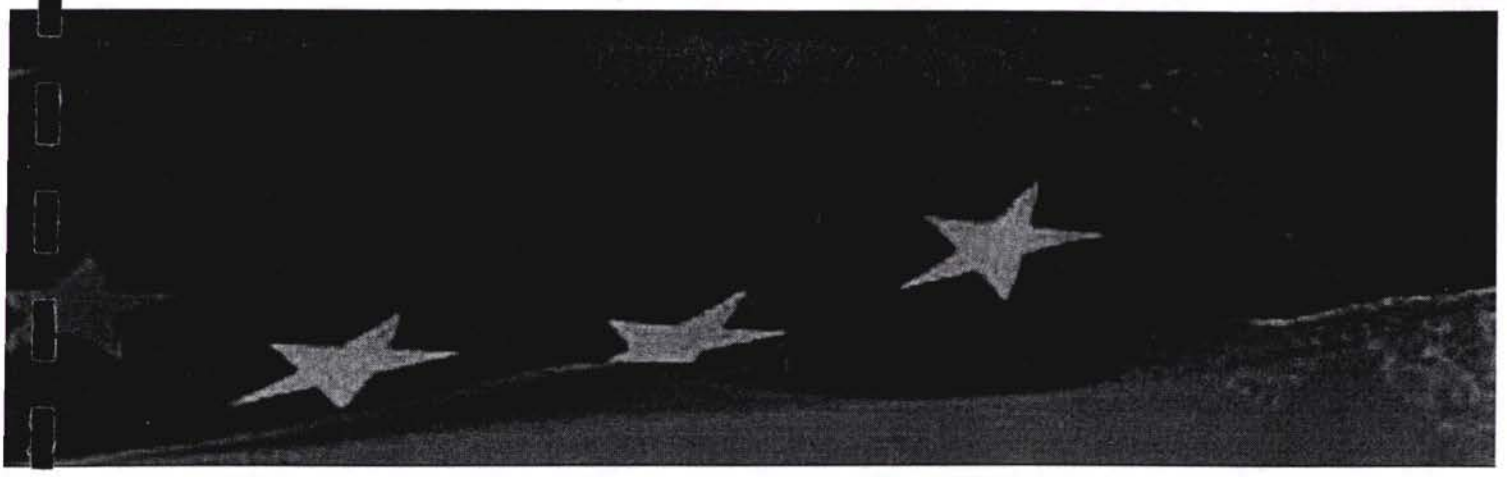


TACIS Regional 2004 TRACECA Programme

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

October 2004 – MPR16/2004/AZ

This project is funded by The European Union

A project implemented by Louis Berger SA Paris France

Contents

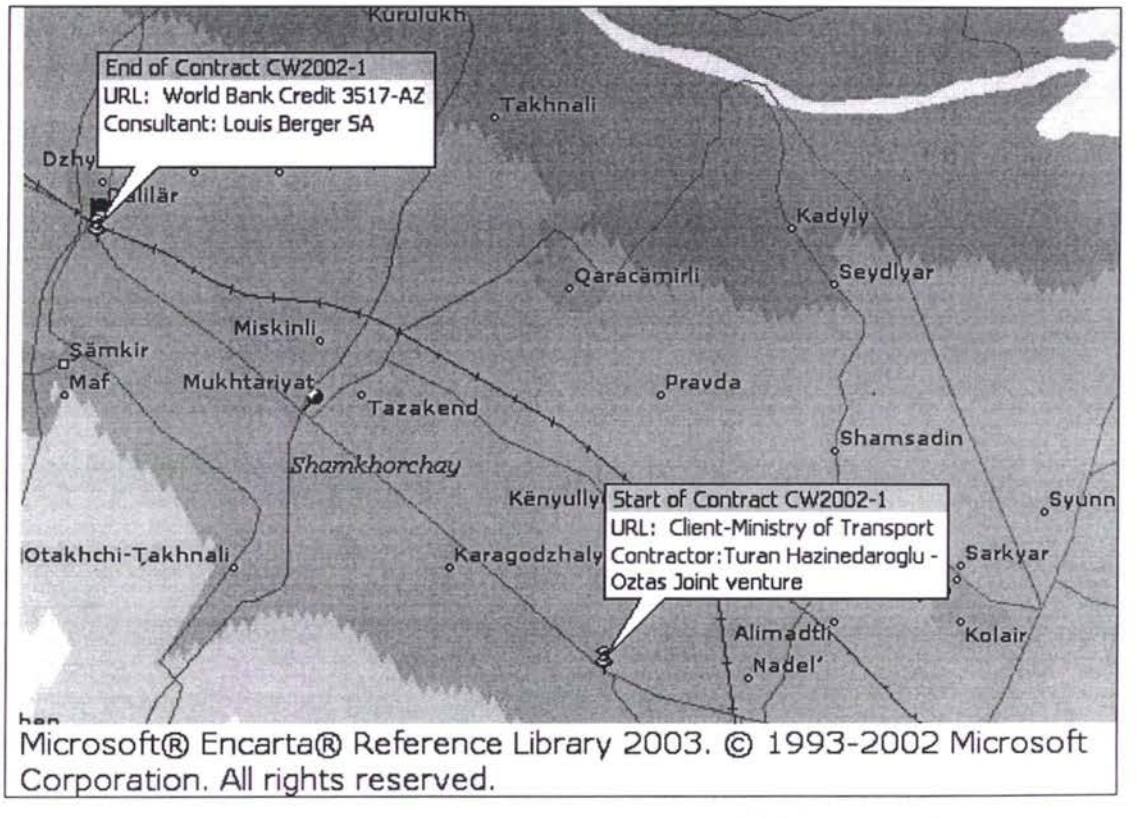
EC Service Contractor's	.....	.....	.....
EC Delegation	.....	.....	.....
TACIS Bureau (Task Manager)	.....	.....	.....
	Name	*Signature*	*Date*

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	• 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 (*road surfaces*) 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	• Good Roads completed to best standards and at the budget price.
Project activities	• To rehabilitate and upgrade the existing highway Ganja to Shemkir Lot 1, Contract CW2002-1
Start date	• Contract signature March 24th2003
Start activities	• April 21st2003
Duration	• 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. 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
Contractor	Turan Hazinedaroglu Joint Venture
T. Uslu	Project Manager

1.3.2. Project Data

Table 4

Works Contract CW 2002-1	
Works Tender Opened	14th May 2002
Contract Awarded	30th December 2002 by IDA
Letter of Acceptance Issued	24th March 2003
Contract Agreement Signed	April 9th 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.	21st April 2003
Original Contract Completion Date	21st July 2004
Extended Completion Date	21st November 2004-Interim extension of Time – letter P282, Oct20th2004
Defects Liability Period	365 days
1st Works Programme received	18th April 2003
Last revision of Works Programme	20th October 2004
Value of Works to date as per IPCs	23,992,210,206.89 AZM
Value of Works to date	27,077,542,217.20 AZM
Value of Works to date (%)	91.1%
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	50 days

Claims	1. New claim entered - Adjust Contract price - Clause 45 Taxes – Contractor's letter 157 dated July 30th2004 2. New claim entered – Extension of time – Contract letter 175 dated September 28th2004 – under PM consideration
Time elapsed to date	560 days
Time remaining to date	21 days (to interim extended Completion date of Nov 21st2004)

1.3.3. Progress report

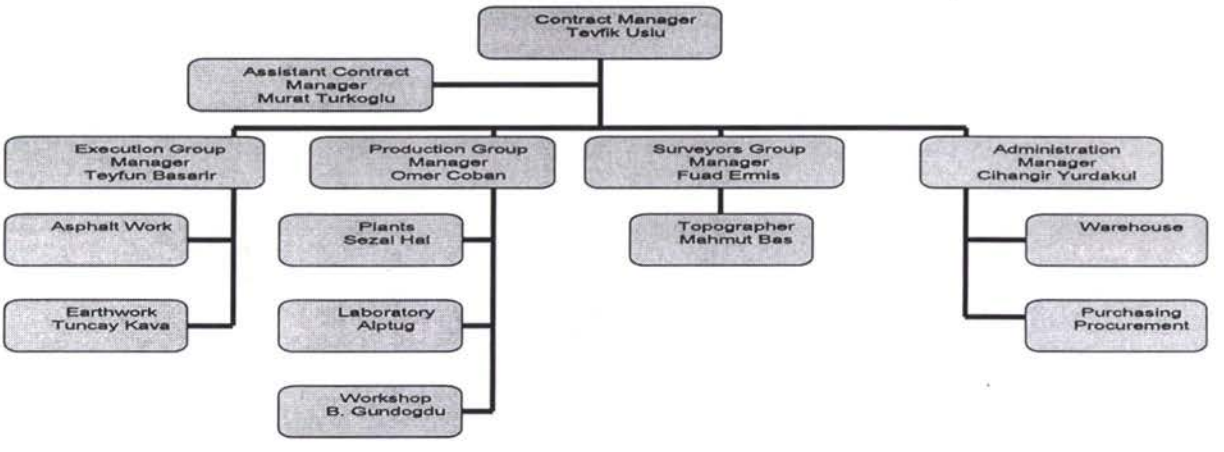
1.3.3.1. Status of the Contract

Since start (April 21, 2003) the Contractor have been on site 560 days of the Contractual time and to date are remaining 21 days of the Contractual time (interim extended Completion date - Nov 21st 2004)

1.3.3.1.1. Contractor's staff

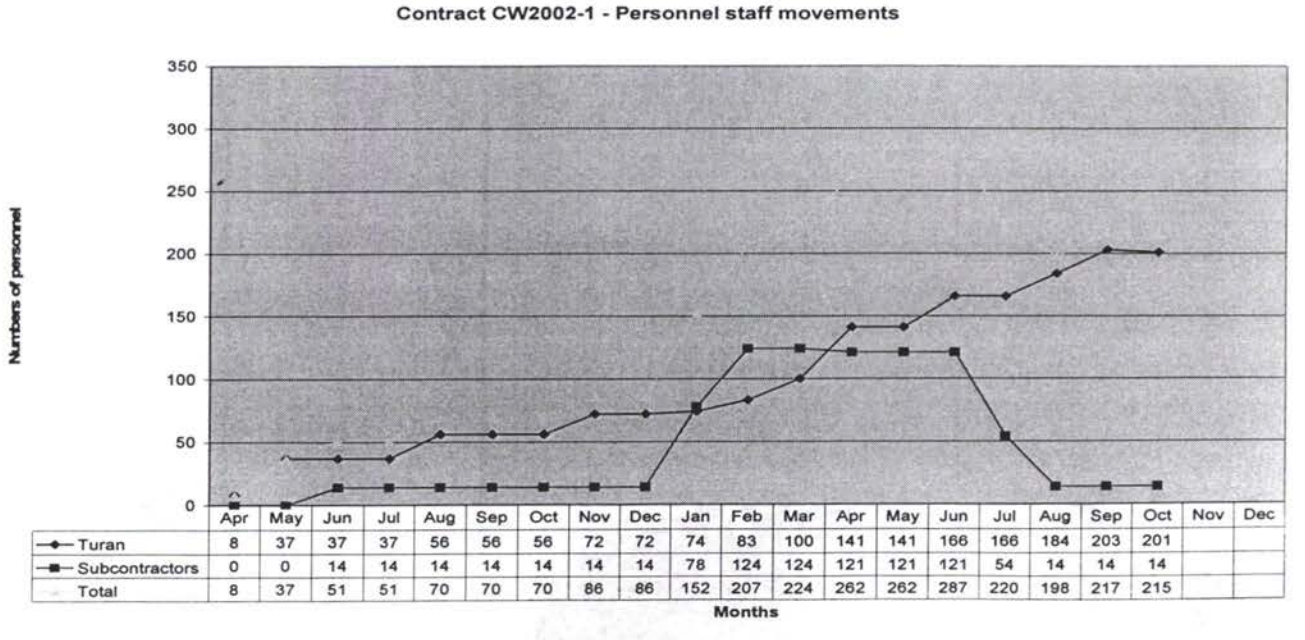
1.3.3.1.1.1. Management staff and organization (organogramme)

Figure 1



1.3.3.1.1.2. Personnel staff employed

Figure 2



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Turan	8	37	37	37	56	56	56	72	72	74	83	100	141	141	166	166	184	203	201		
Subcontractors	0	0	14	14	14	14	14	14	14	78	124	124	121	121	121	54	14	14	14		
Total	8	37	51	51	70	70	70	86	86	152	207	224	262	262	287	220	198	217	215		

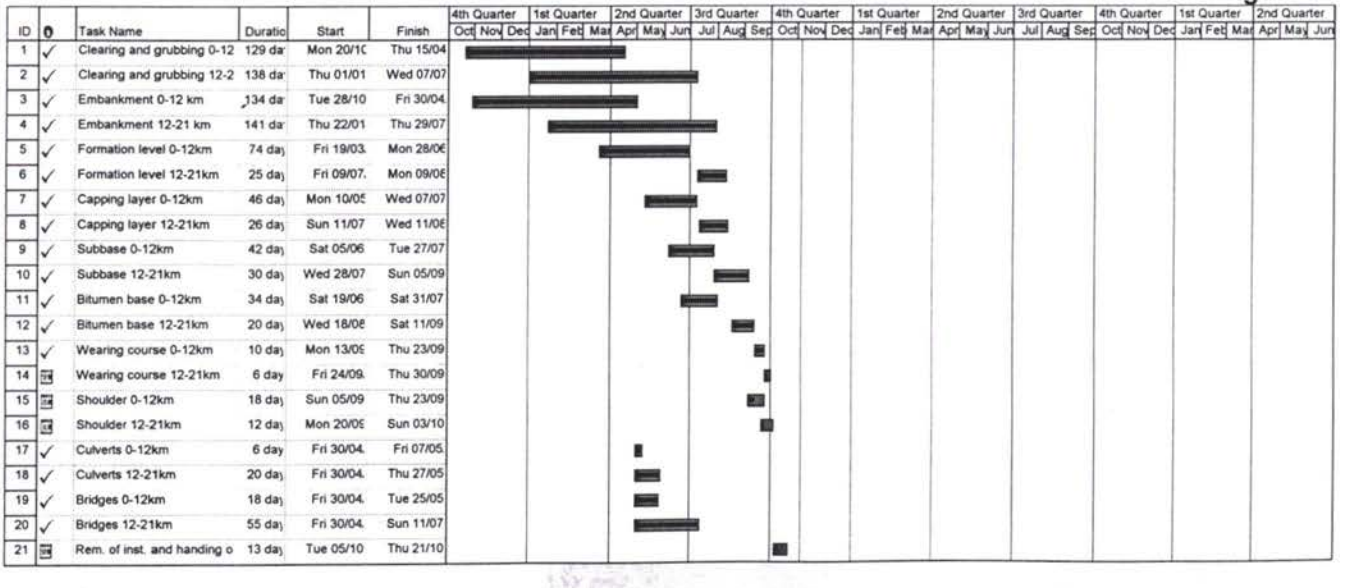
1.3.3.1.2. Contractor's machinery and equipment

Table 5

Item	Description	Model and capacity	Unit	For Project	Available	Work day
1	Asphalt Plant		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 CSSS-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			

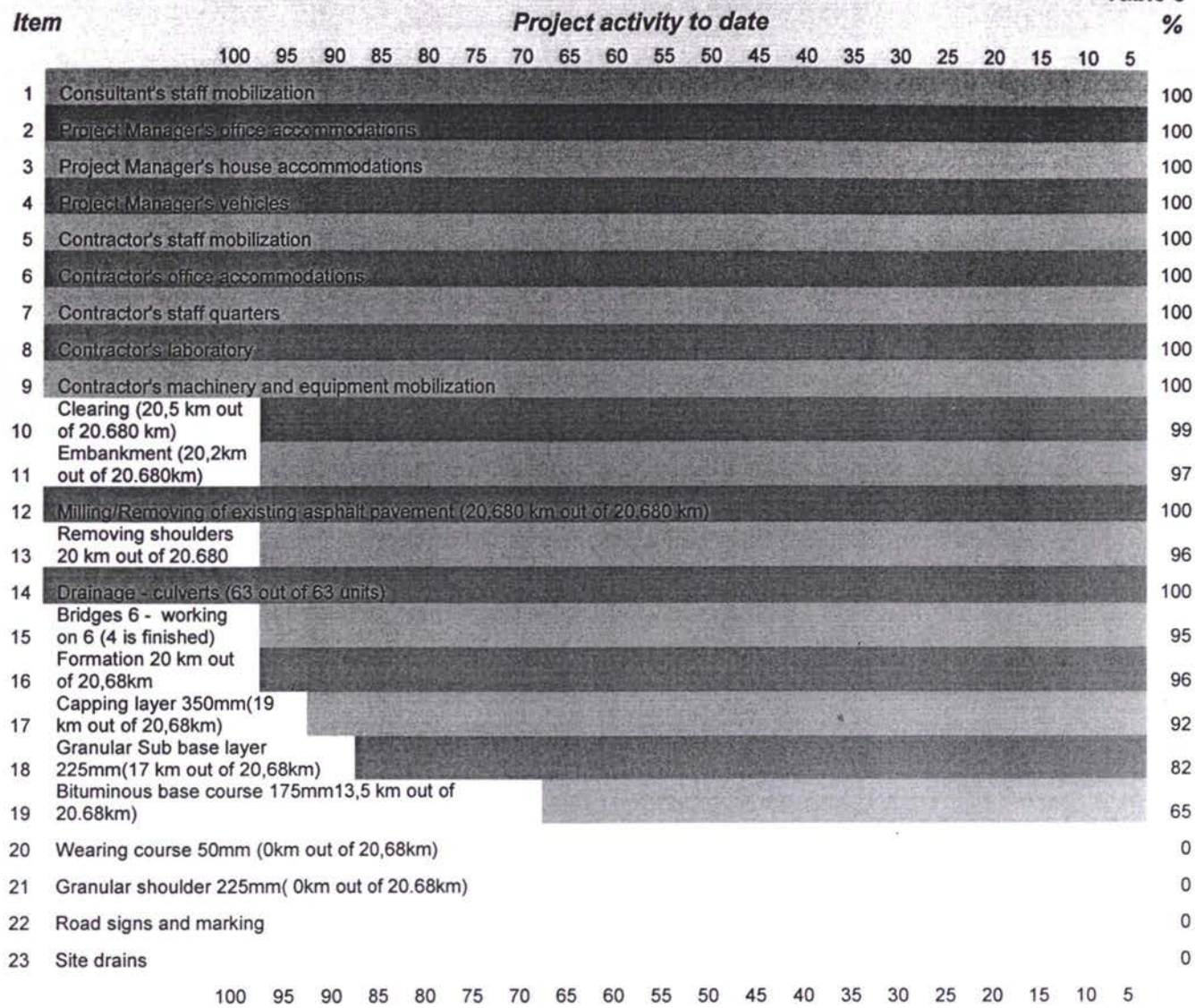
1.3.3.1.3. Contractor's Work programme

Figure 3



1.3.3.2. Project activity to date

Table 6



1.3.3.3. Project progress summary

The Volume of Works completed to October 31st2004 represents 91.1% from the Revised Contract value.

1.3.3.3.1. Work Progress on structures

1.3.3.3.1.1. Progress on culverts

Works has been completed

1.3.3.3.1.2. Progress on Bridges

Works has been completed

1.3.3.3.2. The Productions figures for some major Works operations

Table 7

Item	*Description*	*Unit*	*As per Programme*		*Actual achieved on site weekly*		
			0 -12km	*12-20km*	*Average*	*Maximum*	*Last week*
306	Bituminous Base/binder coarse	M2	18662	21532	10981	31182	21414

310	Wearing course	M2	70147		0.00	0.00	0.00
312	Sub base to shoulders	M3	8442		23.44	46.88	0.00

1.3.3.3.3. Conclusions

Contractor is running the project about 50 days behind.

1.3.3.3.4. Some problems which might effect on completion date

Table 8

Problems associated with completing the Contract in time	*Actions taken*
Guard rails – Preliminary estimates shown that the required length is just about double the volumes given in the Project B&Q	Client has accepted the proposal Contractor instructed to proceed
Petrol stations – 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 3rd2004 and 98 dated August 30th2004	PIU to clarify with the RTS and Confirm. Not yet resolve
Gas service lines – There are several km of pipe lines remaining under the widened embankment of the rehabilitated road which must be removed	PIU instructions received at Minutes of Meeting July 26th. No Funds no relocation of services
Electrical service lines – There are 18 crossings not conforming the standards To date only 4 crossing has been instructed so far.	PIU instructions received at Minutes of Meeting July 26th. No Funds no more than 4 relocations
Single seal to shoulders - 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	Client has been accepted the pro –Contractor has been instructed to proceed
High fills water collector drain – In order to improve the design and stability on high fills, Contractor proposed water rain collector drain	Client has accepted the proposal Contractor instructed to proceed

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.

1.3.4.1.2. New claims

1.3.4.1.2.1. Change in legislation (Vat – Clause 45 Taxes)

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 RTSD on 2nd August 2004 (Consultant letter P228).

1.3.4.1.2.2. Extension of time

The Contractor entered new claim for extension of time (extra 92 days) – Due to Increased whole volume of Contract Works more than 10% and Unexpected increased of unsuitable material for more than 8000 m3 – Contractor letter 175 dated 28th September 2004. The Claim is under consideration, however by letter P282 dated October 20th2004, the Contractor has been granted Interim Extension of Time of one month in order for Consultant to collect and review the claim particulars.
The Consultant by letter P289 of 24 October 2004 to the Contractor has assessed and proposed 42 days Extension of Time. This EoT would be formalized after receiving Employer and Contractor comments.

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 21st October 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 26th July 2004.

1.3.4.2.3. Variation order №3 – Bridge 30 revised redesign for amount of (-68,649,238.00)

The VO3 is finalised waiting signature of concerned parties.
The value VO3 is –68,649,238 AZM.

1.3.4.4. Variation order №4 (Single Seal on Shoulders)

The Contractor has proposed to carry out Single Seal on Shoulders. His proposal has been studied by the Consultant and approved by the Employer.
The VO4 has been issued, waiting signature of concerned parties.
The value of this VO is +386,979,600 AZM.

1.3.4.5. Variation order №5 (Rain Water Collectors on High Fills)

The Contractor has proposed to carry out rain water gutters on high fills. His proposal has been approved by the Employer and the Contractor has been instructed accordingly. The VO has been issued, waiting signature of concerned parties.
The value of this VO is +224,417,080 AZM.

The revised Contract Value would be updated after signature of VOs (3, 4 and 5).

