

TACIS Regional 2000 TRACECA Programme

Rehabilitation of Caucasian Highways Azerbaijan Quarterly 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

Quarterly Progress Report

July-September 2004 – QPR5/2004/AZ



This project is funded by
The European Union



A project implemented by
Louis Berger SA Paris France

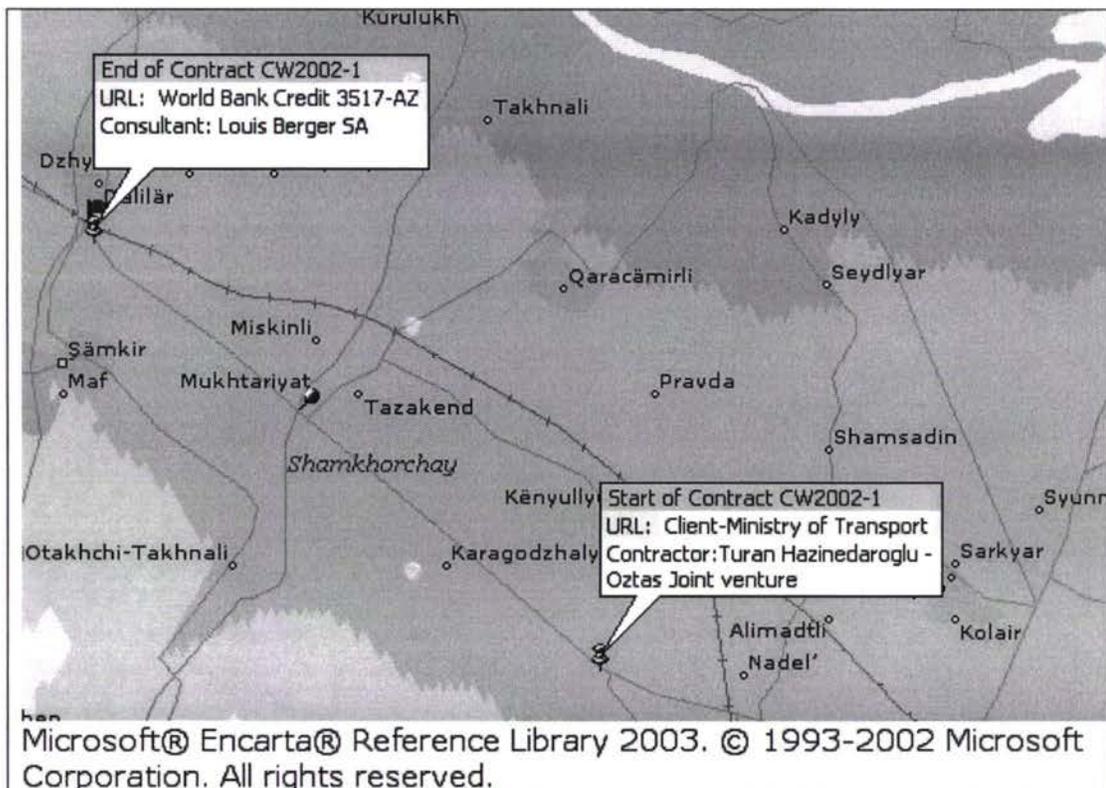
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<i>EC Service Contractor's</i>
<i>EC Delegation</i>
<i>TACIS Bureau (Task Manager)</i>
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

Rehabilitation of Caucasian Highways Azerbaijan Quarterly 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
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Contact Person	Mr. Javid G. Gurbanov	Mr. F. Signor
E-mail		fsignor@louisberger.com
		Project Team Leader
		Baku, Azerbaijan
		+994 12 498 84 31
		+994 12 493 24 76
		R. Degheim

1.2. Project Synopsis

Table 2

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

1.3. Monthly Progress Report

1.3.1. General

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

 Louis Berger SAS - Quarterly Progress Report **3 of 89** July-September

Author of the Author of Report – S. I. Dotchev Pr. Eng. – Service PM's Representative (RE)

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 "Yolneglyatservis" 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	14 th May 2002
Contract Awarded	30 th December 2002 by IDA
Letter of Acceptance Issued	24 th March 2003
Contract Agreement Signed	April 9 th 2003
Tender Amount	28,749,462,180.50 AZM
Contract Amount Article 15.3	29,903,403,179.00 AZM
Revised Contract amount-Art.15.3	29,755,540,898.14 AZM
Contract Start Date	21 st April 2003
Original Contract Completion Date	21 st July 2004
Extended Completion Date	21 st October 2004
Defects Liability Period	365 days
1 st Works Programme received	18 th April 2003
Last revision of Works Programme	5 th September 2004
Value of Works to date as per IPCs	22,204,835,159.00 AZM
Value of Works to date	25,292,209,763.30 AZM
Value of Works to date (%)	85%
Variations	VO №1 - Extension of 3 months without additional cost. VO №2 – Modifying end of the Project. New end at 20+680 For the amount of -147,862,280.86 AZM
Advance Payment Received – 20%	5,980,680,936.00 AZM

Repayments made	5,293,525,682.00 AZM
Delays	30 days
Claims	1. New claim entered - Adjust Contract price - Clause 45 Taxes – Contractor's letter 157 dated July 30 th 2004 2. New claim entered – Extension of time – Contractor letter 175 dated September 28 th 2004
Time elapsed to date	529 days
Time remaining to date	21 days

1.3.3. Progress report

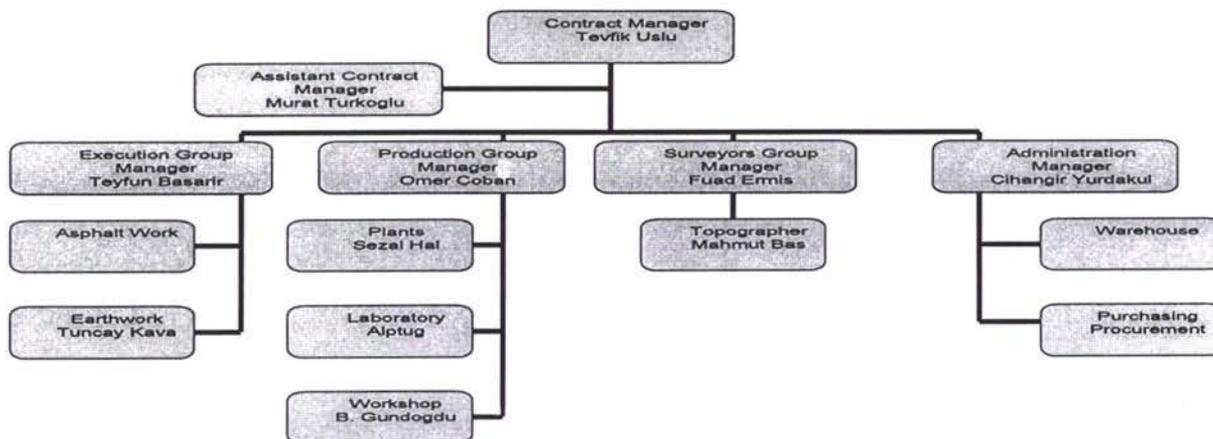
1.3.3.1. Status of the Contract

Since start (April 21, 2003) the Contractor have been on site 529 days or 96.18% of the Contractual time and to date are remaining 21 days or 3.82% of the Contractual time to the extended Completion date (October 21, 2004)

1.3.3.1.1. Contractor's staff

1.3.3.1.1.1. Management staff and organization (organogramme)

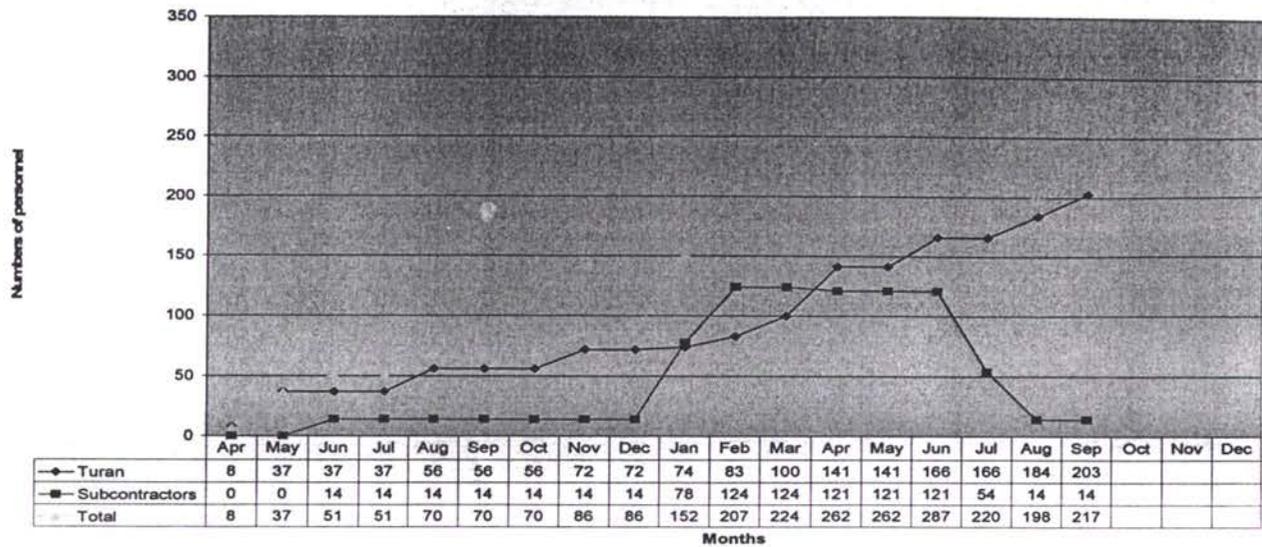
Figure 1



1.3.3.1.1.2. Personnel staff employed

Figure 2

Contract CW2002-1 - Personnel staff movements



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			

1.3.3.3. Project progress summary

The Volume of Works completed to September 30th2004 represents 85% from the Revised Contract value.

1.3.3.3.1. Work Progress on structures

1.3.3.3.1.1. Progress on culverts

Table 7

No	Chainage		Type	Size m	Length	Gradient	Repair Date	Work done		Note	
	Project	Draw.						Extent Date	Replace Date		
a	b	c	d	e	r	s	f	g	J	i	
1e	0+002	0+002	Box	2x2	49.94	0.014				work on	Extra
2e	0+766	0+764	Box	1,5x1,5	26.85	0.032		17/02/2004			
3e	1+371	1+369	Box	2x2	38	0.035		17/02/2004			Extra
4e	1+559	1+558	Pipe	1	35.00	0.012				03/02/2004	Extra
5e	1+922	1+920	Box	2x2	31.65	0.021				17/02/2004	Extra
6e	2+173	2+171	Pipe	1	60	0.02				19/01/2004	Extra
7e	2+370	2+368	Box	2(2x2)	39.62	0.02				03/04/2004	Extra
8e	3+190	3+187	Pipe	1	50	0.008				30/03/2004	Extra
9e	3+248	3+246	Pipe	1	50	0.013				16/02/2004	Extra
10e	3+643	3+641	Pipe	1	40	0.035				16/02/2004	Extra
11e	3+759	3+757	Pipe	1	25.2	0.026				26/02/2004	Extra
12e	3+866	3+863	Pipe	1	25.2	0.038				27/02/2004	Extra
	4+020	4+020	Box	4,0x2,1	29.81	0.037				15/04/2004	Animal cross
13e	4+073	4+024	Pipe	1	35.24	0.037				14/04/2004	Extra
14e	4+121	4+118	Pipe	1	36.6	0.004	17/08/2003			07/04/2004	
	4+220	4+220	Pipe	1.20	30	0.003				11/03/2004	
15e	4+362	4+360	Pipe	1	22.4		22/08/2003	22/07/2004			
16e	4+616		Pipe	1							(deleted)
17e	4+783	4+781	Pipe	1	25.77	0,020	20/08/2003	17/02/2004			
18e	4+866	4+863	Pipe	1	25.51	0,017	26/07/2003	17/02/2004			
	4+950		Box	2x2							deleted
20e	5+009	5+008	Pipe	1,5x1,5	35.03	0.024				04/05/2004	Extra
21e	6+124		Pipe	1							(deleted)
	6+150	6+122	Box	4,0x2,5	24.2	0.083				11/04/2004	Animal cross
23e	6+406	6+404	Pipe	1	24.8	0,008	29/07/2003	23/04/2004			
24e	6+741	6+739	Pipe	1	20.08	0.037	21/07/2003	21/04/2004			
25e	6+826	6+826	Pipe	1	20.57	0,027	17/07/2003	16/04/2004			
26e	7+350	7+350	Pipe	1	22.47	0,010	16/07/2003	22/05/2004			
27e	7+564	7+562	Pipe	1	21.95	0,015				15/04/2004	Extra
28e	7+889	7+889	Pipe	1	37.78	0,015	25/08/2003	15/06/2004			
29e	8+337	8+316	Pipe	1	25.15	0,015				09/04/2004	Extra
30e	8+554	8+554	Box	2x2	40.08	0,013		22/07/2004			Extra
	8+897	8+872	Pipe	1	32.6	0,024	14/07/2003			22/07/2004	
32e	9+029	9+006	Pipe	1	27.58	0,019	23/09/2003	10/07/2004			
	9+100	9+060	Box	2(2x2)	21.32	0.03				14/04/2004	
	9+400	9+400	Pipe	2x1,2	20.22	0.009				07/04/2004	
35e	9+552	9+529	Pipe	1	19.91	0,010	22/07/2003	14/05/2004			
36e	9+823	9+801	Pipe	1	20.43	0,009	30/08/2003	30/06/2004			
37e	9+890	9+867	Pipe	1	22.87	0,017	09/09/2003	12/06/2004			
	10+075	10+040	Pipe	2x1,2	25.2	0.025				01/05/2004	
39e	10+504	10+482	Pipe	1	22.3	0,013	02/09/2003	10/07/2004			
40e	11+066	11+043	Pipe	1	21.53	0,020	19/09/2003	03/06/2004			
41e	11+451	11+428	Pipe	1	23.89	0,014	05/07/2003	12/05/2004			
	12+993		Pipe	2x1,2						31/07/2004	
	13+360	13+360	Pipe	1	35,25	0,012				10/06/2004	
	13+350		Box	4x2,5						01/06/2004	Animal cross
44e	13+572		Pipe	1			13/12/2003	30/06/2004			
	14+000		Pipe	2x1,5						22/05/2004	
46e	14+112		Pipe	1			05/12/2003	16/06/04			
47e	14+489		Pipe	1			29/07/2003	19/05/2004			
48e	14+602		Pipe	1			23/07/2003	22/05/2005			
49e	15+007		Pipe	1,5x1,5			26/12/2003	12/06/2004			
50e	15+203		Pipe	1			07/07/2003	04/06/2004			
51e	15+571		Pipe	1			29/07/2003	04/06/2004			
52e	16+020	15+997	Pipe	1	29.05	0,011	10/09/2003	30/04/2004			
53e	16+340	16+317	Box	2x2						22/05/2004	Extra

54e	16+653	16+630	Pipe	1	20.46	0,015	13/07/2003	27/06/2004	
55e	17+194	17+171	Pipe	1	20.14	0,023	28/07/2003	25/05/2004	
	17+500		Box	2x2					17/06/2004
57e	18+366	18+344	Pipe	1	20.39	0,018	23/07/2003	27/05/2004	
58e	18+794	18+770	Pipe	1	22.87	0,015	28/07/2003	19/05/2004	
	18+799	18+776	Pipe	1	22.62	0,016	02/10/2003	26/07/2004	
59e	19+411	19+388	Pipe	1	20.12	0,009			19/04/2004
60e	19+769	19+746	Pipe	1	20.59	0,027	23/09/2003	10/07/2004	
61e	20+306	20+283	Pipe	1	20.64	0,023	11/07/2003	03/07/2004	
62e	20+522	20+500	Pipe	1	33.31	0.04		25/07/2004	
63e	20+719		Pipe	1					(deleted)
64e	20+767		Pipe	1					(deleted)

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

63
22
5
1
62

1.3.3.3.1.2. Progress on Bridges

Table 8

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

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

6
5
1

1.3.3.3.2. The Productions figures for some major Works operations

Table 9

Item	Description	Unit	As per Programme		Actual achieved on site weekly		
			0 -12km	12-20km	Average	Maximum	Last week
201	Site cleaning	ha	2.66	3.55	0.21	9.5	0.00
207 209	Milling of existing asphalt	M3	Works has been completed				
206 210	Construction of embankment	M3	9556	6230	440	16000	180
213	Works on formation level	M2	28658	33851	10445	30780	6120
301	Construction of capping layer	M3	10185	12731	5280	11640	7313
302	Construction of sub base	M3	6356	5832	4560	5540	3062
304	Prime Coat	M2	44421	29694	41436	57452	57452
306	Bituminous Base/binder coarse	M2	18662	21532	16764	31182	21414
310	Wearing course	M2	70147		0	0	0
312	Sub base to shoulders	M3	8442		46.88	46.88	46.88
	Crusher plant production	M2	11543		8500	18400	8590

1.3.3.3.3. Conclusions

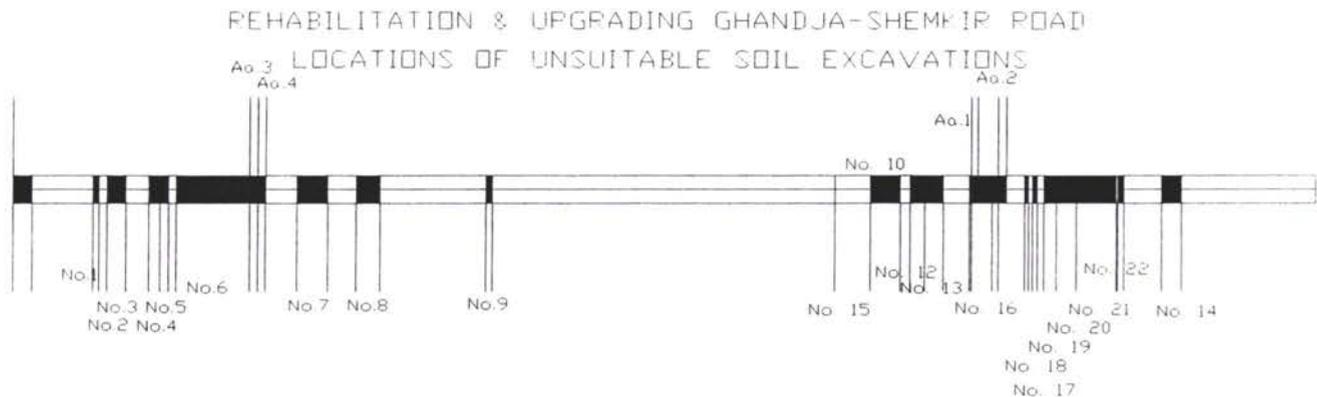
Comparing the Programmed with the actual production rates (see table above) - shows that at present the Contractor get close to the programmed production for capping, sub base layer and prime coat. Base/binder course is progressing well. The Contractor in general has improved on production rates, however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

1.3.3.4. Some problems which might effect on completion date

Table 10

Problems associated with completing the Contract in time	Actions taken
<u>Guard rails</u> – Preliminary estimates shown that the required length is just about double the volumes given in the Project B&Q	Client has accepted the proposal Contractor instructed to proceed
<u>Petrol stations</u> – They are 7 station at this section of the road. In order to be constructed in accordance with the Project standards extra cost is required – our letter 64 dated June 3 rd 2004 and 98 dated August 30 th 2004	PIU to clarify with the RTS and confirm
<u>Gas service lines</u> – There are several km of pipe lines remaining under the widened embankment of the rehabilitated road which must be removed	PIU instructions received at Minutes of Meeting July 26 th . No Funds no relocation of services
<u>Electrical service lines</u> – There are 18 crossings not conforming the standards To date only 4 crossing has been instructed so far.	PIU instructions received at Minutes of Meeting July 26 th . No Funds no more than 4 relocations
<u>Single seal to shoulders</u> - In order to prolong the design period of the road And to improve on safety and maintenance expenses Contractor's proposal To provide single seal on shoulders	PIU to clarify with the Client and confirm
<u>High fills water collector drain</u> – In order to improve the design and stability on high fills, Contractor proposed water rain collector drain	Client has accepted the proposal Contractor instructed to proceed
<u>Unsuitable material</u> – Unexpected large quantities (km 14+000 to km20+000) of unsuitable material hampering the earthworks for the Contractor	Client has been informed about Our Letter 97, August 26 th 2004
<u>Bitumen supply</u> - The Contractor reported problems with regular bitumen Supply which might effect completion date as well as	Contractor extent request for help To Client - If possible

- For unexpected unsuitable material locations

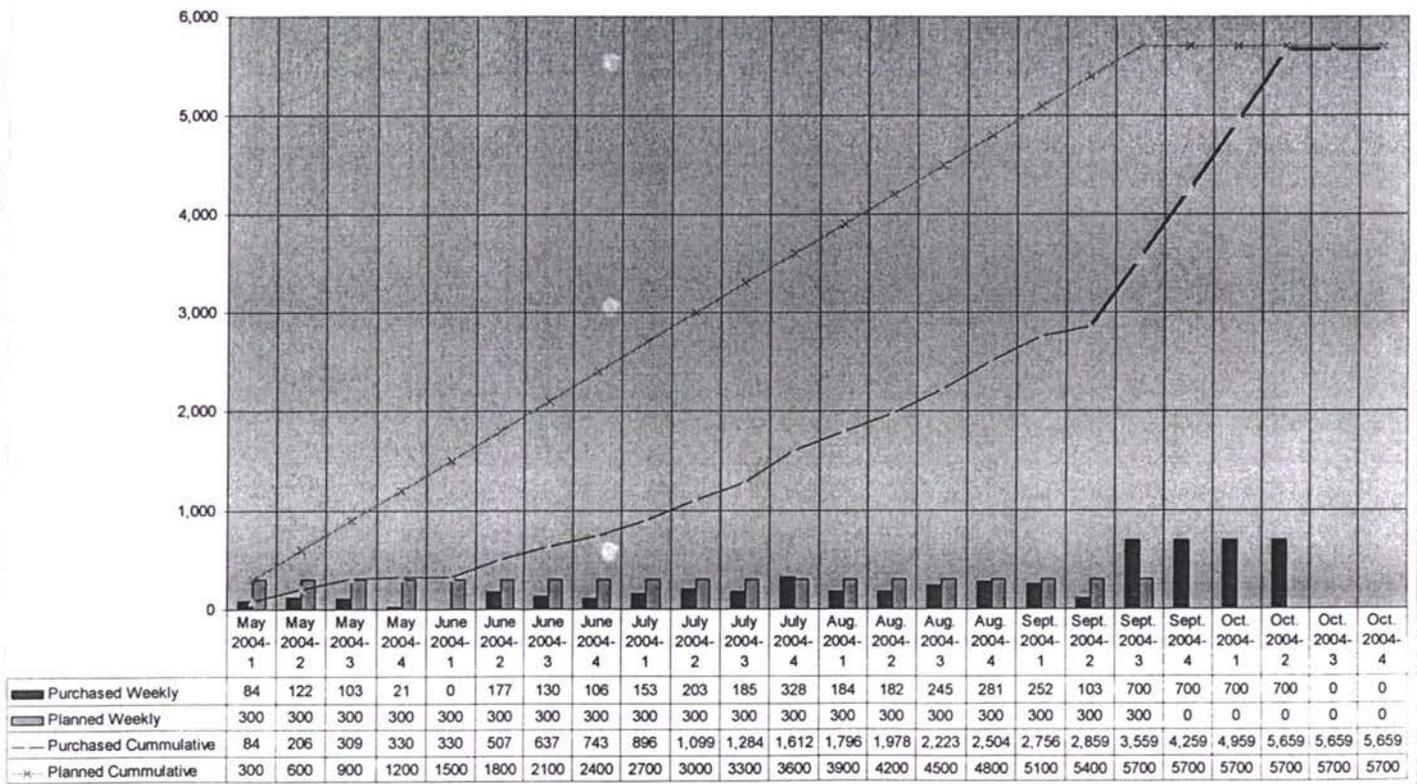


ATTACH.	LOCATION	DEPTH (cm)	WIDTH (m)	VOLUME (m3)
Aa.1	15+180 - 15+600	33	5.00	693.0
Aa.2	15+280 - 15+730	40	4.00	720.0
Aa.3	3+750 - 3+880	40	4.00	208.0
Aa.4	3+880 - 4+010	40	4.00	208.0
No.1	1+276 - 1+370	30-60	3,0-4,0	62.5
No.2	1+500 - 1+800	50-60	3.00	229.8
No.3	1+500 - 1+800	50-60	3.00	117.1
No.4	2+160 -2+340	30	1,5 - 2,0	17.3

No.5	2+340 - 2+480	30	1,5 - 3,0	83.6
No.6	2+600 - 4+000	30	1,5 - 5,0	129.9
No.7	4+500 - 4+980	30	3,0 - 6,0	181.5
No.8	5+420 - 5+800	30	2,0 - 6,0	51.6
No.9	7+500 - 7+600	30	3.0	54.0
No.10	13+580 - 14+060	30	2,0 - 4,0	121.2
No.11	0+000 - 0+300	30	3.0	99.0
No.12	14+210 - 14+440	60	13.0	1794.0
No.13	14+440 - 14+740	60	13.0	2340.0
No.14	18+200 - 18+520	30	5.0	480.0
No.15	13+020 - 13+047	60	3.0	48.6
No.16	15+150 - 15+500	60	3.0	192.6
No.17	16+140 - 16+220	60	4.0	192.0
No.18	16+020 - 16+080	60	3.5	126.0
No.19	16+320 - 16+520	60	10.0	1200.0
No.20	16+520 - 16+840	60	7.0	1344.0
No.21	16+840 - 17+480	60	6.0	2304.0
No.22	16+840 - 17+480	60	5.0	300.0
Total (m3)				13297.6

• For bitumen supply

SUPPLY OF BITUMEN



1.3.4. Claims and Variations Orders

1.3.4.1. Claims

1.3.4.1.1. Intention for claim

1.3.4.1.1.1. IPC late payments

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

1.3.4.1.1.2. Shortage of Bitumen

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

1.3.4.1.3. New claims

1.3.4.1.3. 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).

