the conditions of Contract
 - The redesign volumes of Earth Works must be as close as possible and should not be more of the volumes of Works shown in the Project B&Q;
 - The redesign must provided quality Road with technical characteristic for the II type of Road and prime concern is to focus on the smooth riding quality surface;
 - The redesign is to incorporate the Project deflection analysis's done by KOKCS (Reconstructions section are to remain reconstruction and the Overlay sections are to be upgraded only after checking the possibilities to remain overlay);
 - Base on comparing the existing ground undulation and prescribed longitudinal gradient and cross fall (slope) from the Project documents for particular overlay section, designers are to propose upgrading (if required) suitable with the existing conditions and design technical parameters;
 - The redesign might keep where ever overlay is recommended by the project only when should be possible for Contractor to do the necessary corrections/leveling courses to the existing surface and should not in any way require the Contractor to copy the existing surface, the way the original design do.
3. The way the redesign has been done
 - a) First step is checking the possibilities for Overlay sections to remain as in the original design. Checking includes comparison between the existing ground elevation and Proposed by KOCKS longitudinal gradient for a particular overlay section. If the results show that min required thickness of Overlay (measured at the end of carriage way - 3.75 from the center line) been prescribed is obtainable and at the same time the proposed longitudinal gradient is the one prescribed into the Project document then this section is to remain Overlay. However for practical reasons wherever the length of such road section is less than 100m' and Contractor shall have technical difficulties to produced good quality of road then the section is to be upgraded simultaneously with the proposed by the redesign adjacent sections;
 - b) Then the second step - If particular section did not respond to the Conditions above the design is to recommend a solution;
 - c) Redesign introduced a Composite Overlay. The Composite Overlay represent two different types of modification on Overlay where the deflection test done are taken as fact non questionable and fundamental base and then designers concentrate on the improving the riding comfort and the way of not to copy existing surface but rather provide the Contractor with tools and means to leveled and improve the existing surface, which is not provided by the original design;
 - d) The fist type of Composite Overlay introduced - provide and incorporate the Contractor with tools originally prescribed and described only with in the original Project for 80mm Overlay, which is leveling course – 0/16 thickness 40/60mm (please note that such an option is not available for 40 and 120mm overlay). The redesign checked the longitudinally and cross falls options whether the Contractor might with one leveling course fix up and compensate for the longitudinal undulation in plan and profile and whether the required cross fall can be achieved. If that is not possible then the redesign provide the Contractor with option to lay down second leveling course in order to get to required longitudinal and cross fall slopes. Then the remained wearing course 0/11 thickness of 50mm is to add strain to pavement and provide riding comfort and seal and waterproof the road surface;
 - e) The second type of Composite Overlay – is base on the fact that deflection test done by KOCKS shown that the road base is good and acceptable and then concentrates on getting good riding surface. For that purpose calls the Contractor to remove the existing asphalt, recycle the removed material and placed back as a Sub base layer in order to provide good smooth riding surface. Then follows by asphaltting base (binder 175mm and wearing course 50mm). This type is very similar to the reconstruction, but since there is not a need for capping layer (Sub grade) and work on formation level is considerably cheaper.