1.3.5. Financial

1.3.5.1. Interim Payment Certificates to date

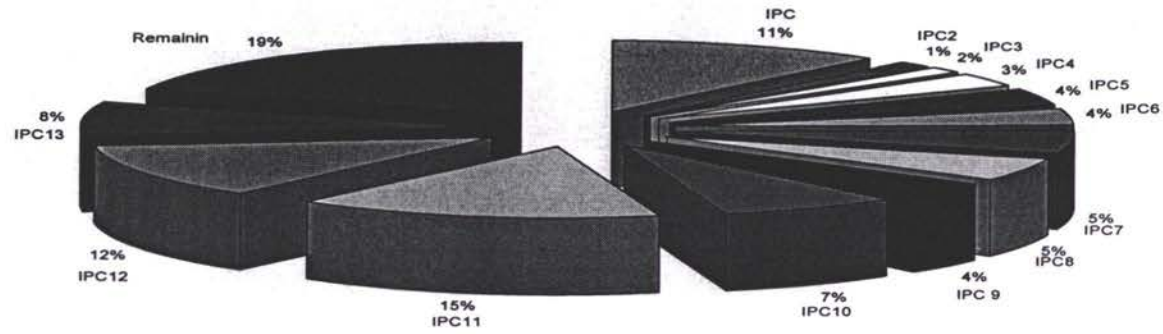
Table 9

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	3,614,162,119.00	12.15%	paid
13	30/0904	IPC13		7.57%	Not yet
		To date	23,992,210,206.89	80.63%	Not fully
		Available	5,763,330,691.11	19.37%	Remained
		Contract price	29,755,540,898.00	100.00%	

The IPC 14 has not been entered yet at the time of preparation of the Report.

Figure 4

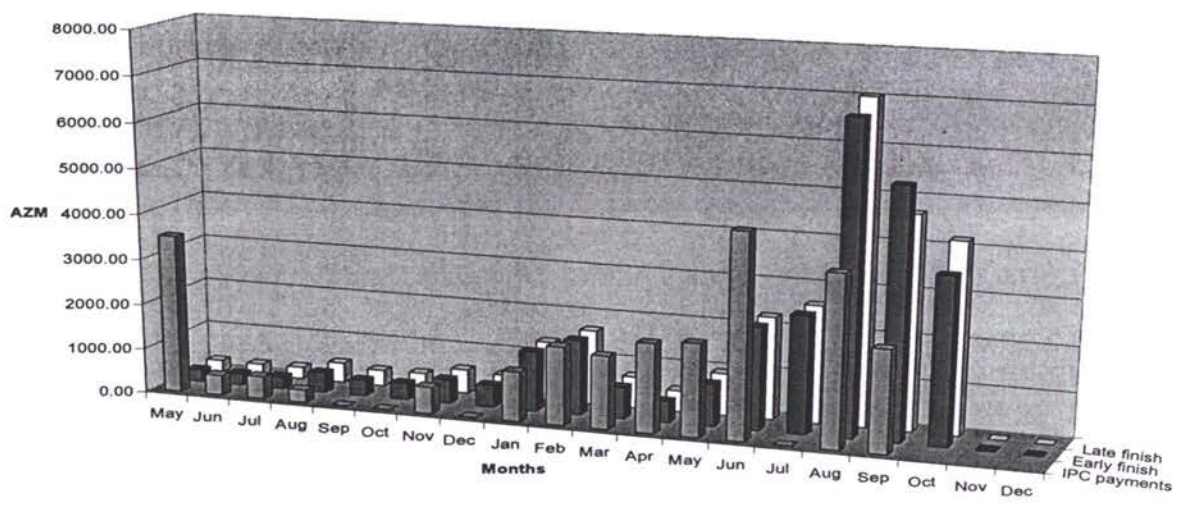
Contract CW2002-1, IPCs payments and the remaining value of Works



1.3.5.2. Cash flow projection

Figure 5

Contract CW2002-1, Comparison between the Contractor's updated cash flow projection (September 5, 2004) and the actual IPCs payments



1.3.5. Testing results

Table 10

SUMMARY OF LABORATORY TESTING DURING October MONTH

Description of Work		*Test Performed*				*Remarks*
		Total	*Passed*	*Retested*	*% Passed*	
Road Embankment						
1	FDT/Nuclear Density	102	89	13	87.2	
2	PI	1	1	0	100.0	
3	MDD/Proctor	1	1	0	100.0	

4	CBR	1	1	0	100.0	
5	Moisture Content	1	1	0	100.0	
Granular capping layer or selected sub grade fill- 1 (175mm Of 350mm)						
1	Gradation	1	1	0	100.0	
2	FDT/Nuclear Density	20	14	6	70.0	
3	MDD/Proctor	1	1	0	100.0	
4	PI	1	1	0	100.0	
5	CBR	1	1	0	100.0	
6	Moisture Content	1	1	0	100.0	
Granular capping layer or selected sub grade fill- 2 (175mm Of 350mm)						
1	Gradation	1	1	0	100.0	
2	FDT/Nuclear Density	33	24	11	72.7	
3	MDD/Proctor	1	1	0	100.0	
4	PI	1	1	0	100.0	
5	CBR	1	1	0	100.0	
6	Moisture Content	1	1	0	100.0	
Granular sub base layer (from recycled asphalt concrete and recycled sub base material) 225mm						
1	Gradation (Combined)	2	2	0	100.0	
2	FDT/Nuclear Density	83	72	11	86.7	
3	MDD/Proctor	2	2	0	100.0	
6	Water Absorption	2	2	0	100.0	
7	Moisture Content	2	2	0	100.0	
8	CBR	2	2	0	100.0	
9	PI	2	2	0	100.0	
Granular Shoulder (sub base material) 225mm						
2	FDT/Nuclear Density	18	12	6	66.7	
Bituminous road base 2 (100mm)						
1	Gradation	7	7	0	100.0	
2	LAA	1	1	0	100.0	
3	Stripping Test	1	1	0	100.0	
4	Fractured face	1	1	0	100.0	
5	Core-cutting (thickness)	7	7	0	100.0	
6	Extraction test	7	7	0	100.0	
7	Stability	7	7	0	100.0	
8	Flow	7	7	0	100.0	
9	Air Voids	7	7	0	100.0	
10	VMA/VFA	7	7	0	100.0	
Bituminous road base 2 (75mm)						
1	Gradation	2	2	0	100.0	
2	LAA	1	1	0	100.0	
3	Stripping Test	1	1	0	100.0	
4	Fractured face	1	1	0	100.0	
5	Core-cutting (thickness)	2	2	0	100.0	
6	Extraction test	2	2	0	100.0	
7	Stability	2	2	0	100.0	
8	Flow	2	2	0	100.0	
9	Air Voids	2	2	0	100.0	
10	VMA/VFA	2	2	0	100.0	
Flexible bituminous surface (50mm)						
1	Gradation	12	12	0	100.0	
2	LAA	1	1	0	100.0	
3	Stripping Test	1	1	0	100.0	
4	Fractured face	1	1	0	100.0	
5	Core-cutting (thickness)	12	12	0	100.0	
6	Extraction test	12	12	0	100.0	
7	Stability	12	12	0	100.0	
8	Flow	12	12	0	100.0	
9	Air Voids	12	12	0	100.0	
10	VMA/VFA	12	12	0	100.0	

1.3.7. Correspondence records

1.3.7.1. Incoming Letters

Table 11

Item	Date Received	Author from	Sender's ref	Date on the Letter	In resp to	Subject	Attach-ments	Replay status: Require Yes / No	Replay status: Date Sent	Replay status: Our Ref:
1	01/10/2004	M.T	178	01/10/2004	N/A	IPC No 13	yes	yes	04/10/2004	241
2	04/10/2004	M.T	179	04/10/2004	N/A	Changes in the Bus Stops	yes	yes		
3	20/10/2004	T.B	182	20/10/2004	N/A	Work programmes including time extensions	no	no		
4	27/10/2004	T.B	183	27/10/2004	N/A	Cross section between 10+000-20+680	no	yes		

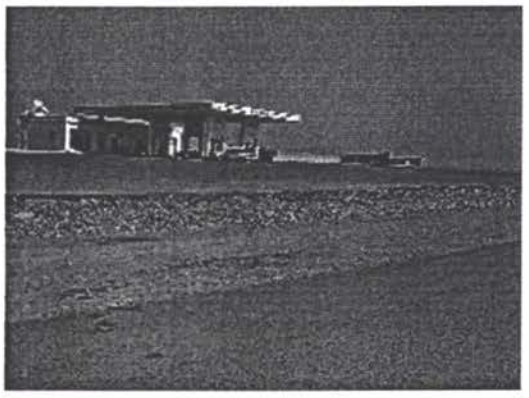
1.3.7.2. Outgoing letters

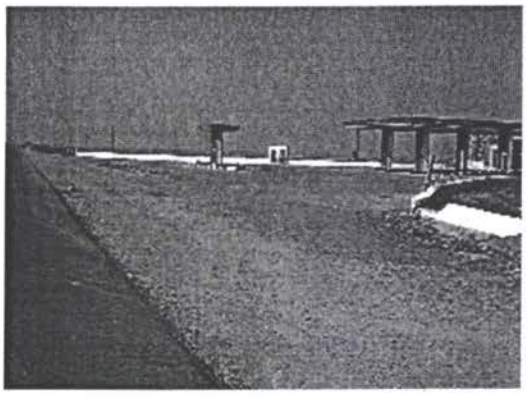
Table 12

Item	Date Posted	Author initials	Our ref	Date Written	In response to	Subject	Attach-ments	Replay status: Require Yes/No	Replay status: Date Sent	Replay status: Sender's Ref:
1	04/10/2004	S.D	239	04/10/2004	175/28.09.2004	Letter 175	no	no		
2	04/10/2004	S.D	240	04/10/2004	177/30.09.04	Letter 177	no	no		
3	04/10/2004	S.D	241	04/10/2004	178/01.10.04	Letter 178	no	no		
4	06/10/2004	S.D	242	06/10/2004	174/24.10.04	Letter 174	no	no		
5	07/10/2004	S.D	243	07/10/2004	N/A	Monthly Progress Minutes of Meeting	yes	no		
6	11/10/2004	S.D	244	11/10/2004	N/A	Your proposal-Petrol Stations	no	no		
7	11/10/2004	S.D	245	11/10/2004	N/A	Access to private properties along the road	no	no		
8	18/10/2004	S.D	246	12/10/2004	N/A	Interim Minutes of Meeting held 05.10.04	yes	no		
9	13/10/2004	S.D	247	12/10/2004	179/04.10.04	Letter 179	no	no		
10	20/10/2004	R.D	248	20/10/2004	N/A	Single Seal in Shoulders	yes	no		

1.3.8. Project progress photos

Approaches to Petrol Stations

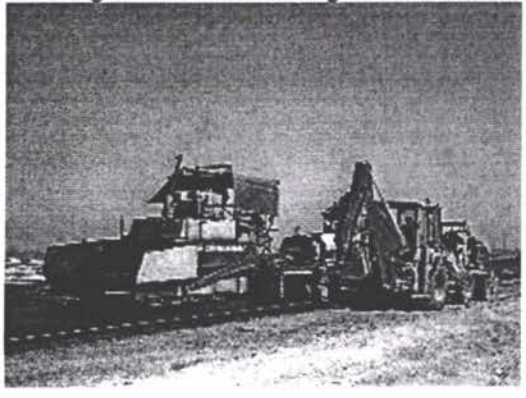


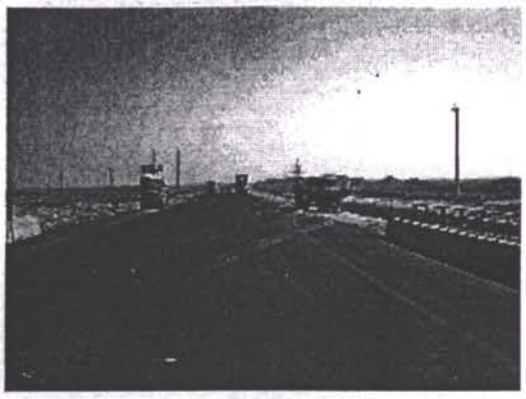


Pedestrian walkway

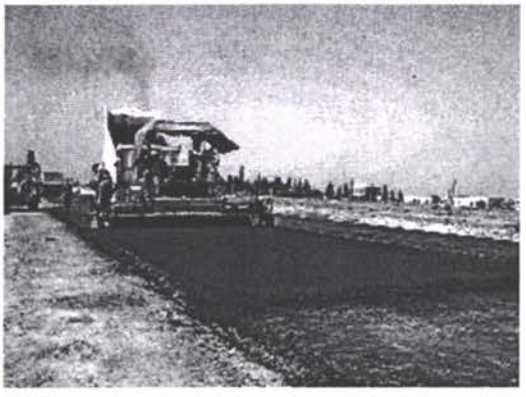
Preparing Binder surface to receive Tack coat and then Wearing course

Wearing course in full swing





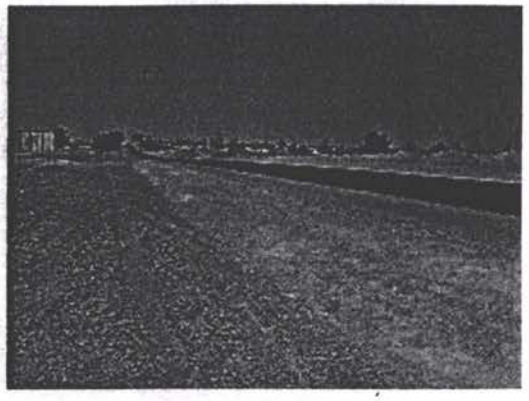


Consultant's asphalt inspector in action



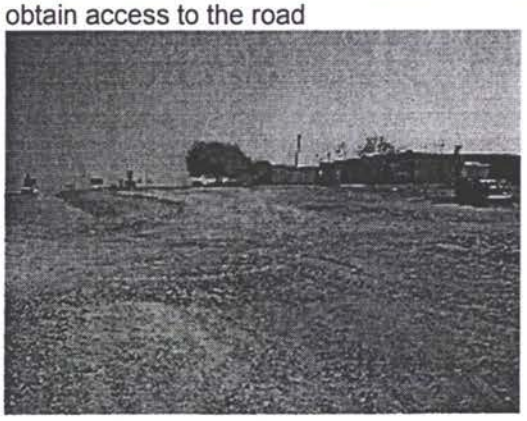

Finishing off Borrow pits areas, cuts and cutting side drains



Fixing up signatory road signs

Owners which have been cut off from the main road started backfilling freshly cut side drains to obtain access to the road

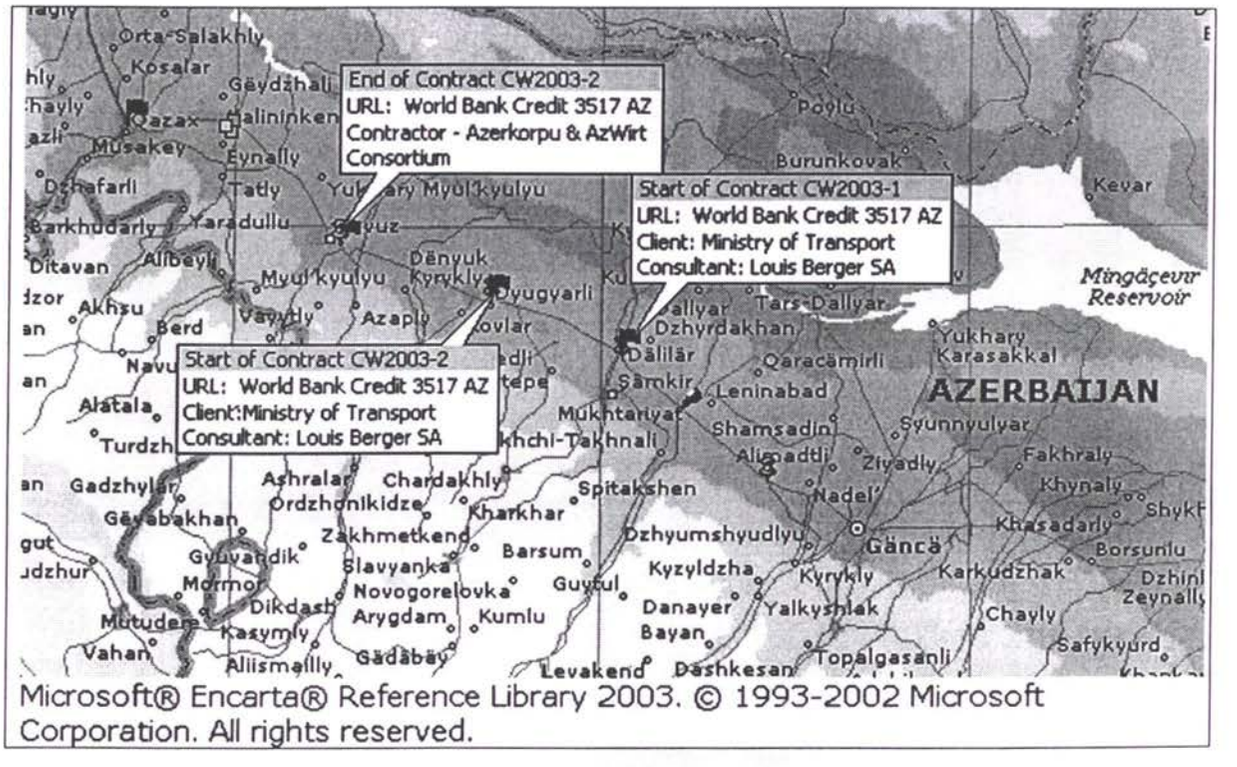


Rehabilitation of Caucasian Highways Azerbaijan
Monthly Technical report

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	• 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 (*road surfaces*) 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	• Good Roads completed to best standards and at the budget price.
Project activities	• To rehabilitate and upgrade the existing highway Shemkir to Gazakh – Contracts CW2003-1 and CW2003-2
Start date	• February 23rd 2004
Start date activities	• February 23rd 2004
Project duration	• 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 2nd2003
Letter of Acceptance	December 27th2003
Contract Agreement Signed	January 22nd2004
Possession of site	February 5th2004
Tender amount	61,800,315,562.42 AZM
Contract Amount	60,082,264,241.00 AZM
Contract revised value including VO1	60,214,171,978.85 AZM
Contract Start Date	February 23rd2004
Original Contract Completion Date	August 23rd2005
Extended Completion Date	N/A
Defects Liability Period	365 days
1st Works Programme received	March 24th2004
Last revision of Works Programme	Oct 27th2004 (under consideration)
Value of Works to date as per IPCs	6,154,869,435.50AZM
Value of Works done	6,683,773,089.64AZM
Value of Works done (%)	11.1%
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	63 days (excluding delay of about 5 months for longitudinal redesign)
Claims	Claim №1 – Late advance payment, under PM consideration Claim №2 – Late paid portion of advance payment, under PM consideration
Time elapsed to date	252 days
Time remaining to date	296 days

A.2.3.3. Progress report

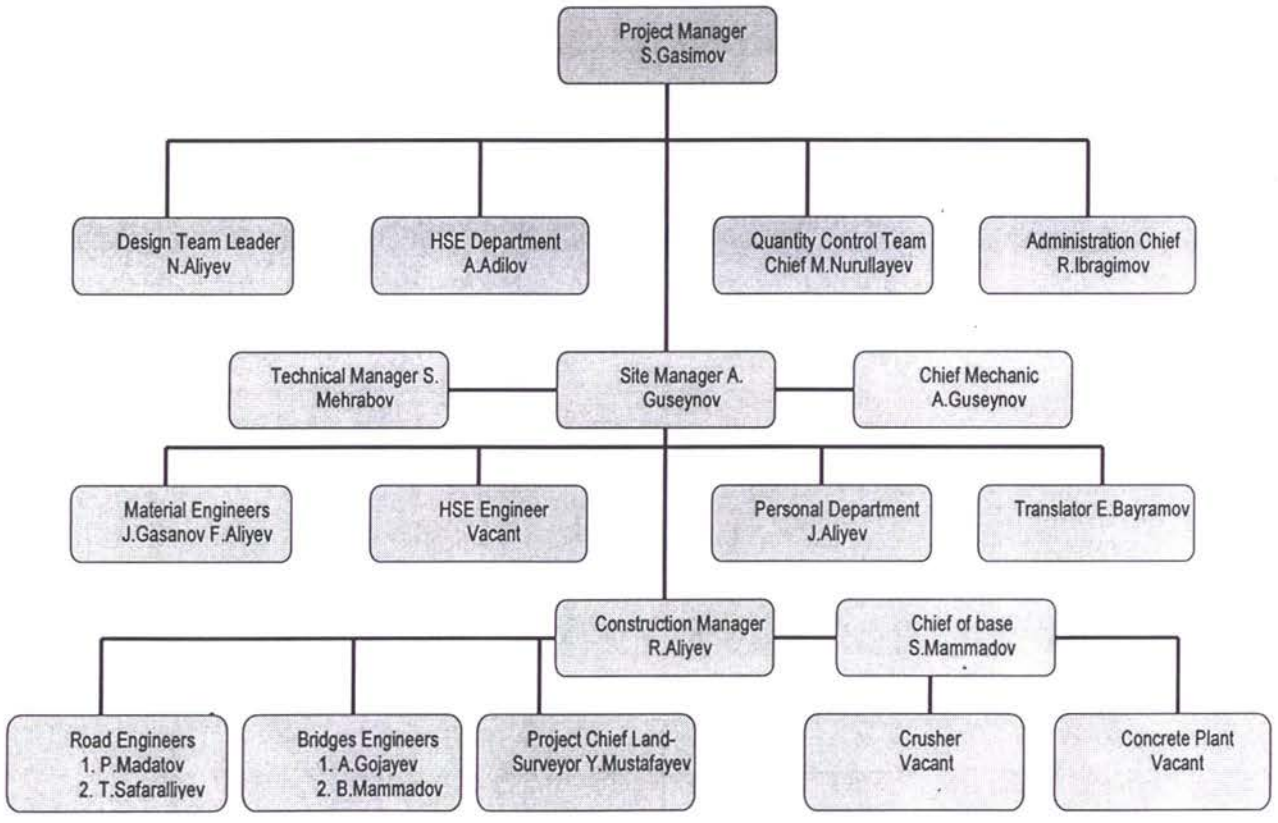
A.2.3.3.1. Status of the Project

Since start (February 23, 2004) the Contractor have been on site 252 days or 45.99% of the Contractual time and to date are remaining 296 days or 54.01% 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)

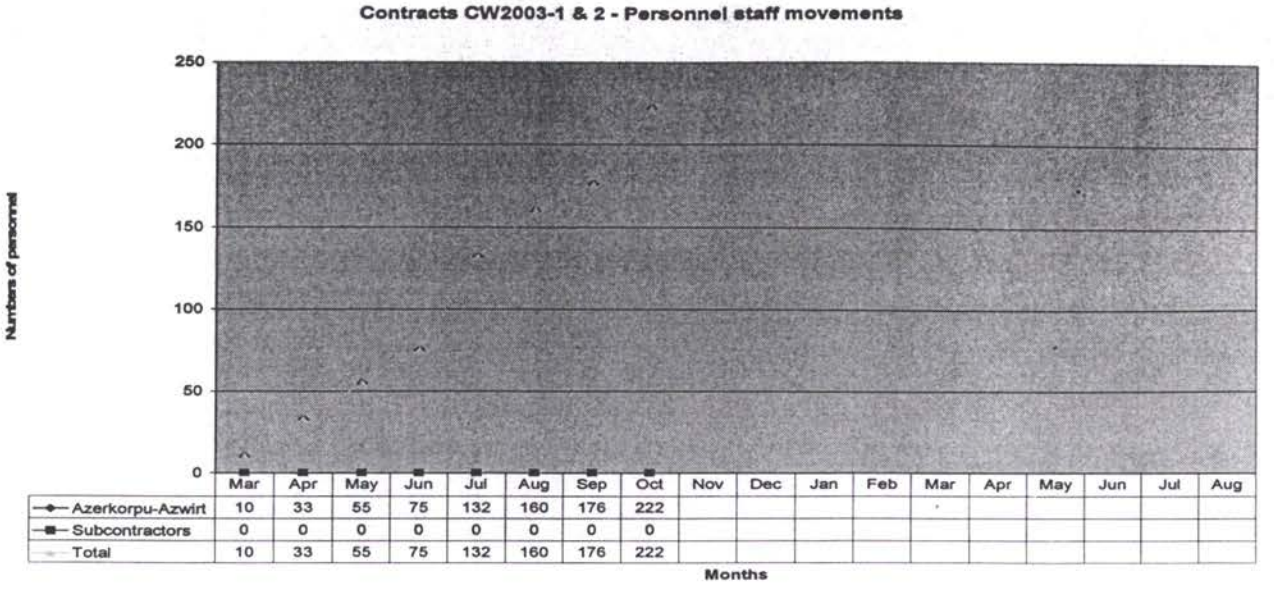
Figure 1



A.2.3.3.1.1.2. Contractor's site staff employed

Contractor at present has employed for construction on this project – 222 people (including locals 127)