1.3.4.1.3. 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 28thSeptember 2004. The Claim is under consideration.

1.3.4.2. Variation Orders

1.3.4.2.1. Variation order №1 – Extension of time

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

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

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

1.3.5. Financial

1.3.5.1. Interim Payment Certificates to date

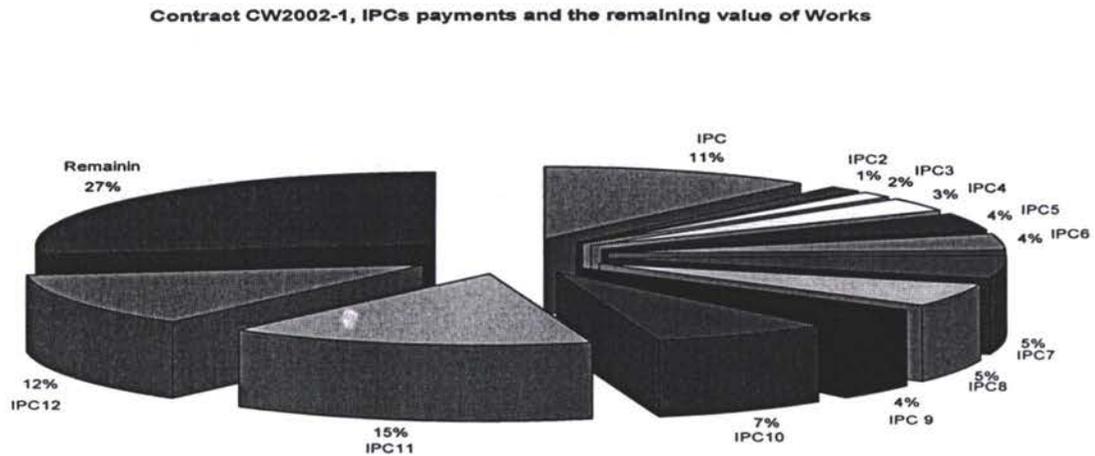
Table 11

Item	Date	IPC	Value AZM	%	Status
1	30/05/03	IPC 1	3,277,448,972.89	11.01%	paid
2	04/07/03	IPC 2	417,198,206.00	1.40%	paid
3	17/08/03	IPC 3	467,687,830.00	1.57%	paid
4	10/09/03	IPC 4	900,048,107.00	3.02%	paid
5	30/11/03	IPC 5	1,110,117,798.00	3.73%	paid
6	31/01/04	IPC 6	1,072,592,505.00	3.60%	paid
7	29/02/04	IPC 7	1,623,995,889.00	5.46%	paid
8	31/03/04	IPC 8	1,552,060,284.00	5.22%	paid
9	30/04/04	IPC 9	1,092,735,343.00	3.67%	paid
10	31/05/04	IPC10	2,132,600,087.00	7.17%	paid

11	30/06/04	IPC11	4,478,712,465.00	15.05%	paid
12	31/08/04	IPC12	3,614,162,119.00	12.15%	paid
		To date	21,739,359,605.89	73.06%	Not fully
		Available	8,016,131,292.00	26.94%	Remained
		Contract price	29,755,540,898.00	100.00%	

The IPC 13 has not been entered yet at the time of preparation of the Report.

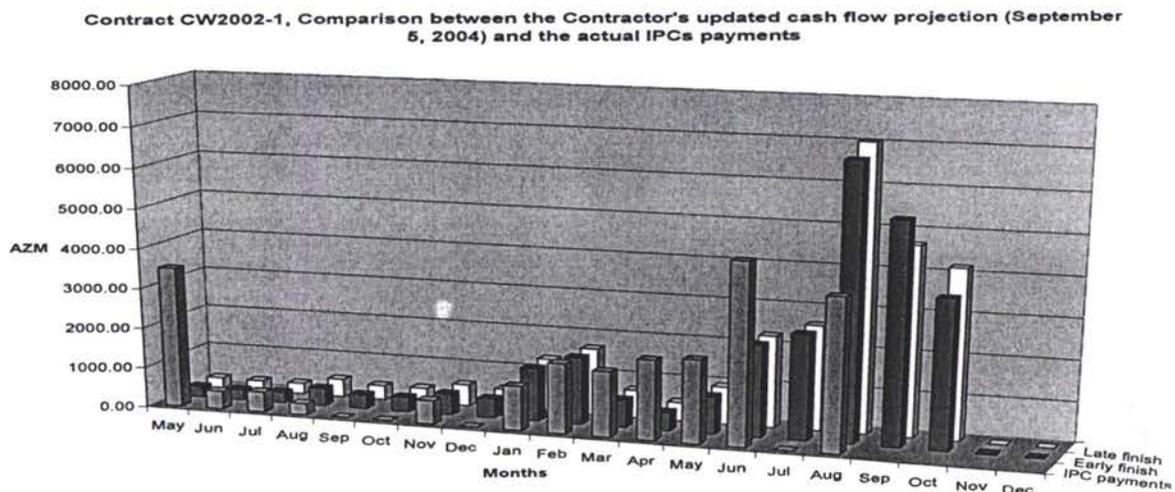
Figure 4



1.3.5.2. Cash flow projection

The Contractor has submitted his revised and updated Cash flow Projection along with the revised Programme of Works on September 5th2004.

Figure 5



1.3.5.3. Contract (Project) Assessment

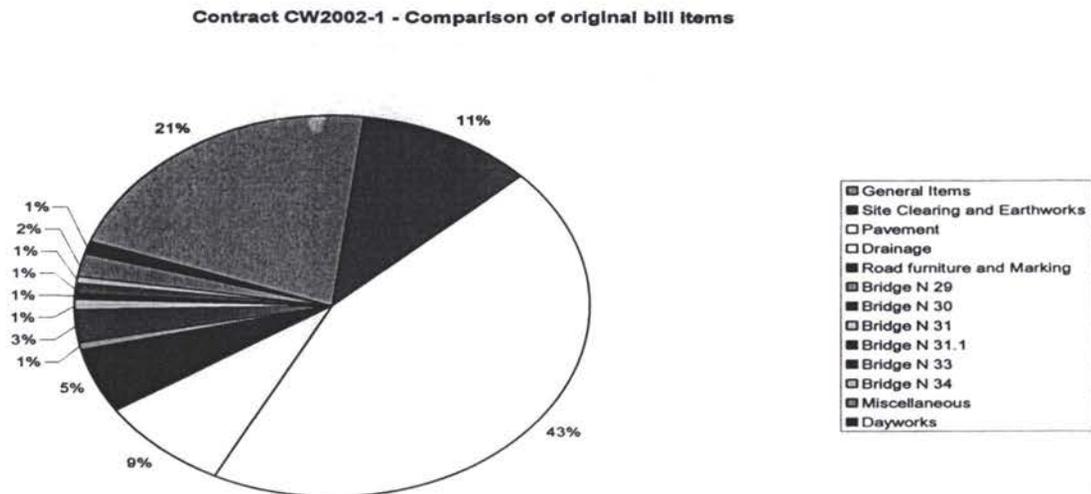
1.3.5.3.1. Contract time

In order to assess whether the Contractor shall complete the Project in time the delay due to required longitudinal redesign (realistically of about 120 days) should be taken out of the 529 days and shall leave us

with 409 days to date, Contractor has been on site. The values of Works achieved to date are at 85%. Thereafter for the remaining 21 days the Contractor must produce value of Works (15%) of Contract revised price. Please note that to date the preliminary estimate for extra work required to this Contract is at about 10-11% and that might push the completion of Works with other month behind. Further under account should be taken the unexpected volumes of unsuitable material between km 14 and 20 and the problems with Bitumen supply the Contractor experience lately. Or realistically we might expect completion of Works around middle/end December 2004.

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

Figure 6



1.3.5.3.2. Contract price – (Budget expecting estimates)

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

Table 12
%

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



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

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

Further information has been forwarded as requested at the Minutes of Meeting August 27th2004 held at RTSD chair by Mr. B. Huseynov see our letter 98 dated August 30th2004. However RTSD formal answer on this letter is still pending.

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

1.3.6. Testing results

Table 13

SUMMARY OF LABORATORY TESTING DURING SEPTEMBER MONTH

Description of Work		Test Performed				Remarks
		Total	Passed	Retested	% Passed	
Road Embankment						
1	FDT/Nuclear Density	157	146	11	93.0	
2	PI	1	1	0	100	
3	MDD/Proctor	1	1	0	100	
4	CBR	1	1	0	100	
5	Moisture Content	1	1	0	100	
Granular capping layer or selected sub grade fill- 1 (175mm Of 350mm)						
1	Gradation	1	1	0	100	
2	FDT/Nuclear Density	38	29	9	76.3	
3	MDD/Proctor	1	1	0	100	
4	PI	1	1	0	100	
5	CBR	1	1	0	100	
6	Moisture Content	1	1	0	100	
Granular capping layer or selected sub grade fill- 2 (175mm Of 350mm)						
1	Gradation	1	1	0	100	
2	FDT/Nuclear Density	19	15	4	78.9	
3	MDD/Proctor	1	1	0	100	
4	PI	1	1	0	100	
5	CBR	1	1	0	100	
6	Moisture Content	1	1	0	100	
Granular sub base layer (from recycled asphalt concrete and recycled sub base material) 225mm						
1	Gradation (Combined)	4	4	0	100	
2	FDT/Nuclear Density	73	62	11	84.9	
3	MDD/Proctor	4	4	0	100	
4	LAA	0	0	0	0	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	4	4	0	100	
7	Moisture Content	4	4	0	100	
8	CBR	4	4	0	100	
9	PI	4	4	0	100	
Granular Shoulder (sub base material) 225mm						
1	Gradation (Combined)	2	2	0	100	
2	FDT/Nuclear Density	0	0	0	100	
3	MDD/Proctor	2	2	0	100	
4	LAA	0	0	0	0	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	2	2	0	100	
7	Moisture Content	2	2	0	100	
8	CBR	2	2	0	100	
9	PI	2	2	0	100	
Concrete Works						
1	Compression Test	3	3	0	100	
2	Slump	0	0	0	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 (100mm)						
1	Gradation	4	4	0	100	
2	LAA	0	0	0	0	
3	Stripping Test	0	0	0	0	
4	Fractured face	0	0	0	0	
5	Core-cutting (thickness)	4	4	0	100	
6	Extraction test	4	4	0	100	
7	Stability	4	4	0	100	
8	Flow	4	4	0	100	
9	Air Voids	4	4	0	100	
10	VMA/VFA	4	4	0	100	
Bituminous road base 2 (75mm)						
1	Gradation	11	11	0	100	
2	LAA	0	0	0	0	

3	Stripping Test	0	0	0	0
4	Fractured face	0	0	0	0
5	Core-cutting (thickness)	11	11	0	100
6	Extraction test	11	11	0	100
7	Stability	11	11	0	100
8	Flow	11	11	0	100
9	Air Voids	11	11	0	100
10	VMA/VFA	11	11	0	100
Flexible bituminous surface (50mm)					
1	Gradation	2	2	0	100
2	LAA	0	0	0	0
3	Stripping Test	0	0	0	0
4	Fractured face	0	0	0	0
5	Core-cutting (thickness)	2	2	0	100
6	Extraction test	2	2	0	100
7	Stability	2	2	0	100
8	Flow	2	2	0	100
9	Air Voids	2	2	0	100
10	VMA/VFA	2	2	0	100

1.3.7. Correspondence records

1.3.7.1. Incoming Letters

Table 14

Item	Date	Author	Sender's	Date on the	In response	Subject	Attach-	Replay status			
								Required	Date	Our	
	Received	from	ref	Letter	to		ments	Yes / No	Sent	Ref:	
1	05/09/2004	M.T	172	05/09/2004	N/A	Revised work programme	yes	yes	21/09/2004	232	
2	06/09/2004	M.T	173	18/09/2004	N/A	Indicative signs	no	yes	21/09/2004	233	
3	27/09/2004	M.T	174	24/09/2004	Letter 236	Storm Water Gutters and Chutes at High Fill Areas	yes	yes			

1.3.7.2. Outgoing letters

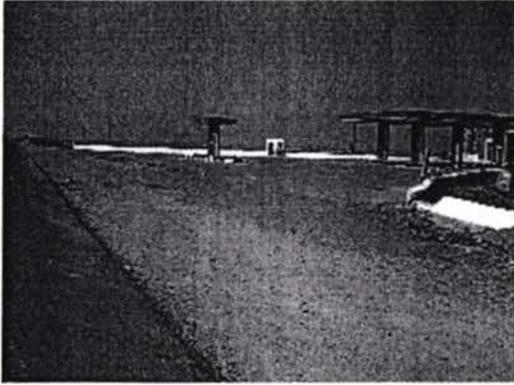
Table 15

Item	Date	Author	Our ref:	Date	In response	Subject	Attach-	Replay status			
								Required	Date	Sender's	
	Posted	initials		Written	to		ments	Yes/No	Sent	Ref:	
1	18/09/2004	S.D	231	18/09/2004	170/27.08.04	Relocation of Electrical supply lines	no	no			
2	21/09/2004	S.D	232	21/09/2004	172/05.09.04	Revised work programme and CFP	no	no			
3	22/09/2004	S.D	233	21/09/2004	173/18.09.04	Indicative road signs	no	no			
4	22/09/2004	S.D	234	21/09/2004	163/14.08.04	Bus shelter	no	no			
5	22/09/2004	S.D	235	21/09/2004	167/18.08.04	Guard rail proposal	no	no			
6	23/09/2004	S.D	236	21/09/2004	159/02.08.04	Various proposal	no	no			
7	23/09/2004	S.D	237	22/09/2004	163/14.08.04	Bus shelter	no	no			
8	27/09/2004	S.D	238	23/09/2004	N/A	Intermediate Minutes of Meeting-18.09.04	yes	no			

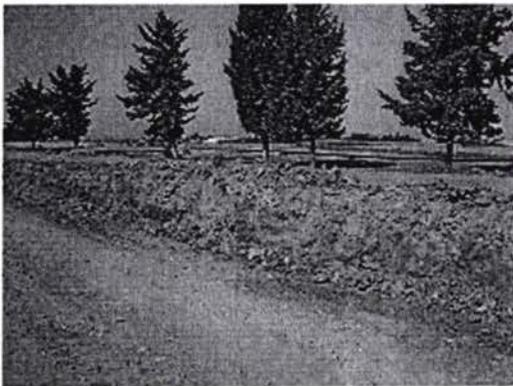
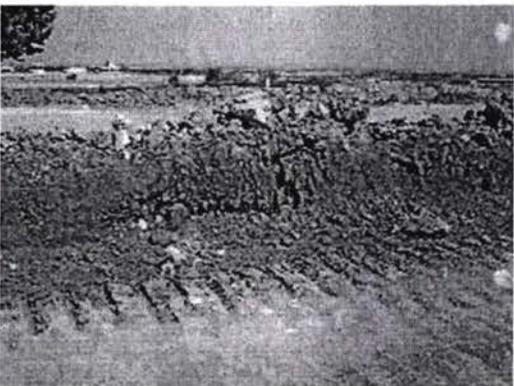
1.3.8. Project progress photos

Approach roads to Petrol Stations

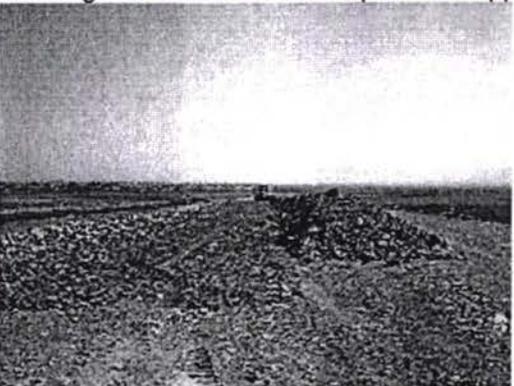




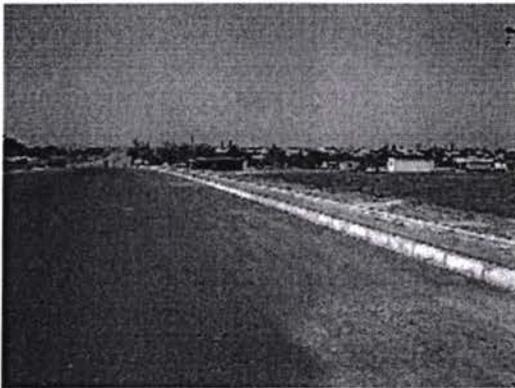
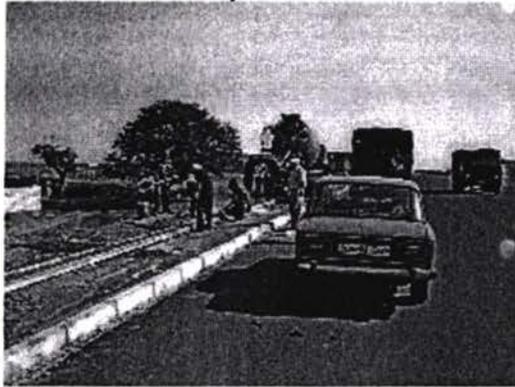
More unsuitable material at km 19 – 20



Working out material on stock piles for capping layer – cleaning out the oversize stones



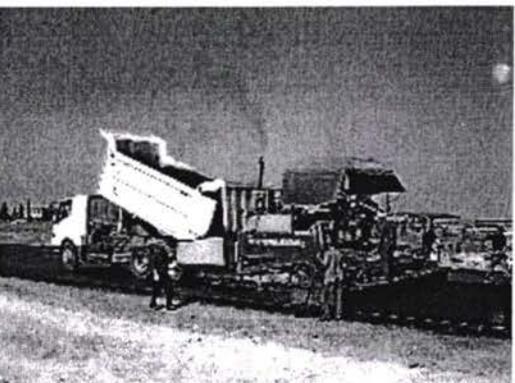
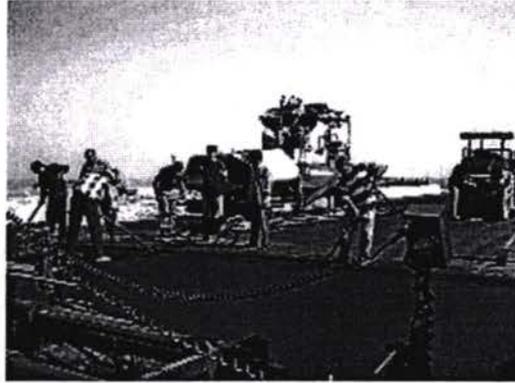
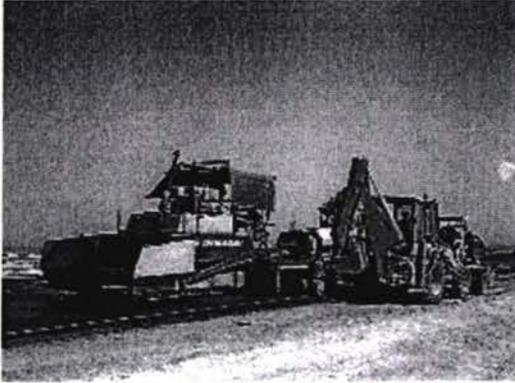
Pedestrian walkway



Preparing Binder surface to receive Tack coat and then wearing course

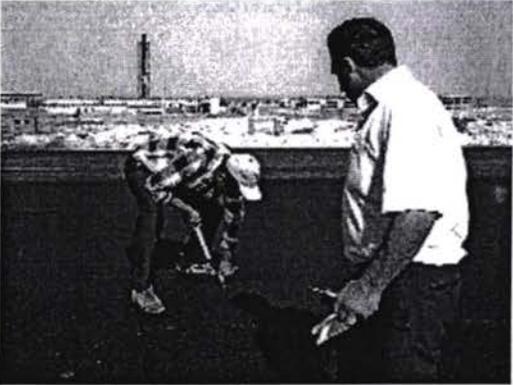


Wearing course in full swing



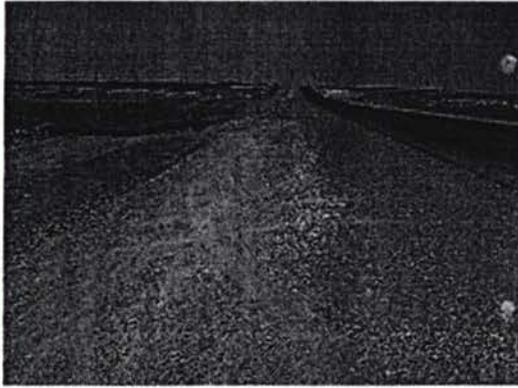


Consultant's asphalt inspector in action



Finishing off Borrow pits areas, cuts and cutting side drains





Fixing up signatory road signs



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

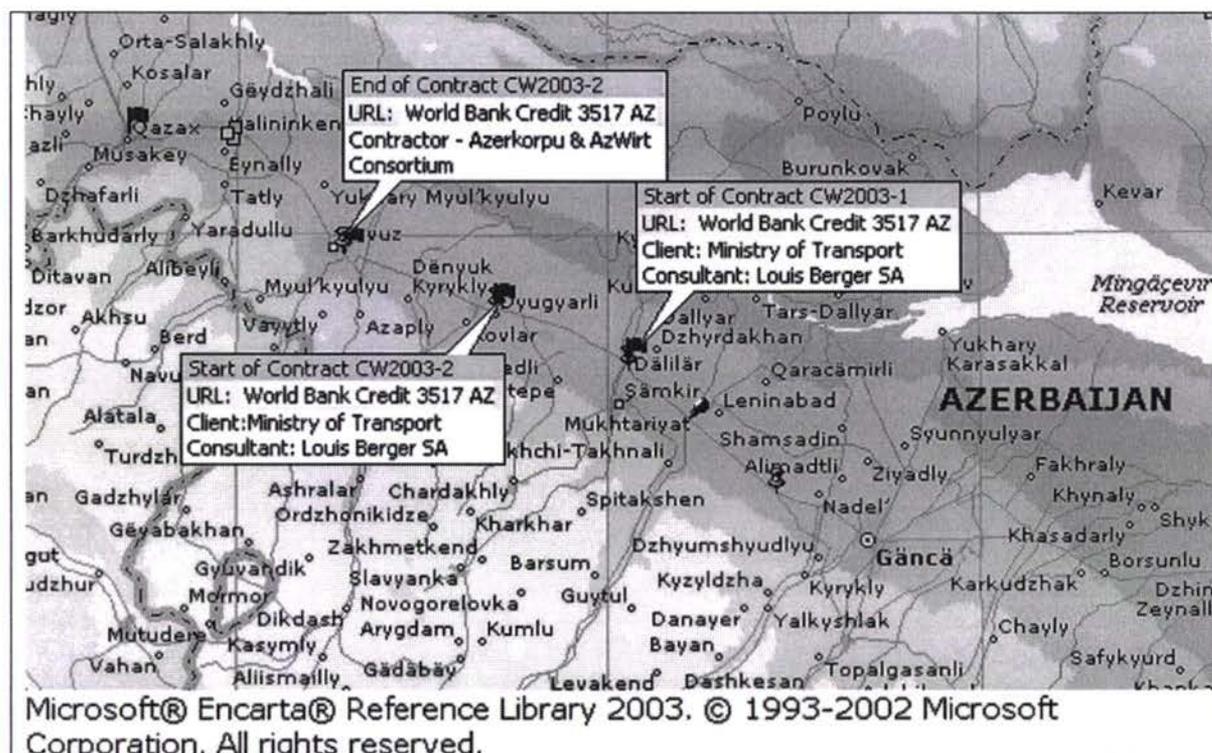


Rehabilitation of Caucasian Highways Azerbaijan Quarterly Technical report

Segment 2 for Project Component II:

Construction Supervision of Shemkir to Gazakh - Highway

Contracts CW2003-1 and CW2003-2



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

A. Contracts CW2003-1 and CW2003-2

A.2.1. Report Cover page

Table 1

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

A.2.2. Project Synopsis

Table 2

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

A.2.3. Monthly Progress Report

A.2.3.1. General

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

Louis Berger SAS - Quarterly Progress Report **25 of 89** July-September



Author of the Author of Report – S. I. Dotchev Pr. Eng. – Service PM's Representative (RE)

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 "Yolneglyatservis" address: Prospect Tbilisi 10/54 The Ministry of Transport Tel:99412 4930192 Fax:99412 4315655
Mr. Cavid Gurbanov Gamber	Chief of the Department
Project Implementation Unit	72/4 Uzeyir Hajibeyov Street 370010 Baku
Mr A. Gojayev	Director
EUROPEAID EC Brussels	
Mr. E. Dalamangas	Project Manager
Service Supervision Contractor	
Louis Berger SAS	Murcure III, 55Bis Quai de Grenelle Paris 75015
R. Degheim	Team Leader / Project Manager
S. I. Dotchev	Project Manager's Representative, Resident Engineer
Contractors	Azerkorpu – Azwirt Consortium

A.2.3.2. Project Data

Table 4

Works Contracts CW 2003-1 and CW2003-2	
Works Tender Opened	September 2 nd 2003
Letter of Acceptance	December 27 th 2003
Contract Agreement Signed	January 22 nd 2004
Possession of site	February 5 th 2004
Tender amount	61,800,315,562.42 AZM
Contract Amount	60,082,264,241.00 AZM
Contract revised value including VO	60,214,171,978.85 AZM
Contract Start Date	February 23 rd 2004
Original Contract Completion Date	August 23 rd 2005
Extended Completion Date	N/A
Defects Liability Period	365 days
1 st Works Programme received	March 24 th 2004
Last revision of Works Programme	July 2004
Value of Works to date as per IPCs	4,783,040,706.00AZM
Value of Works done	5,419,275,478.09AZM
Value of Works done (%)	9%
Variations	Variation order №1 for amount of 131,907,737.85 AZM
Advance Payment (20%)	AZM 12,016,452,848.20

Repayments made	N/A
Delays	40 days
Claims	Claim №1 – Late advance payment, under PM consideration Claim №2 – Late paid portion of advance payment, under PM consideration
Time elapsed to date	221 days
Time remaining to date	327 days

A.2.3.3. Progress report

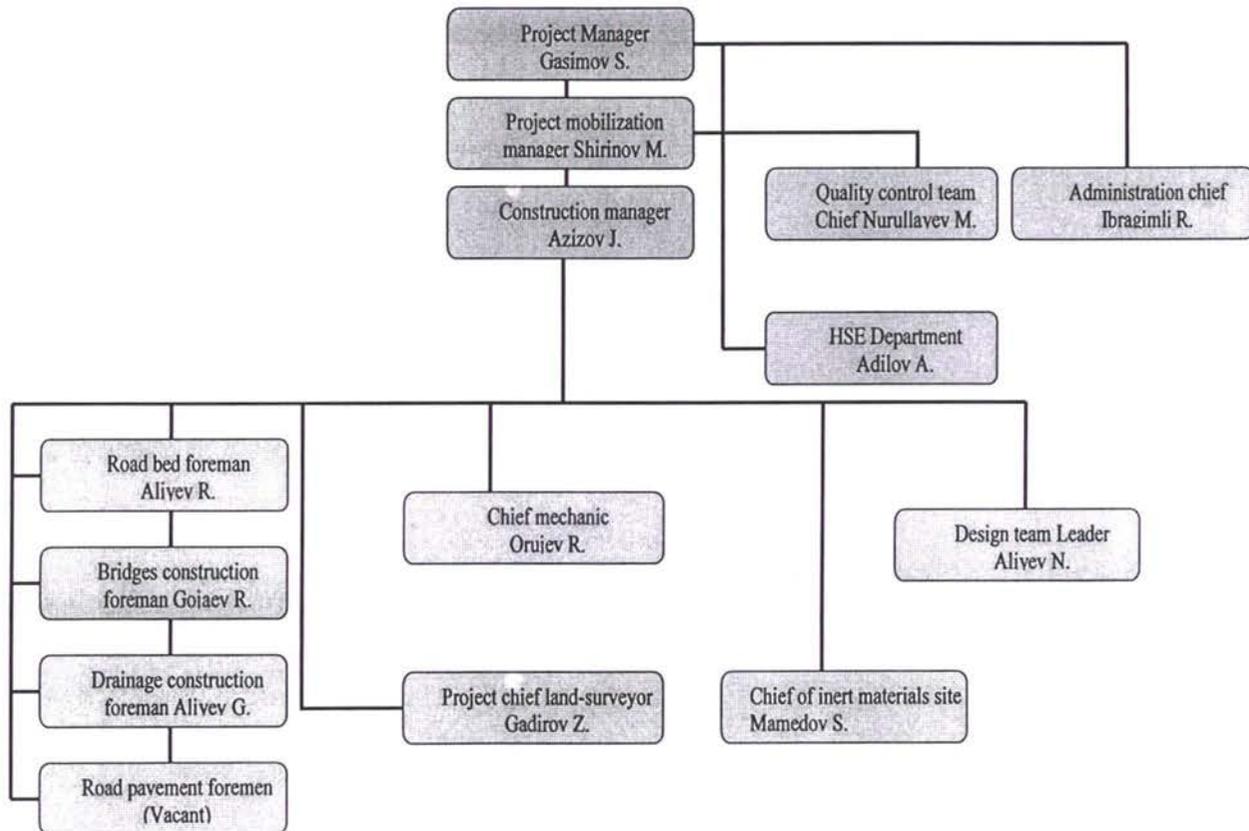
A.2.3.3.1. Status of the Project

Since start (February 23, 2004) the Contractor have been on site 221 days or 40.33% of the Contractual time and to date are remaining 327 days or 59.67% 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)

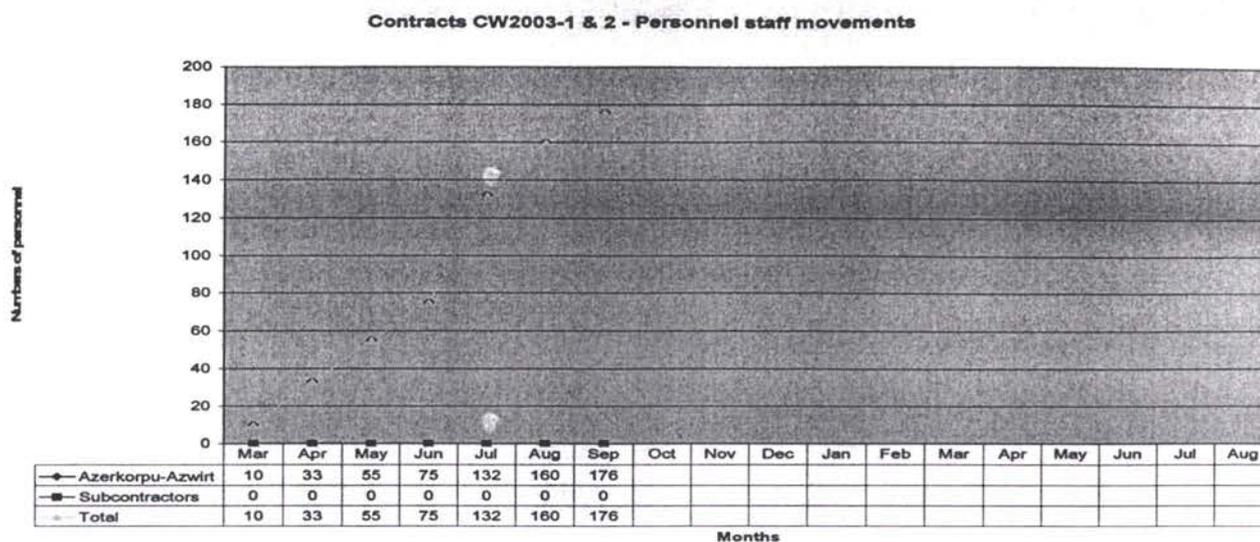
Figure 1



A.2.3.3.1.1.2. Contractor's site staff employed

Contractor at present has employed for construction on this project – 176 people (including locals 98)

Figure 2



A.2.3.3.1.2. Contractor's machinery and equipment

Table 5

Item	Description	Model and capacity	Unit	For Project	Available	Work day
1	Asphalt Plant	Lintec	no	1		
2	Batch Plant for Sub-base		no	1		
3	Crusher and Sorter	Nase Konkosor Tesisi	no	1		
4	Scale		no			
5	Generators	AD-30C, AD-50	no	4	1	25
6	Asphalt and Sub-base Paver	Vogel	no	2		
7	Rubber Banded Asphalt Roller		no	2		
8	Steel Banded Asphalt Roller		no	4		
9	Rolley Tank		no	3		
10	Distributor for Bitumen		no			
11	Graders	Komatsu, CAT	no	5	2	29
12	Bulldozers	CAT D8R, PR712, DZ129, DZ170	no	4	3	28
13	Excavators	Liebher, CAT330B/L, EO5124,5122A	no	10	4	27
14	Loaders	L-538,L-551, L-541, MT	no	5	1	24
15	Backhoe loader	YALCHIN BT2000	no	2		
16	Vibratory Rollers	BOMAG,BOXER, DYNAPAC	no	5	2	25
17	Water Distributor	KO-002, AW-6.0, AW-7.0	no	5	2	24
18	Trailer for carrying Equipments		no			
19	Trucks	Maz/ Mercedes / Kamaz	no	16	17	25
20	Concrete trucks	HTM 604F, KaMAZ5511	no	5	3	25
21	Concrete pump	CB170-1, Mercedes	no	2		
22	Crane	KC/KATO/PDK	no	2	5	28
23	Welding machine	W350, W230	no	4		
24	Compressor	XAS-46 DdG	no	1		
25	Plate compactor	LP750H,LP500H, LH300, LG160	no	4		
26	Drilling machine	Soilmec	no		1	22
27	Car	VAZ	no		6	30
28	Concrete plant		no	1		
29	Machine for asphalt milling		no	1		
30	Fuel tanker	ZIL - 130	no		1	29
31	Microbus	KIA	no		1	30
32	Bus	KAVZ	no		1	21
33	Lorry	QAZ-66	no		2	26

A.2.3.3.1.3. Contractor's Work programme

22	Granular Capping layer - (350mm-42049/65617m3)	9.106km/11.614km	0
23	Granular Sub base layer -((225mm-18890/40785m3),(200mm-14250/0m3))	9.106km/11.614km	0
24	Bituminous base course - 175mm - (91974/11461m2)	9.106km/11.614km	0
25	Wearing course - 50mm - (90315/112254m2)	9.106km/11.614km	0
26	Granular shoulder - 225mm - (11168/13015m3)	9.106km/11.614km	0
27	Realignment - 1.657/1.236km		0
28	Site Clearing and Grubbing - (10/7.1Ha)	1.657km/1.236km	0
29	Bulk earthworks - road embankment - (57818/18978m3)	1.657km/1.236km	0
30	Formation level -(6158/11254m2)	1.657km/1.236km	0
31	Granular Capping layer - (350mm-7651/6983m3)	1.657km/1.236km	0
32	Granular Sub base layer - 225mm - (6030/4340m3)	1.657km/1.236km	0
33	Bituminous base course - 175mm - (16736/12139m2)	1.657km/1.236km	0
34	Wearing course - 50mm - (16435/11946m2)	1.657km/1.236km	0
35	Granular shoulder - 225mm - (2032/1385m3)	1.657km/1.236km	0
36	Structures - Bridges (6), culverts (103)		0
37	Bridges new(2), rehab.(4) Work is going 2(new)		25
38	Culverts - 48/55num	Work is going on 34 culverts	20
39	Finishing off the Project - 40km		0
40	Road signs and marking - 40km		0
41	Site drains		0

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

A.2.3.3.3. Project progress summary

Since the start February 23rd2004 the Contractor completed the verifying of Project Bench marks. To date produced longitudinal redesign for km 27+000 to km 37+000 (10km - July 2004) and km 20+396 to 27+000 (6.604km -August 2004), start on rehabilitations of culverts along the road. At the same time Works on Bridge 39 and 41 are progressing as well as. Cleaning and grubbing and bulk earthworks in progress as well as. As per the latest approved Programme of Works the Contractor is about 40 days behind on earthworks.

A.2.3.3.3.1. Works Progress on structures

A.2.3.3.3.1.1. Progress on culverts

The Contractor has been instructed (April 7th2004) to start work on required by the Project rehabilitation works for culverts. There are 57 numbers of culverts where the Works might be started. Contractor start with cleaning and rehabilitation works as required. To date some 20 culverts are cleaned. Along the Contractor is progressing with checking/verifying the existing structure conditions of the culverts and list and sketches have been submitted for culverts between km 0+000 to km 37+000.

Table 7

Item	Num	Exist	Location	Type	Size	Checked	Start	End	Action
1	1	yes	0+021	pipe	1250	Yes			Replace
2	2	yes	0+027	pipe	1250	Yes			Replace
1n	3	yes	0+370	pipe	1000	yes			Rehabilitate
2e	4	yes	0+789	pipe	1000	Yes			Rehabilitate
3e	5	yes	1+429	pipe	1000	Yes			Rehabilitate
4e	6	yes	3+117	pipe	1000	Yes			Rehabilitate
5e	7	yes	3+451	pipe	1000	Yes			Rehabilitate
6e	8	yes	3+799	pipe	1000	Yes			Rehabilitate
7n	9	no	4+070	pipe	3x1250	no			New
8e	10	yes	4+410	pipe	1000	Yes			Rehabilitate
9n	11	no	4+908	pipe	2x1250	no			New
10e	12	yes	5+103	pipe	1000	Yes			Rehabilitate
11e	13	yes	5+875	pipe	2,5x2,0	Yes			Replace
12n	14	no	5+889	pipe	1250	no			New
13e	15	yes	6+348	pipe	1000	Yes			Rehabilitate
14e	16	yes	6+650	pipe	1000	Yes			Rehabilitate
15e	17	yes	7+247	pipe	1000	Yes			Rehabilitate
16n	18	no	7+405	pipe	3x1250	no			New
3	19	yes	7+690	pipe	1000	Yes			Rehabilitate
17n	20	no	7+780	pipe	3x1250	no			New
18e	21	yes	7+964	pipe	1000	Yes			Rehabilitate
19e	22	yes	8+182	pipe	1000	Yes			Rehabilitate
20n	23	no	8+415	pipe	1250	no			New
4	24	yes	8+582	pipe	1000	Yes			Rehabilitate
21e	25	yes	8+948	pipe	1200	Yes			Rehabilitate
22e	26	yes	9+721	pipe	1000	Yes			Rehabilitate
23n	27	yes	9+928	pipe	1000	yes			Replace
24e	28	yes	11+070	pipe	1000	Yes			Replace
25e	29	yes	11+106	box	2,0x2,0	Yes			Replace
26e	30	yes	11+246	pipe	1000	Yes			Rehabilitate
5	31	yes	11+326	pipe	1000	Yes			Rehabilitate
27n	32	no	11+563	pipe	3x1250	no			New
6	33	yes	12+063	pipe	1000	Yes			Rehabilitate
28e	34	yes	12+738	pipe	1000	Yes			Rehabilitate
29e	35	yes	13+169	pipe	1000	Yes			Rehabilitate
30n	36	no	13+230	pipe	1250	no			New
31e	37	yes	13+368	pipe	1000	Yes			Rehabilitate
32e	38	yes	13+947	pipe	1500	Yes			Rehabilitate
33n	39	no	14+015	pipe	3x1250	no			New
34e	40	yes	14+737	pipe	1000	Yes			Replace
7	41	yes	14+837	pipe	1000	Yes			Rehabilitate
35e	42	yes	15+151	pipe	1000	Yes			Rehabilitate
36n	43	no	15+421	box	4.0x2,5	no			New
37e	44	yes	15+883	pipe	1000	Yes			Rehabilitate
38e	45	yes	15+965	pipe	1000	yes	05/07/2004		Rehabilitate
8	46	yes	16+365	pipe	1000	Yes	05/07/2004		Rehabilitate
39n	47	no	16+788	box	3.0x2,5	no			New
40n	48	yes	17+318	pipe	1250	yes			Replace
41n	49	yes	17+347	box	2.0x2.0	yes			Replace
42n	50	yes	17+429	pipe	1250	yes			Replace
43e	51	yes	17+731	box	2000*2000	Yes	09/07/2004		Rehabilitate
44e	52	yes	18+141	pipe	1000	Yes			Replace
45e	53	yes	18+409	pipe	1000	Yes	09/07/2004		Rehabilitate
46n	54	no	18+460	box	3.0x2,5	no			New
47e	55	yes	18+609	pipe	1000	Yes			Replace
48e	56	yes	18+797	pipe	1000	Yes	09/07/2004		Rehabilitate
9	57	yes	19+797	pipe	1250	Yes			Replace
49e	58	yes	20+988	pipe	1000	Yes			Replace



50e	59	yes	21+074	pipe	1000	Yes		Rehabilitate
51e	60	yes	21+158	pipe	1000	Yes		Rehabilitate
52e	61	yes	21+333	pipe	1000	Yes		Rehabilitate
53e	62	yes	21+693	pipe	1000	Yes		Rehabilitate
10	63	yes	21+893	box	2000*1000	Yes		deleted
54e	64	yes	22+136	pipe	1000	Yes	09/07/2004	Rehabilitate
55e	65	yes	22+148	pipe	1000	Yes	09/07/2004	Rehabilitate
56e	66	yes	22+379	pipe	1000	Yes	09/07/2004	Rehabilitate
57n	67	yes	22+726	pipe	2x1250	yes		Replace
11	68	no	22+926	pipe	1250	Yes		Replace
58e	69	yes	23+359	pipe	1250	Yes		Replace
59e	70	yes	23+948	pipe	1000	Yes		Replace
60e	71	yes	24+024	pipe	1000	Yes		Replace
61e	72	yes	24+521	pipe	1500	Yes		Rehabilitate
62e	73	yes	24+687	pipe	1000	Yes		Rehabilitate
12	74	no	24+887	pipe	1000	Yes	09/07/2004	Rehabilitate
63e	75	yes	25+113	pipe	1000	Yes	28/06/2004	Rehabilitate
64n	76	no	25+688	pipe	4,0x2,5	no		New
65e	77	yes	25+721	pipe	1000	Yes	28/06/2004	Rehabilitate
66e	78	yes	26+149	pipe	1000	Yes		Replace
13	79	yes	26+449	pipe	1000	Yes		Replace
67e	80	yes	26+742	pipe	1000	Yes		Replace
68e	81	yes	27+018	pipe	1000	Yes	23/09/2004	Replace
69e	82	yes	27+123	pipe	1500	Yes		Replace
70e	83	yes	27+543	box	2,0x2,0	Yes		Replace
71e	84	yes	27+643	box	2(2,0x2,0)	Yes		Replace
14	85	yes	27+743	pipe	1200	Yes		deleted
72e	86	yes	27+944	pipe	1000	Yes	28/06/2004	Rehabilitate
73e	87	yes	28+050	pipe	1000	Yes		Replace
15	88	yes	28+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	box	2,0x2,0	Yes		Replace
80e	95	yes	29+461	pipe	1000	Yes		Replace
16	96	no	29+561	pipe	1000	Yes		Replace
81e	97	yes	29+952	pipe	1000	Yes	28/06/2004	Rehabilitate
82n	98	no	30+000	pipe	3x1250	no		New
17	99	yes	30+300	pipe	1000	Yes		Replace
83n	100	no	30+538	pipe	1250	no		New
84e	101	yes	30+892	pipe	1000	Yes		Replace
85e	102	yes	31+154	pipe	1000	Yes		Replace
86e	103	yes	31+515	pipe	1500	Yes	25/08/2004	Rehabilitate
18	104	yes	31+615	pipe	1000	Yes	28/06/2004	Rehabilitate
87e	105	yes	31+962	pipe	1000	Yes		Replace
88e	106	yes	32+096	box	2,0x2,0	Yes		Rehabilitate
89e	107	yes	32+611	pipe	1000	Yes	06/07/2004	Replace
90e	108	yes	32+876	pipe	1000	Yes		Replace
91e	109	yes	33+096	pipe	1000	Yes	28/06/2004	Rehabilitate
92e	110	yes	33+351	pipe	1000	Yes		Replace
93e	111	yes	33+643		2,0x2,0	Yes		Replace
94e	112	yes	33+832	pipe	1000	Yes		Replace
95e	113	yes	34+073	pipe	1000	Yes	28/06/2004	Rehabilitate
96e	114	yes	34+379	box	2,0x2,0	Yes		Replace
97n	115	no	34+400	pipe	2x1250	no		New
98e	116	yes	35+076	box	1250	Yes		Replace
99e	117	yes	35+533	pipe	1000	Yes	23/08/2004	Rehabilitate
100n	118	no	35+770	pipe	2x1250	no		New

101n	119	no	36+100	pipe	2x1250	no				New
102e	120	yes	36+211	pipe	1000	Yes				Replace
19	121	yes	36+361	pipe	1000	Yes				Rehabilitate
103e	122	yes	36+585	pipe	1000	Yes				Rehabilitate
104n	123	yes	38+575	pipe	1250	yes				Replace
105e	124	yes	38+591	box	2,0x2,0	Yes				Rehabilitate
20	125	yes	38+796	pipe	1000	Yes				Replace
106e	126	yes	39+377	pipe	1250	Yes				Replace
									126	Total
									57	To rehabilitate
									48	To replaced
									19	New culverts

A.2.3.3.3.1.2. Progress on bridges

A.2.3.3.3.1.2.1. General on bridge structures

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

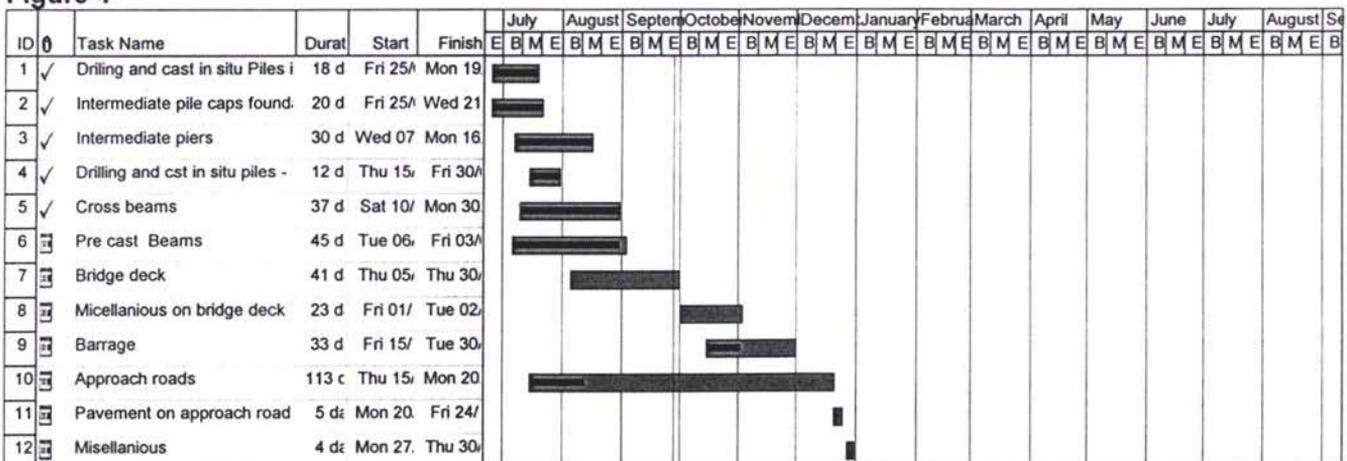
Table 8

Bridge No	Chainage where the to be build	Description of the existing structure	Existing (meter)	Carriage way	Action proposed by our design tender review done August 2003	Description according to the project (meter)	Size According to the project	Carriage way
36	2+310	3*14.0	48	7	Replace/New	12+21+12	54.3	11.5
37	3+076	1*22.16	28	7	Replace/New	1*22.16	36.21	11.5
38	5+597	1*13.50	14.6	7	Repair	1*18.0	18.9	11.5
39	20+168	3*22.16	82.48	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