Redesign notes organogramme summary

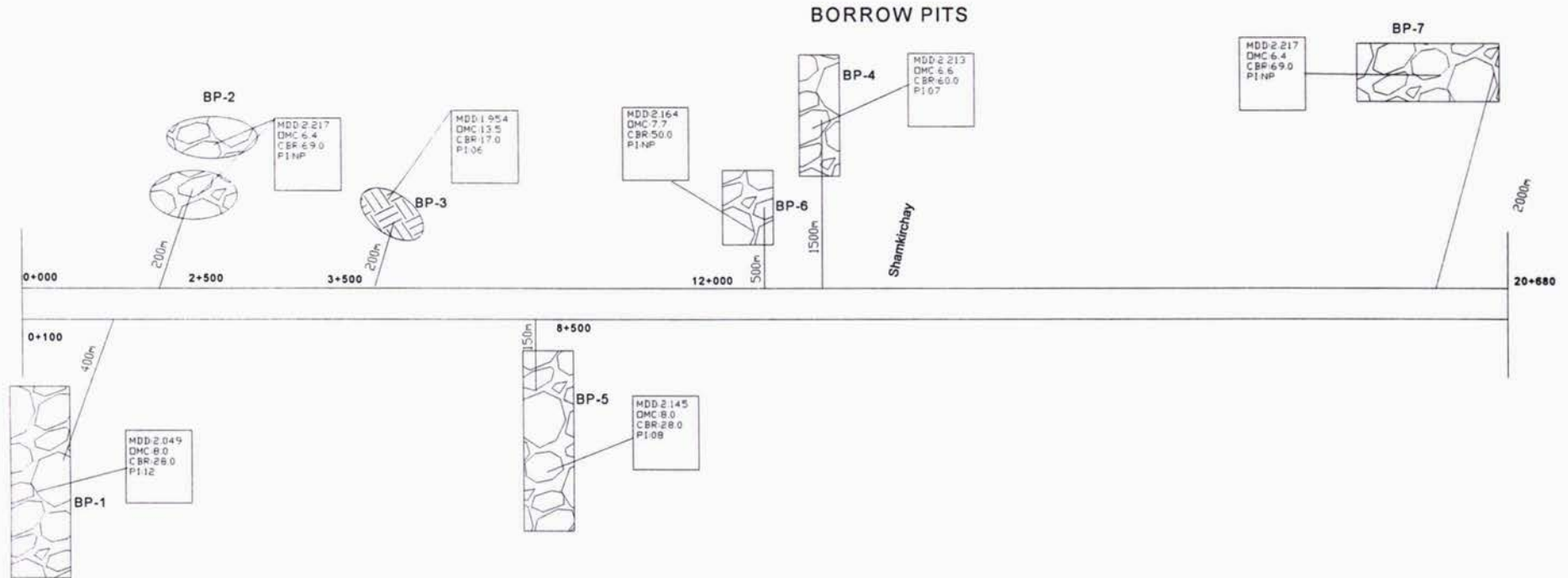


Summary estimate extra cost to Contracts CW2002-1 and CW2003-1 to 4

Summary of preliminary estimated extra cost to Contracts CW2002-1; CW2003-1&2 and CW2003-3&4								July 28, 2004
Item	Contracts	Original Contract Price (AZM)	Revised at date Price (AZM)	Expected to date Savings (AZM)	Expected to date Extra (AZM)	Discount 5%	%	Expected Extra (US\$)
1	CW2002-1	29,903,403,179.00	29,755,540,898.94	0.00				1\$ = 4891
1.1	Final measurements to date (+) estimates for remaining Works				3,134,143,195.61		10.53%	\$640,798.04
1.2	Few Contractor's proposals for improving quality of end product if accepted by Client							
1.2.1	Seangle seal to shoulder - to improve on waterproofing				440,190,000.00		1.48%	\$90,000.00
1.2.2	Pavement on approach roads to in and out of petrol station				293,460,000.00		0.99%	\$60,000.00
1.2.3	Drainage in front of petrol station				122,275,000.00		0.41%	\$25,000.00
1.2.4	Site drain collectors on high embakment to take the rain waters				293,460,000.00		0.99%	\$60,000.00
	Subtotal on extra and final for Project				4,283,528,195.61		14.40%	\$875,798.04
2	CW2003-1&2	60,082,264,241.00	60,214,171,978.85	3,009,034,085.10				1\$ = 4912
2.1	Design errors = underestimated volumes of Work in B&Q				4,143,089,493.00	4,039,512,255.68	6.88%	\$843,462.84
2.2	Design errors = extra existing culverts				1,115,376,655.00	1,087,492,238.63	1.85%	\$227,071.79
2.3	Design errors = overlay to composite overlay				10,940,986,361.70	10,667,461,702.66	18.17%	\$2,227,399.50
2.4	Collapse of Bridge 39				4,676,215,995.00	4,442,405,195.25	7.77%	\$951,998.37
2.5	Design errors = Client request for extra work on Bridge 42				2,701,600,000.00	2,566,520,000.00	4.49%	\$550,000.00
2.6	Extra over for unexpected miscellaneous during construction				2,456,000,000.00	2,456,000,000.00	4.08%	\$500,000.00
2.a	Subtotal on extra cost only				26,033,268,504.70	25,259,391,392.21	43.23%	\$5,299,932.51
2.b	Subtotal extra cost as final for Project				23,024,234,419.60	22,250,357,307.11	38.24%	\$4,687,344.14
3	CW2003-3&4	45,937,384,407.14	45,937,384,407.14	2,102,612,533.86				1\$ = 4912
3.1	Design errors = underestimated volumes of Work in B&Q				448,819,100.00	N/A	0.98%	\$91,371.97
3.2	Design errors = extra existing culverts				1,332,468,328.00	N/A	2.90%	\$271,267.98
3.3	Design errors = overlay to composite overlay				6,410,121,472.06	N/A	13.95%	\$1,304,992.16
3.4	Extra over for unexpected miscellaneous during construction				3,974,622,052.00	N/A	8.65%	\$809,165.73
3.a	Subtotal on extra cost only				12,166,030,952.06	N/A	26.48%	\$2,476,797.83
3.b	Subtotal extra cost as final for Project				10,063,418,418.20	N/A	21.91%	\$2,048,741.53
4	Total	135,923,051,827.14	135,907,097,284.93	5,111,646,618.96	42,482,827,652.37	41,708,950,539.88	31.26%	\$8,652,528.38
4.1	Total as final				37,371,181,033.41	36,597,303,920.92	27.50%	\$7,611,883.71
Notes	VO2 for CW2002-1 is AZM147,862,280.86						26.93%	
	VO1 for CW2003-1&2 is AZM131,907,737.85							