Figure 2



	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Azerkorpu-Azwirt	10	33	55	75	132	160	176	222										
Subcontractors	0	0	0	0	0	0	0	0										
Total	10	33	55	75	132	160	176	222										

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	Dumper truck	Mercedes ,KAMAZ 5511MAZ5516,5319,5334	no	0	22	25
2	Crane	RDK	no	0	1	14
3	Water tanker	MAZ5334 / KRAZL	no	0	2	25
4	Microbus/BUS	FORD - KIA KAVZ-685	no	2	2	25
5	Truck	QAZ-53/QAZ-52	no	4	0	0
6	Vero roller	Bomag/dynapac	no	8	0	0
7	Excavator	Cat318/EO 5129/CAT330,KAMATSU,Litronik A 902	no	2	6	22
		EO- 3322				
8	Grader	DZ-1225-1, DOMAS CAT140H	no	4	3	28
9	Loader	CaT950G,L-538	no	2	2	24
10	Welding Machine		no	0	0	0
11	Trailer		no	2	0	0
12	Milling Machine	Wirtgen	no	2	0	0
13	Crusher Plant	SBM 10/12/6 &10/6/6;220 t/h; 1993	no	2	0	0
14	Asphalt mix Plant	Wibau GmBH	no	2	0	0
15	Vibrating plate	Bomag	no	4	0	0
16	Bulldozer	T-170,CAT D8R, CAT D5N	no	2	3	28
17	Truck crane	KATO,MAZ3577,Dnepr-3573,kazmaz53215	no	4	4	28
18	Water carrier		no	0	0	0
19	Welding set		no	0	0	0
20	Generator	DT-75	no	0	1	25
21	Drilling Rig	Soilmec 516	no	0	1	8
22	Asphalt Paver	Joseph Vogele AG	no	2	0	0
23	Pneumatic roller	Bomag	no	6	0	0
24	Cold milling Machine	Wirtgen	no	2	0	0

25	Semi trailer low bed	Yalchin Dorse Damper San	no	2	0	0
26	Concrete Mixer	Atika Ultra	no	2	3	26
27	Concrete Mixer	Stroymash KAMAZ	no	4	0	0
28	Bitumen Spreader	KAMAZ	no	2	0	0
29	Service van	Gazel	no	2	0	0
30	Road roller	BOMAQ 65H,BOXER,Vibrokatok	no	2	4	27
31	Compressor	Atlas	no	2	0	0
32	Hidrohummer	Krupp	no	6	0	0
33	Testing bore on compression ratio	Germany	no	2	0	0
34	Surveyor level instrument - Zeiss N2	Germany	no	2	0	0
35	Lorry	QAZ-66	no	0	3	26
36	Car	VAZ-21214	no	0	7	30
37	Fuel tanker	ZIL -130	no	0	1	29

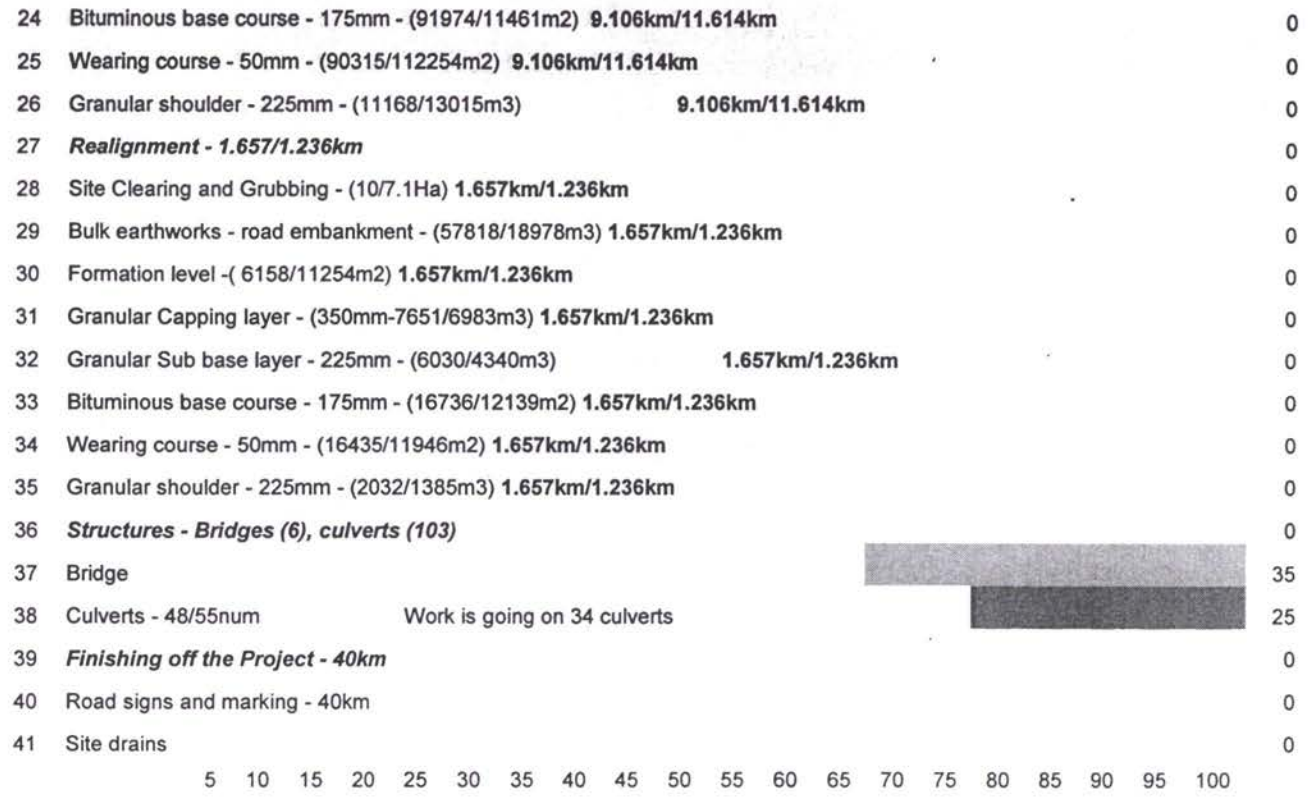
A.2.3.3.1.3. Contractor's Work programme

The Contractor has submitted updated revised Works programme on October 27th2004. The WP is under consideration and not approved yet.

A.2.3.3.2. 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 10 5	
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	75
5	Contractor's staff	90
6	Contractor's office	80
7	Contractor's staff q	90
8	Contractor's laboratory	75
9	Contractor's machinery and equipment mobilization ()	50
10	Contractor verifying Project bench marks	100
11	Existing ground elevations	75
12	***Overlay - 8.237/8.150km***	0
13	Overlay 40mm - 0/2.350km	0
14	Overlay 80mm - 4.987/5.000km	0
15	Overlay 120mm - 3.250/0.800km	0
16	***Reconstruction - 9.106/11.614km***	0
17	Site Clearing and Grubbing - (57/66.4Ha) **9.106km/11.614km**	25
18	Bulk earthworks - road embankment - (317732/178332m3) **9.106km/11.614km**	25
19	Milling/Removing of existing asphalt pavement - (8000/11625m3) **9.106km/11.614km**	20
20	Removing sub base material - (22500/23500m3) **9.106km/11.614km**	0
21	Formation level - (33842/105746m2) **9.106km/11.614km**	10
22	Granular Capping layer - (350mm-42049/65617m3) **9.106km/11.614km**	5
23	Granular Sub base layer -((225mm-18890/40785m3),(200mm-14250/0m3)) **9.106km/11.614km**	0



A.2.3.3.3. Project progress summary

As per the latest approved Programme of Works the Contractor is about 63 days behind on general clearing and grabbing.

A.2.3.3.3.1. Works Progress on structures

A.2.3.3.3.1.1. Progress on culverts

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+624	pipe	1250	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+020	pipe	1000	Yes	23/09/2004		Replace
69e	82	yes	27+123	pipe	1250	Yes			Replace
70e	83	yes	27+543	box	2,0x2,0	Yes			deleted
71e	84	yes	27+643	pipe	2(2200x2200)	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+200	pipe	1000	Yes	06/07/2004		Rehabilitate
74e	89	yes	28+477	pipe	1000	Yes	16/09/2004		Replace
75n	90	no	28+580	pipe	1250	no			New

76e	91	yes	28+620	pipe	1000	Yes	16/09/2004		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	pipe	2200	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+080	pipe	1250	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	17/10/2004		Replace
86e	103	yes	31+515	pipe	1500	Yes	25/08/2004		Rehabilitate
18	104	yes	31+615	pipe	1000	Yes	28/06/2004		Rehabilitate
87e	105	yes	31+962	pipe	1000	Yes	04/10/2004	23/10/2004	Replace
88e	106	yes	32+096	box	2,0x2,0	Yes			Replace
89e	107	yes	32+611	pipe	1000	Yes	06/07/2004		Replace
90e	108	yes	32+876	pipe	1000	Yes	04/10/2004	22/10/2004	Replace
91e	109	yes	33+096	pipe	1000	Yes	28/06/2004		Rehabilitate
92e	110	yes	33+352	pipe	1000	Yes	05/10/2004	20/10/2004	Replace
93e	111	yes	33+643	pipe	2200	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	pipe	2x1250	Yes			Replace
97n	115	no	34+400	pipe	2x1250	no			deleted
98e	116	yes	35+076	pipe	1000	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			deleted
102e	120	yes	36+211	pipe	1250	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

A.2.3.3.3.1.2. Progress on bridges

A.2.3.3.3.1.2.1. General on bridge structures

The Contractor presently is busy at Bridge 39 and 41.

Table 8

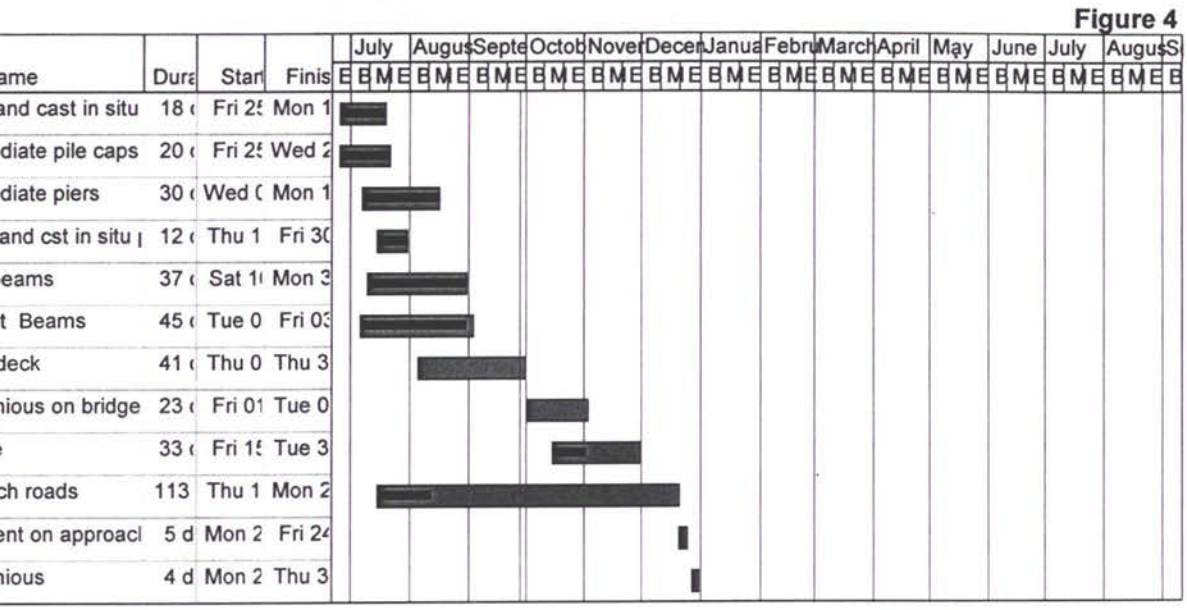
Bridge No	Chainage where the to be build	Description of the existing structure	Existing (meter)	Carriage way	Action proposed by our design tender review done August 2003	Description according to the project (meter)	Size According to the project	Carriage way
36	2+310	3*14.0	48	7	Replace/New	12+21+12	54.3	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	82.48	7	New	5*18.0	90.0	11.5
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.

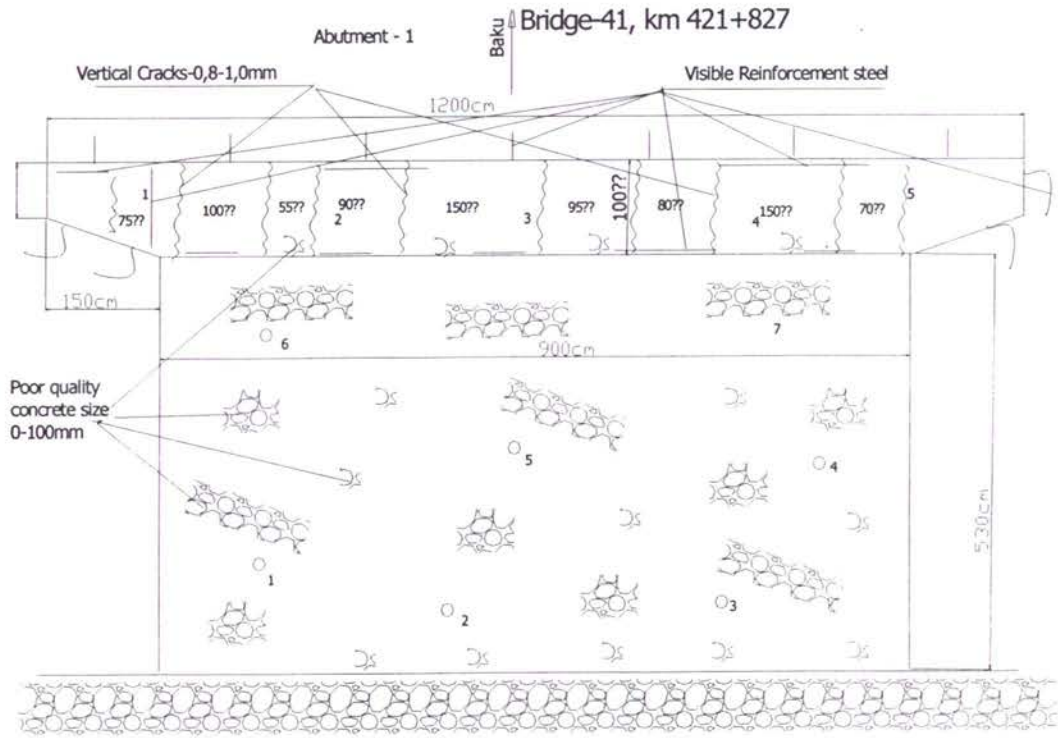
Figure 4

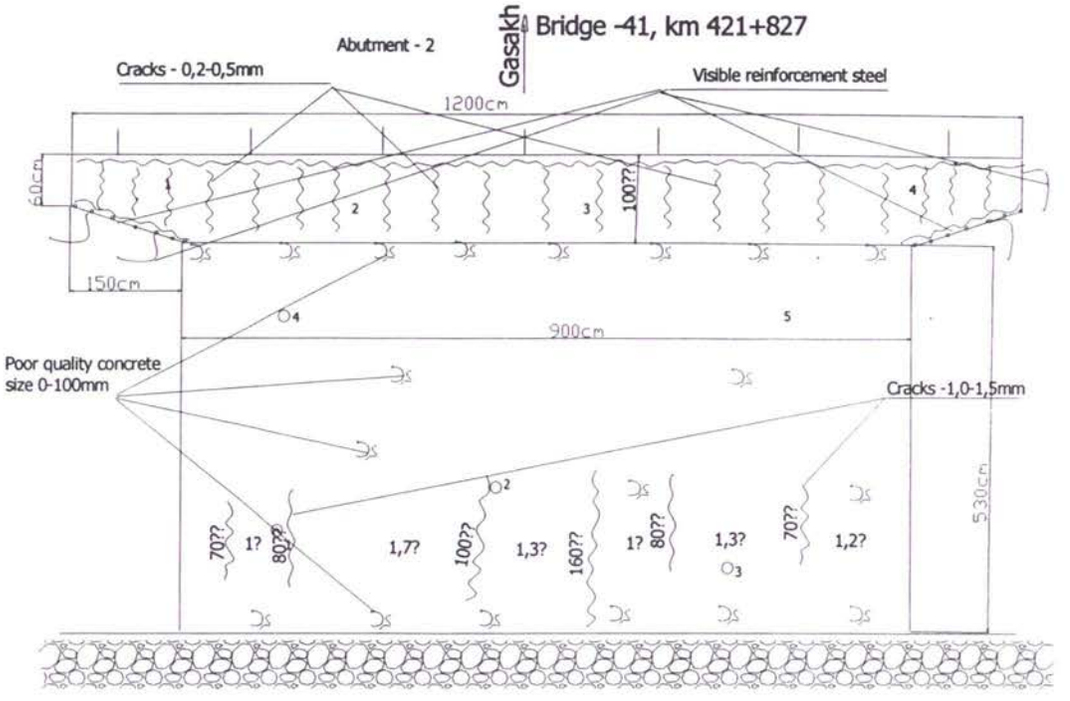
ID	Task Name	Dura	Start	Finis
1	Driling and cast in situ	18 d	Fri 2[illegible]	Mon 1
2	Intermediate pile caps	20 d	Fri 2[illegible]	Wed 2
3	Intermediate piers	30 d	Wed [illegible]	Mon 1
4	Drilling and cst in situ p	12 d	Thu 1	Fri 3[illegible]
5	Cross beams	37 d	Sat 1[illegible]	Mon 3
6	Pre cast Beams	45 d	Tue 0	Fri 0[illegible]
7	Bridge deck	41 d	Thu 0	Thu 3
8	Micellanious on bridge	23 d	Fri 01	Tue 0
9	Barrage	33 d	Fri 1[illegible]	Tue 3
10	Approach roads	113	Thu 1	Mon 2
11	Pavement on approacl	5 d	Mon 2	Fri 24
12	Misellanious	4 d	Mon 2	Thu 3



A.2.3.3.3.1.2.3. Bridge 41

The contractor forwarded preliminary design on 28th August 2004. Comprehensive study was done - including checking compressive strength on existing concrete abutment foundations and visible inspection, results as shown below.





The results shown extremity poor existing concrete compressive strength and concluded that new Bridge on those abutments foundations could not be possible to be constructed and they should be demolish and replace if required. However the Contractor proposal is to be constructed new structure at the existing Bridge location, avoiding construction of new approach roads. The Client has accepted and agreed to Contractor's proposal (see RTSD letter 01/1263 dated September 21st2004)

The Contractor start Works and presently all piles are driven and concreted, abutment cross beams are in place and intermediate support pre cast elements are on site ready for positioning.

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
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/advice – our letter 61, dated May 20th2004 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)
There are about of 15.5km of longitudinal redesigns remaining, as well as for five remaining bridge designs the Contractor is running late.	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

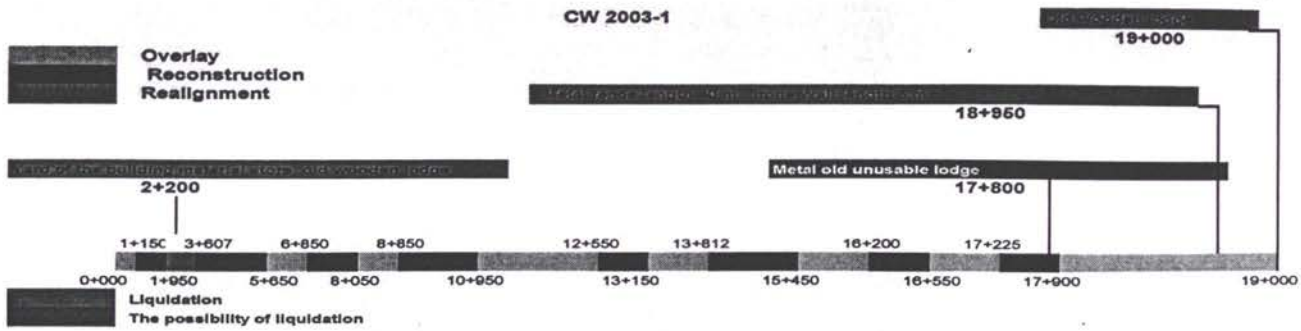
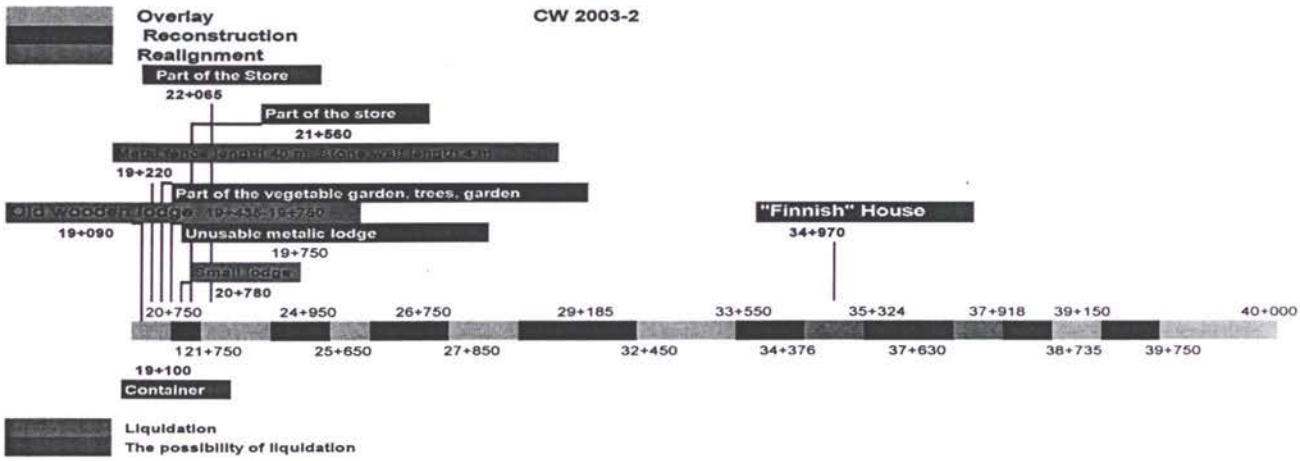


Figure 6



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

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.