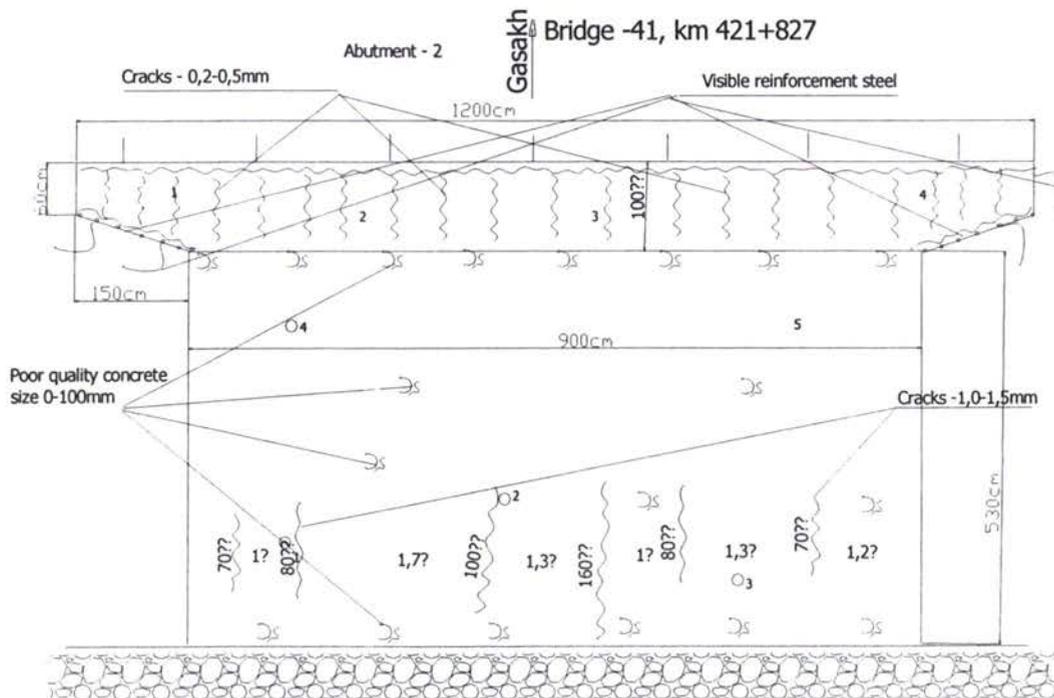
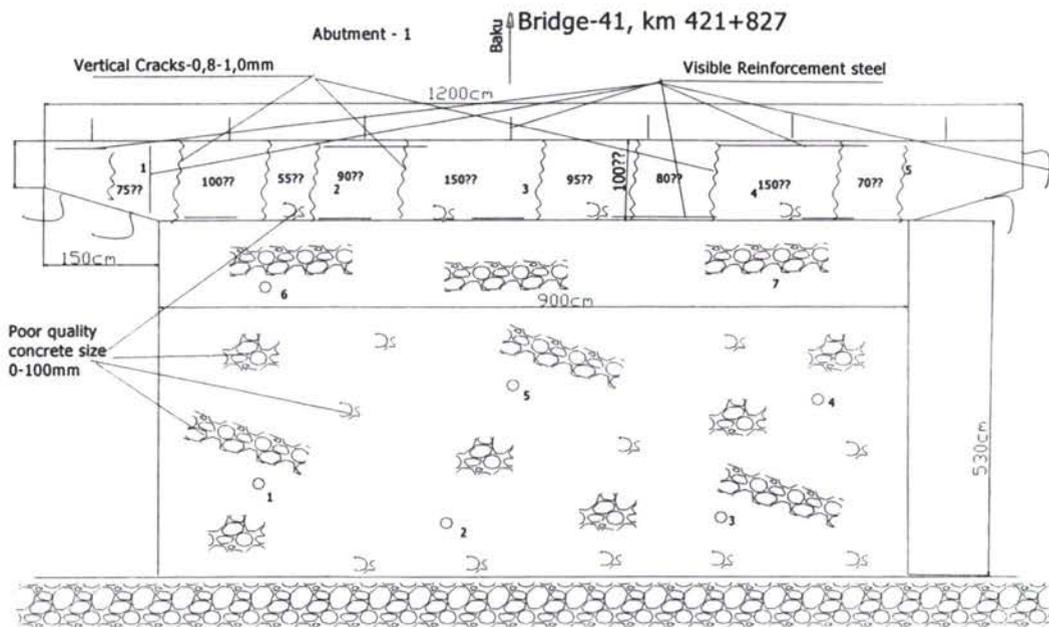
Due to the urgencies of the matter the Contractor started works on Bridge 39 and Works are progressing in accordance with the Programme as shown below.

Figure 4



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)

A.2.3.3.2. Problems which might effect the completion date

Table 9

<i>Problems associated with completing the Contract in time</i>	<i>Actions taken</i>
Early warnings – clause 32, Conditions of Contract – existing buildings along the road, narrow road within the urban locations and our proposal to original pavement urban design	Comprehensive study done by us and sent for Client consideration and instructions
For overlay sections - Existing road width measured across the Road is highly variable	Longitudinal redesign take care of the problem
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 20 th 2004 The Client instruction pending
Some of existing culverts are badly displaced and rehabilitation works recommended shall not improved the present structures situation, thereafter replacement required	Contractor jointly with Consultant verify the present status (see table 7 above)
About 17km of longitudinal redesign has been submitted; however there are other 23km of road to be redesign. Further Contractor have been urge to forward the remaining bridges design for consideration, review and approval	The Contractor is warn to speed up with road redesign and bridge design

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

Figure 5

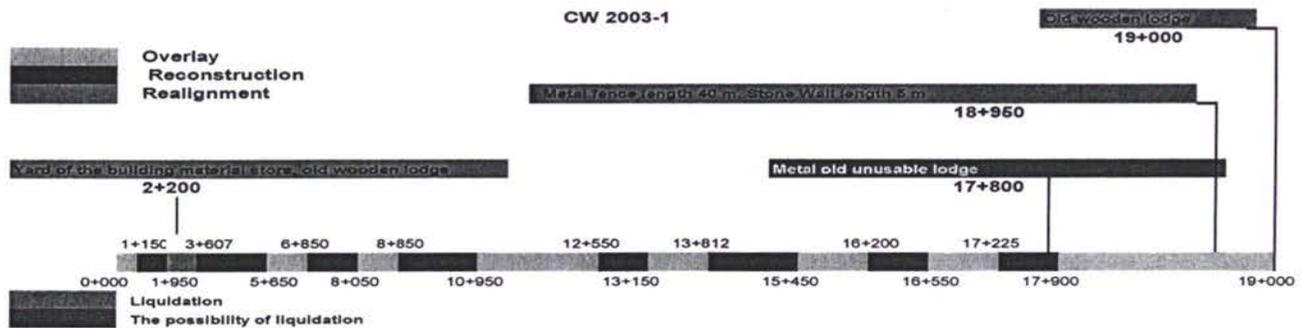
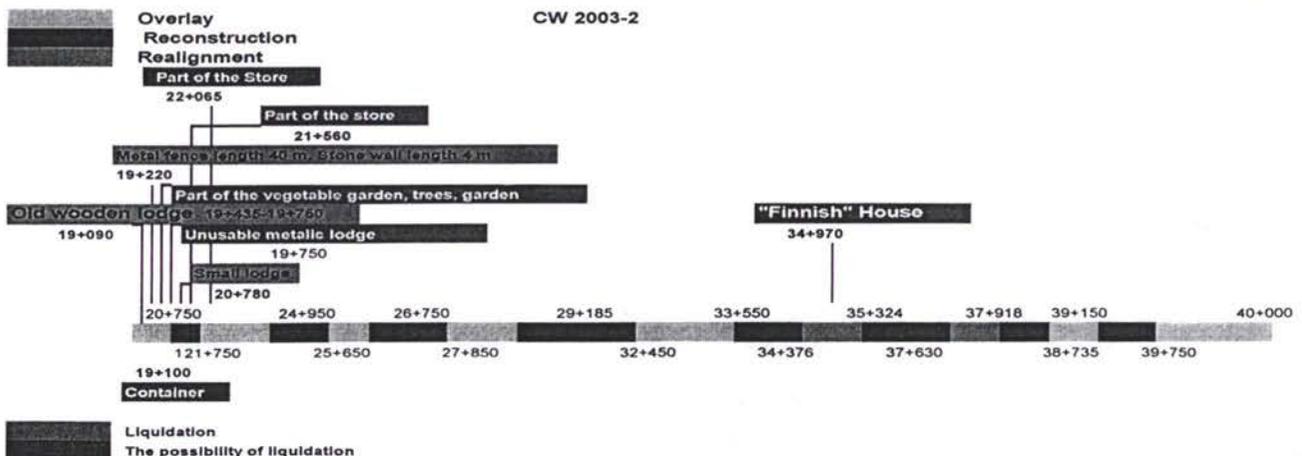


Figure 6



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

Figure 7

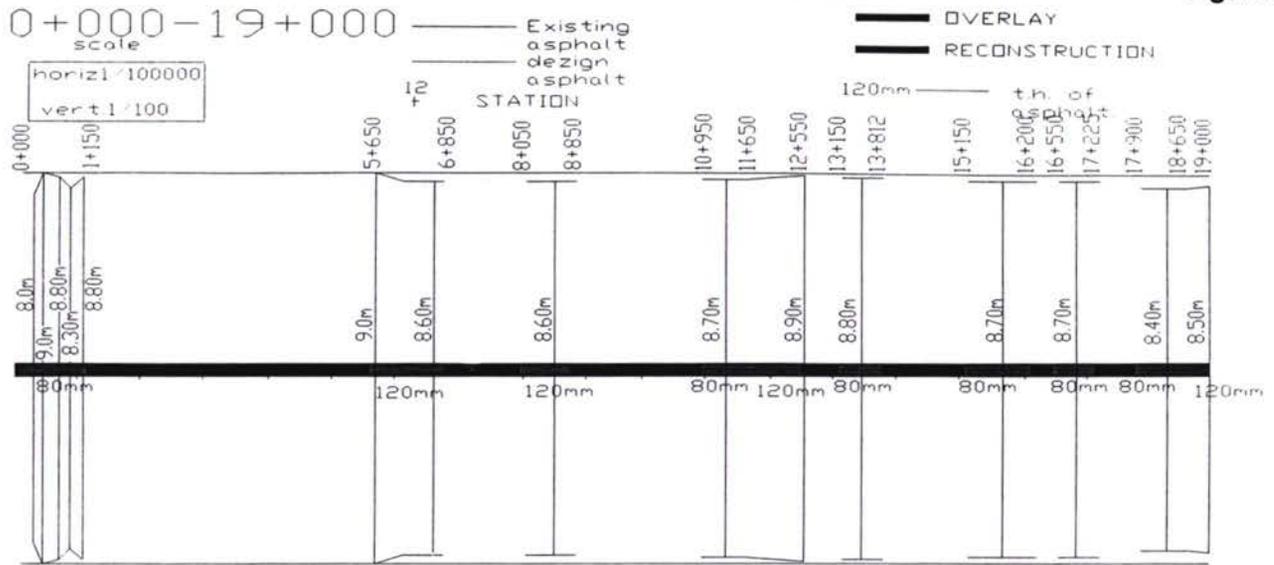
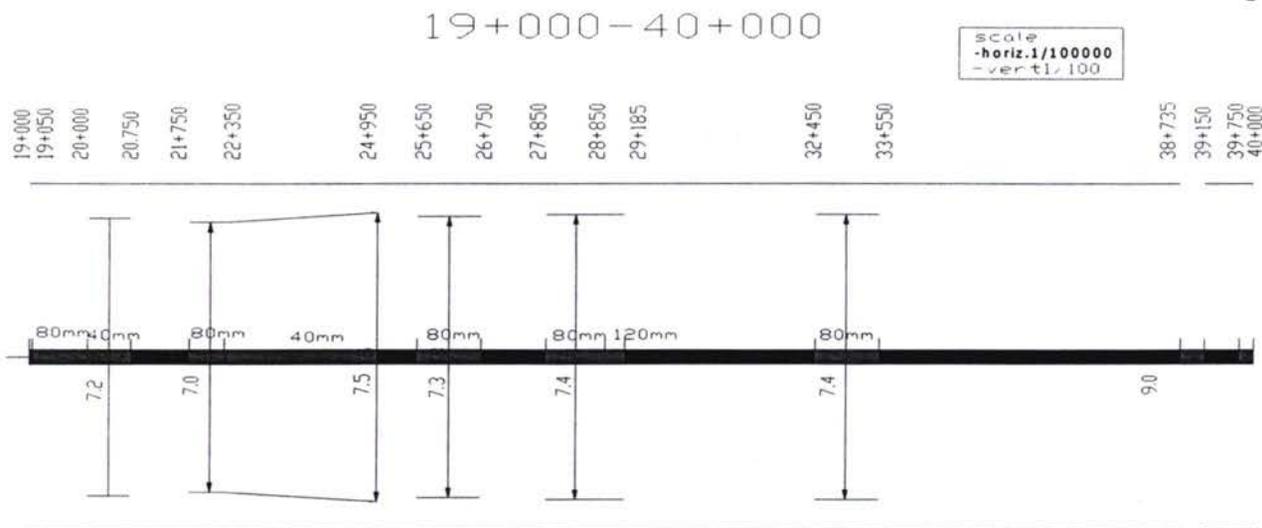
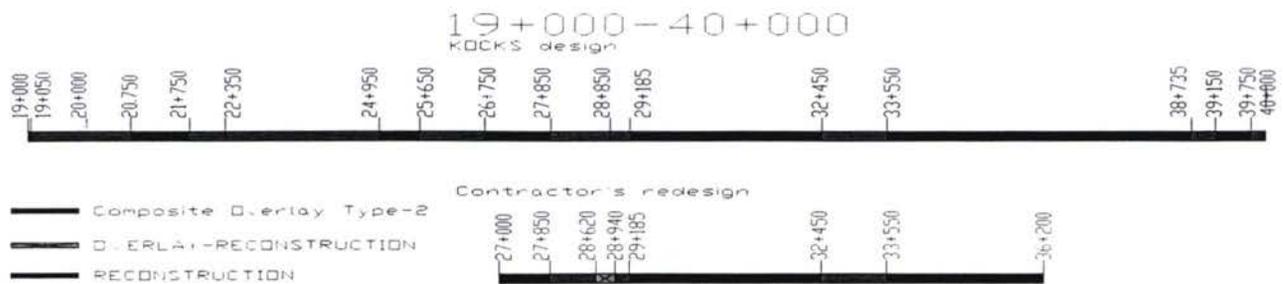


Figure 8



- 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.

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

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

A.2.3.4.2. Variations

A.2.3.4.2.1. Variation order №1

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

A.2.3.4.2.2. 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

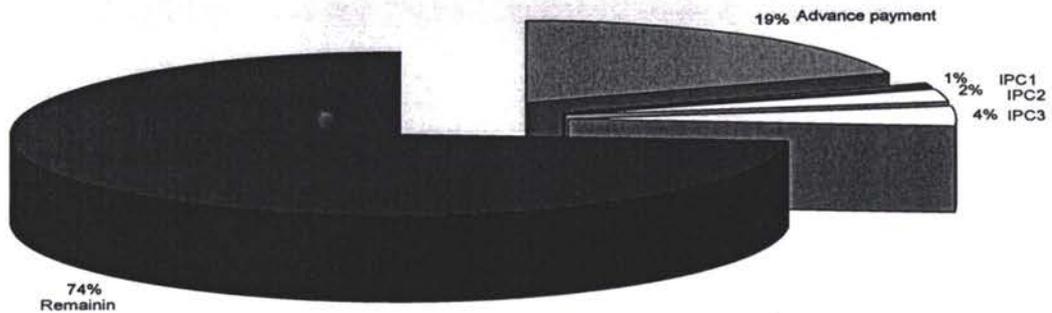
Item	Date	IPC	Value AZM	%	Status
1	30/05/04	Advance	12,016,452,848.20	19.96%	paid
2	15/07/04	IPC1	603,439,200.00	1.00%	Partially paid
3	30/07/04	IPC2	1,491,459,373.00	2.48%	not yet
4	30/08/04	IPC3	2,455,375,624.00	4.08%	not yet

	To date	14,000,851,321,21	23.44%	Not fully
	Available	46,102,819,957,65	76.56%	Remained
	Contract price	60,214,171,378,85	100.00%	

The IPC 4 has not been entered yet at the time of preparation of the Report.

Figure 9

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

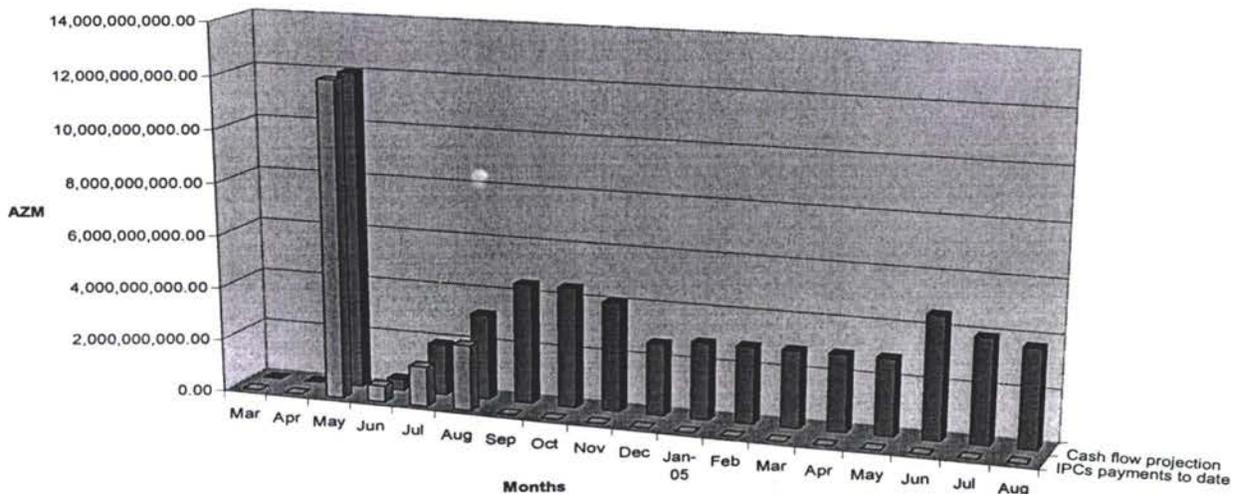


A.2.3.5.2. Cash Flow projection

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

Figure 10

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



A.2.3.5.3. Contract assessment

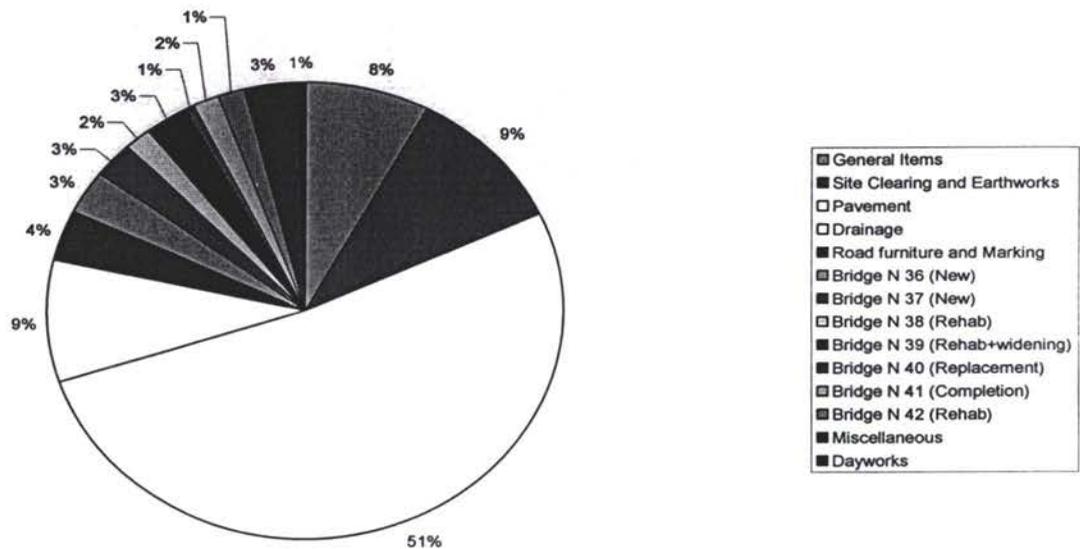
A.2.3.5.3.1. Contract time

In view of forwarded and approved by us revised/updated Works Programme (July 2004) the Contractor is running late 40 days on Earthworks.

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

Figure 11

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



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

Table 11

Item	Description	Unit	Quantity	Cost
A	Estimated savings to Contract Budget			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 miscellaneous during construction period	AZM	estimate	2,456,000,000.00
	Estimated extra cost to Contract Budget	AZM	estimate	26,033,268,504.70
		US\$		5,299,932.51
C	Contract Price at present	AZM		60,082,264,241.00
		US\$		12,231,731.32
	Due to MoT decision to cut short Contract 2002-1 within 60 m and add to 2003-1&2	AZM	Vo 1	131,862,280.86
C'	Contract revised price (VO 1)	AZM		60,214,126,521.86
D	Estimated extra cost to Contract price	AZM	38.24%	23,024,234,419.60
		US\$		4,687,344.14
F	Estimated revised Contract price at present	AZM		83,238,360,941.46
		US\$	4912	16,945,920.39

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

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

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

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

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

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

A.2.3.6. Testing results

Table 12

SUMMARY OF LABORATORY TESTING DURING SEPTEMBER MONTH

Description of Work						Remarks
		Total	Passed	Retested	% Passed	
Road Embankment						
1	FDT/Nuclear Density	455	388	67	85.2	
2	PI	1	1	0	100	
3	MDD/Proctor	1	1	0	100	
4	CBR	1	1	0	100	
5	Moisture Content	1	1	0	100	
Granular capping layer or selected sub grade fill- 1 (175mm of 350mm)						
1	Gradation	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	PI	0	0	0	0	
5	CBR	0	0	0	0	
6	Moisture Content	0	0	0	0	
Granular capping layer or selected sub grade fill- 2 (175mm of 350mm)						
1	Gradation	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	PI	0	0	0	0	
5	CBR	0	0	0	0	
6	Moisture Content	0	0	0	0	
Granular sub base layer (from recycled asphalt concrete and recycled sub base material) 225mm						
1	Gradation (Combined)	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	LAA	0	0	0	0	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	0	0	0	0	
7	Moisture Content	0	0	0	0	
8	CBR	0	0	0	0	
9	PI	0	0	0	0	
Granular Shoulder (sub base material) 225mm						
1	Gradation (Combined)	0	0	0	0	
2	FDT/Nuclear Density	0	0	0	0	
3	MDD/Proctor	0	0	0	0	
4	LAA	0	0	0	0	
5	Sp. Gravity	0	0	0	0	
6	Water Absorption	0	0	0	0	
7	Moisture Content	0	0	0	0	
8	CBR	0	0	0	0	
9	PI	0	0	0	0	
Concrete Works						
1	Compression Test	23	23	0	100	
2	Slump	12	12	0	100	
3	Gradation	0	0	0	0	

4	LAA	0	0	0	0
5	Soundness	0	0	0	0
6	Sp. Gravity	0	0	0	0
7	Flakiness Index	0	0	0	0
8	Sand equivalent	0	0	0	0
9	Unit Weight	0	0	0	0

A.2.3.7. Correspondence records

A.2.3.7.1. Incoming Letters

Table 13

Item	Date Received	Author from	Sender ref	Date on the Letter	Response to	Subject	Attach	Replay status		
								Required	Date Sent	Our Ref.
1	04/09/2004	G.S	117-D	04/09/2004	N/A	Drawings of pipes	yes	yes	22/09/2004	150
2	01/09/2004	G.S	433	31/08/2004	N/A	Astric-chay bridge	yes	yes	22/09/2004	151
3	02/09/2004	G.S	435	02/09/2004	N/A	B&Q Dzegam chay	yes	yes		
4	07/09/2004	G.S	439	07/09/2004	N/A	Box pipes	yes	yes	07/09/2004	147
5	09/09/2004	G.S	118-D	09/09/2004	N/A	Typical cross sections	yes	yes		
6	22/09/2004	G.S	119-D	22/09/2004	N/A	Drawings of pipes	yes	yes		
7	22/09/2004	G.S	120-D	22/09/2004	N/A	Manufacturing certificates	yes	yes		
8	21/09/2004	G.S	121-D	21/09/2004	N/A	Shop drawings of pipes	yes	yes		
9	23/09/2004	G.S	465	23/09/2004	N/A	B&Q	yes	yes		
10	24/09/2004	G.S	122-D	24/09/2004	N/A	Contractor's Staff and equipment	yes	yes		
11	24/09/2004	G.S	123-D	24/09/2004	N/A	Borrow pits	yes	yes		
12	25/09/2004	G.S	124-D	25/09/2004	N/A	Price analysis	yes	yes		