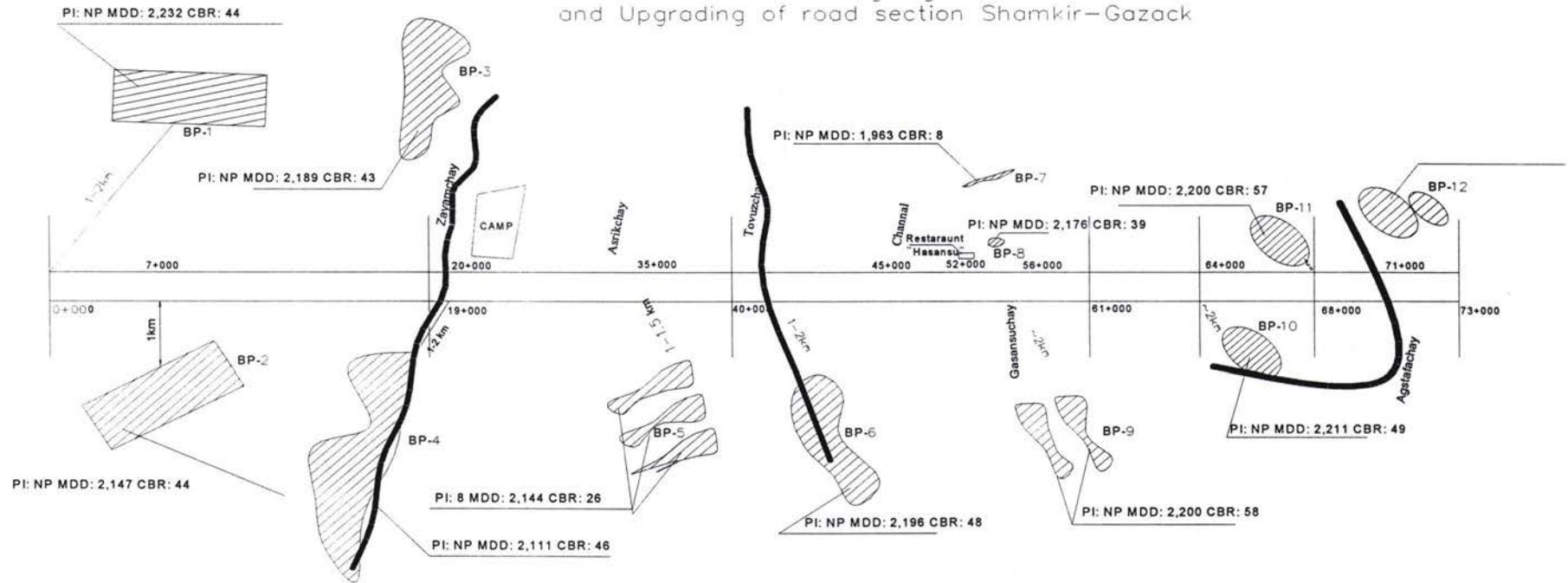
Attachments

"REHABILITATION AND UPGRADING OF GANDJA-SHAMKIR ROAD SECTION"