A2.3.4.1.2. 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.

A2.3.4.2. Variation Order №2

Bridge №39 at km 411+143 (new construction has been proposed 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

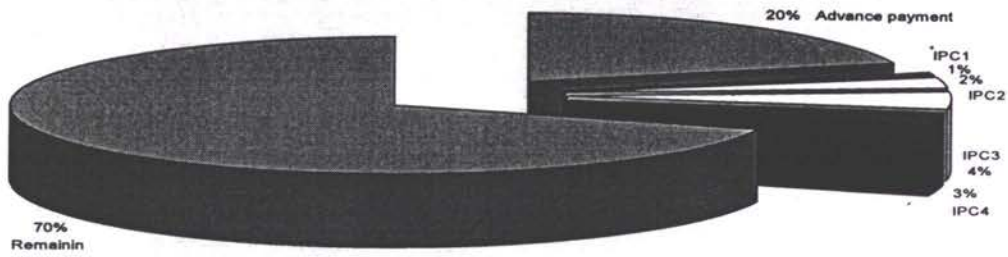
A.2.3.5.1. Interim Payment Certificates to date

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
5	30/09/04	IPC4	1,604,595,238.50	2.66%	not yet
		To date	18,171,322,283.70	30.18%	Not fully
		Available	42,042,849,095.15	69.82%	Remained
		Contract price	60,214,171,378.85	100.00%	

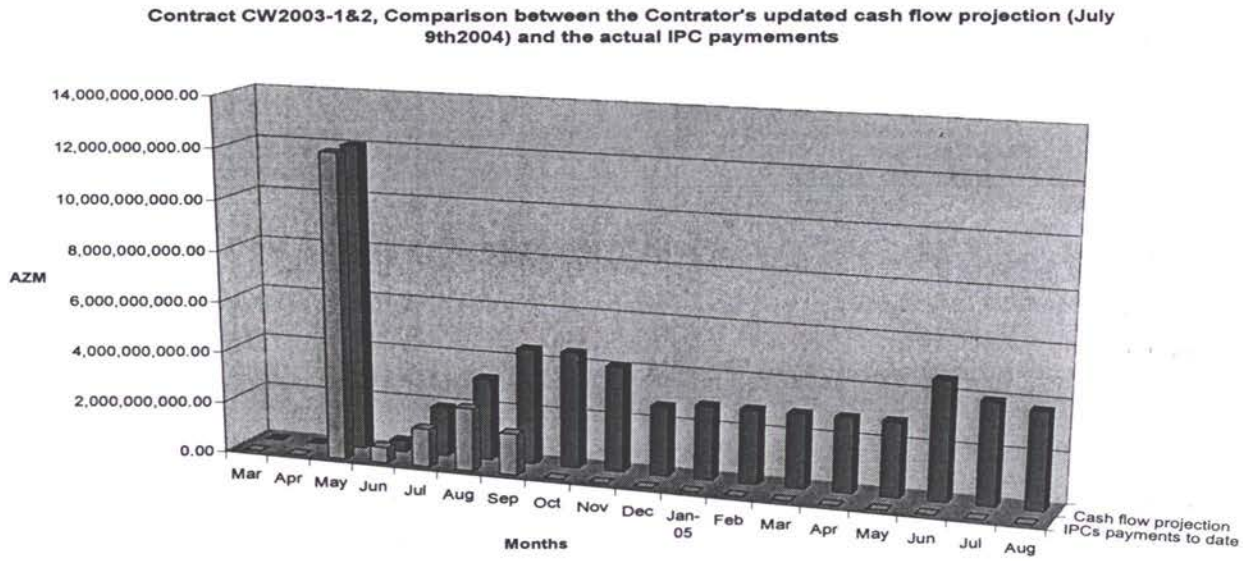
The IPC 5 has not been entered yet at the time of preparation of the Report.

Figure 7



A.2.3.5.2. Cash Flow projection

Figure 8



A.2.3.5.3. Contract assessment

A.2.3.5.3.1. Contract time

Contract is running about 210 days delay including 150 days initial delay for longitudinal redesign.

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 Contract Budget*			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 miscellanious 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 October MONTH

Description of Work						Remarks
		Total	Passed	Retested	% Passed	
Road Embankment						
1	FDT/Nuclear Density	325	286	39	88.0	
2	PI	1	1	0	100.0	
3	MDD/Proctor	1	1	0	100.0	
4	CBR	1	1	0	100.0	
5	Moisture Content	1	1	0	100.0	
Granular capping layer or selected sub grade fill- 1 (175mm 0f 350mm)						
1	Gradation	1	1	0	100.0	
2	FDT/Nuclear Density	20	15	5	75.0	
3	MDD/Proctor	1	1	0	100.0	
4	PI	1	1	0	100.0	
5	CBR	1	1	0	100.0	
6	Moisture Content	1	1	0	100.0	
Granular capping layer or selected sub grade fill- 2 (175mm 0f 350mm)						
1	Gradation	1	1	0	100.0	
2	FDT/Nuclear Density	10	7	3	70.0	
3	MDD/Proctor	1	1	0	100.0	
4	PI	1	1	0	100.0	
5	CBR	1	1	0	100.0	
6	Moisture Content	1	1	0	100.0	
Concrete Works						
1	Compression Test	57	57	0	100	
2	Slump	41	41	0	100	

A.2.3.7. Correspondence records

A.2.3.7.1. Incoming Letters

Table 13

Item	Date Received	Author from	Sender's ref	Date on the Letter	In resp to	Subject	Attach	Replay status: Requi	Replay status: Date Sent	Replay status: Our Ref:
1	11/10/2004	G.S	129-D	11/10/2004	N/A	Information about communication line	yes	yes		
2	11/10/2004	G.S	130-D	11/10/2004	N/A	Shop drawings	yes	yes		
3	23/10/2004	G.S	486	12/10/2004	N/A	Construction of the new reinforced concrete box pipes d=2.0x2.0	yes	yes		
4	12/10/2004	G.S	131-D	12/10/2004	N/A	Interim Payment Certificate No 4	yes	yes		
5	16/10/2004	G.S	132-D	16/10/2004	N/A	About Drawings of Pipes	yes	yes		
6	18/10/2004	G.S	133-D	18/10/2004	N/A	Manufacture Certificates	yes	yes		
7	18/10/2004	G.S	134-D	18/10/2004	N/A	Shop drawings of pipes	yes	yes		
8	18/10/2004	G.S	135-D	18/10/2004	N/A	Borrow Pits	yes	yes		
9	18/10/2004	G.S	136-D	18/10/2004	N/A	Revised Project	no	yes		
10	20/10/2004	G.S	137-D	19/10/2004	N/A	Start construction of culverts	no	yes		
11	23/10/2004	G.S	138-D	22/10/2004	N/A	Methods of Statement	yes	yes		
12	25/10/2004	G.S	140-D	22/10/2004	N/A	Manufacture Certificates	yes	yes		
13	25/10/2004	G.S	141-D	21/10/2004	N/A	Shop drawings of pipe	yes	yes		
14	25/10/2004	G.S	142-D	23/10/2004	N/A	Start construction works	no	yes		
15	25/10/2004	G.S	143-D	24/10/2004	N/A	Existing Ground Elevations	yes	yes		
16	25/10/2004	G.S	144-D	25/10/2004	N/A	Design Project	no	no		
17	26/10/2004	G.S	145-D	26/10/2004	N/A	Shop Drawings of Pipe	yes	yes		
18	27/10/2004	G.S	146-D	27/10/2004	N/A	Table of abstacles	yes	yes		
19	27/10/2004	G.S	147-D	27/10/2004	N/A	Revised Schedule of Works	yes	yes		
20	29/10/2004	G.S	148-D	28/10/2004	N/A	Staff and equipment for October	yes	yes		
21	29/10/2004	G.S	149-D	29/10/2004	N/A	Shop Drawings	yes	yes		

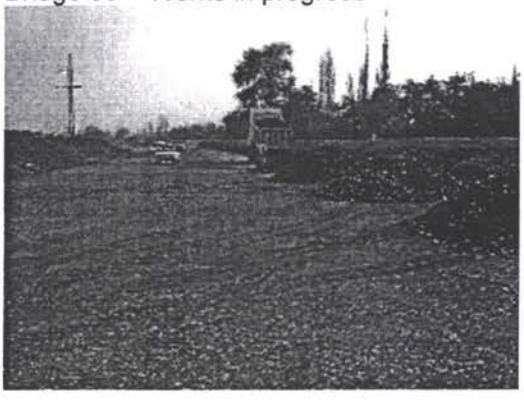
A.2.3.7.2. Outgoing letters

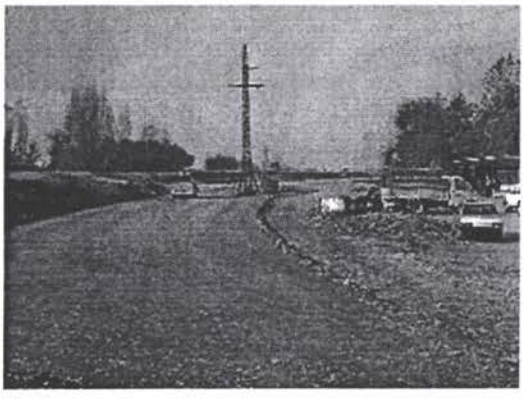
Table 14

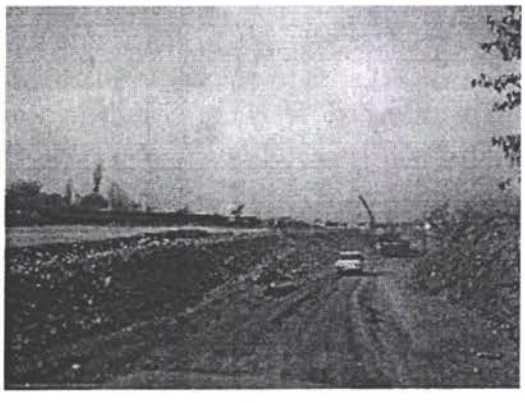
Item	Date Posted	Auth Initials	Our r	Date Written	In response to	Subject	Attachments	Replay status: Requ Yes/N	Replay status: Date Sent	Replay status: Sender's Ref:
1	04/10/2004	S.D	156	04/10/2004	N/A	Bridge 41-Asrik Chay	no	no		
2	05/10/2004	S.D	157	04/10/2004	465/23.09.04	Letter 465	no	no		
3	05/10/2004	S.D	158	04/10/2004	118-D/09.09.04	Letter 118-D	no	no		
4	05/10/2004	S.D	159	04/10/2004	119-D/22.09.04	Letter 119-D	no	no		
5	05/10/2004	S.D	160	04/10/2004	120-D/22.09.04	Letter 120-D	no	no		
6	10/05/2004	S.D	161	04/10/2004	122-D/24.09.04	Letter 122-D	no	no		
7	05/10/2004	S.D	162	04/10/2004	123-D/24.09.04	Letter 123-D	no	no		
8	05/10/2004	S.D	163	04/10/2004	121-D/21.09.04	Letter 121-D	no	no		
9	05/10/2004	S.D	164	04/10/2004	127-D/29.09.04	Letter 127-D	no	no		
10	05/10/2004	S.D	165	04/10/2004	124-D/25.09.04	Letter 124-D	no	no		
11	05/10/2004	S.D	166	04/10/2004	128-D/30.09.04	Letter 128-D	no	no		
12	08/10/2004	S.D	167	04/10/2004	N/A	Revised updated Programme of Works	no	yes		
13	07/10/2004	S.D	168	04/10/2004	N/A	Monthly progress Minutes of Meeting	yes	no		
14	19/10/2004	S.D	169	12/10/2004	N/A	Interim Minutes of Meeting held 05.10.04	yes	no		
15	13/10/2004	S.D	170	12/10/2004	130-D/11.10.04	Letter 130-D	no	no		
16	13/10/2004	S.D	171	13/10/2004	131-D/12.10.04	Letter 131-D	no	no		

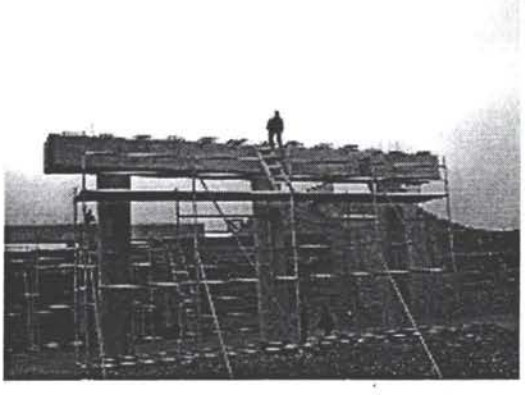
A.2.3.8. Project progress photos

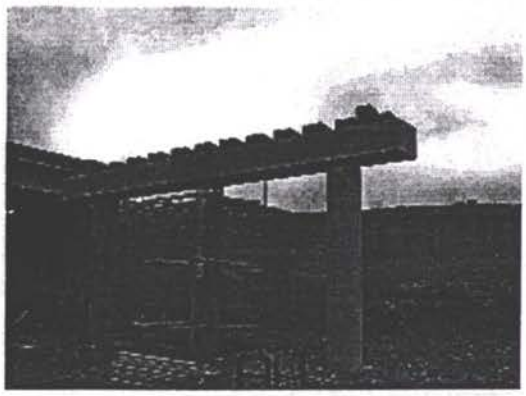
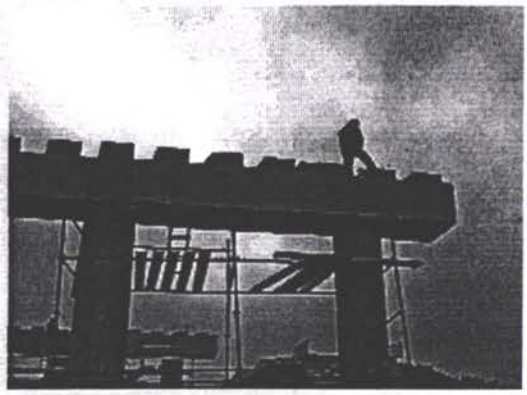
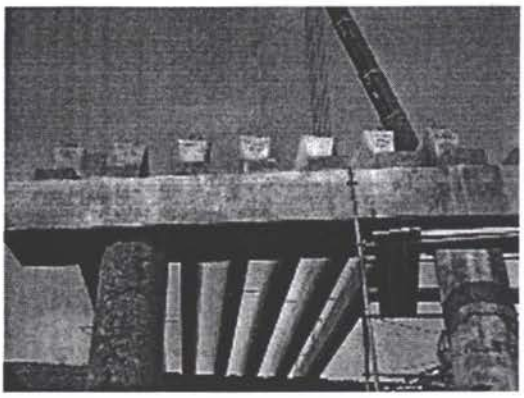
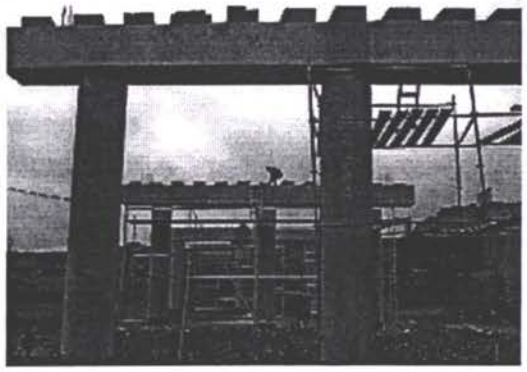
Bridge 39 – Works in progress







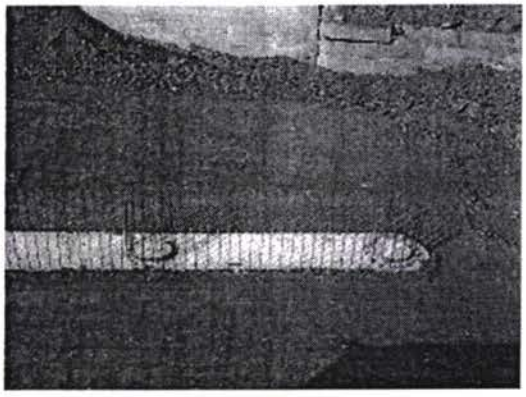


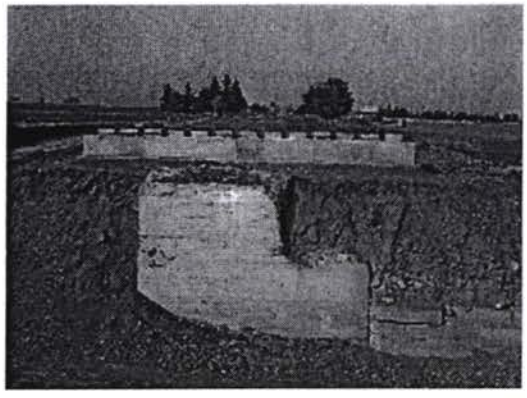





Newly delivered Concrete plant at Base camp


Removed asphalt layer on stockpile at base camp and some crushed material on stock pile


Bridge 41 Works in progress

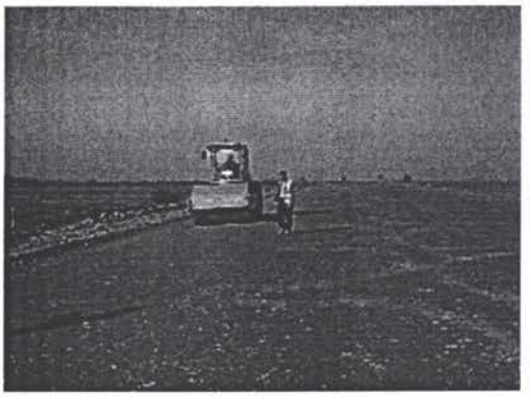




Unsuitable material

Earthworks in progress



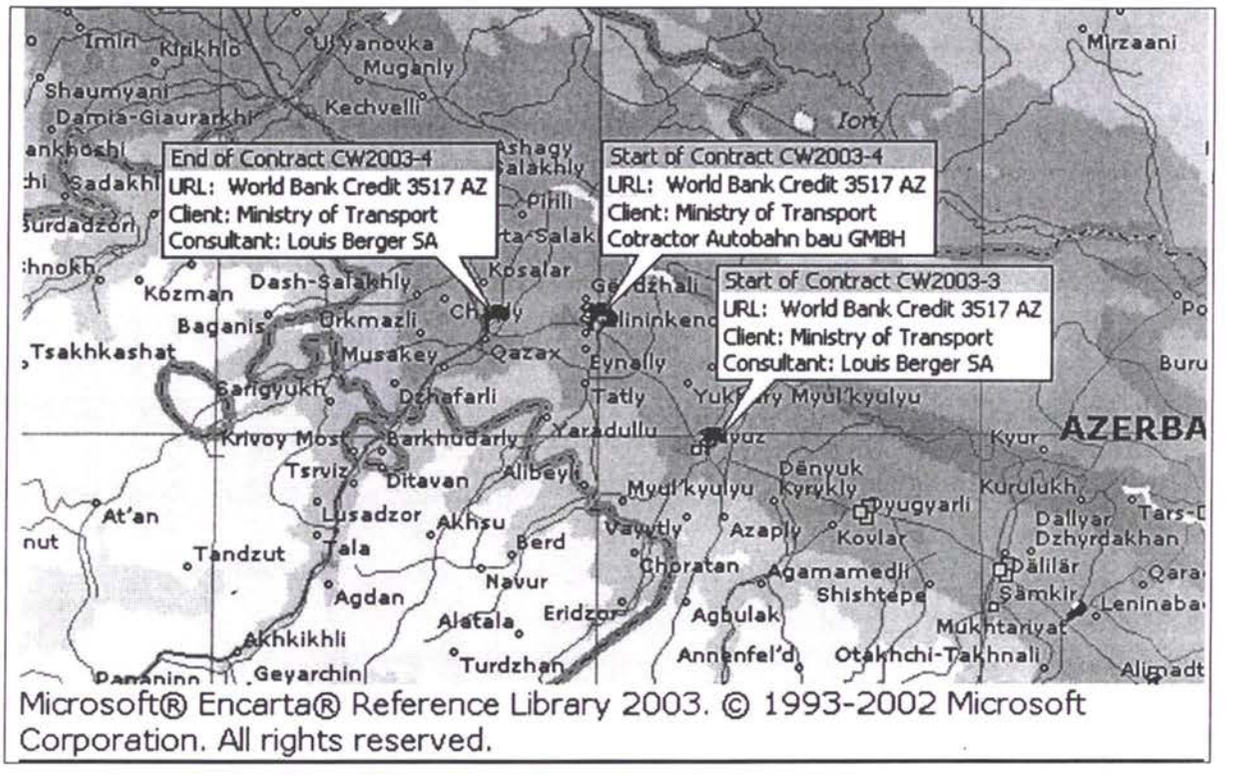



Rehabilitation of Caucasian Highways Azerbaijan
Monthly Technical report

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	• 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 (*road surfaces*) 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	• Good Roads completed to best standards and at the budget price.
Activities	• To rehabilitate and upgrade the existing highway Shemkir to Gazakh - Contracts CW2003-3 and CW2003-4
Start date	• February 23rd2004
Start date activities	• February 23rd2004
Duration	• 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

B.3.3.2. Project Data

Table 4

Works Contracts CW2003-3 and CW2003-4	
Works Tender Opened	September 2nd2003
Letter of Acceptance	December 27th2004
Contract Agreement Signed	January 22nd2004
Possession of site	February 5th2004
Contract Amount	AZM 45,937,384,407.14
Contract revised amount	N/A
Contract Start Date	February 23rd2004
Original Contract Completion Date	August 23rd2005
Defects Liability Period	365 days
Extended Completion Date	N/A
1st, Works Programme received	March 1st2004
Last revision of Works Programme	July 2004
Value of Works to date as per IPCs	2,895,421,712.40AZM
Value of Works done to date	4,685,613,209.52AZM
Value of Works done to date (%)	10.2%
Variations	N/A
Advance Payment (20%)	9,187,476,881.42 AZM
Repayments made	N/A
Delays	40 days (excluding delay of about 5 months for longitudinal redesign)
Claims	Claim №1 – Late advance payment, under PM consideration Claim №2 – Late payment on portion of Advance payment, under PM Consideration Claim №3 – Extension of time (10 months),KA/F-105/4 dated Sep 13th2004