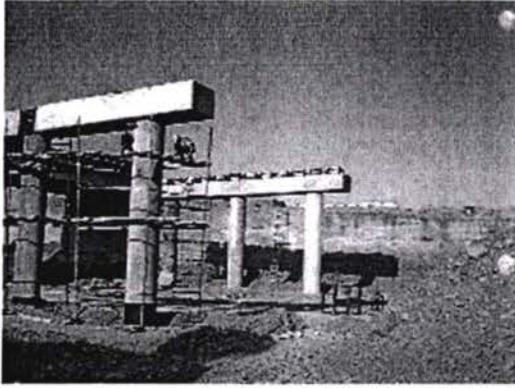
A.2.3.7.2. Outgoing letters

Table 14

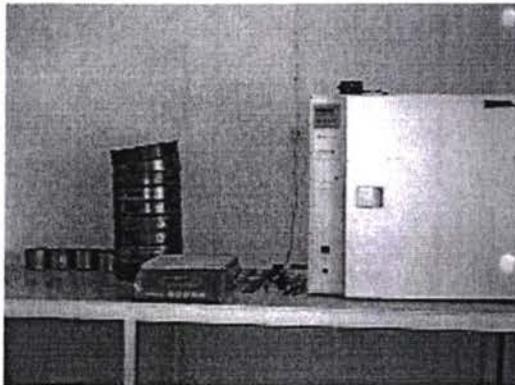
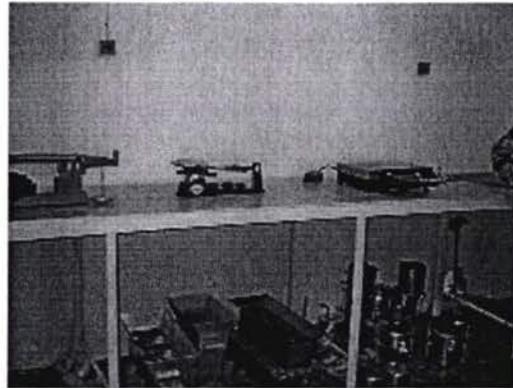
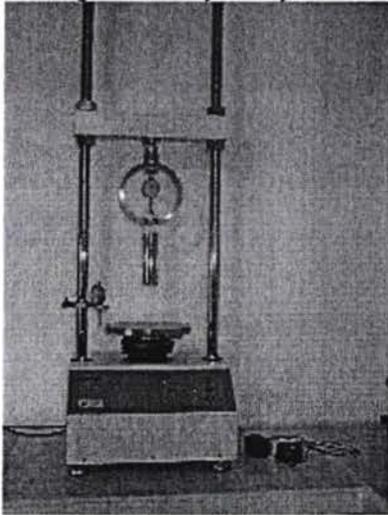
	Date Posted	Author initials	Our ref	Date Written	In response to	Subject	Attach-ments	Replay status		
								Required Yes/No	Date Sent	Sender's Ref.
1	22/09/2004	S.D	139	21/09/2004	97-D/24.08.04	Laboratory equipment	no	no		
2	22/09/2004	S.D	140	21/09/2004	98-D/25.09.04	Topographical survey	no	no		
3	22/09/2004	S.D	141	21/09/2004	101-D/27.09.04	Detour road signature	no	no		
4	22/09/2004	S.D	142	21/09/2004	102-D/30.09.04	Design drawings	no	no		
5	23/09/2004	S.D	143	21/09/2004	114-D/31.09.04	Servise lines, cable crossings	no	no		
6	22/09/2004	S.D	144	21/09/2004	N/A	Structural calculation for Bridge 39	no	no		
7	22/09/2004	S.D	145	21/09/2004	99-D/25.09.04	Design shop drawings for roads crossing	no	no		
8	23/09/2004	S.D	146	22/09/2004	100-D/26.09.04	Surveyor data	no	no		
9	23/09/2004	S.D	147	22/09/2004	439/07.09.04	Substitution of box culvert	no	no		
10	23/09/2004	S.D	148	22/09/2004	N/A	Schedule of casting	no	no		
11	23/09/2004	S.D	149	22/09/2004	116-D/31.09.04	Start work on bridge 41	no	no		
12	23/09/2004	S.D	150	22/09/2004	117-D/04.09.04	Shop drawings for culverts	no	no		
13	23/09/2004	S.D	151	22/09/2004	433/31.09.04	Construction of Astric Chay bridge	no	no		
14	24/09/2004	S.D	152	23/09/2004	N/A	Intermediate minutes of meeting	no	no		
15	24/09/2004	S.D	153	23/09/2004	N/A	Construction of Astric Chay bridge	no	no		
16	24/09/2004	S.D	154	23/09/2004	N/A	Longitudinal redesign	no	no		
17	24/09/2004	S.D	155	23/09/2004	69-D, 95-D	Longitudinal redesign	no	no		

A.2.3.8. Project progress photos

Bridge 39, Construction Works in Progress



Getting laboratory ready for Works, some of the equipment supply to date



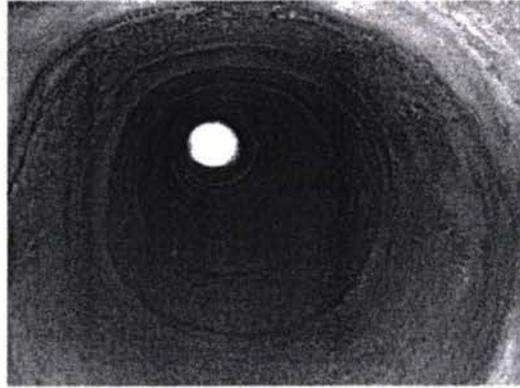
Crusher plant operational



Work shop area and truck station



Works on culverts in progress



Widening Road embankment

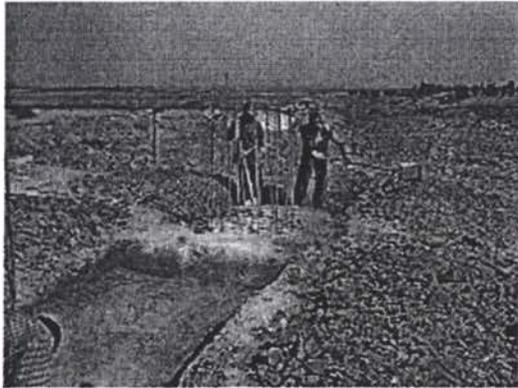




Removing existing asphalt and hauling to crusher for crushing



Bridge 41, Start of Works

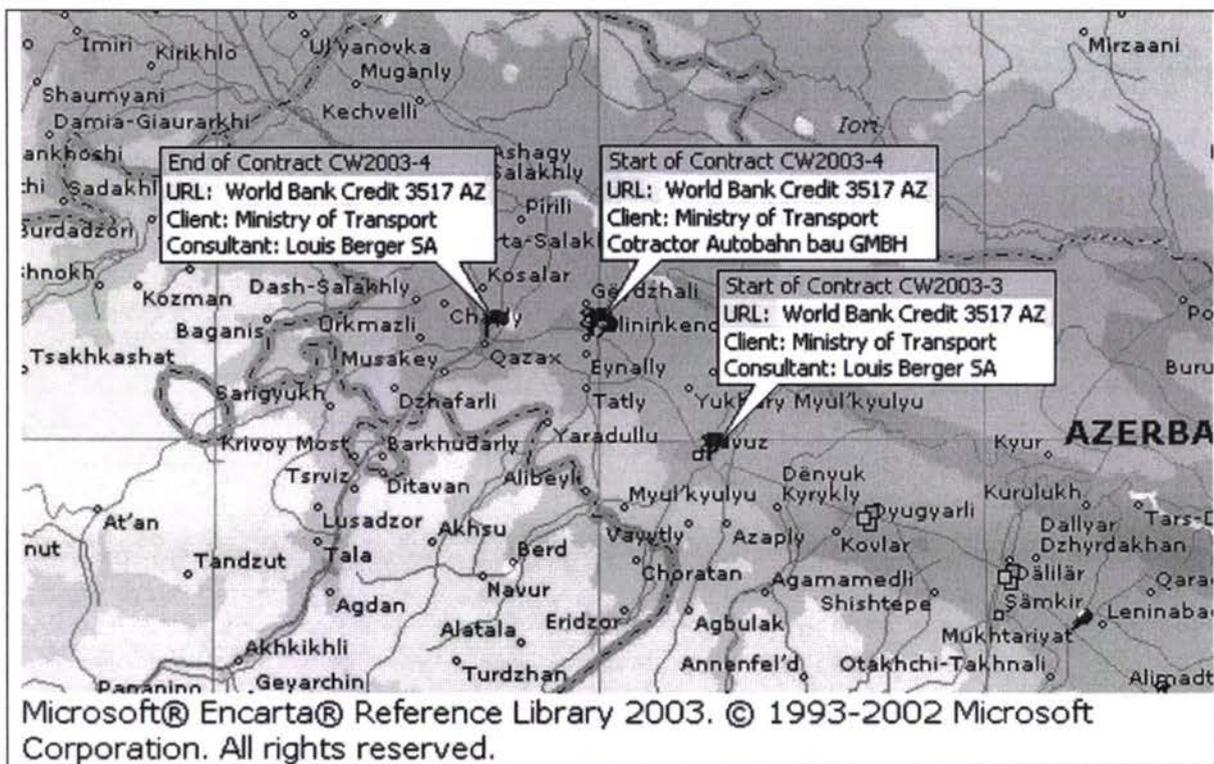


Rehabilitation of Caucasian Highways Azerbaijan Quarterly Technical report

Segment 2 for Project Component II:

Construction Supervision of Shemkir to Gazakh - Highway

Contracts CW2003-3 and CW2003-4



B. Contracts CW2003-3 and CW2003-4

B.2.1. Report Cover page

Table 1

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

B.2.2. Project Synopsis

Table 2

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

B.2.3. Monthly Progress Report

B.2.3.1. General

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

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

Table 3

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

3.3.2. Project Data

Table 4

Works Contracts CW2003-3 and CW2003-4	
Works Tender Opened	September 2 nd 2003
Letter of Acceptance	December 27 th 2004
Contract Agreement Signed	January 22 nd 2004
Possession of site	February 5 th 2004
Contract Amount	AZM 45,937,384,407.14
Contract revised amount	N/A
Contract Start Date	February 23 rd 2004
Original Contract Completion Date	August 23 rd 2005
Defects Liability Period	365 days
Extended Completion Date	N/A
1 st , Works Programme received	March 1 st 2004
Last revision of Works Programme	July 2004
Value of Works to date as per IPC	582,606,720.00AZM
Value of Works done to date	4,180,301,981.04AZM
Value of Works done to date (%)	9.1%
Variations	N/A
Advance Payment (20%)	9,187,476,881.42 AZM
Repayments made	N/A
Delays	25 days
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), KAF-105/4 dated Sep 13 th 2004
Time elapsed to date	221 days
Time remaining to date	327 days

B.2.3.3. Progress report

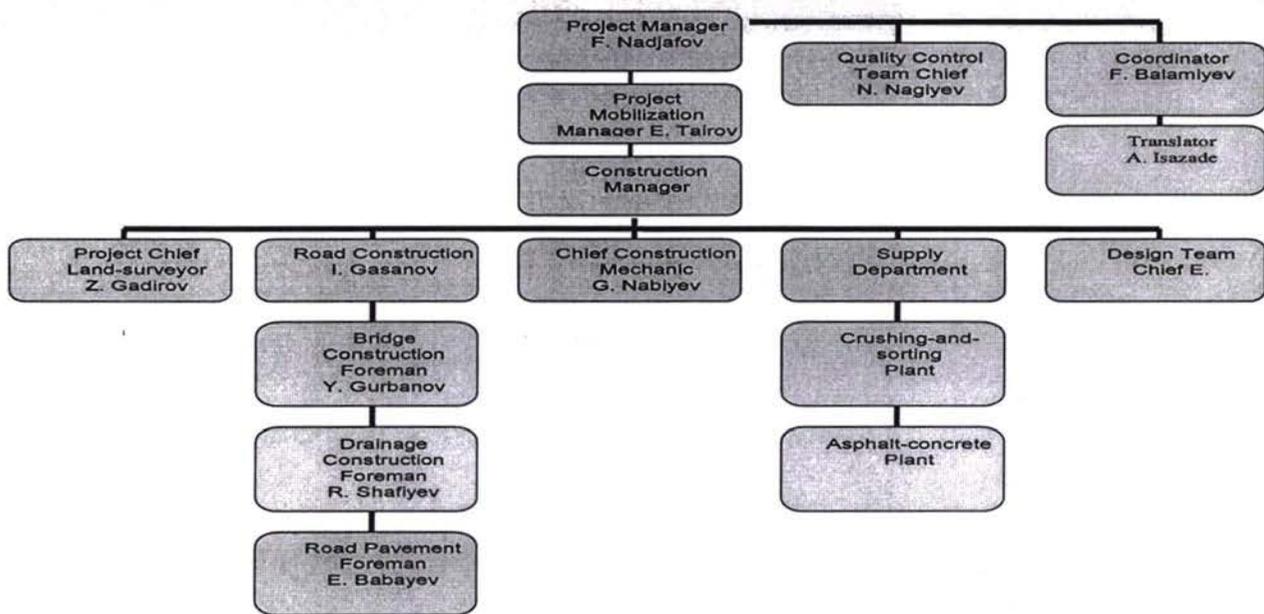
B.2.3.3.1. Status of the Contract

Since start (February 23rd2004) the Contractor have been on site 221 days or 40.33% of the Contractual time and to date are remaining 327 days or 59.67% 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)

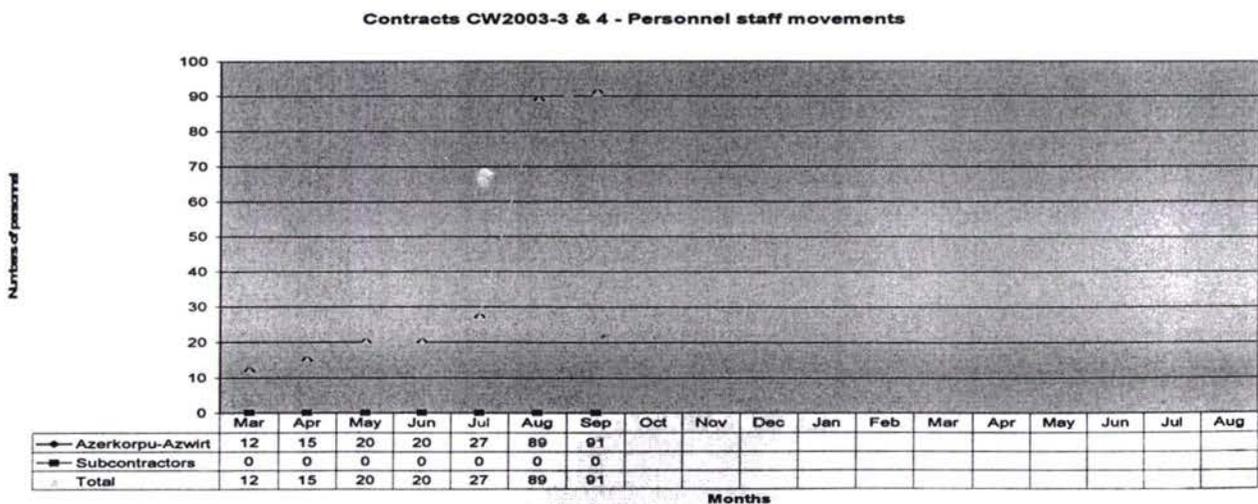
Figure 1



B.2.3.3.1.1.2. Contractor's site staff employed

This month Contractor have employed for purpose of construction on this Project 91 people (including 64 locals)

Figure 2



B.2.3.3.1.2. Contractor's machinery and equipment

Table 5

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

B.2.3.3.1.3. Contractor's Work programme

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

Figure 3

27	Realignment - 1,804/3,968 km	0
28	Site Clearing and Grubbing- (11,81/18,4 ha) 1.804km/3.968km	0
29	Bulk earthworks road embankment- (33783/59402 m3) 1.804km/3.968km	0
30	Formation level- (15920/59507 m2) 1.804km/3.968km	0
31	Granular Capping layer - 200mm (899/1542 m3) 1.804km/3.968km	0
32	Granular Sub base layer - 225mm (6279/23774 m3) 1.804km/3.968km	0
33	Bituminous base course - 150mm (17438/43043 m2) 1.804km/3.968km	0
34	Wearing course - 50mm 917116/53486 m2) 1.804km/3.968km	0
35	Granular shoulder - 200mm (2377/5211 m3) 1.804km/3.968km	0
36	Structures - Bridges (4), culverts (75)	0
37	Bridge -(1)new,(3)rehab. To start 1 new bridge	5
38	Culverts - 52/23num Work is going on 10 culverts	7
39	Finishing off the Project - 33km	0
40	Road signs and marking - 33km	0
41	Site drains	0

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

B.2.3.3.3. Project progress summary

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

B.2.3.3.3.1. Work Progress on structures

B.2.3.3.3.1.1. Progress on culverts

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

Table 7

Item	Num	Exist	Location	Type	Size	Checked	Start	End	Action
107e	1	yes	40+788	Box	2,0x2,0	yes			Replace
108e	2	yes	41+896	Box	3,0x3,5	yes			Replace
109e	3	yes	42+241	Pipe	1000	yes			Replace
110e	4	yes	42+518	Pipe	1250	yes			Replace
22	5	yes	42+618	Pipe	1250	yes			Replace
111e	6	yes	42+872	Pipe	1250	yes			Replace
23	7	yes	42+972	Pipe	1250	yes			Replace
112e	8	yes	43+188	Pipe	1250	yes			Replace
113e	9	yes	43+454	Pipe	1250	yes			Replace
114e	10	yes	43+772	Pipe	1250	yes			Replace
115e	11	yes	44+040	Pipe	1250	yes			Replace
116e	12	yes	44+230	Pipe	1000	yes			Replace
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	Replace
30	36	yes	51+064	Pipe	1000	yes		Replace
31	37	yes	51+360	Pipe	1000	yes		Replace
134n	38	yes	51+430	Pipe	2x1250	yes	15/09/2004	Replace
135e	39	yes	51+540	Pipe	1000	yes		Replace
136e	40	yes	51+649	Pipe	1000	yes	23/09/2004	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		Replace
33	44	yes	53+136	Pipe	1000	yes		Replace
139e	45	yes	53+435	Pipe	1000	yes		Replace
140e	46	yes	53+456	Pipe	1000	yes		Replace
141e	47	yes	53+697	Pipe	1000	yes		Replace
142e	48	yes	53+865	Pipe	1000	yes		Replace
143e	49	yes	53+980	Pipe	1000	yes		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	Replace
148e	54	yes	54+924	Pipe	1200	yes		Replace
34	55	yes	55+150	Pipe	1000	yes		Replace
149e	56	yes	55+405	Pipe	1000	yes		Replace
35	57	yes	55+548	Pipe	1200	yes		Replace
150n	58	yes	56+775	Pipe	1250	yes		Replace
151e	59	yes	57+002	Pipe	1250	yes		Replace
152e	60	yes	57+091	Pipe	1250	yes		Replace
153n	61	yes	57+380	Pipe	1250	yes		Replace
154e	62	yes	58+123	Box	1250	yes		Replace
36	63	yes	58+223	Pipe	1250	yes		Replace
155e	64	yes	58+519	Pipe	1250	yes		Replace
156e	65	yes	58+545	Box	2x1000	yes		Replace
157n	66	yes	58+756	Pipe	1250	yes		Replace
37	67	yes	59+156	Pipe	1250	yes		Replace
158e	68	yes	59+593	Box	1250	yes		Replace
159n	69	no	59+850	Box	4,0x2,5	no		New
160e	70	yes	60+986	Box	1250	yes		Replace
161n	71	no	62+050	Box	3,0x2,5	no		New
162e	72	yes	62+449	Pipe	1000	yes		Replace
163e	73	yes	62+627	Pipe	1250	yes		Replace
164e	74	yes	63+233	Pipe	1000	yes	06/07/2004	Rehabilitate
165e	75	yes	63+744	Pipe	1000	yes		Replace
166e	76	yes	64+039	Pipe	1250/1000	yes		Replace
167e	77	yes	64+456	Pipe	1000	yes	06/07/2004	Rehabilitate
168e	78	yes	65+004	Box	4,0x2,0	yes		Replace
169e	79	yes	65+725	Box	2,0x1,5	yes		Replace
170e	80	yes	67+033	Pipe	1250	yes		Replace
171e	81	yes	67+320	Pipe	1250	yes		Replace
172e	82	yes	67+612	Pipe	1000	yes		Replace
173e	83	yes	67+880	Pipe	1000	yes	06/07/2004	Rehabilitate

174e	84	yes	68+095	Pipe	1000	yes			Replace
175e	85	yes	68+654	Box	4,5x3,5	yes			Replace
38	86	yes	68+954	Pipe	1000	yes			deleted
176e	87	yes	69+427	Box	3(3,0x4,0)	yes			Full water
39	88	yes	69+600	Pipe	1250	yes			Replace
177e	89	yes	70+250	Box	2,0x2,0	yes			Replace
178e	9	yes	70+361	Box	3,5x3,5	yes			Replace
179e	91	yes	71+562	Pipe	1000	yes			Replace
180n	92	yes	71+641	Box	2,0x2,0	yes			Replace
181e	93	yes	71+851	Box	2,0x2,0	yes			Full water
182e	94	yes	72+709	Pipe	1000	yes			Replace

				94	Total culverts				
				7	To rehabilitate				
				82	To replaced				
				4	New culverts				
				1	Omitted				

B.2.3.3.3.1.2. Progress on Bridges

B.2.3.3.3.1.2.1. General on Bridge structures

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

Table 8

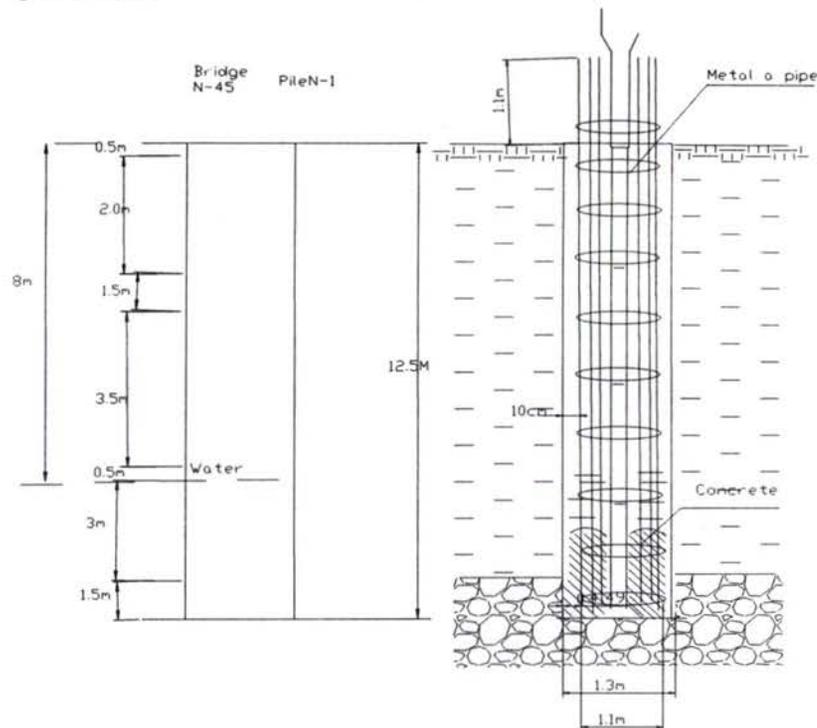
Bridge No	Chainage	Description of the existing structure	Existing length (meter)	Carriage way	Action	Description according to the project (meter)	Size according to the project	Carriage way
43	44+808	4.4*5.0 B	9.1	8.7	Box culvert	5.0*2.5 B	23.5	9
45	60+101	10.2+16.1+ 10.2	46	7	Replace/New	12+15+12	48.5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

B.2.3.3.3.1.2.2. Bridge 45

Contractor's design (15x18x15) and B&Q have been received on July 30th2004. The Contractor produced a design base on the existing poor ground conditions stated in the Engineering report and proposed cast in situ piles foundations which did differ financially and structurally from the original structural scheme (monolith reinforcement concrete foundations) required by Contract. The applicable B&Q have exceed the tendered amount and in order to confirm the requirements for cast in situ piles, the Contractor has been instructed to proceed in accordance with the Engineering report item 4.8 page 39,40 and 41 and verify/confirm the existing ground conditions. Trial test hole has been done (20thAugust 2004) and soil samples have been taken. The independent Client's RSTD-laboratory has been employ to verify/confirm the poor ground conditions. The material sourced from the trial hole visually confirmed that the ground conditions are extremely poor and that the ground water shows at 7-8m'. Both sags at the adjacent existing bridge just at the approach slabs suggest poor ground conditions as well as. Well awaiting for the results from the laboratory the Contractor confident in the poor soil conditions precede construction Works on his own risk and cost. However the results confirm the poor ground conditions and Contractor have been instructed to constructed Bridge 45 on Drilled piles foundations (see RTSD – Mr. A. Abasov letter 59 dated September 6th2004)

B.2.3.3.3.1.2.3. Bridge 46

The Contractor forwarded Bridge 46 design drawings and B&Q for consideration and approval (KAF-110/04 dated September 22nd2004).
 Sketch showing the casting in situ pile