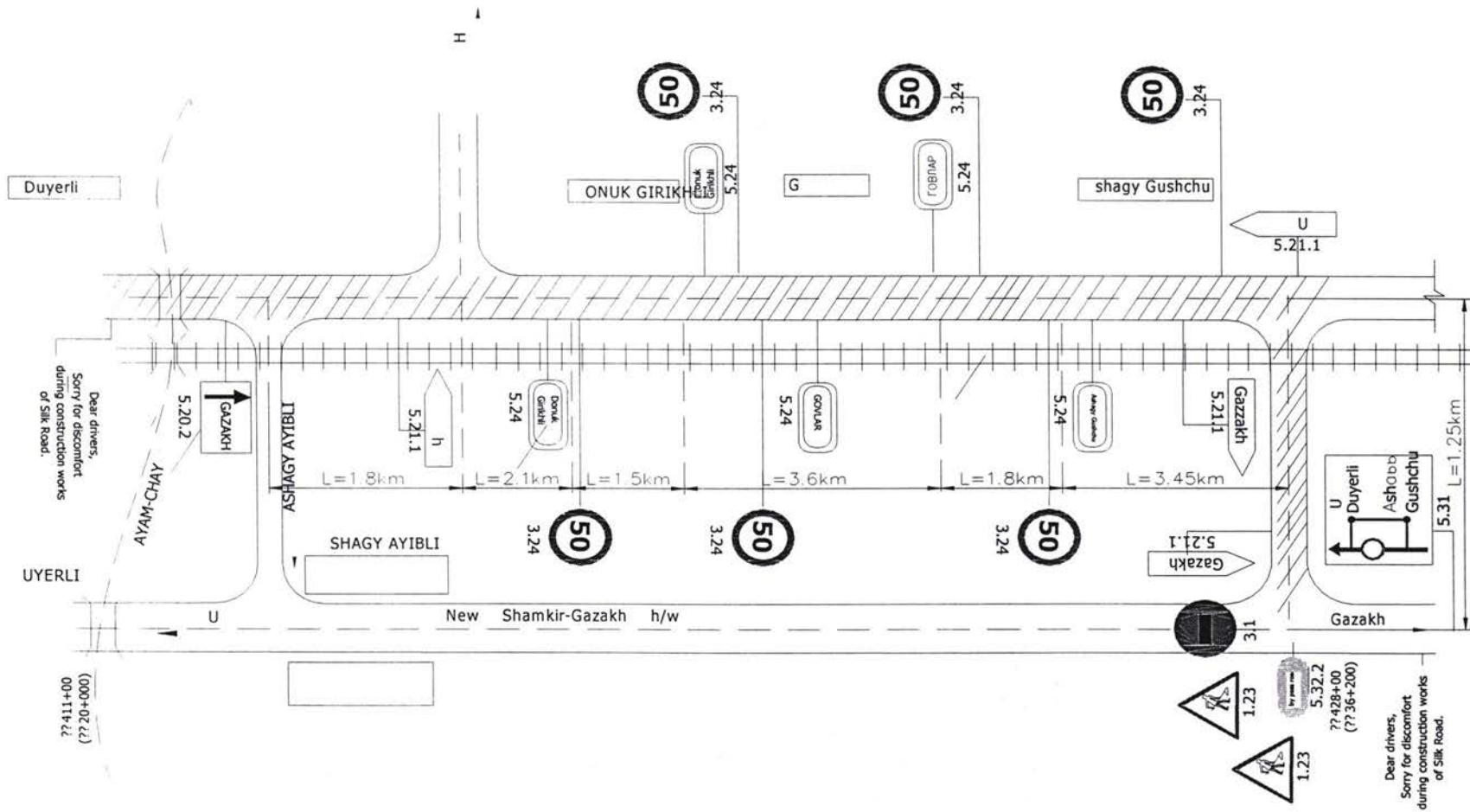
Contract CW2002-1 Borrow pits

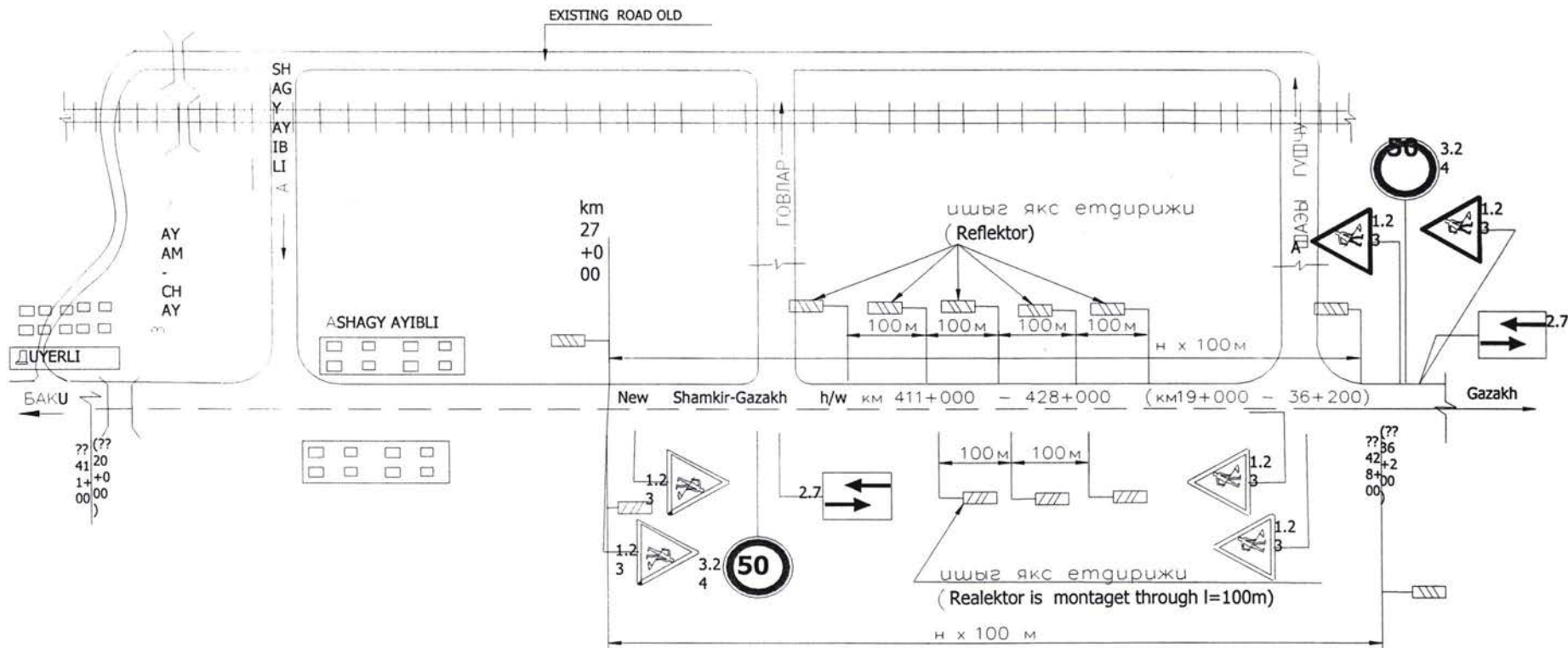
Borrow Pits, witch are going to use for Rehabilitation and Upgrading of road section Shamkir–Gazack