Time elapsed to date	252 days
Time remaining to date	296 days

B.2.3.3. Progress report

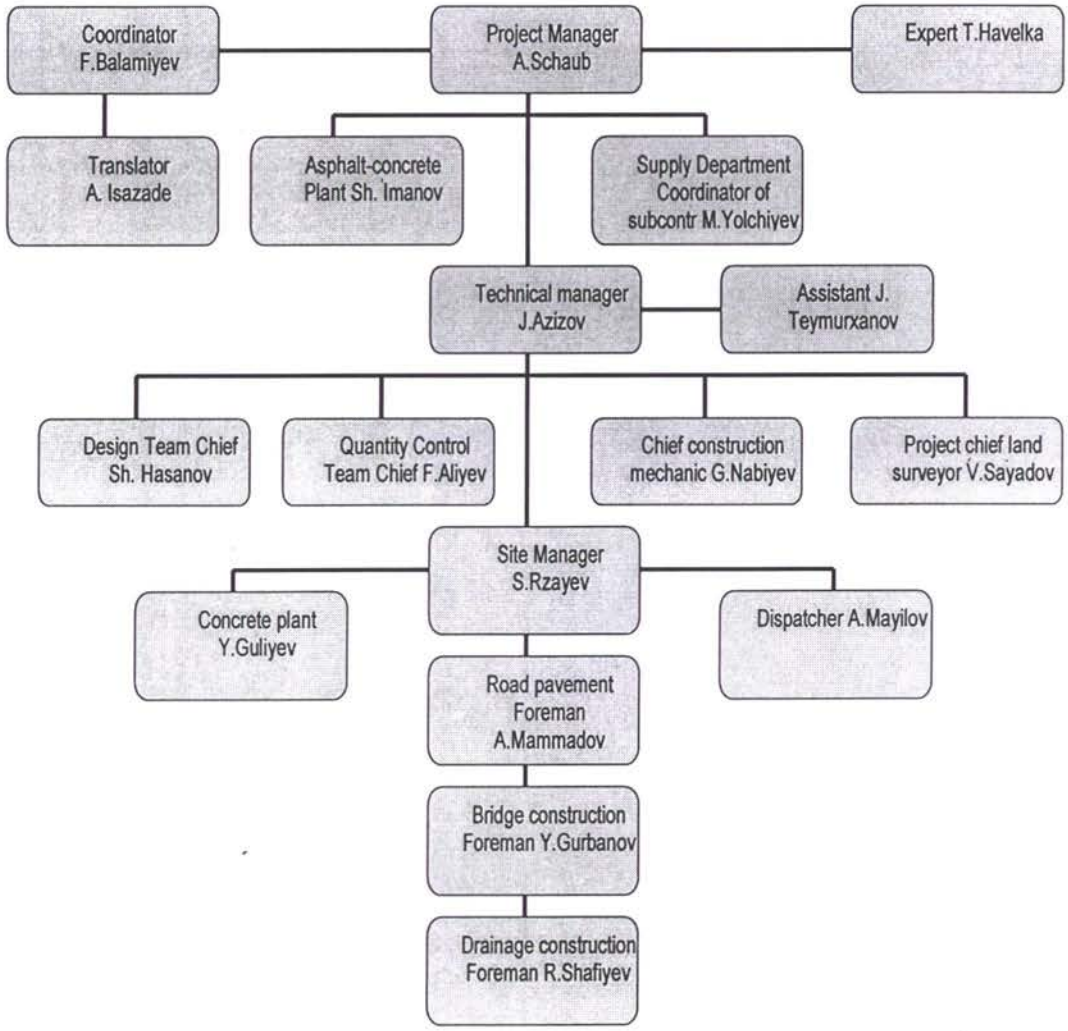
B.2.3.3.1. Status of the Contract

Since start (February 23rd2004) the Contractor have been on site 252 days or 45.99% of the Contractual time and to date are remaining 296 days or 54.01% 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)

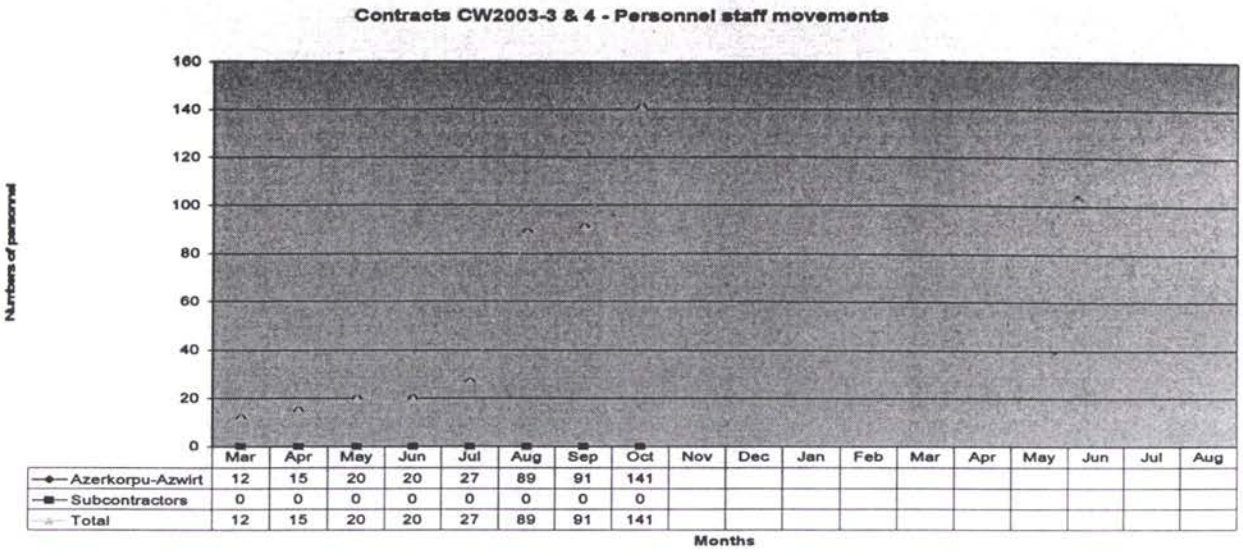
Figure 1



B.2.3.3.1.1.2. Contractor's site staff employed

This month Contractor have employed for purpose of construction on this Project 141 people

Figure 2



	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Azerkorpu-Azwirt	12	15	20	20	27	89	91	141										
Subcontractors	0	0	0	0	0	0	0	0										
Total	12	15	20	20	27	89	91	141										

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	Dumper truck	Mercedes KAMAZ 5511/KRAZ 256 B	no	0	25	24
2	Crane	KRAZ /KC-3562/KC-455/KC-4361	no	0	4	17
3	Water tanker	MAZ/ZIL	no	0	2	23
4	Bus	QAZ-66/QAZ-53	no	2	4	28
5	Truck	QAZ-53/QAZ-52	no	4	2	28
6	Vibro roller	Bomag /dynapac	no	8	6	27
7	Excavator	Cat/Kamatsu/EO 5124/EO-2621/	no	2	7	20
		EO- 3322				
8	Grader	Kamatsu /Galion/Cat	no	4	3	25
9	Loader	Cat	no	2	1	14
10	Welding Machine		no	0	2	25
11	Trailer		no	2	1	27
12	Milling Machine	Wirtgen	no	2	1	27
13	Crusher Plant	SBM 10/12/6 &10/6/6;220 t/h; 1993	no	2	0	0
14	Asphalt mix Plant	Wibau GmBH	no	2	1	0
15	Vibrating plate	Bomag	no	4	4	0
16	Bulldozer	CHTZ	no	2	2	0
17	Truck crane		no	4	5	0
18	Water carrier		no	0	3	0
19	Welding set		no	0	1	0
20	Generator		no	0	1	0
21	Drilling Rig		no	0	1	0
22	Asphalt Paver	Joseph Vogele AG	no	2	0	0
23	Pneumatic roller	Bomag	no	6	0	0
24	Cold milling Machine	Wirtgen	no	2	1	0
25	Semi trailer low bed	Yalchin Dorse Damper San	no	2	2	0

26	Concrete Mixer	Atika Ultra	no	2	0	0
27	Concrete Mixer	Stroymash	no	4	0	0
28	Bitumen Spreader	KAMAZ	no	2	0	0
29	Service van	Gazel	no	2	0	0
30	Road roller	Bomag	no	2	0	0
31	Compressor	Atlas	no	2	0	0
32	Hidrohummer	Krupp	no	6	0	0
33	Testing bore on compression ratio	Germany	no	2	0	0
34	Surveyor level instrument - Zeiss N2	Germany	no	2	0	0

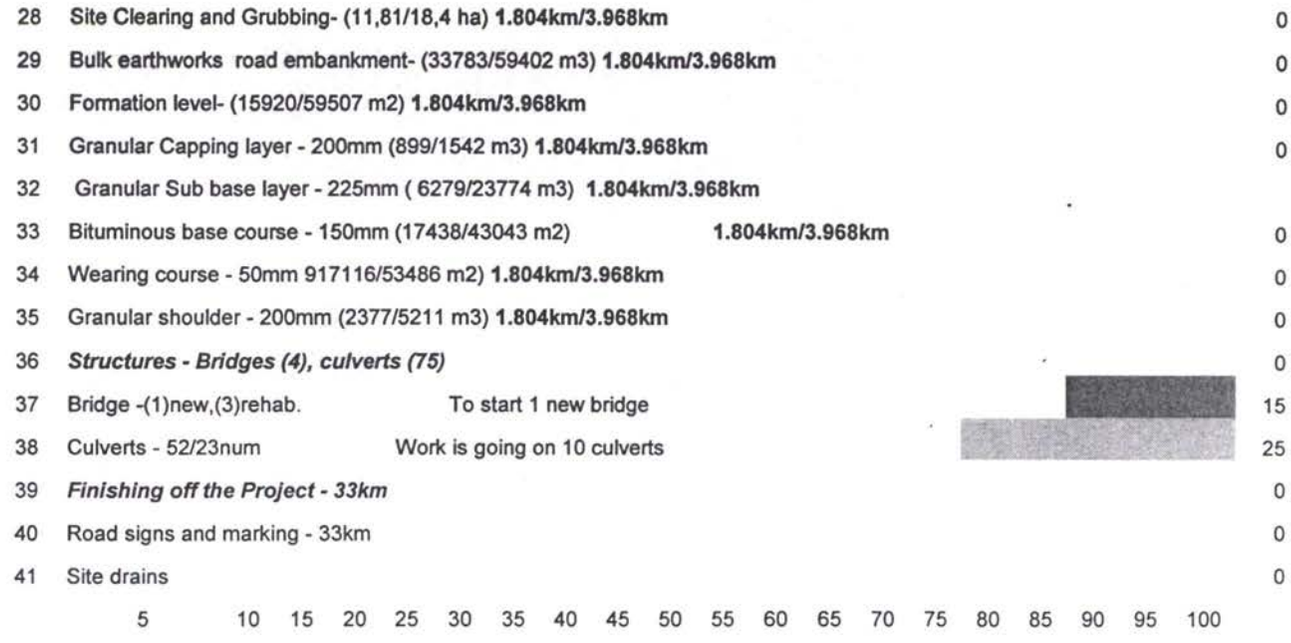
B.2.3.3.1.3. Contractor's Work programme

The required by condition of Contract updated and revised Work Programme has not been forwarded yet.

B.2.3.3.2. 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 10 5	
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	25
5	Contractor's staff mobilization	80
6	Contractor's office	90
7	Contractor's staff quarters	80
8	Contractor's laboratory	75
9	Contractor's machinery and equipment	40
10	Contractor verifying Project bench marks	100
11	Existing ground elevations	70
12	***Overlay -9.77/2.938km***	0
13	Overlay 40mm - 0.4/1.150km	0
14	Overlay 80mm - 4.470/1.382km	0
15	Overlay 120mm - 4.9/0.406km	0
16	***Reconstruction - 9.426/5.094km***	0
17	Site Clearing and Grubbing - (61,69/23,6 ha) **9.426km/5.094km**	20
18	Bulk earthworks - road embankment - (176517/76258 m3) **9.426km/5.094km**	15
19	Milling/Removing of existing asphalt pavement - **9.426km/5.094km**	65
20	Removing of sub base -(19800/4900 m3) **9.426km/5.094km**	0
21	Formation level - (83180/76393 m2) **9.426km/5.094km**	0
22	Granular Capping layer - 200mm (28316/12008 m3) **9.426km/5.094km**	0
23	Granular Sub base layer - 225mm (32571/30521 m3) **9.426km/5.094km**	0
24	Bituminous base course - 150mm (91112/55257 m2) **9.426km/5.094km**	0
25	Wearing course - 50mm (89434/41664 m2) **9.426km/5.094km**	0
26	Granular shoulder - 200mm (12423/6689 m3) **9.426km/5.094km**	0
27	***Realignment - 1,804/3,968 km***	0



B.2.3.3.3. Project progress summary

Contractor is running this Project in accordance with the last approved WP within 40 days delay on site clearing and grabbing.

B.2.3.3.3.1. Work Progress on structures

B.2.3.3.3.1.1. Progress on culverts

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
117n	13	no	44+450	Box	4.0x2,5	no			New
118n	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+804	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+270	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	10/09/2004		Replace
129e	30	yes	49+247	Pipe	1200	yes			Replace
130e	31	yes	49+614	Pipe	1250	yes			Replace
29	32	yes	49+657	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	21/09/2004	20/10/2004	Replace
30	36	yes	51+064	Pipe	1000	yes			Replace
31	37	yes	51+394	Pipe	1000	yes			Replace
134n	38	yes	51+430	Pipe	2x1250	yes	15/09/2004	07/10/2004	Replace
135e	39	yes	51+540	Pipe	1000	yes			Replace
136e	40	yes	51+649	Pipe	1000	yes	23/09/2004	15/10/2004	Replace
32	41	yes	51+800	Pipe	1000	yes			Replace
137e	42	yes	52+041	Pipe	1000	yes			Replace
138e	43	yes	52+460	Pipe	1000	yes	02/10/2004	18/10/2004	Replace
33	44	yes	53+136	Pipe	1000	yes	25/09/2004	09/10/2004	Replace
139e	45	yes	53+435	Pipe	1000	yes			Replace
140e	46	yes	53+456	Pipe	1000	yes	03/09/2004	17/10/2004	Replace
141e	47	yes	53+697	Pipe	1000	yes	22/10/2004		Replace
142e	48	yes	53+865	Pipe	1000	yes			Replace
143e	49	yes	53+980	Pipe	1000	yes	13/10/2004		Replace
144e	50	yes	54+121	Pipe	1000	yes			Replace
145e	51	yes	54+331	Pipe	1000	yes			Replace
146e	52	yes	54+505	Pipe	1000	yes			Replace
147e	53	yes	54+593	Pipe	1250	yes	10/09/2004	26/10/2004	Replace
148e	54	yes	54+924	Pipe	1200	yes			Replace
34	55	yes	55+150	Pipe	1000	yes	07/10/2004	23/10/2004	Replace
149e	56	yes	55+405	Pipe	1000	yes			Replace
35	57	yes	55+548	Pipe	1200	yes			Replace
150n	58	yes	56+502	Pipe	1250	yes			Replace
151e	59	yes	57+002	Pipe	1250	yes			Replace
152e	60	yes	57+093	Pipe	1250	yes			Replace
153n	61	yes	57+578	Pipe	1250	yes			Replace
36	62	yes	58+014	Pipe	1250	yes			Replace
154e	63	yes	58+124	Pipe	1250	yes			Replace
155e	64	yes	58+519	Pipe	1250	yes			Replace
156e	65	yes	58+549	Pipe	2x1000	yes			Replace
157n	66	yes	58+758	Pipe	1250	yes			Replace
37	67	yes	59+175	Pipe	1250	yes			Replace
158e	68	yes	59+593	Box	1250	yes			Replace
159n	69	no	59+850	Box	4,0x2,5	no			New
38	70	no	60+131	Pipe	1000	yes			New
160e	71	yes	60+986	Box	1250	yes			Replace
161n	72	no	62+050	Box	3,0x2,5	no			New
162e	73	yes	62+449	Pipe	1000	yes			Replace
163e	74	yes	62+627	Pipe	1250	yes			Replace
164e	75	yes	63+233	Pipe	1000	yes	06/07/2004		Rehabilitate
165e	76	yes	63+744	Pipe	1000	yes			Replace
166e	77	yes	64+039	Pipe	1250/1000	yes			Replace
167e	78	yes	64+456	Pipe	1000	yes	06/07/2004		Rehabilitate
168e	79	yes	65+004	Box	4,0x2,0	yes			Replace
169e	80	yes	65+725	Box	2,0x1,5	yes			Replace

170e	81	yes	67+033	Pipe	1250	yes			Replace
171e	82	yes	67+320	Pipe	1250	yes			Replace
172e	83	yes	67+612	Pipe	1000	yes			Replace
173e	84	yes	67+880	Pipe	1000	yes	06/07/2004		Rehabilitate
174e	85	yes	68+095	Pipe	1000	yes			Replace
175e	86	yes	68+654	Box	4,5x3,5	yes			Replace
39	87	yes	68+954	Pipe	1000	yes			deleted
176e	88	yes	69+427	Box	3(3,0x4,0)	yes			Full water
40	89	yes	69+600	Pipe	1250	yes			Replace
177e	90	yes	70+250	Box	2,0x2,0	yes			Replace
178e	91	yes	70+361	Box	3,5x3,5	yes			Replace
179e	92	yes	71+562	Pipe	1000	yes			Replace
180n	93	yes	71+641	Box	2,0x2,0	yes			Replace
181e	94	yes	71+851	Box	2,0x2,0	yes			Full water
182e	95	yes	72+709	Pipe	1000	yes			Replace

B.2.3.3.3.1.2. Progress on Bridges

B.2.3.3.3.1.2.1. General on Bridge structures

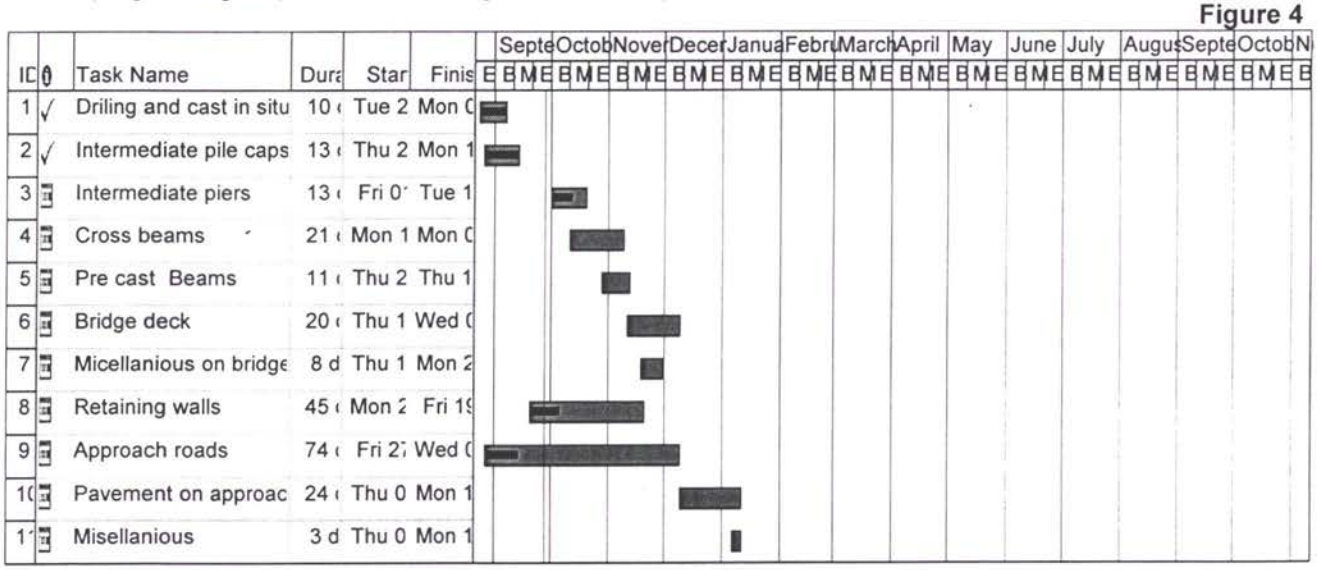
Table 8

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

Works progressing as per the Work Programme – Bridge 45 below:

Figure 4



B.2.3.3.3.1.2.3. Bridge 46

The Contractor forwarded Bridge 46 design drawings and B&Q for consideration and approval (KA/F-110/04 dated September 22nd2004). Client approval is expected any time soon.

B.2.3.3.3.2. 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
Preliminary Longitudinal redesign have been complete, however the Contractor is behind with Bridge redesigns	The Contractor is warn to speed bridge redesign

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

Figure 5

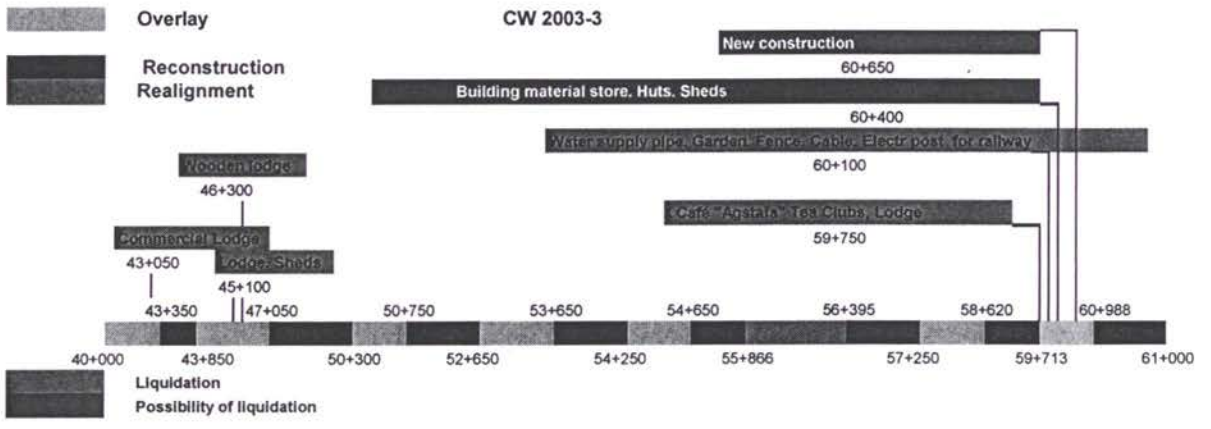
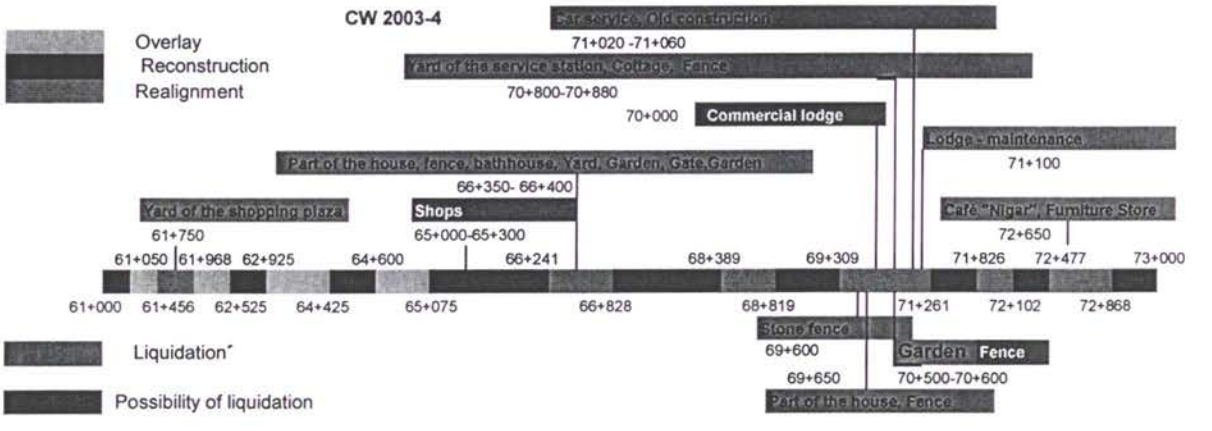


Figure 6



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

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. Under PM consideration.