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

Figure 4

IC#	Task Name	Dur:	Star	Finis	Sept	Oct	Nov	Dec	Janua	Febr	March	April	May	June	July	August	Sept	Oct	Nov	
					E	B	M	E	B	M	E	B	M	E	B	M	E	B	M	E
1	✓ Driling and cast in situ	10 d	Tue 2	Mon 12	■															
2	✓ Intermediate pile caps	13 d	Thu 2	Mon 15	■															
3	Intermediate piers	13 d	Fri 0	Tue 13		■														
4	Cross beams	21 d	Mon 1	Mon 22			■													
5	Pre cast Beams	11 d	Thu 2	Thu 13			■													
6	Bridge deck	20 d	Thu 1	Wed 21				■												
7	Micellanious on bridge	8 d	Thu 1	Mon 8					■											
8	Retaining walls	45 d	Mon 2	Fri 19		■														
9	Approach roads	74 d	Fri 2	Wed 17	■															
10	Pavement on approac	24 d	Thu 0	Mon 24					■											
11	Misellanious	3 d	Thu 0	Mon 3						■										

B.2.3.3.2. Problems which might effect onto completion date

Table 9

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

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

Figure 5

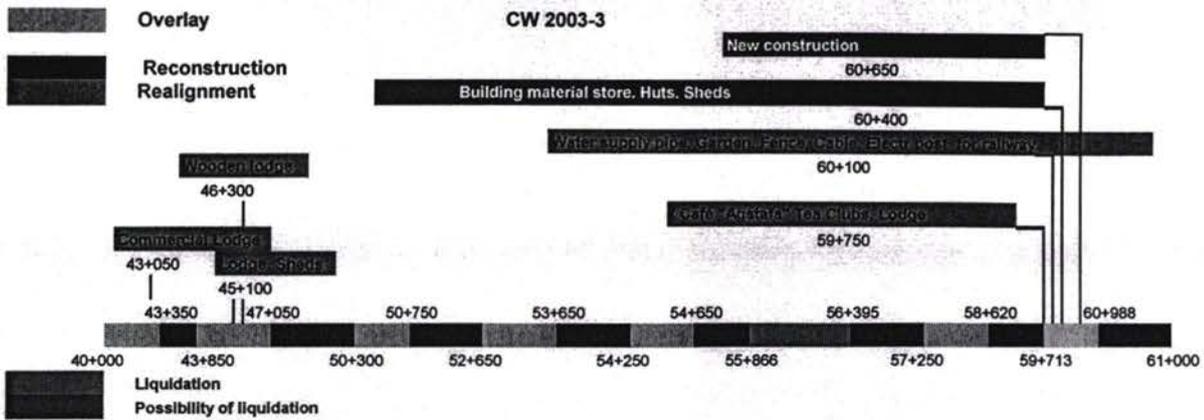
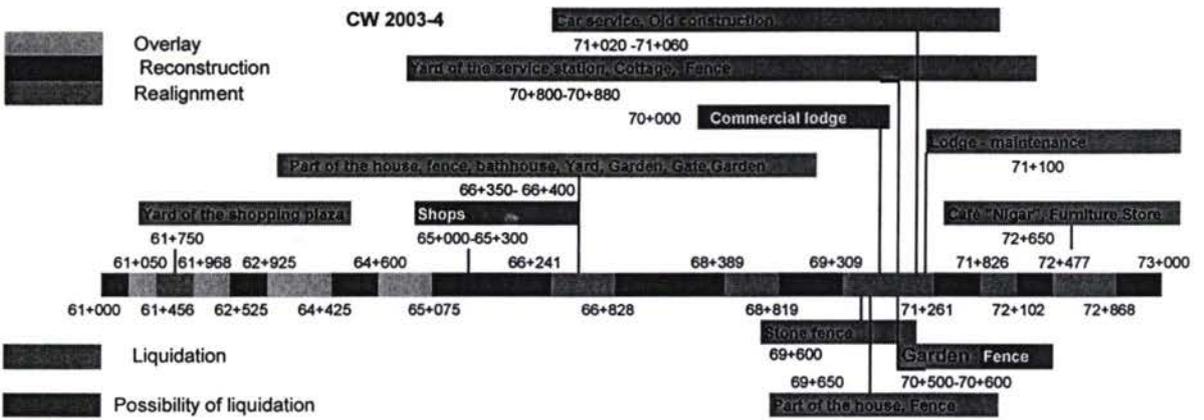


Figure 6



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

Figure 7

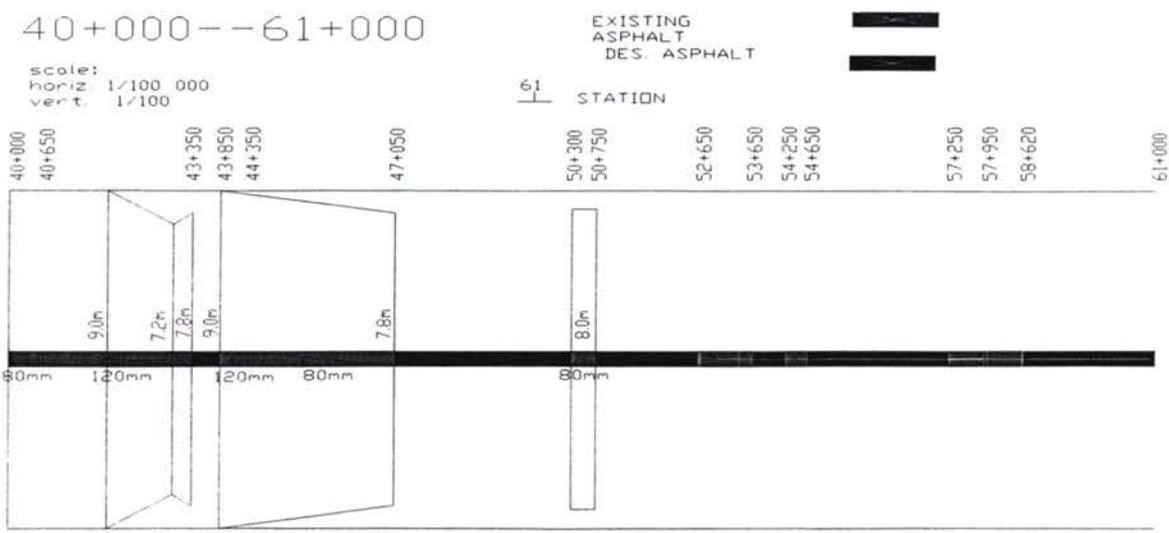
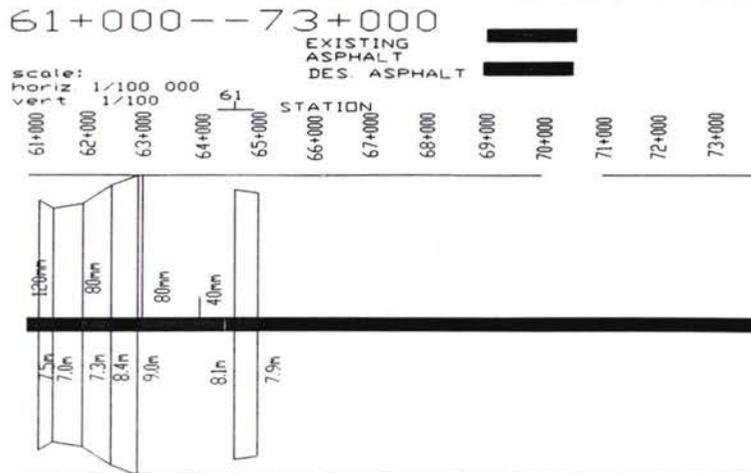


Figure 8



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

Figure 9

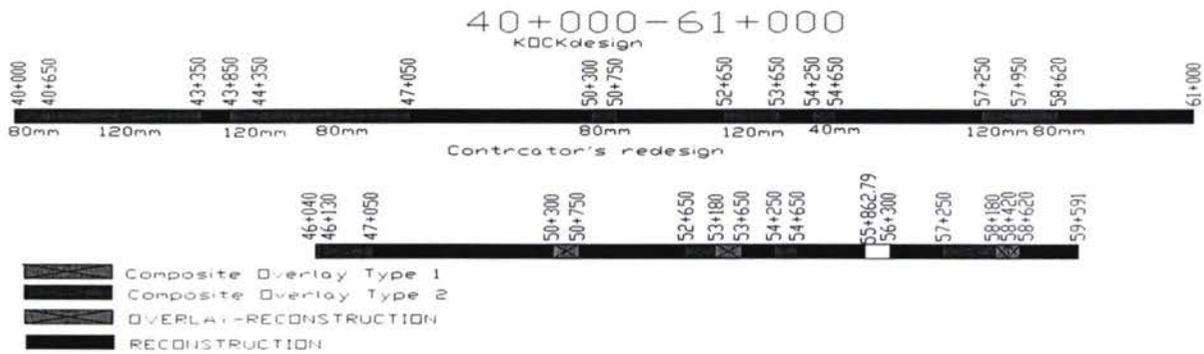
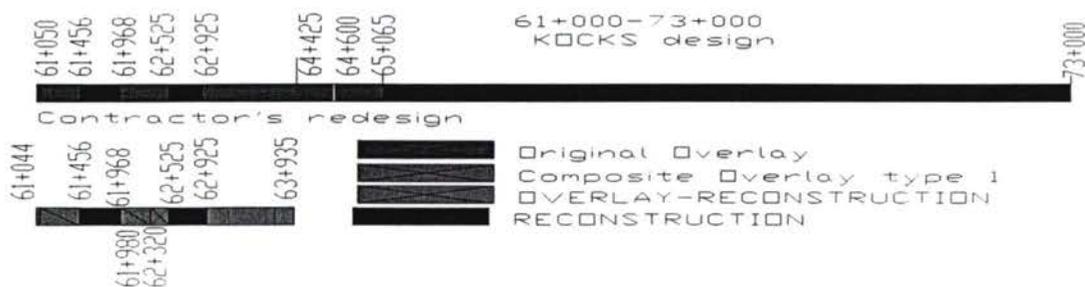


Figure 10



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

B.2.3.5. Financial

B.2.3.5.1. Interim Payment Certificates to dates

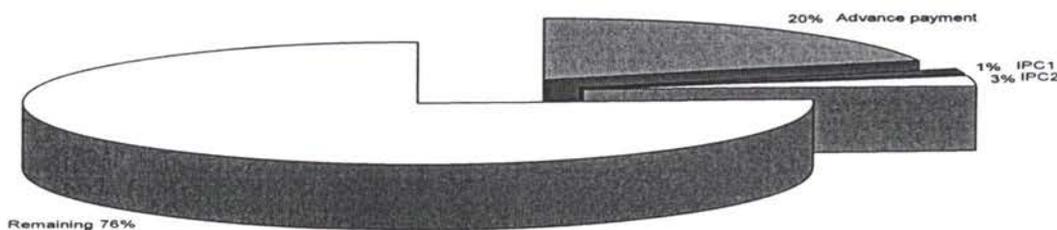
Table 10

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

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

Figure 11

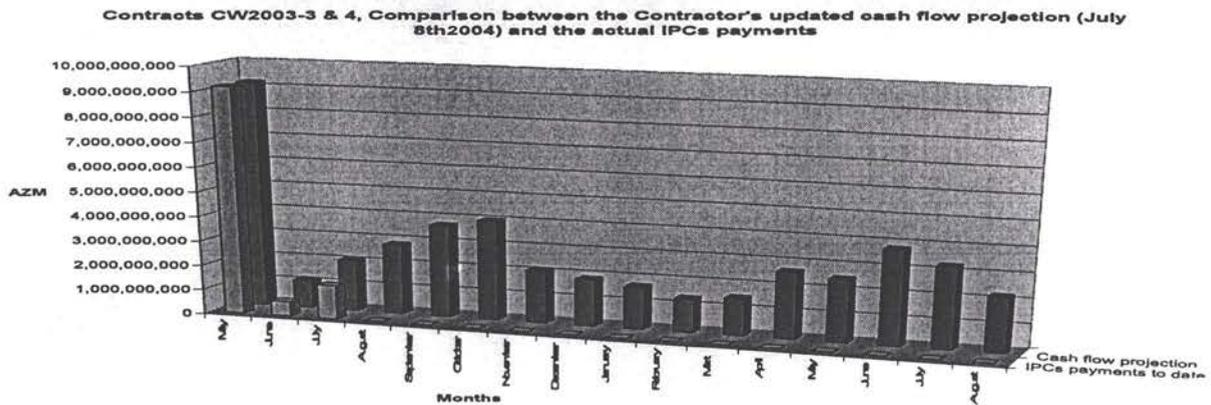
Contracts CW2003-3 & 4, Payments to date and the remaining value of Works



B.2.3.5.2. Cash Flow projection

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

Figure 12



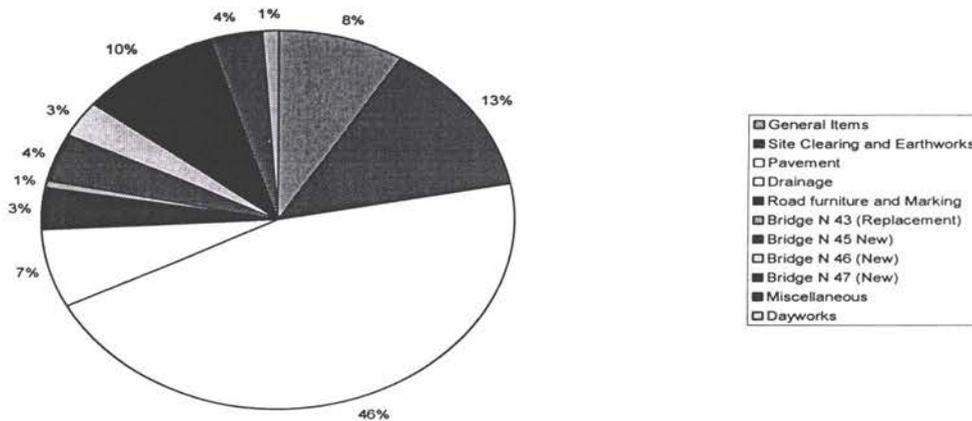
B.2.3.5.3. Contract assessment

B.2.3.5.3.1. Contract time

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

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

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



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

Table 11

Item	Description	Unit	Quantity	Cost AZM
A	Estimated savings to Contract budget cost			
1	Due to overestimated volumes of Works at the Project B&Q for granular sub base	m3	12164	510,888,000.00
2	Due to overestimated volumes of Works at the Project B&Q for bituminous base	m2	5307	195,600,842.86
3	Due to overestimated volumes of Works at the Project B&Q for bituminous surface	m2	4177	57,433,750.00
4	Due to MoT letter 01/581 dated Apr 26 th 2004 temp. stop work at km 40+000 to km 42+000	AZM	estimate	1,338,689,941.00

	Estimated savings cost to the Contract	AZM		2,102,612,533.86
		US\$		428,056.30
B				AZM
1	Due to underestimated volumes of Works at the Project B&Q for capping layer	m3	1503	22,995,900.00
2	Due to underestimated volumes of Works at the Project B&Q for sub base to shoulders	m3	8526	323,988,000.00
3	Due to underestimated volumes of Works at the Project B&Q for overlay of 80mm	m	1901	50,186,400.00
4	Due to underestimated volumes of Works at the Project B&Q for overlay of 120mm	m	1604	51,648,800.00
5	Due to extra existing culverts on site but not included into the B&Q - 12 numbers	AZM	estimate	779,671,764.00
6	If longitudinal redesign might require completely change from Overlay to Reconstruction.	AZM	estimate	6,410,121,472.06
7	Due to review of existing structure at July2004 for Pipes (Km 40+000 to km 73+000)	num	17	552,796,564.00
8	Extra over for unexpected miscellaneous during construction period.	AZM	estimate	2,456,000,000.00
9	Extra over for Bridge 45 – yet to be proff	AZM	estimate	1,518,622,052.00
	Estimated extra cost to Contract Budget	AZM		12,166,030,952.06
		US\$		2,476,797.83
C	Contract Price at present	AZM		45,937,384,407.14
		US\$		9,352,073.37
D	Estimated extra cost to Contract price	AZM	21.91%	10,063,418,418.20
		US\$		2,048,741.53
F	Estimated revised Contract price at present	AZM		56,000,802,825.34
		US\$	4912	11,400,814.91

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

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

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

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

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

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

B.2.3.6. Testing results

Table 12

SUMMARY OF LABORATORY TESTING DURING SEPTEMBER MONTH

Description of Work		Test Performed				Remarks
		Total	Passed	Retested	% Passed	
Road Embankment						
1	FDT/Nuclear Density	196	178	18	90.8	
2	PI	2	2	0	100	
3	MDD/Proctor	2	2	0	100	
4	CBR	2	2	0	100	
5	Moisture Content	2	2	0	100	
Concrete Works						
1	Compression Test	26	26	0	100	
2	Slump	12	12	0	100	
3	Gradation	0	0	0	0	
4	LAA	0	0	0	0	
5	Soundness	0	0	0	0	
6	Sp. Gravity	0	0	0	0	
7	Flakiness Index	0	0	0	0	
8	Sand equivalent	0	0	0	0	
9	Unit Weight	0	0	0	100	

B.2.3.7. Correspondence records

B.2.3.7.1. Incoming Letters

Table 13

	Date Received	Authc from	Sender's ref	Date on the Letter	In response to	Subject	Attachments	Replay status		
								Required Yes/No	Date Sent	Our Ref.
1	13/09/2004	F.N	KA/F-105/04	13/09/2004	N/A	Early warning	yes	yes	22/09/2004	117
2	13/09/2004	F.N	KA/F-106/04	13/09/2004	N/A	IPC 3	yes	yes	22/09/2004	118
3	13/09/2004	F.N	KA/F-107/04	13/09/2004	N/A	Obstacles	no	yes	22/09/2004	120
4	13/09/2004	F.N	KA/F-108/04	13/09/2004	108, 107/30.08.04	Revised drawings Bridge 45	yes	yes	22/09/2004	119
5	20/09/2004	F.N	KA/F-109/04	21/09/2004	N/A	Drawings	yes	yes		
6	22/09/2004	F.N	KA/F-110/04	22/09/2004	N/A	Design Bridge 46	yes	yes		
7	24/09/2004	F.N	KA/F-111/04	24/09/2004	N/A	Borrow pits	yes	yes		
8	27/09/2004	F.N	KA/F-113/04	27/09/2004	N/A	Topographical survey	yes	yes		

B.2.3.7.2. Outgoing letters

Table 14

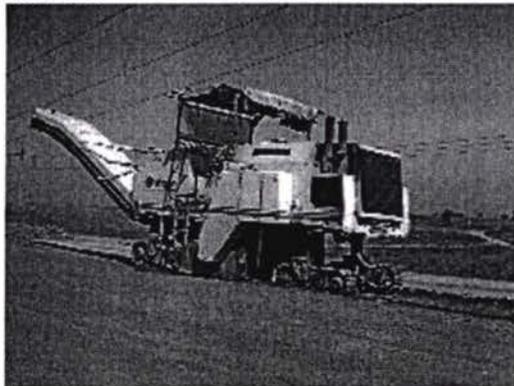
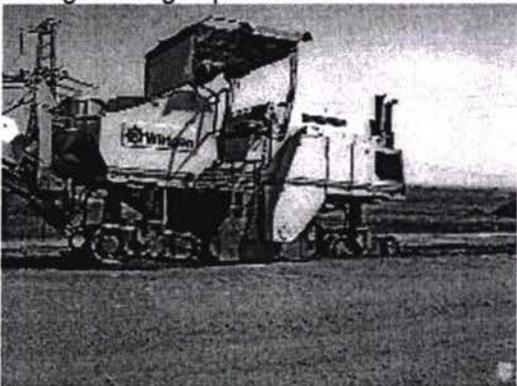
Item	Date Posted	Author initials	Our ref	Date Written	In response to	Subject	Attachments	Replay status		
								Required Yes/No	Date Sent	Sender's Ref.
1	23/09/2004	S.D	114	22/09/2004	N/A	Bridge 45-structural application	no	yes		
2	23/09/2004	S.D	115	22/09/2004	KA/F-94/04 19.08.04	Standards and codes	no	yes		
3	23/09/2004	S.D	116	22/09/2004	KA/F-104/04 31.08.04	B&Q for Bridge 45	no	no		
4	23/09/2004	S.D	117	22/09/2004	KA/F-105/04 13.09.04	Claim article 44, Compensation event	no	no		
5	23/09/2004	S.D	118	22/09/2004	KA/F-106/04 13.09.04	IPC 3	no	no		
6	23/09/2004	S.D	119	22/09/2004	KA/F-108/04 13.09.04	Bridge 45	no	no		
7	23/09/2004	S.D	120	22/09/2004	KA/F-107/04 13.09.04	Obstacles within road reserve	no	no		
8	27/09/2004	S.D	121	23/09/2004	N/A	Intermediate Minutes of Meeting-18.09.04	yes	no		
9	25/09/2004	S.D	122	23/09/2004	N/A	Longitudinal redesign	no	no		
10	27/09/2004	S.D	123	24/09/2004	KA/F-80/04, KA/F-88/04	Longitudinal redesign	yes	no		

B.2.3.8. Project progress photos

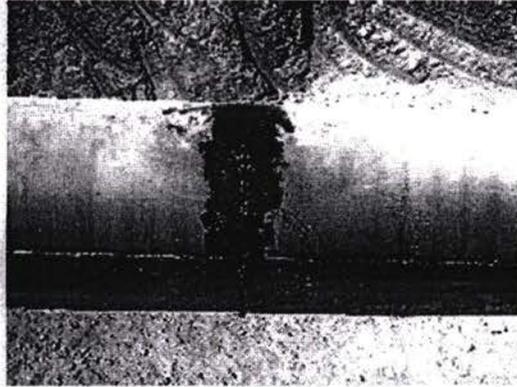
Some of the undergrounds waters problems the Contractor have to deal with



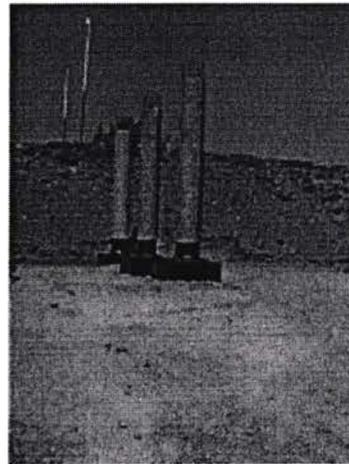
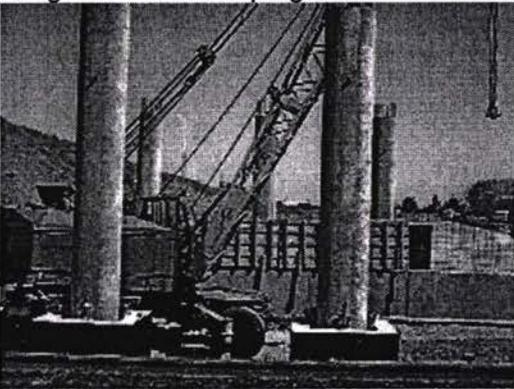
Milling existing asphalt and reused as a sub base material



Culverts Works in progress



Bridge 45 – works in progress



Widening road embankment



Site visit at existing culvert structure at km 50+155



Rehabilitation of Caucasian Highways Azerbaijan Quarterly Technical report

Segment 2 for the Project Component II:

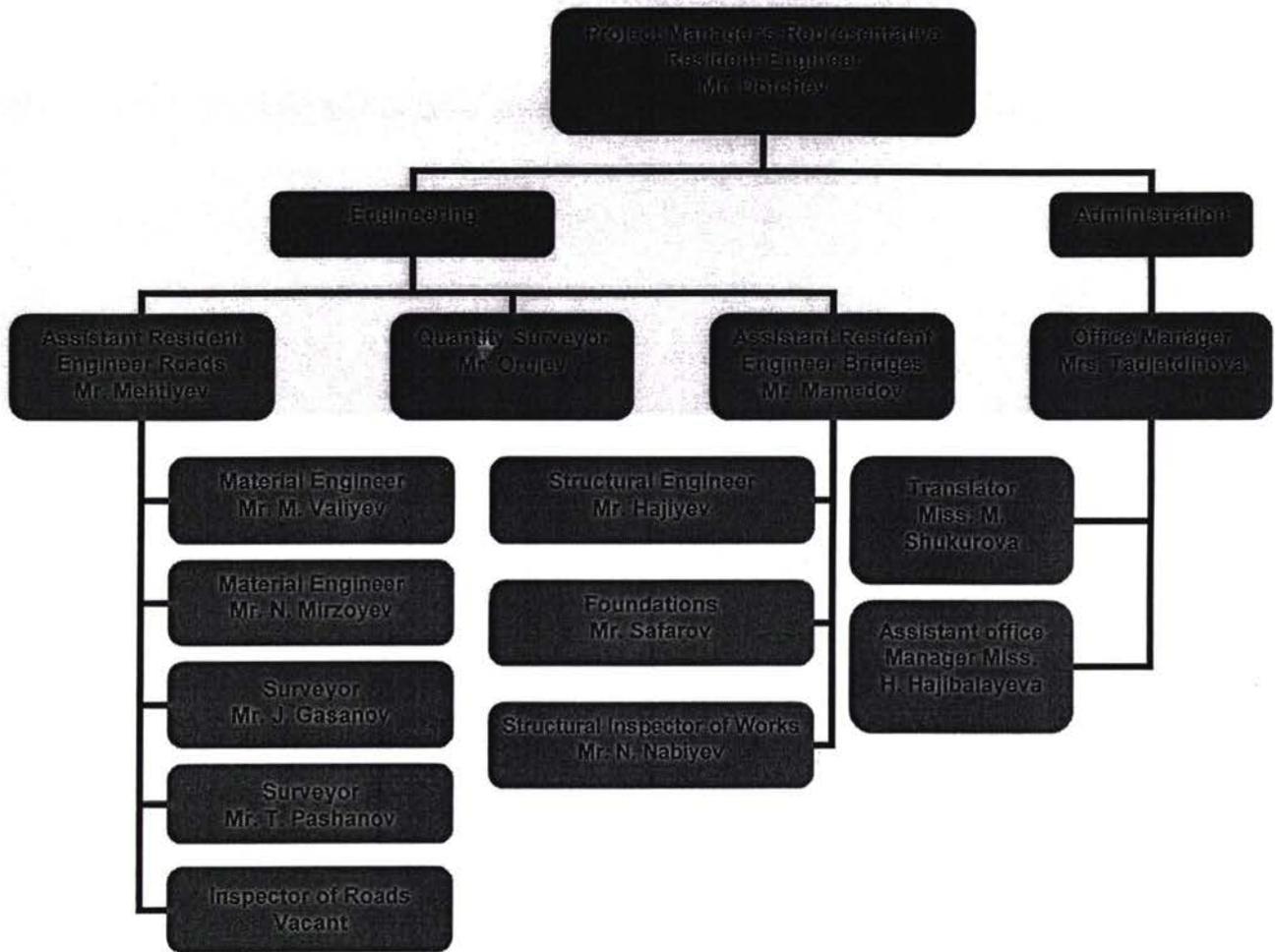
Segment 4 for the Project Component II:

General



3.1. Consultant's site staff management organogramme

Figure 1



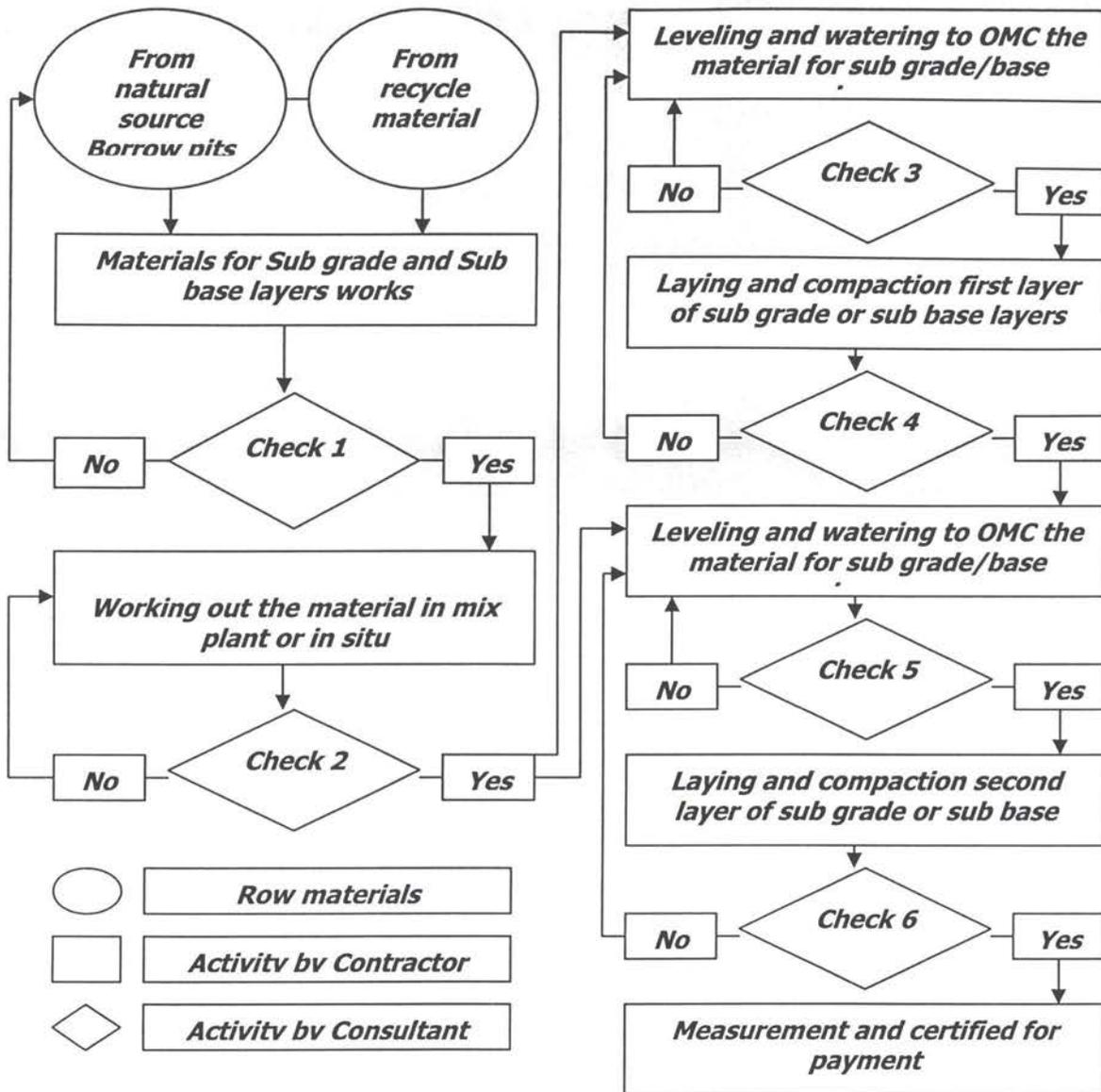
3.2. Quality control procedures

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

Inspection & Approval of Sub grade and Sub base layers Works



1. Check 1.

- Crushing Strength test Abrasion loss test (other test related to qualify)

2. Check 2.

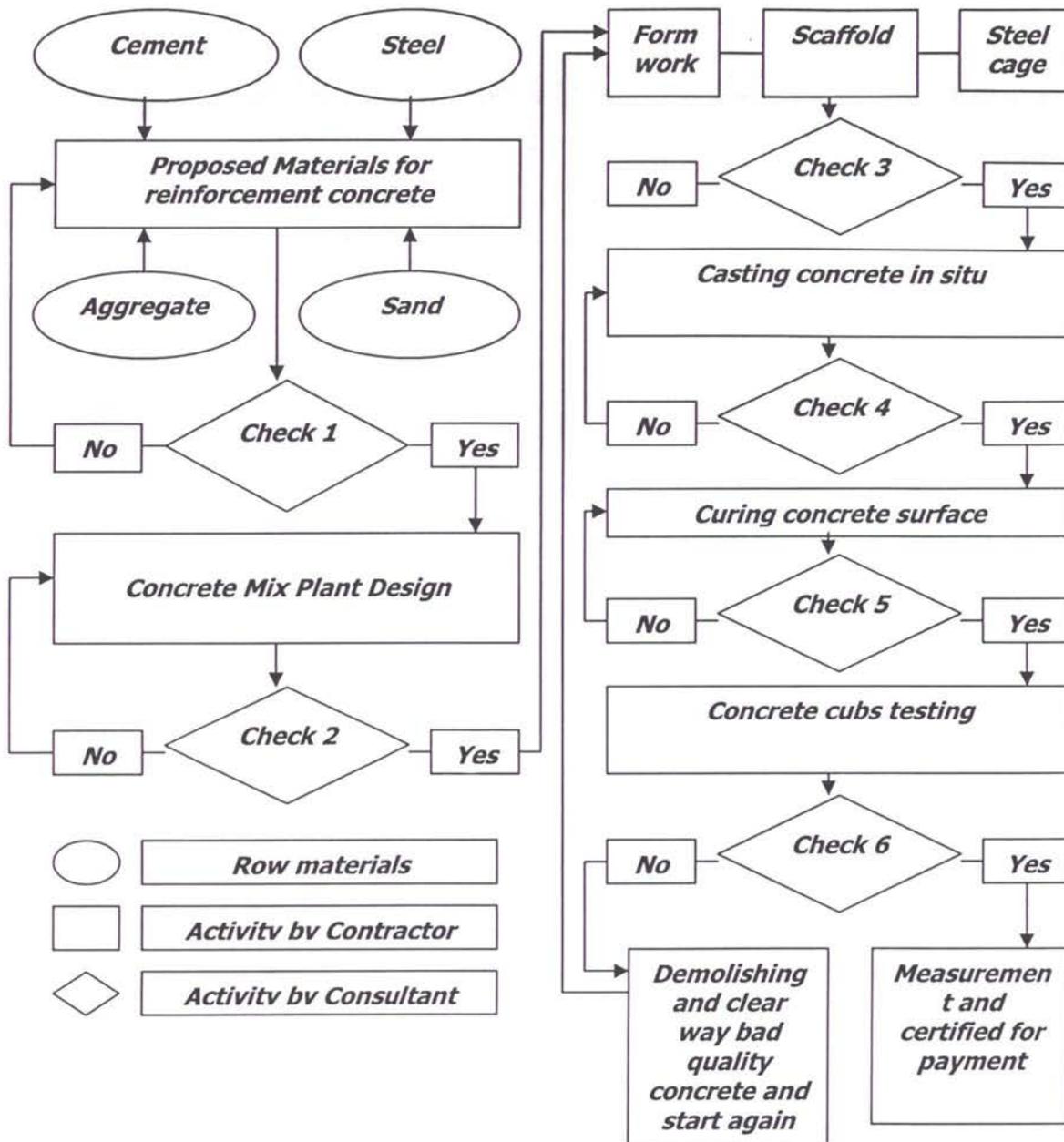
- Sieve analysis

3. Check 3.

- CBR test (Camber check)

3.2.2. For concrete Work

**Inspection & Approval of Reinforcement
concrete cast in situ Works**



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

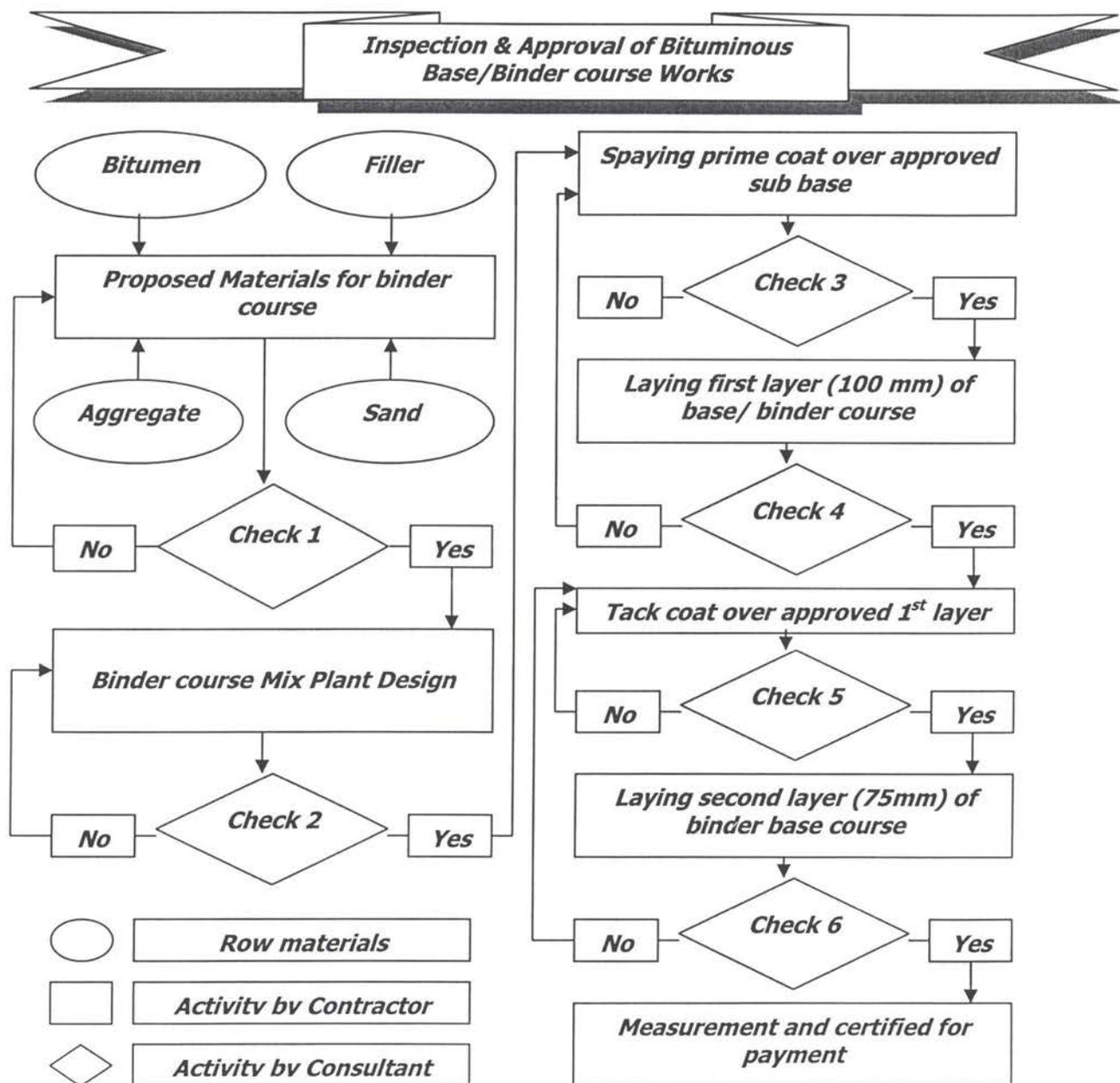
5. Check 5

- 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

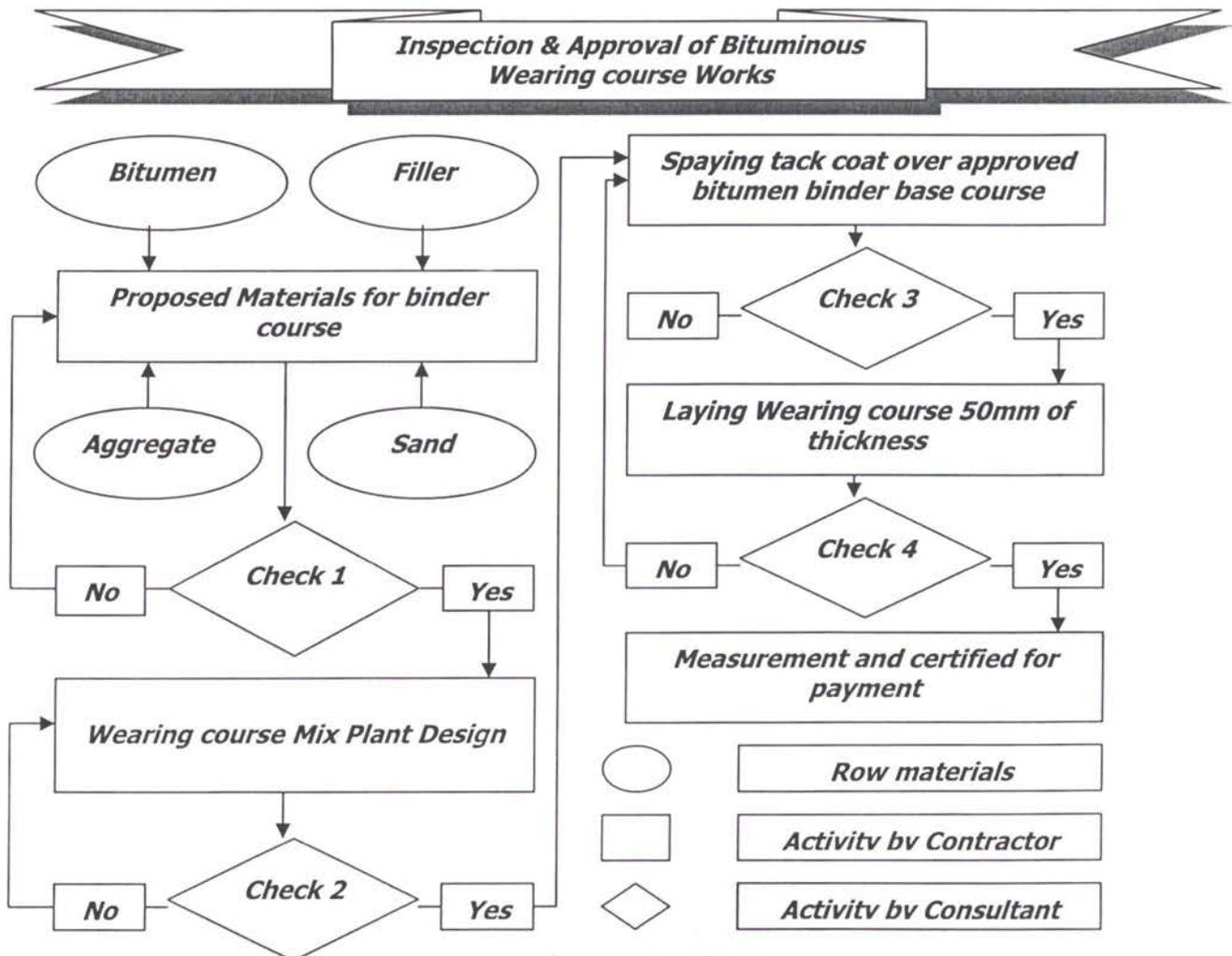
3. Check 3 & 5

- Testing the application rate

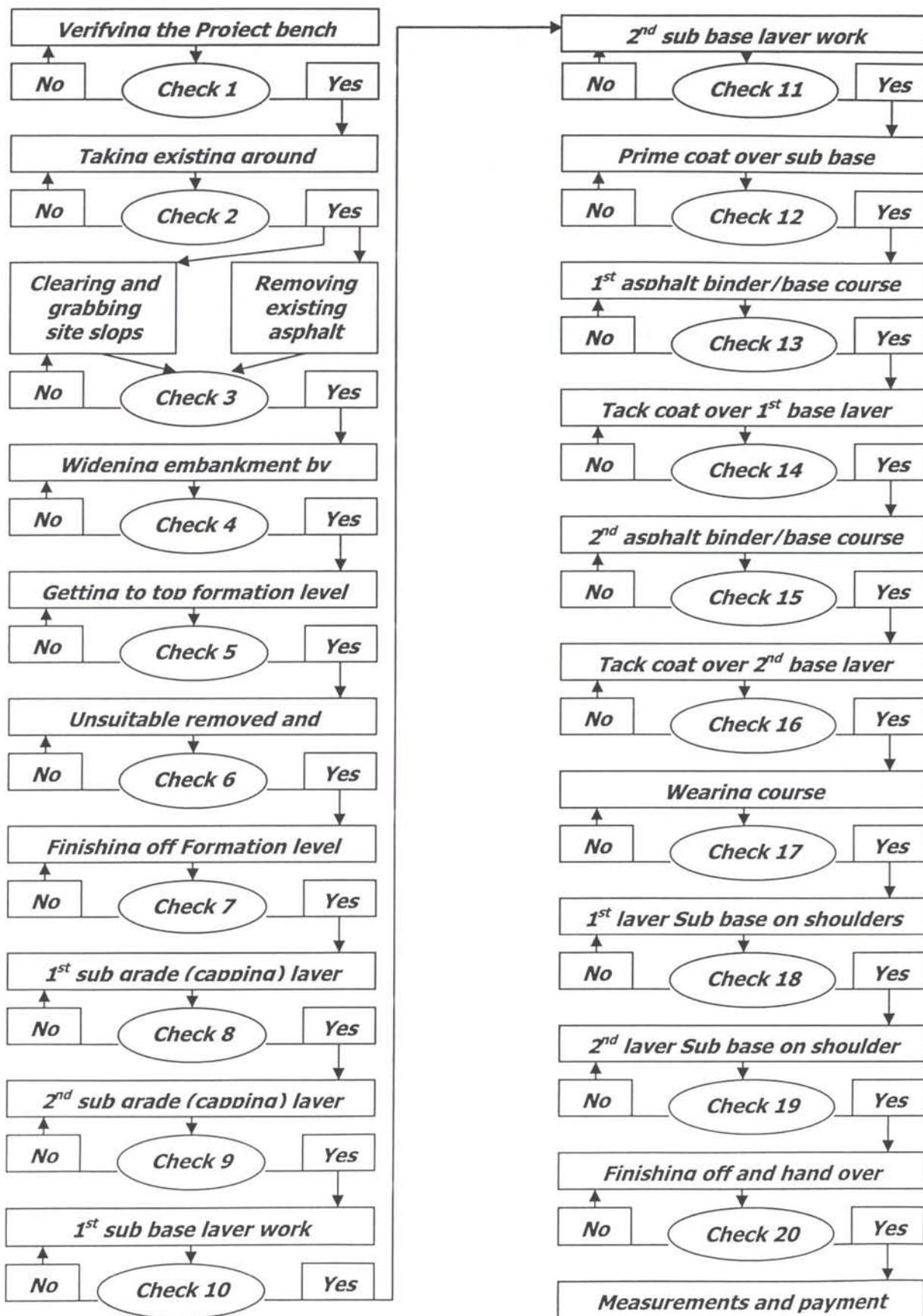
4. Check 4 & 6

- 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)



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



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 29 th 2003				
2	Jun 27 th 2003				
3	Jul 29 th 2003				
4	Aug 26 th 2003				
5	Sep 25 th 2003				
6	Oct 25 th 2003				
7	Nov 28 th 2003				
8	Jan 23 rd 2004				
9	Feb 23 rd 2004				
10	Mar 23 rd 2004	1	Mar 26 th 2004	1	Mar 26 th 2003
11	Apr 27 th 2004	2	Apr 28 th 2004	2	Apr 28 th 2004
12	May 25 th 2004	3	May 27 th 2004	3	May 27 th 2004
13	June 23 rd 2004	4	June 24 th 2004	4	June 25 th 2004
14	July 26 th 2004	5	July 28 th 2004	5	July 28 th 2004
15	August 24 th 2004	6	August 24 th 2004	6	August 24 th 2004
16	September 23 rd 2004	7	September 24 th 2004	7	September 24 th 2004

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 2001-1	173	2
Contract CW 2003-1 & CW 2003-2	117	12
Contract CW 2003-3 & CW 2003-4	92	8
Contract for bridges	84	0
Summary	466	22

Incoming letters from Client

Contracts	Total to date	Total this month
Contract CW 2001-1	42	7
Contract CW 2003-1 & CW 2003-2	11	4
Contract CW 2003-3 & CW 2003-4	10	4
Contract for bridges	19	0
Summary	82	15

Outgoing letters to Contractors

Contracts	Total to date	Total this month
Contract CW 2001-1	237	7
Contract CW 2003-1 & CW 2003-2	155	17
Contract CW 2003-3 & CW 2003-4	123	10
Contract for bridges	144	1
Summary	659	35

Outgoing letters to Client

Contracts	Total to date	Total this month
Contract CW 2001-1	116	0
Contract CW 2003-1 & CW 2003-2	19	3
Contract CW 2003-3 & CW 2003-4	21	3
Contract for bridges	40	0
Summary	196	6

3.4. Incoming request for inspections

Table 3

Month: **August**

Year **2004**

Day	Date	CW2002-1	CW2003-1&2	CW2003-3&4	Total
Wed	25	23	17	7	47
Thu	26	16	18	9	43
Fri	27	15	10	7	32
Sat	28	12	11	2	25
Sun	29	13	0	0	13
Mon	30	6	24	9	39
Tue	31	10	13	8	31

Month: **September**

Year **2004**

Day	Date	CW2002-1	CW2003-1&2	CW2003-3&4	Total
Wed	1	6	22	14	42
Thu	2	10	15	6	31
Fri	3	10	18	3	31
Sat	4	8	23	6	37
Sun	5	12	0	0	12
Mon	6	0	18	4	22
Tue	7	0	2	5	7
Wed	8	4	23	6	33
Thu	9	8	23	4	35
Fri	10	13	13	7	33
Sat	11	19	19	11	49

Sun	12	10	0	0	10
Mon	13	0	13	5	18
Tue	14	8	19	2	29
Wed	15	8	17	10	35
Thu	16	7	16	4	27
Fri	17	5	21	6	32
Sat	18	5	22	10	37
Sun	19	6	0	0	6
Mon	20	2	29	15	46
Tue	21	4	18	8	30
Wed	22	6	27	9	42
Thu	23	4	20	10	34
Fri	24	16	23	0	39
Sat	25	9	16	16	41

Total to date **988**

3.5. Daily Weather Records

Table 4

Month: August
Year 2004

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Wed	25	43°C	Sunny	Work in progress	
Thu	26	41°C	Sunny	Work in progress	
Fri	27	39°C	Sunny	Work in progress	
Sat	28	40°C	Sunny	Work in progress	
Sun	29	38°C	Sunny	Work in progress	
Mon	30	41°C	Sunny	Work in progress	
Tue	31	43°C	Sunny	Work in progress	