Contracts CW2003-1&2 and CW2003-3&4 proposed Borrow pits areas

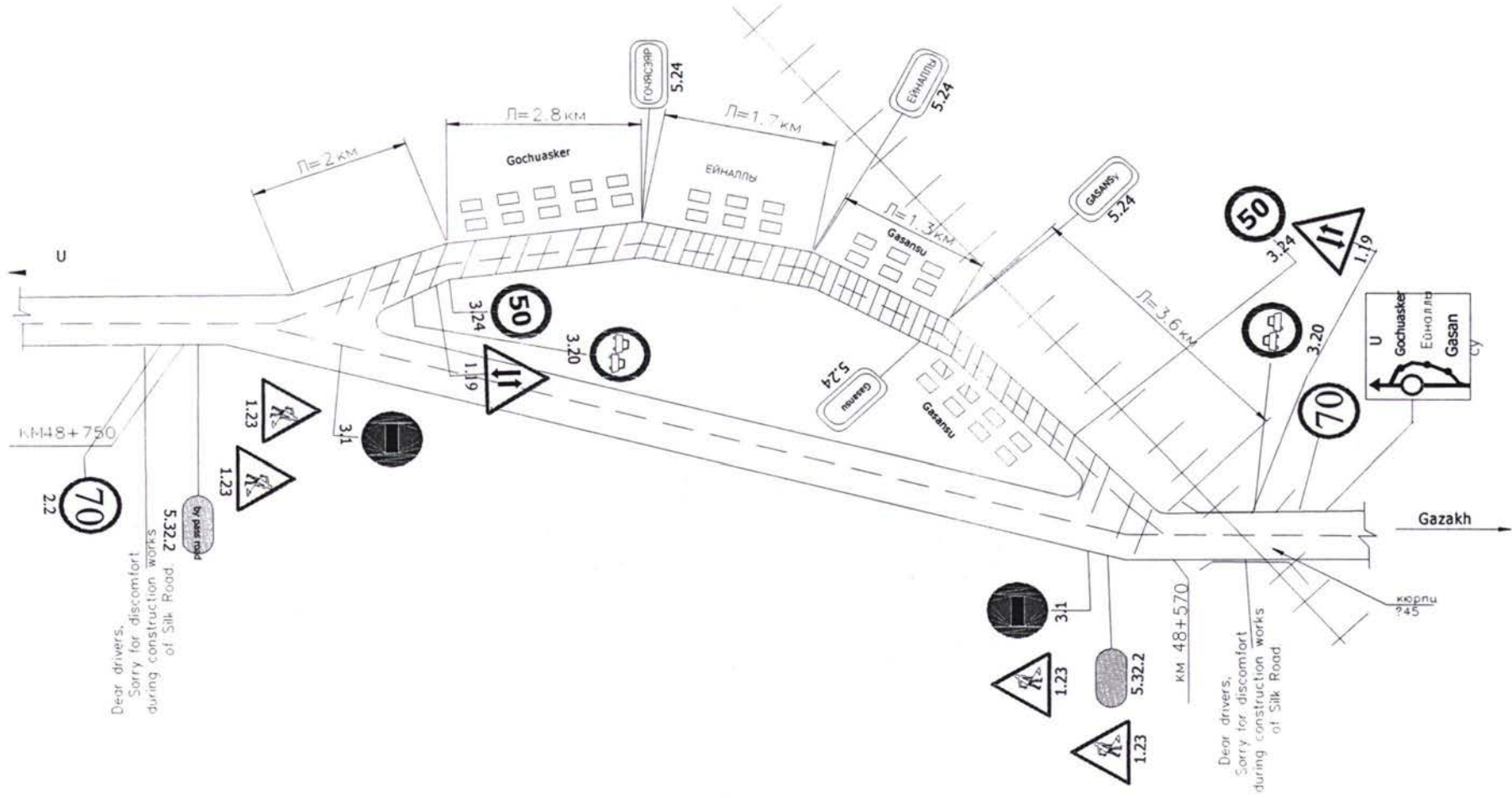






Contracts CW2003-1&2, single line operation at the Earthworks taking place between km 27+000 to km 37+000

Contracts CW2003-3&4, detour at the Earthworks between km 48+750 to km 58+570



Notes

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