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. Under PM consideration.

B.2.3.4.1.3. Claim №3

The Contractor entered third claim for extension of time of 10 months (KA/F-105/4 dated September 13th2004) reference article 44 – Compensation Events under the Contract. Claim forwarded to PM for consideration.

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 tc 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 anc 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

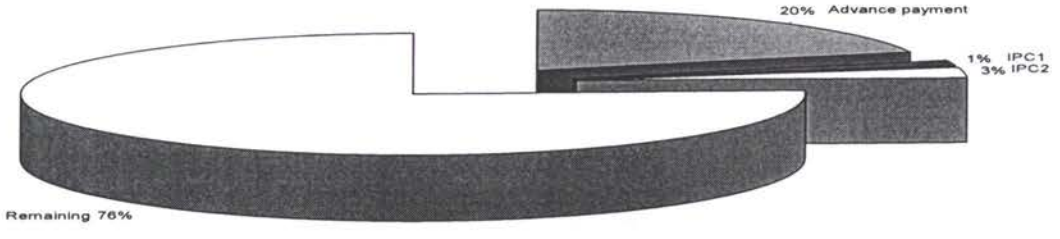
Table 10

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 IPC 3 has not been entered yet at the time of preparation of the Report

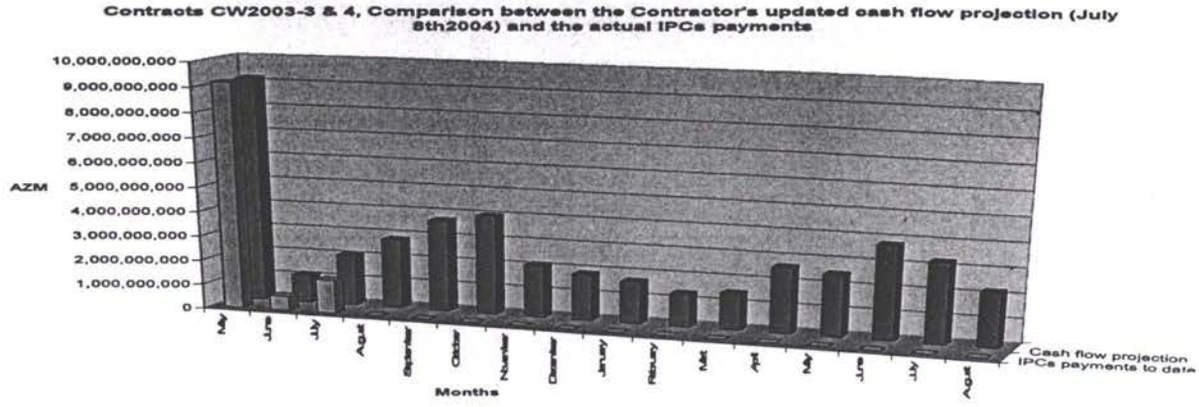
Figure 7

Contracts CW2003-3 & 4, Payments to date and the remaining value of Works



B.2.3.5.2. Cash Flow projection

Figure 8



B.2.3.5.3. Contract assessment

B.2.3.5.3.1. Contract time

Contract is running about 190 days delay including 150 days initial delay for longitudinal redesign.

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 26th2004 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 US$		**2,102,612,533.86** 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 miscellanious 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 October MONTH

Description of Work						*Remarks*
		Total	*Passed*	*Retested*	*% Passed*	
Road Embankment						
1	FDT/Nuclear Density	475	410	65	86.3	
2	PI	1	1	0	100.0	
3	MDD/Proctor	1	1	0	100.0	
4	CBR	1	1	0	100.0	
5	Moisture Content	1	1	0	100.0	
Concrete Works						
1	Compression Test	84	84	0	100.0	
2	Slump	43	43	0	100.0	
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)						

B.2.3.7. Correspondence records

B.2.3.7.1. Incoming Letters

Table 13

								Replay status		
Item	Date Received	Author from	Sender's ref	Date on the Letter	In resp to	Subject	Attach-ments	Required Yes/No	Date Sent	Our Ref:
1	05/10/2004	F.N	KA/F-114/04	05/10/2004	N/A	About Existing Buildings	yes	yes		
2	13/10/2004	A.S	KA/F-115/04	11/10/2004	N/A	Interim Payment Certificates No4 for Contracts CW 03-3 and CW 03-4	yes	yes		
3	12/10/2004	A.S	KA/AS-116/04	11/10/2004	N/A	Revised updated Programme of Works.	no	yes		
4	12/10/2004	A.S	KA/AS-117/04	11/10/2004	N/A	Presentation of the new Management	no	yes		
5	15/10/2004	A.S	KA/AS-135/04	14/10/2004	N/A	Supplementary cross profiles KM65+500-68+080	yes	yes		
6	25/10/2004	M/M	KA/MM-118/04	12/10/2004	N/A	Early Warning	no	yes		
7	18/10/2004	A.S	KA/AS-119/04	14/10/2004	N/A	Confirmation of oral instructions and agreements	no	yes		
8	15/10/2004	A.S	KA/AS-120/04	15/10/2004	N/A	Shop drawings of pipes	yes	yes		
9	18/10/2004	A.S	KA/AS-121/04	16/10/2004	N/A	Shop drawings of pipes	yes	yes		
10	21/10/2004	A.S	KA/AS-122/04	21/10/2004	N/A	Shop drawings of pipes	yes	yes		
11	22/10/2004	A.S	KA/AS-123/04	22/10/2004	N/A	Detailed design of the section Km 41+904,78-46+040	yes	no		
12	27/10/2004	A.S	KA/AS-124/04	27/10/2004	N/A	Obstacles on section Km 61+000 - KM 66+000	yes	yes		
13	26/10/2004	A.S	KA/AS-125/04	26/10/2004	N/A	Shop drawings of pipes	yes	yes		
14	25/10/2004	A/S	KA/AS-126/04	27/10/2004	N/A	Revised project of section 59+590. 76-61+044.45	no	no		
15	28/10/2004	A.S	KA/AS-127/04	28/10/2004	N/A	Monthly Proceeding of the no. 5 Project Progress Meeting from 28.07.04	yes	yes		
16	28/10/2004	A.S	KA/AS-128/04	28/10/2004	N/A	Contractors steff and equipment for October 2004	yes	yes		
17	26/10/2004	A.S	KA/AS-129/04	26/10/2004	N/A	Shop drawings of pipes	yes	yes		
18	01/11/2004	A.S	KA/AS-130/04	31/10/2004	N/A	Early Warning	yes	no		

B.2.3.7.2. Outgoing letters

Table 14

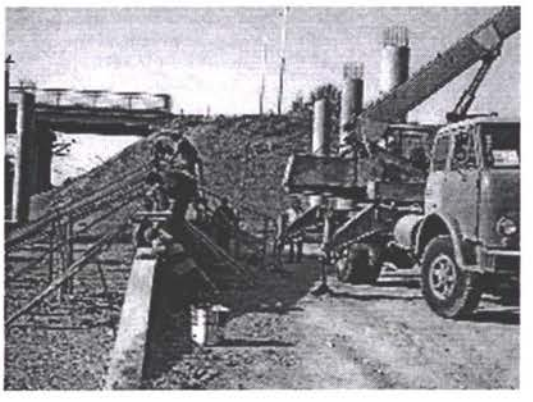
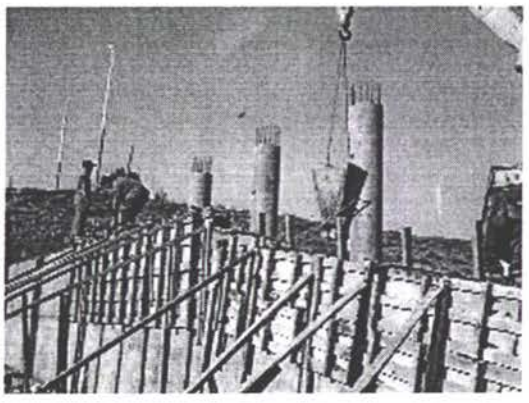
									Replay status	
Item	Date Posted	Author initials	Our ref	Date Written	In response to	Subject	Attach-ments	Required Yes/No	Date Sent	Sender's Ref:
1	04/10/2004	S.D	124	01/10/2004	KA/F-109/04	Letter KA/F-109/04	no	no		
2	04/10/2004	S.D	125	01/10/2004	KA/F-110/04	Letter KA/F-110/04	no	no		
3	04/10/2004	S.D	126	01/10/2004	KA/F-111/04	Letter KA/F-111/04	no	yes		
4	04/10/2004	S.D	127	01/10/2004	KA/F-113/04	LetterKAF/F-113/04	no	no		
5	04/10/2004	S.D	128	01/10/2004	KA/F-95/04	Letter KA/F-95/04	no	yes		
6	04/10/2004	S.D	129	01/10/2004	KA/F-112/04	Letter KA/F-112/04	no	no		
7	08/10/2004	S.D	130	07/10/2004	N/A	Revised updated Programme of Works	no	no		
8	07/10/2004	S.D	131	07/10/2004	N/A	Monthly progress Minutes of Meeting	yes	no		
9	09/10/2004	S.D	132	08/10/2004	KA/F-108/04	Bridge 45 Price analyses	no	yes		
10	18/10/2004	S.D	133	12/10/2003	N/A	Interim Minutes of Meeting held 05.10.04	yes	no		

B.2.3.8. Project progress photos

Unsuitable soil at km 51+000 to 53+000

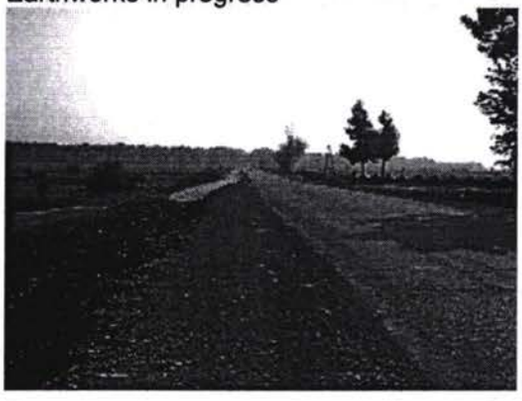



Bridge 45 – Works in progress

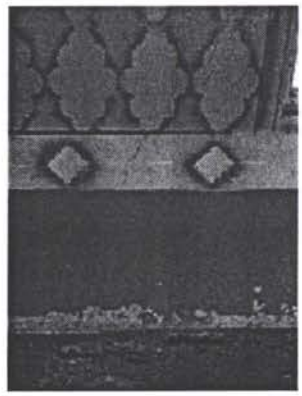

Bridge 47

Earthworks in progress



Construction in progress at some of the culverts

Public complain



Rehabilitation of Caucasian Highways Azerbaijan
Monthly Technical report

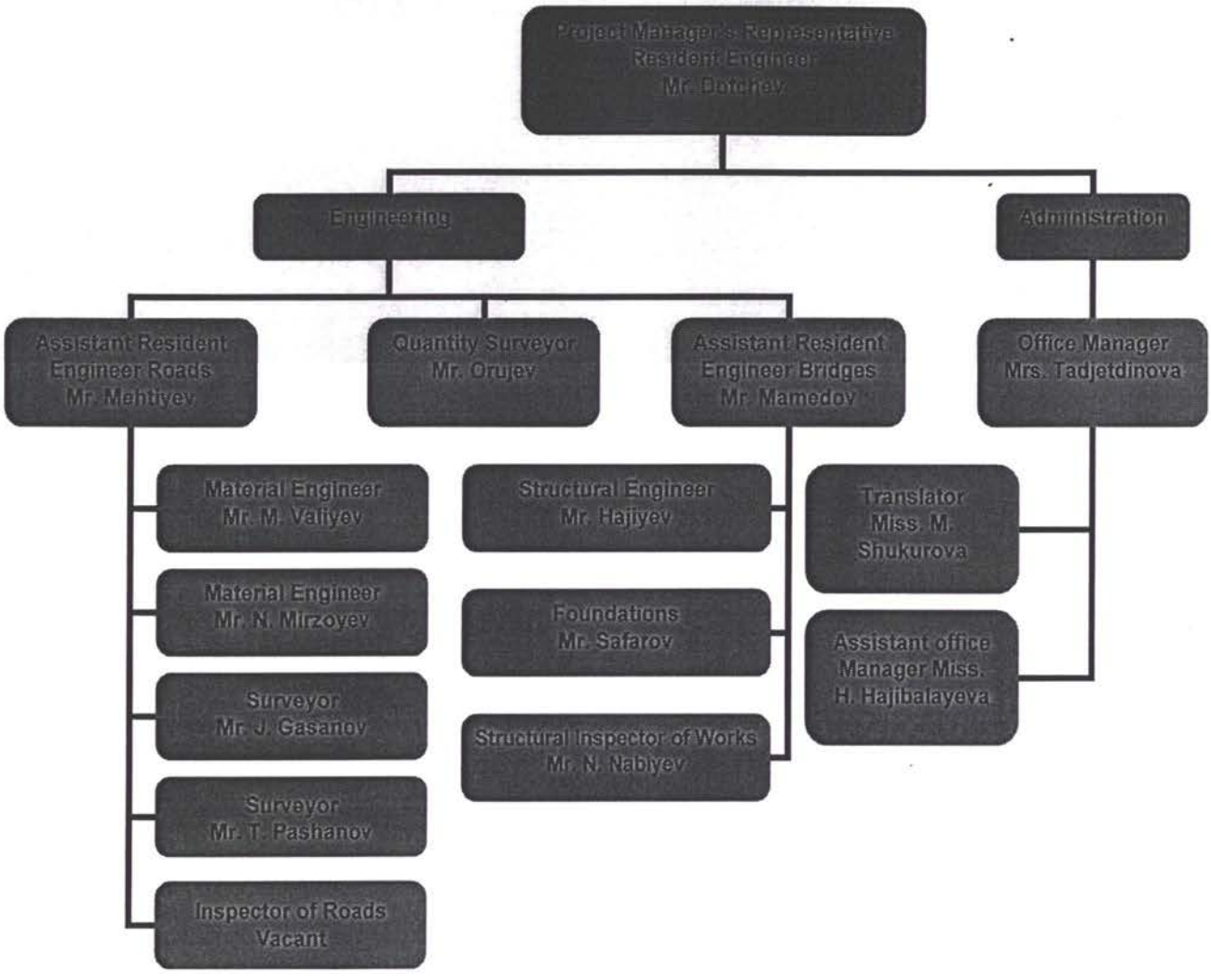
Segment 2 for the Project Component II:

Segment 4 for the Project Component II:

General

3.1. Consultant's site staff management organogramme

Figure 1

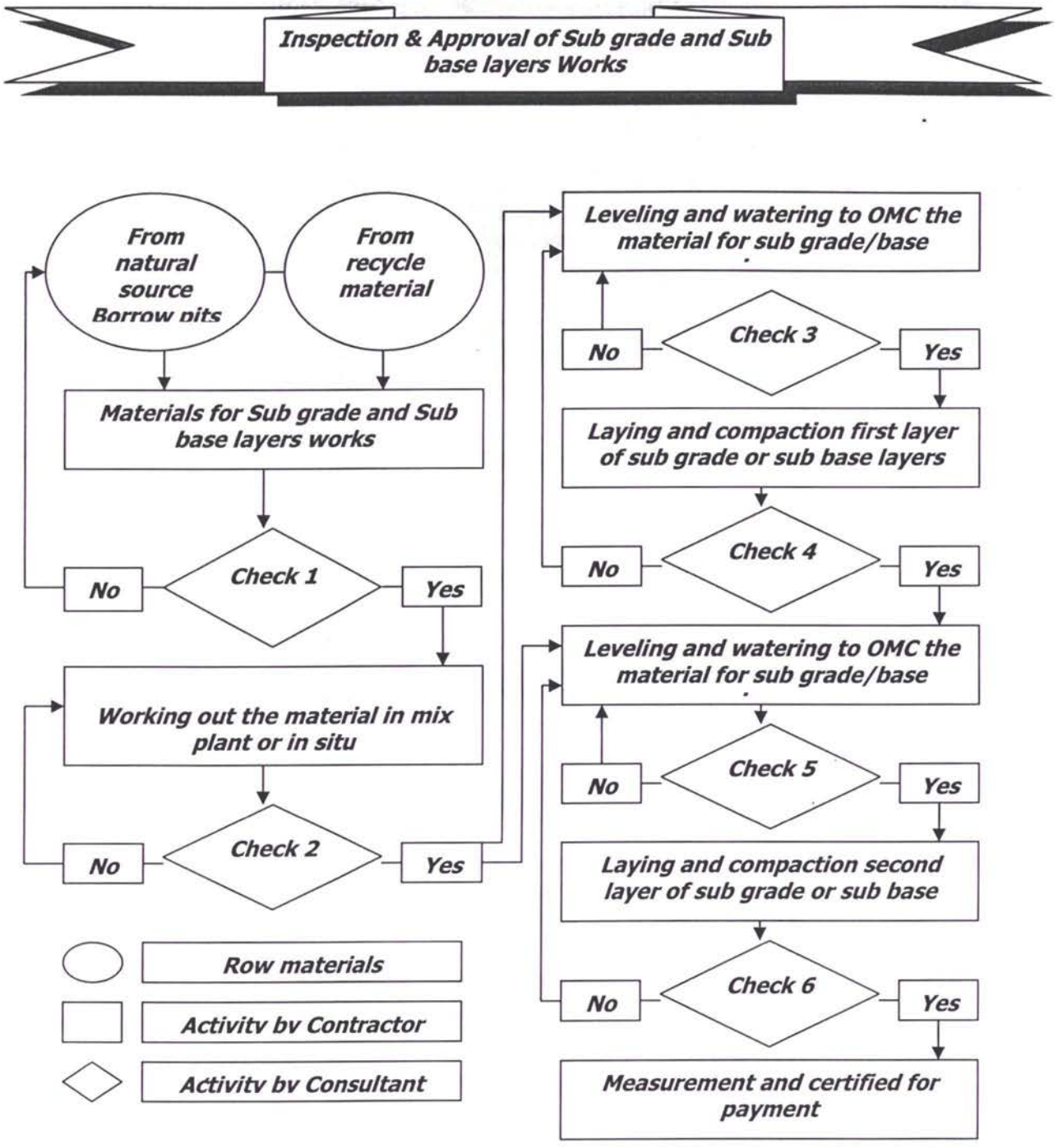


3.2. Quality control procedures

Quality control procedures 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.

Hereunder for easy reference are described Quality control procedures which are applicable for this projects and for each layer work the applicable quality control organogramme shows the basic criteria and the timing of controlling.

3.2.1. For Sub grade and Sub base

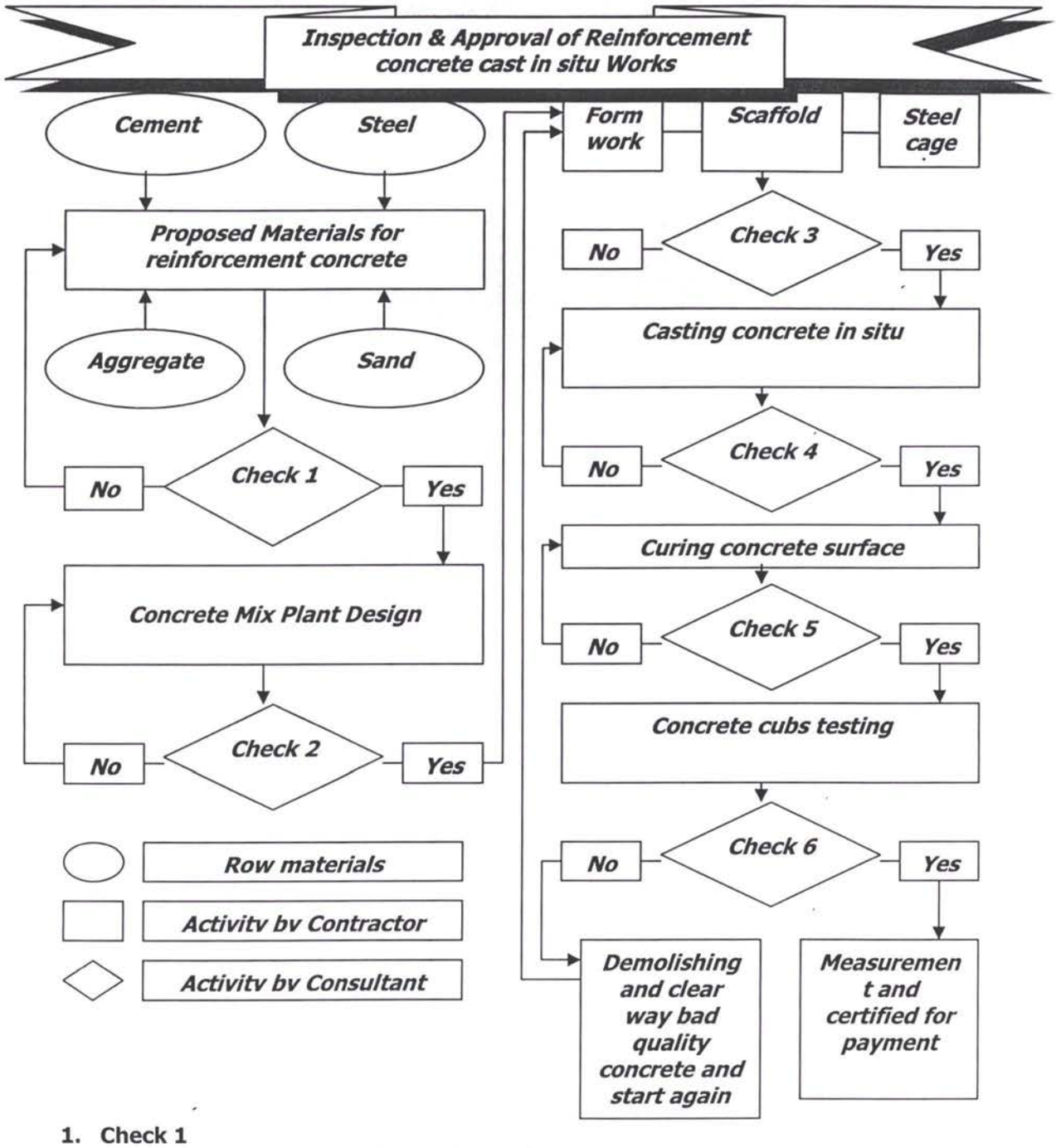


1. **Check 1**.
   - Crushing Strength test Abrasion loss test (other test related to qualify)

2. **Check 2.**
   - Sieve analysis

3. **Check 3.**
   - CBR test (Camber check)