Month: September
Year 2004

Day	Date	Temp	Weather Condition	Working Condition	Remarks
Wed	1	41°C	Sunny	Work in progress	
Thu	2	40°C	Sunny	Work in progress	
Fri	3	38°C	Sunny	Work in progress	
Sat	4	39°C	Sunny	Work in progress	
Sun	5	37°C	Sunny	Work in progress	
Mon	6	28°C	Rainy	Work is not	
Tue	7	27°C	Rainy	Work is not	
Wed	8	29°C	Partly sunny-foggy	Work in progress	
Thu	9	33°C	Sunny	Work in progress	
Fri	10	27°C	Foggy	Work in progress	
Sat	11	28°C	Foggy	Work in progress	
Sun	12	26°C	Foggy	Work in progress	
Mon	13	28°C	Rainy	Work is not	
Tue	14	29°C	Foggy	Work in progress	



Wed	15	31°C	Sunny	Work in progress
Thu	16	34°C	Sunny	Work in progress
Fri	17	31°C	Sunny	Work in progress
Sat	18	35°C	Sunny	Work in progress
Sun	19	34°C	Sunny	Work in progress
Mon	20	35°C	Sunny	Work in progress
Tue	21	35°C	Sunny	Work in progress
Wed	22	33°C	Sunny	Work in progress
Thu	23	35°C	Sunny	Work in progress
Fri	24	35°C	Sunny	Work in progress
Sat	25	34°C	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 22nd, 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)Gasau 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 Consortium	0	0
	CW2003-2		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 Consortium	0	0
	CW2003-2		0	0
Km 430.8 to Gazakh	CW2003-3	Autobahn Bau GMBH	0	0
	CW2003-4		0	0

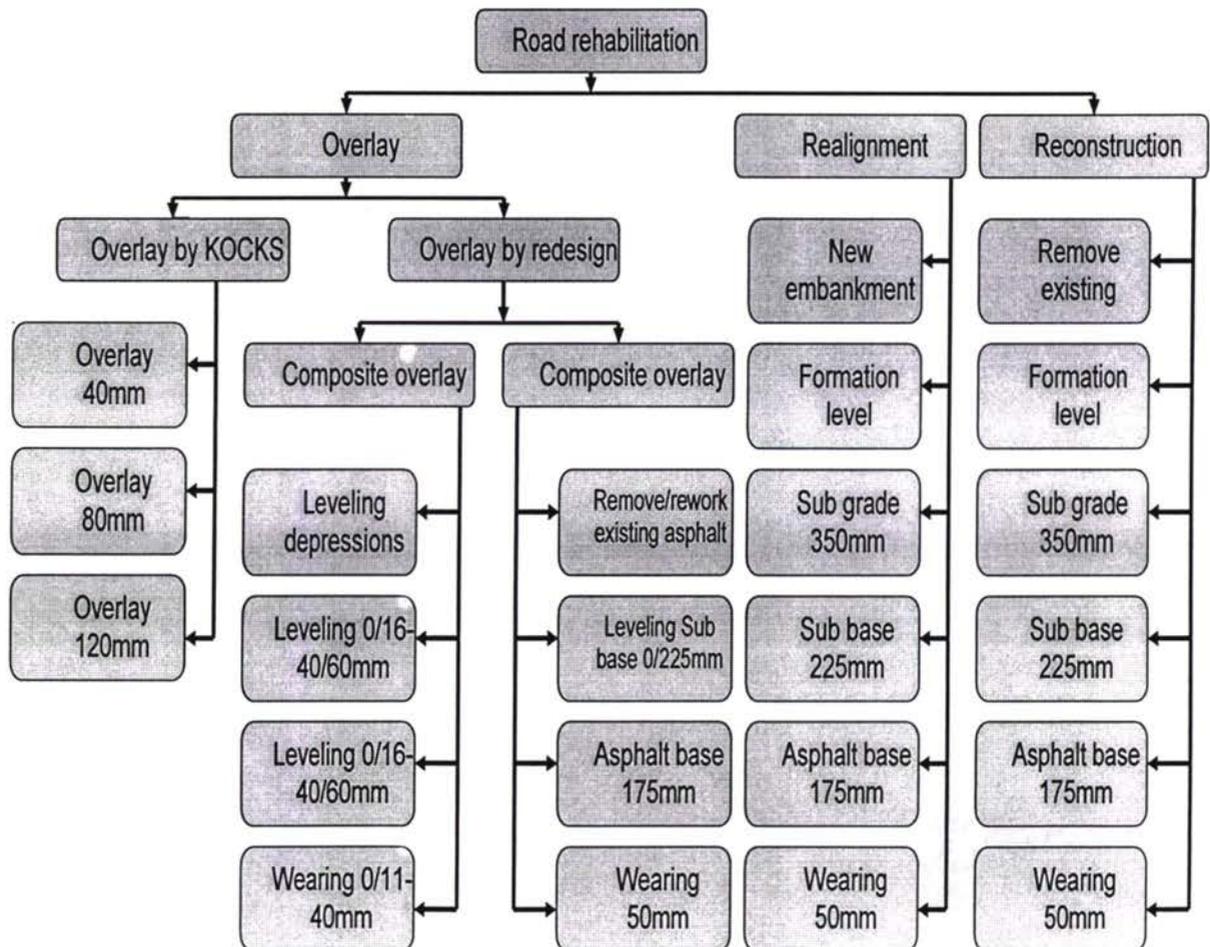
3.8. Redesign notes applicable for Contracts CW2003-1 to 4

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

50mm is to add strain to pavement and provide riding comfort and seal and waterproof the road surface;

- e) The second type of Composite Overlay – is base on the fact that deflection test done by KOCKS shown that the road base is good and acceptable and then concentrates on getting good riding surface. For that purpose calls the Contractor to remove the existing asphalt, recycle the removed material and placed back as a Sub base layer in order to provide good smooth riding surface. Then follows by asphaltting base (binder 175mm and wearing course 50mm). This type is very similar to the reconstruction, but since there is not a need for capping layer (Sub grade) and work on formation level is considerably cheaper.

Redesign notes organogramme summary



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 waterproofing				440,190,000.00		1.48%	\$90,000.00
1.2.2	Pavement on approach roads to in and out of petrol station				293,460,000.00		0.99%	\$60,000.00
1.2.3	Drainage in front of petrol station				122,275,000.00		0.41%	\$25,000.00
1.2.4	Site drain collectors on high embakment to take the rain waters				293,460,000.00		0.99%	\$60,000.00
	Subtotal on extra and final for Project				4,283,528,195.61		14.40%	\$875,798.04
2	CW2003-1&2	60,082,264,241.00	60,214,171,978.85	3,009,034,085.10				1\$ = 4912
2.1	Design errors = underestimated volumes of Work in B&Q				4,143,089,493.00	4,039,512,255.68	6.88%	\$843,462.84
2.2	Design errors = extra existing culverts				1,115,376,655.00	1,087,492,238.63	1.85%	\$227,071.79
2.3	Design errors = overlay to composite overlay				10,940,986,361.70	10,667,461,702.66	18.17%	\$2,227,399.50
2.4	Collapse of Bridge 39				4,676,215,995.00	4,442,405,195.25	7.77%	\$951,998.37
2.5	Design errors = Client request for extra work on Bridge 42				2,701,600,000.00	2,566,620,000.00	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

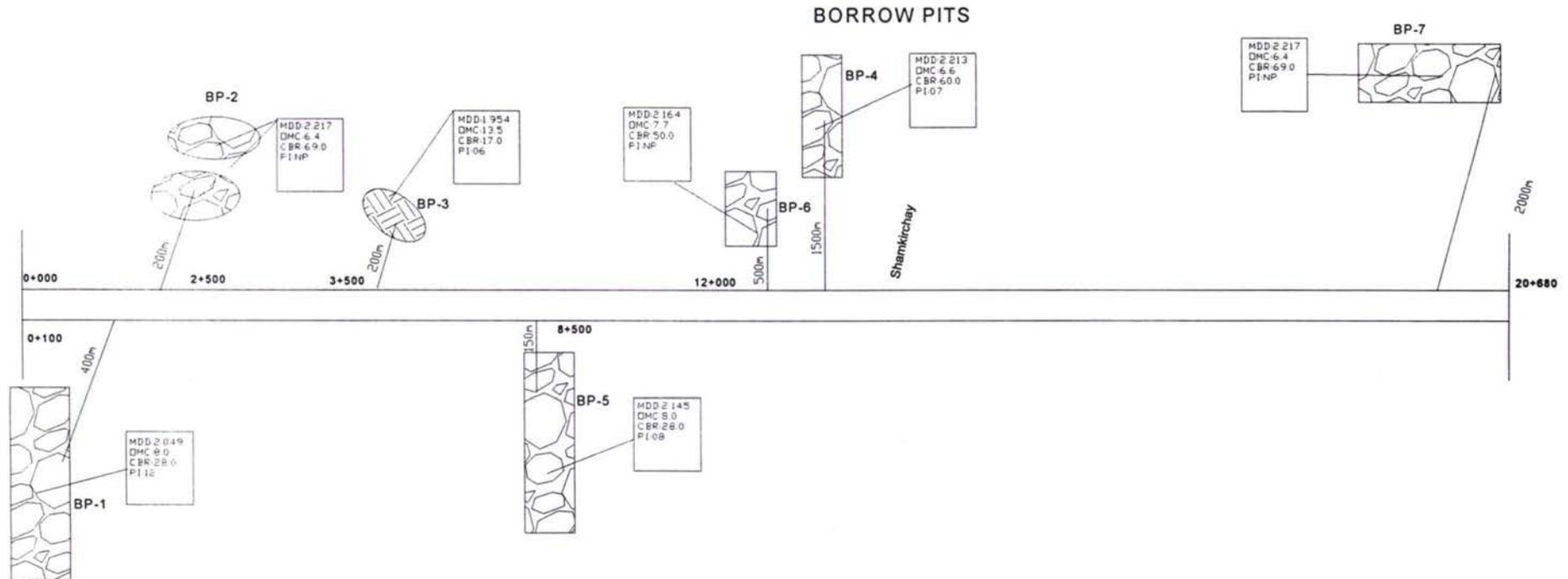
Table 12

Name	Position	Date of the visit
Magerram Asadov	Chief Expert of the Department	14-16 of September 2004
Gasimov Nazim	Head of the Teach. Office of the Department	14-16 of September 2004
Adil Gojayev	PIU director	16 of September 2004
Gazanfar Safarov	PIU Procurement Specialist	16 of September 2004
Rafiq Guliyev	PIU Accountant	16 of September 2004
Vagif Hajiyev	The Chief of the MD of the Department	16 of September 2004
Anti Talvitie	WB Transport Specialist	16 of September 2004
Oliver Le Ber	WB Senior Transport Specialist	16 of September 2004
Effendi Ismiyev	President of "Azerkorpu" Company	17-18 of September 2004
Fabrice Signor	LBSA General Manager	18 of September 2004

Attachments

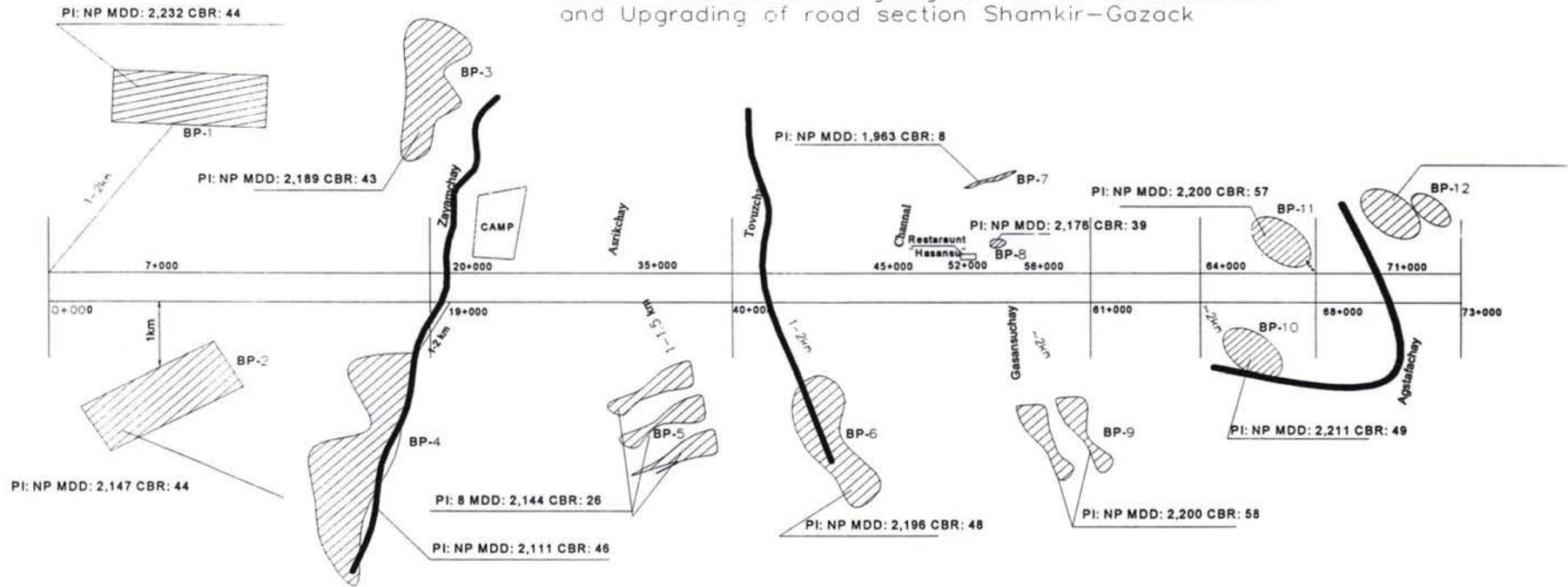


"REHABILITATION AND UPGRADING OF GANDJA-SHAMKIR ROAD SECTION"



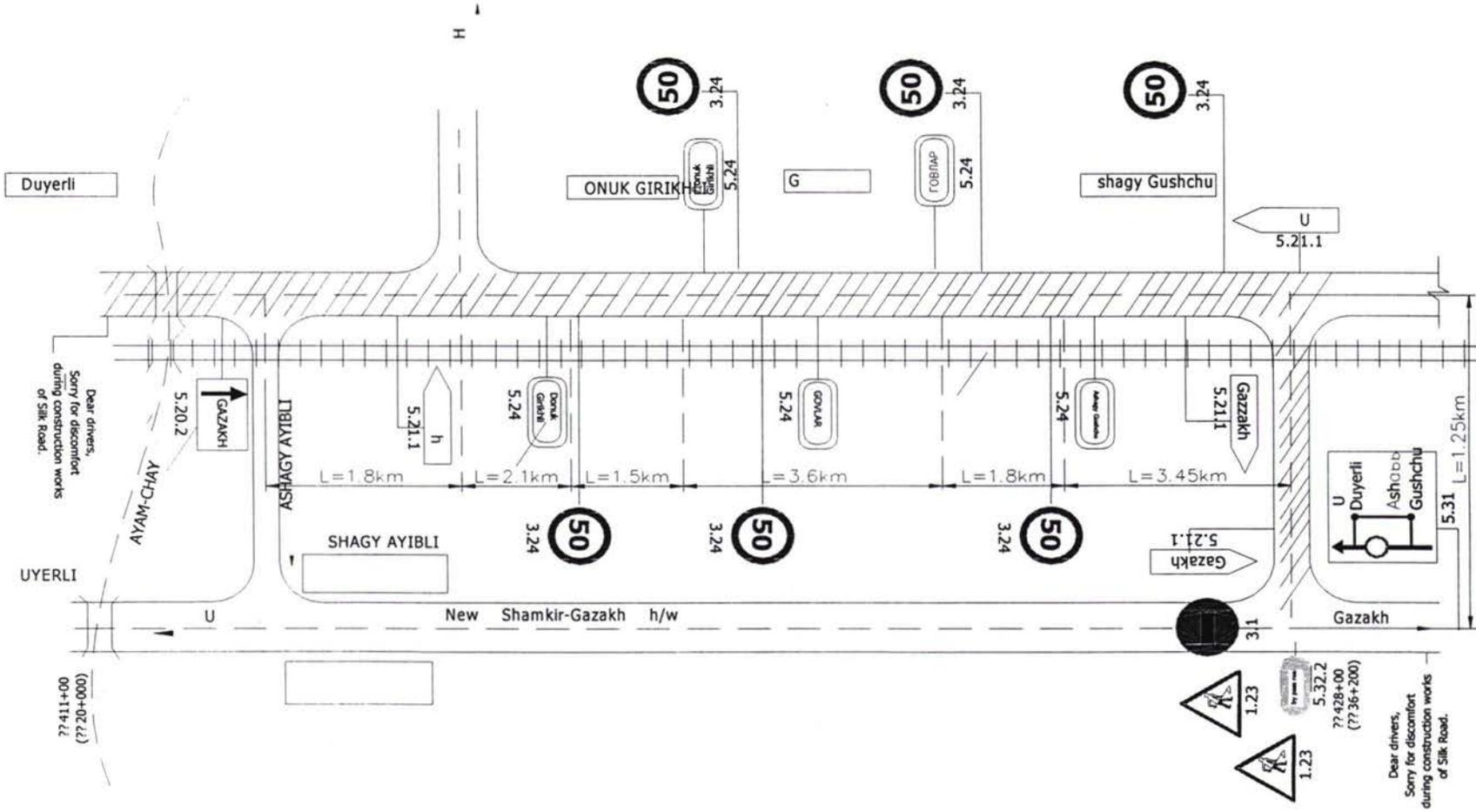
Contract CW2002-1 Borrow pits

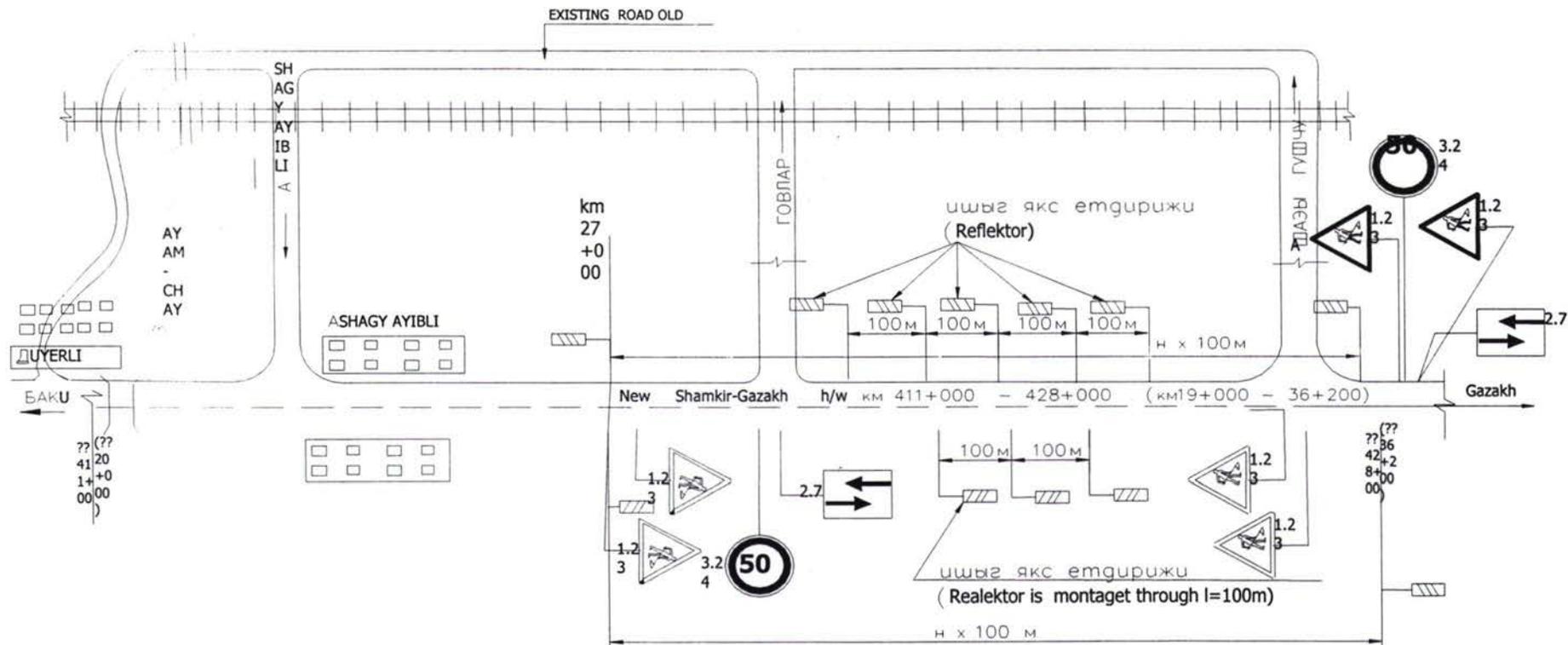
Borrow Pits, which are going to use for Rehabilitation and Upgrading of road section Shamkir-Gazack



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



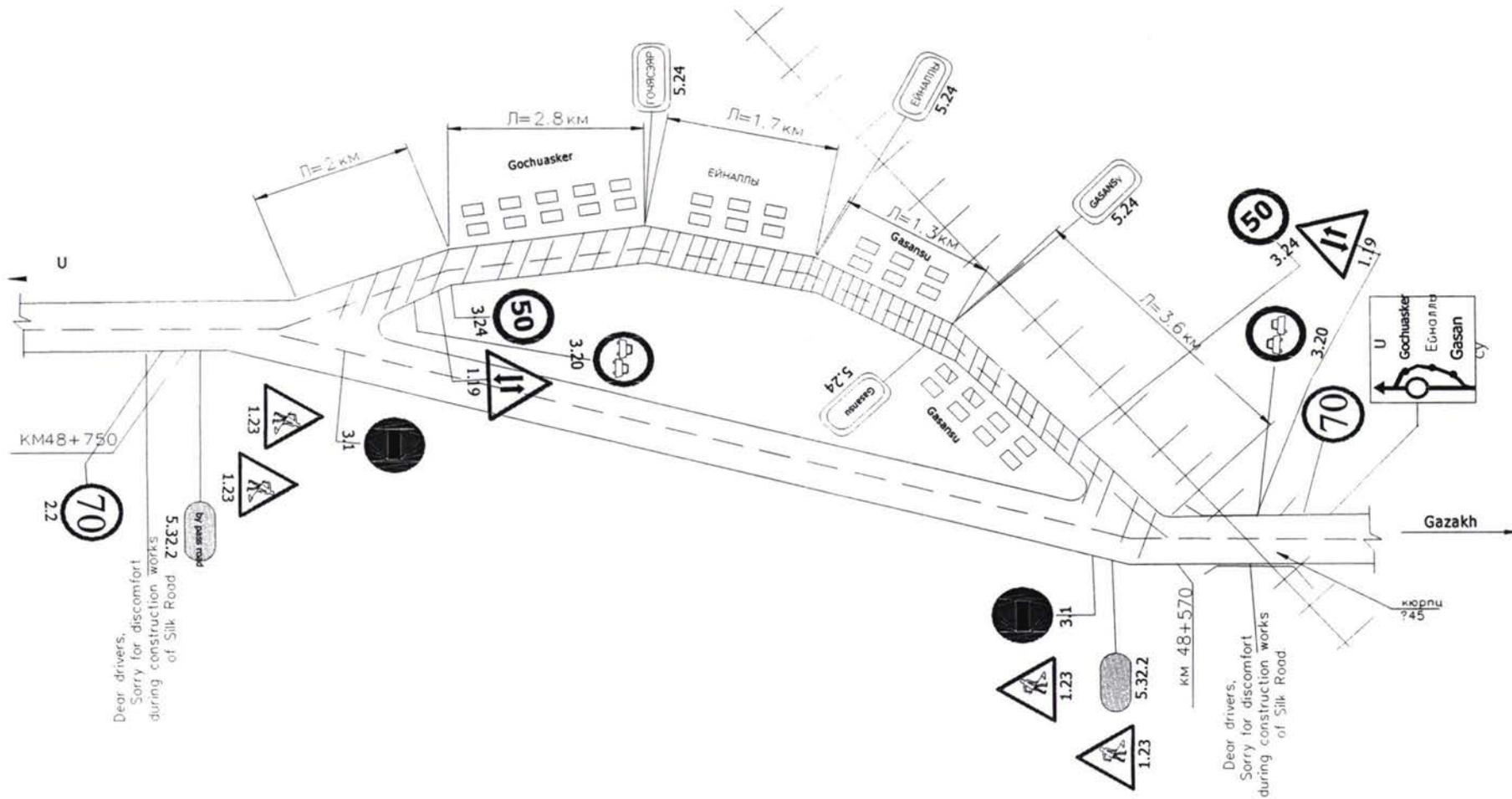




Contracts CW2003-1&2, single line operation at the Earthworks taking place between km 27+000 to km 37+000



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



Notes

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