3.2.2. 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

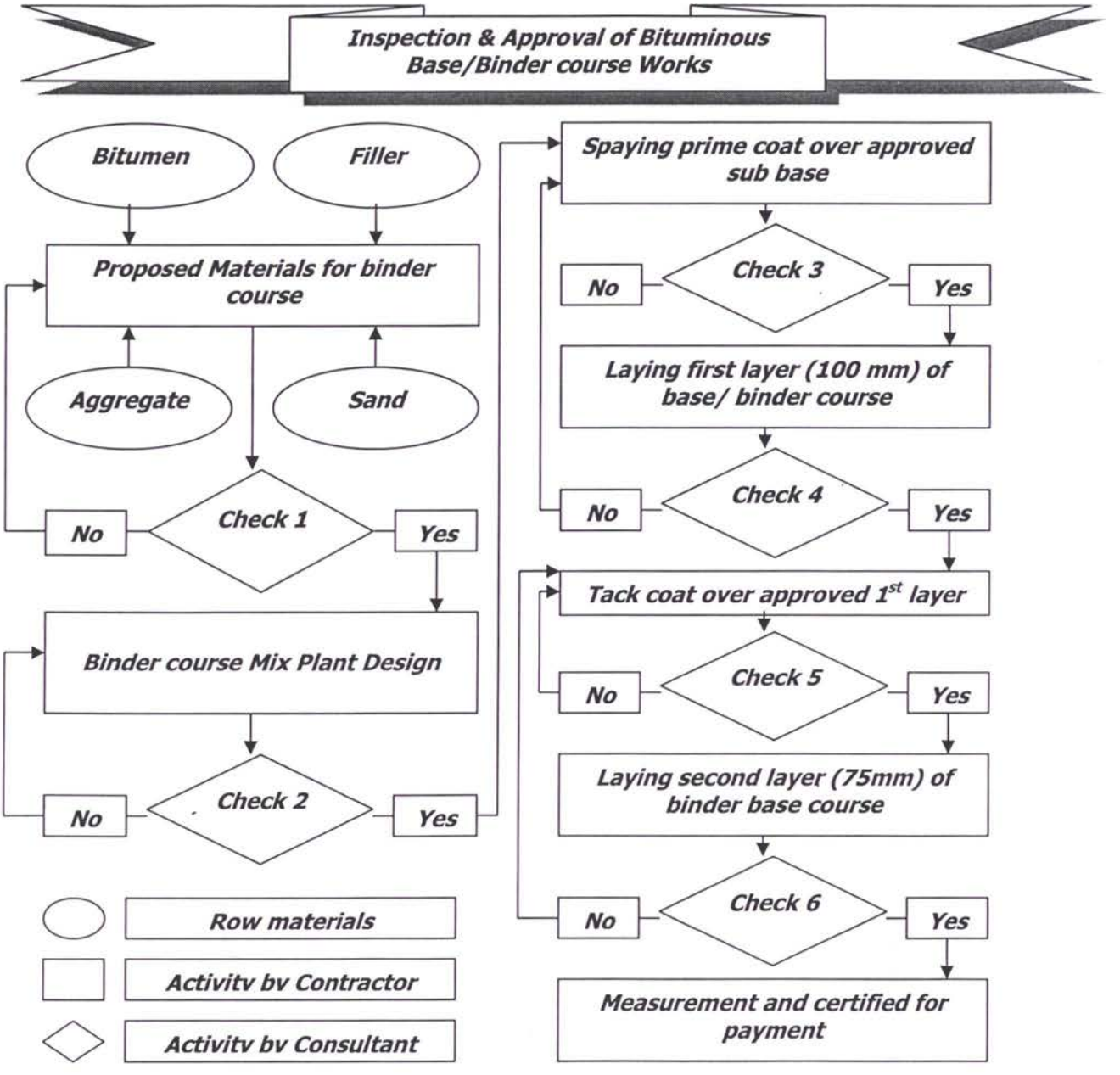
4. **Check 4**

- 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

3.2.3. 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

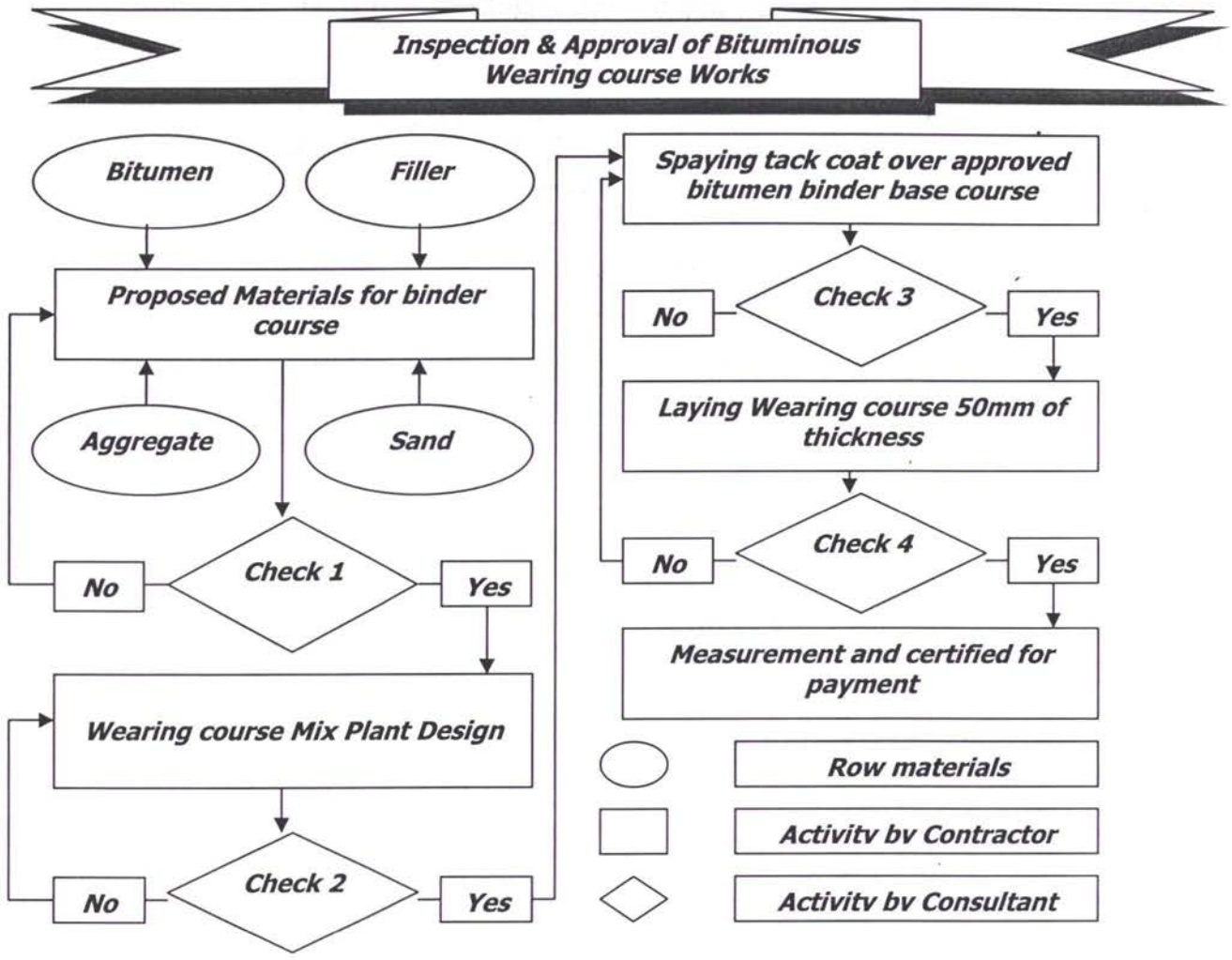
3. Check 3 & 5

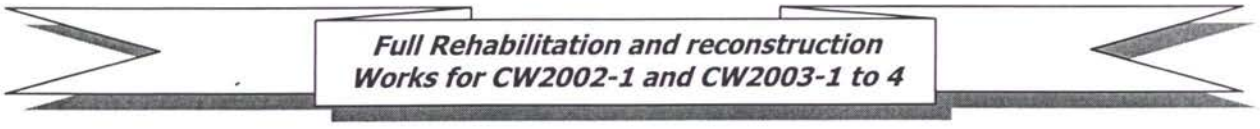
- Testing the application rate

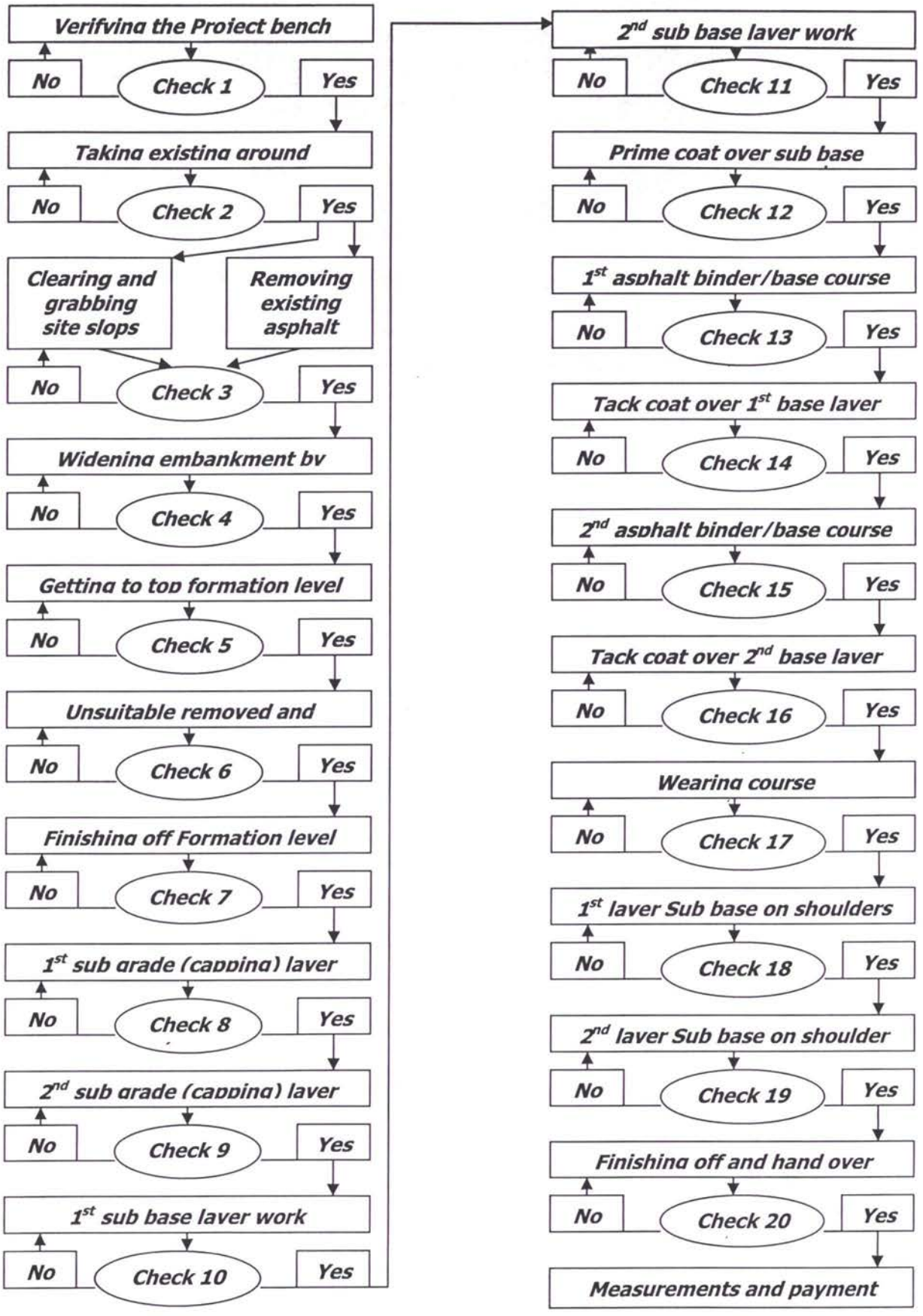
4. Check 4 & 6

- 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

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






Verifying the Project bench
No
Check 1
Yes
Taking existing ground
No
Check 2
Yes
Clearing and grabbing site slops
Removing existing asphalt
No
Check 3
Yes
Widening embankment by
No
Check 4
Yes
Getting to top formation level
No
Check 5
Yes
Unsuitable removed and
No
Check 6
Yes
Finishing off Formation level
No
Check 7
Yes
1st sub grade (capping) layer
No
Check 8
Yes
2nd sub grade (capping) layer
No
Check 9
Yes
1st sub base layer work
No
Check 10
Yes
2nd sub base layer work
No
Check 11
Yes
Prime coat over sub base
No
Check 12
Yes
1st asphalt binder/base course
No
Check 13
Yes
Tack coat over 1st base layer
No
Check 14
Yes
2nd asphalt binder/base course
No
Check 15
Yes
Tack coat over 2nd base layer
No
Check 16
Yes
Wearing course
No
Check 17
Yes
1st layer Sub base on shoulders
No
Check 18
Yes
2nd layer Sub base on shoulder
No
Check 19
Yes
Finishing off and hand over
No
Check 20
Yes
Measurements and payment

3.3. Management Meetings and Correspondence

3.3.1. 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 29th2003				
2	Jun 27th2003				
3	Jul 29th2003				
4	Aug 26th2003				
5	Sep 25th2003				
6	Oct 25th2003				
7	Nov 28th2003				
8	Jan 23rd2004				
9	Feb 23rd2004				
10	Mar 23rd2004	1	Mar 26th2004	1	Mar 26th2003
11	Apr 27th2004	2	Apr 28th2004	2	Apr 28th2004
12	May 25th2004	3	May 27th2004	3	May 27th2004
13	Jun 23rd2004	4	Jun 24th2004	4	Jun 25th2004
14	Jul 26th2004	5	Jul 28th2004	5	Jul 28th2004
15	Aug 24th2004	6	Aug 24th2004	6	Aug 24th2004
16	Sep 23rd2004	7	Sep 24th2004	7	Sep 24th2004
17	Oct 28th2004	8	Oct 29th2004	8	Oct 29th2004

3.3.2. 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 2002-1	177	4
Contract CW 2003-1 &CW 2003-2	138	21
Contract CW 2003-3 &CW 2003-4	110	18
Contract for bridges	84	0
Summary	509	43

Incoming letters from Client

Contracts	Total to date	Total this month
Contract CW 2002-1	47	5
Contract CW 2003-1 &CW 2003-2	14	3
Contract CW 2003-3 &CW 2003-4	12	2
Contract for bridges	0	0
Summary	73	10

Outgoing letters to Contractors

Contracts	Total to date	Total this month
Contract CW 2002-1	247	10
Contract CW 2003-1 &CW 2003-2	171	16
Contract CW 2003-3 &CW 2003-4	133	10
Contract for bridges	144	0
Summary	695	36

Outgoing letters to Client

Contracts	Total to date	Total this month
Contract CW 2002-1	119	3
Contract CW 2003-1 &CW 2003-2	20	1
Contract CW 2003-3 &CW 2003-4	22	1
Contract for bridges	0	0
Summary	161	5

3.4. Incoming request for inspections

Table 3

Month:	September				
Year	2004				
Day	Date	CW2002-1	CW2003-1&2	CW2003-3&4	Total
Sat	25	9	16	17	42
Sun	26	7	13	13	33
Mon	27	3	11	10	24
Tue	28	7	11	9	27
Wed	29	5	14	8	27
Thu	30	7	10	14	31
Month:	October				
Year	2004				
Day	Date	CW2002-1	CW2003-1&2	CW2003-3&4	Total
Fri	1	9	19	7	35
Sat	2	9	12	11	32
Sun	3	3	15	8	26
Mon	4	0	11	10	21
Tue	5	1	6	15	22
Wed	6	9	15	10	34
Thu	7	13	18	12	43
Fri	8	7	8	14	29

Sat	9	7	15	17	39
Sun	10	11	10	17	38
Mon	11	10	16	11	37
Tue	12	8	14	17	39
Wed	13	5	19	9	33
Thu	14	0	8	0	8
Fri	15	0	1	11	12
Sat	16	0	3	3	6
Sun	17	1	8	11	20
Mon	18	3	12	12	27
Tue	19	11	23	12	46
Wed	20	15	16	18	49
Thu	21	14	20	26	60
Fri	22	10	5	21	36
Sat	23	6	14	25	45
Sun	24	21	13	15	49
Mon	25	3	21	27	51
		214	397	410	1021

3.5. Daily Weather Records

3.5.1. For Contract 2002-1

Table 4

Month: **September**

Year **2004**

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Sat	25	36C	Sunny	Work in progress	
Sun	26	34C	Sunny	Work in progress	
Mon	27	31C	Sunny	Work is not	
Tue	28	32C	Sunny	Work in progress	
Wed	29	38^{0}C	Sunny	Work in progress	
Thu	30	33C	Sunny	Work in progress	

Month: **October**

Year **2004**

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Fri	1	32 C	Sunny	Work in progress	
Sat	2	35 C	Sunny	Work in progress	
Sun	3	27 C	Rainy	Work is not	
Mon	4	28 C	Sunny	Work in progress	
Tue	5	28 C	Rainy	Work is not	
Wed	6	25 C	Foggy	Work in progress	
Thu	7	26 C	Foggy	Work in progress	
Fri	8	29C	Foggy	Work in progress	
Sat	9	29 C	Sunny	Work in progress	
Sun	10	28 C	Sunny	Work in progress	

Mon	11	29 C	Sunny	Work in progress	
Tue	12	27 C	Sunny	Work in progress	
Wed	13	28 C	Foggy	Work in progress	
Thu	14	29C	Foggy	Work in progress	
Fri	15	27C	Foggy	Work in progress	
Sat	16	28 C	Sunny	Work in progress	
Sun	17	27C	Foggy	Work in progress	
Mon	18	30C	Sunny	Work in progress	
Tue	19	29C	Sunny	Work in progress	
Wed	20	26C	Sunny	Work in progress	
Thu	21	28C	Sunny	Work in progress	
Fri	22	31C	Sunny	Work in progress	
Sat	23	29C	Sunny	Work in progress	
Sun	24	30C	Sunny	Work in progress	
Mon	25	25C	Foggy	Work in progress	

3.5.2. For Contract 2003-1&2

Month: **September**

Year **2004**

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Sat	25	43^{0}C	Sunny	Work in progress	
Sun	26	31C	Sunny	Work in progress	
Mon	27	34C	Sunny	Work in progress	
Tue	28	35C	Sunny	Work in progress	
Wed	29	34C	Sunny	Work in progress	
Thu	30	33C	Sunny	Work in progress	

Month: **October**

Year **2004**

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Fri	1	34 C	Sunny	Work in progress	
Sat	2	32 C	Sunny	Work in progress	
Sun	3	29 C	Sunny	Work in progress	
Mon	4	25 C	Rainy	Work in progress	
Tue	5	32 C	Sunny	Work in progress	
Wed	6	25 C	Rainy	Work in progress	
Thu	7	21C	Foggy	Work in progress	
Fri	8	24C	Foggy	Work in progress	
Sat	9	25C	Foggy	Work in progress	
Sun	10	30 C	Sunny	Work in progress	
Mon	11	30 C	Sunny	Work in progress	
Tue	12	27C	Sunny	Work in progress	
Wed	13	21	Foggy	Work in progress	
Thu	14	20C	Rainy	Work is not	
Fri	15	22C	Foggy	Work in progress	
Sat	16	25 C	Partly sunny	Work in progress	
Sun	17	27 C	Sunny	Work in progress	
Mon	18	26 C	Sunny	Work in progress	

Tue	19	23 C	Sunny	Work in progress	
Wed	20	21C	Sunny	Work in progress	
Thu	21	21C	Foggy	Work in progress	
Fri	22	20C	Foggy	Work in progress	
Sat	23	24C	Sunny	Work in progress	
Sun	24	23C	Sunny	Work in progress	
Mon	25	24C	Sunny	Work in progress	

3.5.3. For Contract 2003-3&4

Month:	**September**				
Year	**2004**				
Day	**Date**	**Temp**	**Weather Condition**	**Working Condition**	**Remarks**
Sat	25	31C	Sunny	Work in progress	
Sun	26	30C	Sunny	Work in progress	
Mon	27	30C	Sunny	Work in progress	
Tue	28	30C	Sunny	Work in progress	
Wed	29	31C	Sunny	Work in progress	
Thu	30	29C	Sunny	Work in progress	
Month:	**October**				
Year	**2004**				
Day	**Date**	**Temp**	**Weather Condition**	**Working Condition**	**Remarks**
Fri	1	31 C	Sunny	Work in progress	
Sat	2	31 C	Sunny	Work in progress	
Sun	3	28 C	Sunny	Work in progress	
Mon	4	27 C	Sunny	Work in progress	
Tue	5	15C	Rainy	Work is not	
Wed	6	24C	Sunny	Work in progress	
Thu	7	24C	Sunny	Work in progress	
Fri	8	19C	Sunny	Work in progress	
Sat	9	23C	Sunny	Work in progress	
Sun	10	23 C	Sunny	Work in progress	
Mon	11	23 C	Sunny	Work in progress	
Tue	12	22 C	Sunny	Work in progress	
Wed	13	15 C	Sunny	Work in progress	
Thu	14	15 C	Rainy	Work is not	
Fri	15	20 C	Sunny	Work in progress	
Sat	16	20 C	Sunny	Work in progress	
Sun	17	22 C	Sunny	Work in progress	
Mon	18	22 C	Sunny	Work in progress	
Tue	19	23C	Sunny	Work in progress	
Wed	20	24C	Sunny	Work in progress	
Thu	21	18C	Foggi	Work in progress	
Fri	22	18C	Foggi	Work is not	
Sat	23	18C	Foggi	Work in progress	
Sun	24	22C	Sunny	Work in progress	
Mon	25	23C	Sunny	Work in progress	

3.6. 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.

3.6.1. 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 have started and similar instruction as above has been issued.

3.6.2. Environmental impact – Borrow pits

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

Table 5

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 6

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

- ***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 7

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

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

3.7. Safety on Projects

3.7.1. 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. Road safety signature is in place.

3.7.1.1. Access to properties

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

3.7.1.2. 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.

3.7.1.3. 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 8

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	-	-	-

3.7.2. Work related accidents

Table 9

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

3.7.3. Traffic related accidents

Table 10

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

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

3.8.1. General notes

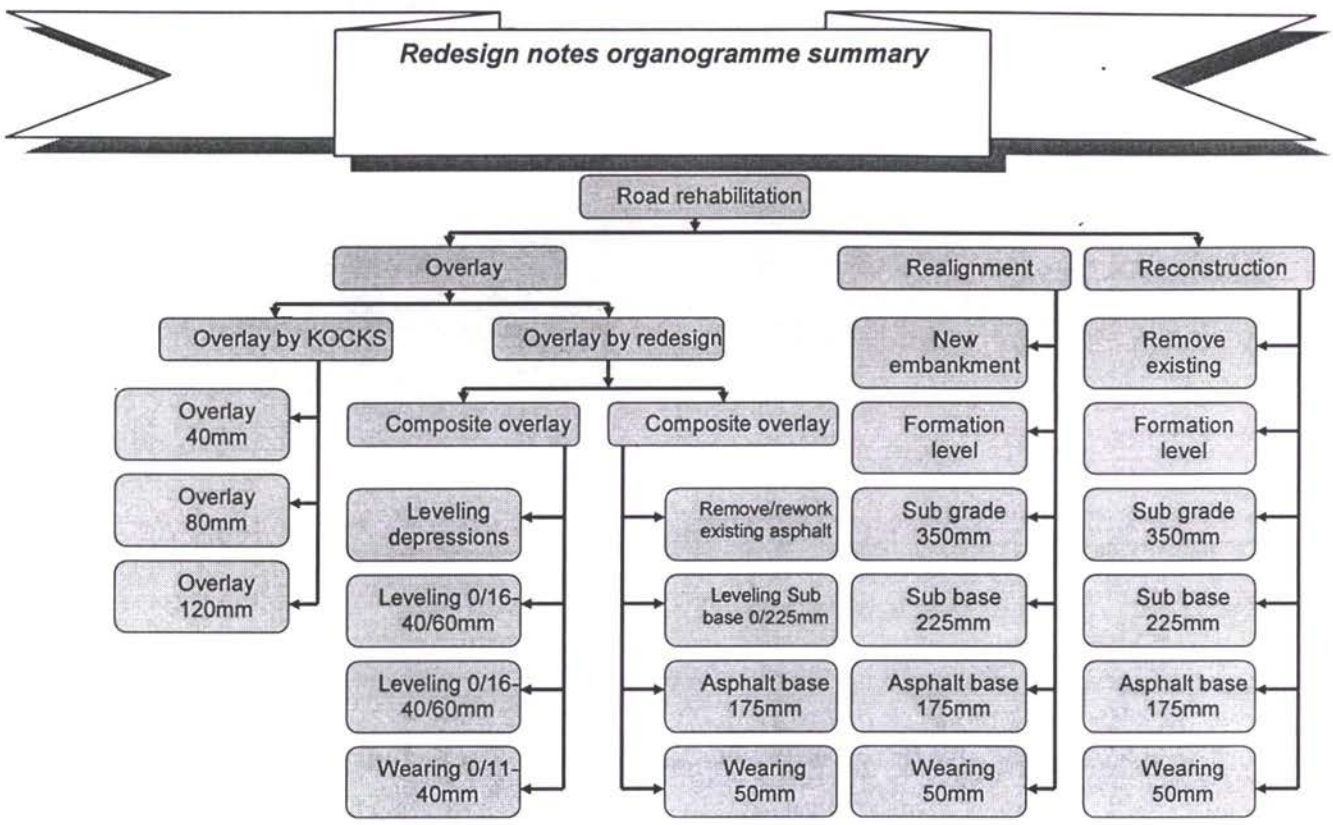
1. Original design calls for Overlay (40,80 and 120mm) and Reconstruction where ever indicated in the Contract drawings
2. Redesign conditions set by June 29, 2004 meeting are as follows:

   - 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.

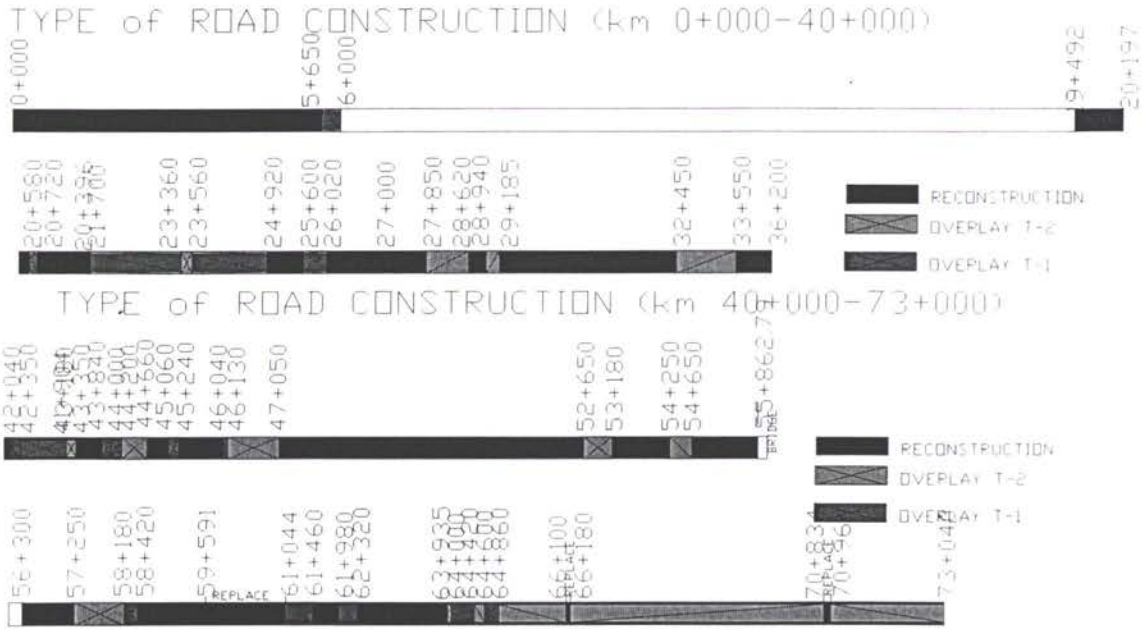
3. The way the redesign has been done

   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 asphalting 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.

3.8.2. Organogramme



3.8.3. Type of Construction for different locations.



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

Table 11

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 (U$)**
1	**CW2002-1**	***29,903,403,179.00***	***29,755,540,898.94***	***0.00***				*1$ = 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 waterprofing				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 colectors 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							

3.10. Guest visiting the Projects

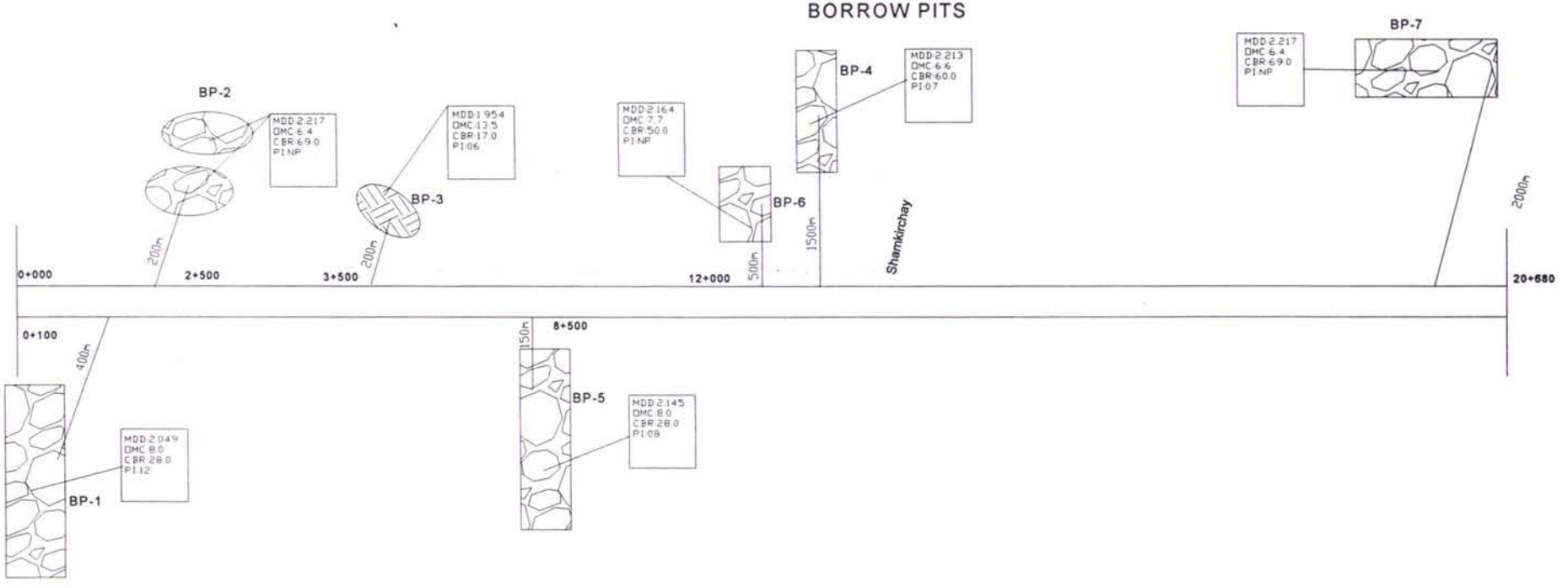
Table 12

Name	Position	Date of the Visit
Magerram Asadov	Chief Expert of the Department	5th October 2004
Gasimov Nazim	Head of the Teach. Office of the Department	5th October 2004
Adil Gojayev	PIU director	5TH October 2004
Gazanfar Safarov	PIU Procurement Specialist	5th October 2004
Vagif Hajiyev	The Chief of the MD of the Department	5th October 2004
Effendi Ismiyev	President of "Azerkorpu" Company	5th October 2004
Kamil Aliyev	Technical Director of Azwirt Company	5th October 2004

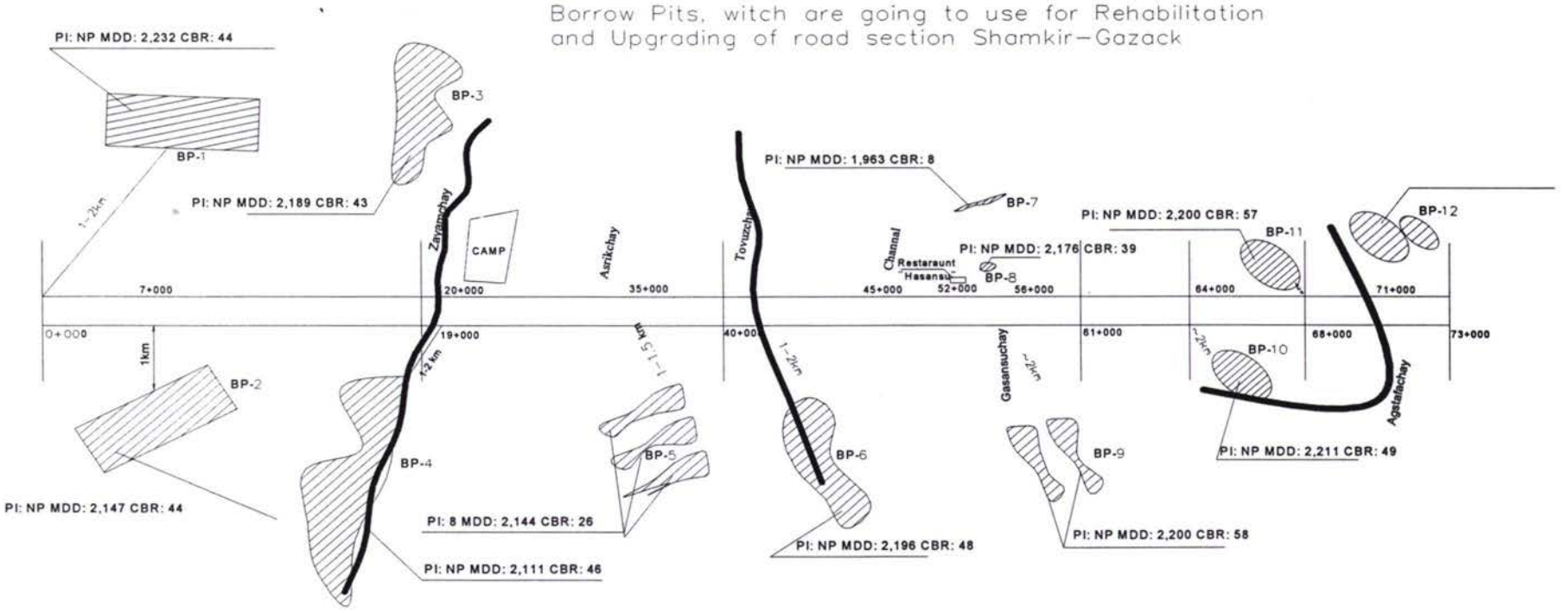
Attachments

"REHABILITATION AND UPGRADING OF GANDJA-SHAMKIR ROAD SECTION"

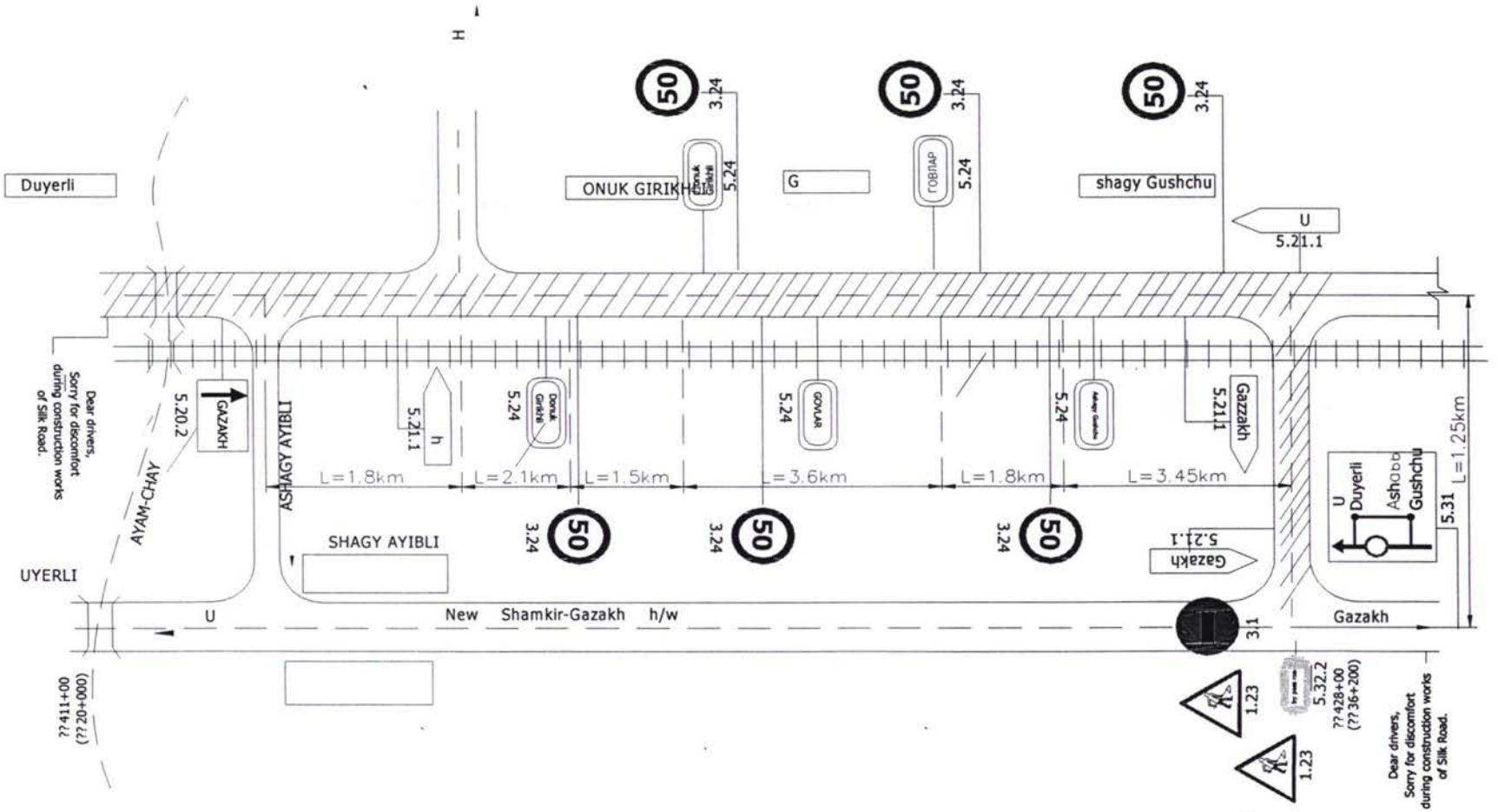
BORROW PITS



Contract CW2002-1 Borrow pits



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


Duyerli
ONUK GIRIKH
G
shagy Gushchu
U
5.21.1
50
3.24
5.24
Dear drivers,
Sorry for discomfort
during construction works
of Silk Road.
5.20.2
GAZAKH
AYAM-CHAY
ASHAGY AYIBLI
h
5.21.1
L=1.8km
L=2.1km
L=1.5km
L=3.6km
L=1.8km
L=3.45km
GOVLAR
Gazzakh
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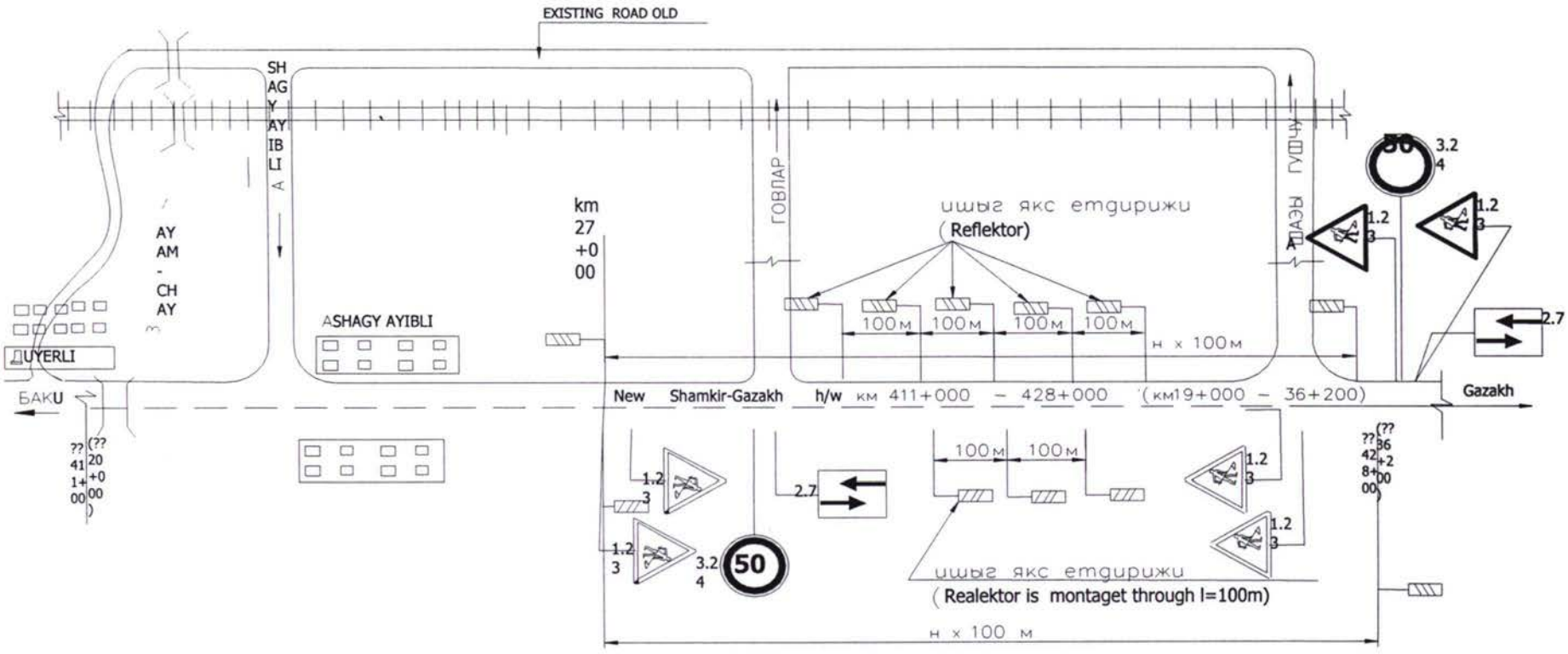
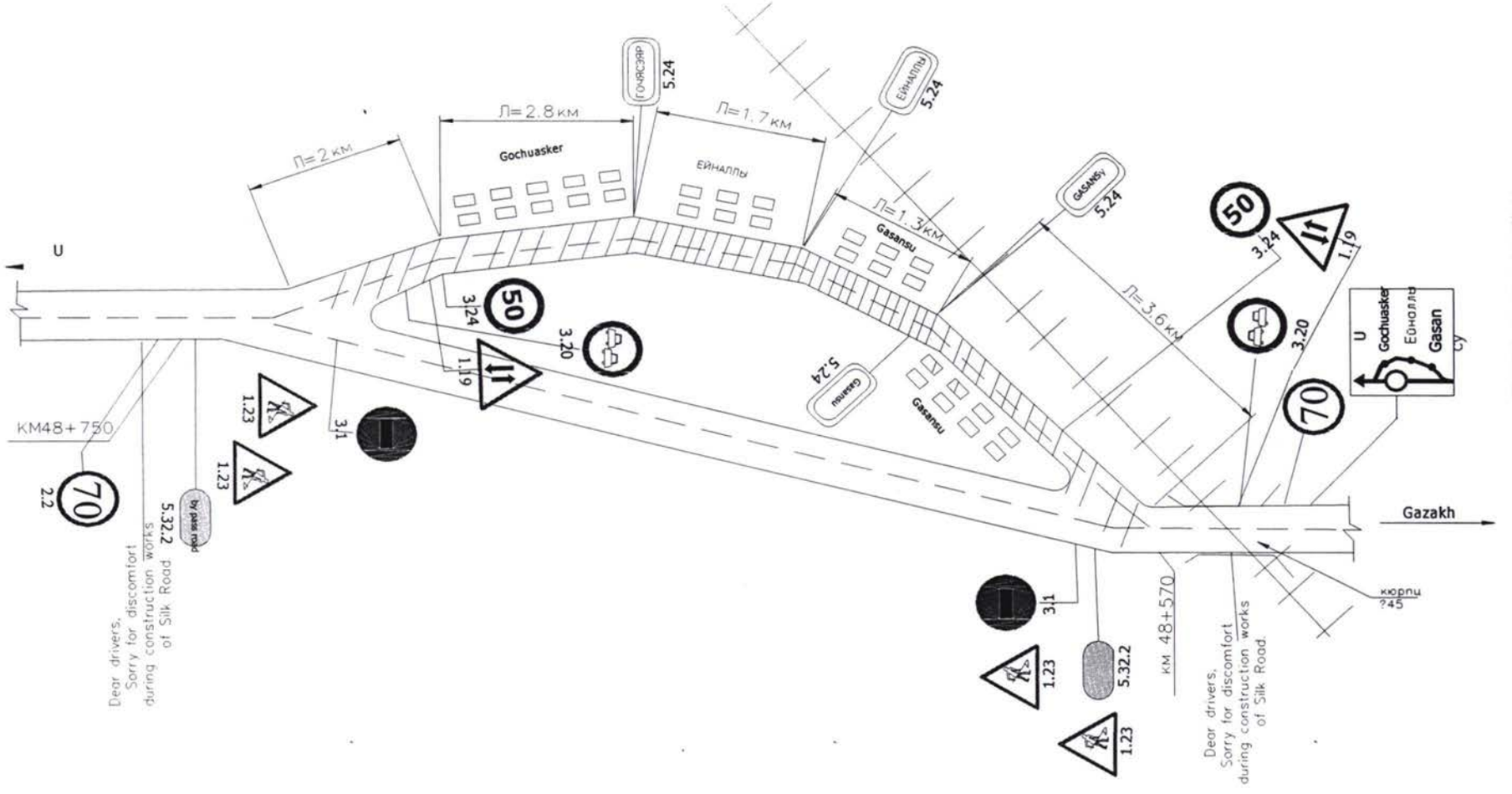


Contracts CW2003-1&2, single line operation at the Earthworks taking place between km 27+000 to km 37+000

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



Notes

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