



**TRACECA Rehabilitation of
Caucasian Highways
Azerbaijan Georgia and Armenia
Inception Report**

February 2003



LOUIS BERGER S.A.

MERCURE III - 55 BIS, QUAI DE GRENELLE, 75015 PARIS
TEL. 01.45.78.39.39 • International +33.1.45.78.39.39
FAX 01.45.77.74.69 • International +33.1.45.77.74.69
E-Mail : lbparis@louisberger.com

Ingénierie • Economie • Aménagement



**Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia**

EUROPEAID/113179/C/SV/MULTI



This Project is funded by the European Union

Team Leader

Baku

Reference PS27712/GCT/17

Tel +994 12 98 84 31

Fax +994 12 93 24 46

Traceca Coordination Team

Baku

17th March 2003

Subject : Inception Report

For Attention Mr M Graille

Dear Sir

Please find attached our Inception report for the above project. The report is presented in two bound English copies and one Russian copy. Together with unbound, and electronic versions in both languages.

Please sign the attached receipt page of this letter as prove of receipt of the reports. I would be grateful if you would make any comments you may have on the attached page. If you have no comments please write "no comment"

Thanking you in advance

Yours Sincerely

G C Tremlett
LBSA Team Leader
As Project Manager

**Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia**

EUROPEAID/113179/C/SV/MULTI

This Project is funded by the European Union

Inception Report Comments Page

Received by Traceca

Comments



TACIS Regional 2000 (TRACECA) – Rehabilitation of Caucasian
Highways Inception Report – February 2003



Published February 2003
Copyright © 2003 by Tacis Services DG 1A European Commission

Enquires concerning reproduction should be sent to the
TACIS Information Officer
European Commission Aarlenstraat 88 1 06 Rue d'Arlon, B1040 Brussels

This report has been produced by Louis Berger SA. The findings conclusions interpretation
expressed in this document are those of the Louis Berger SA alone and should in no way
be taken to reflect the policies or opinions of the European Commission

Project Managers: Louis Berger SA Contract Number EUROPEAID/113179/C/SV/MULTI




Contents

Chapter	Subject	Page No
0	Report Cover Page	Page 2
1.0	Project Synopsis	Page 3
2.0	Analysis of Project	Page 5
2.1	Start Situation	Page 5
2.2	The Beneficiaries	Page 5
2.3	The Five Main Components of the Project	Page 6
2.4	Project Organisation	Page 7
2.5	Problems Deficiencies and Solutions	Page 8
2.5.1	Shamkir and Gasan Su Chay Bridges	Page 8
2.5.2	Meeting with Azeravtoyol	Page 8
2.5.3	Formation of the PIU	Page 8
3.0	Project Planning	Page 9
3.1	Project Goals	Page 9
3.2	Project Approach	Page 9
3.2.1	Tasks Undertaken	Page 9
3.2.2	Future Planning	Page 13
3.3	Non Key Staff	Page 14
3.4	Constraints Risks and Assumptions	Page 14
	Appendix 1	Page 16
	Forms	Page 21



0 Report Cover Page Azerbaijan

Project Title	Rehabilitation of Caucasian Highways Azerbaijan Georgia and Armenia	
Project Number	EUROPEAID/113179/C/SV/MULTI	
	Local Recipient	EC Service Contractor
Name 1	Cabinet of Ministers	Louis Berger SA
Address 1	Cabinet of Ministers Baku	Mercure III 55 Bis Quai de Grenelle 75015 Paris France + 33 1 45 78 39 39 + 33 1 45 77 74 69
Tel No		
Fax No		
Contact Person	Mr. A Sharifov	Mr. F Signor
E-mail		fsignor@louisberger.com
Name 2	State Department Azeravtoyol	Project Team Leader
Address 2	Azeravtoyol Offices Baku Azerbaijan	Azeravtoyol Offices Baku Azerbaijan +994 12 98 84 31 +994 12 93 24 76
Tel No		
Fax No		
Contact Person	Mr. N Garaisayev	G C Tremlett
Traceca	Secretary General	

Date of Report 21st February 2003. Any significant events after that date and prior to publishing are appended in the final annex

Reporting Period Inception Report

Author of Report G C Tremlett Project Team Leader

EC Service Contractor's
EC Delegation
TACIS Bureau (Task Manager)



1 PROJECT SYNOPSIS

Project Title	Rehabilitation of Caucasian Highways Azerbaijan Georgia and Armenia
Project Number	EUROPEAID/113179/C/SV/MULTI
Country	Azerbaijan Armenia Georgia

Project Objectives	<p>The wider objectives are to support the Republics to catch up with their serious backlogs in road maintenance, and to cope with growing Local, and international transport.</p> <p>The objectives of the project are to improve and provide a better level of service for the travelling public on route corridors,</p> <p>To reduce costs in road transportation,</p> <p>To arrest deterioration of pavements by timely intervention,</p> <p>To reduce costs for road rehabilitation and maintenance.</p> <p>Additionally, the objective is to strengthen the national road construction and maintenance capabilities through transfer of technology.</p>
Planned Outputs	<p>The project purpose is to provide consultancy services for three major components.</p> <p>Armenia: Investigations, designs, drawings, cost estimates and Tender Documents for 3 tunnels For the road from Vanadzor to the Georgian Border</p> <p>Duration estimated 10 months</p> <p>Georgia: Developing Pre-Feasibility Study for modernization of the existing Poti-Tbilisi-Red Bridge road under the standard of the international motorway passing by larger inhabited areas.</p> <p>Determining the deadline for road carrying capacity, based on the dynamics of traffic volume growth at sections of the existing road, and modernizations periods, technical and economic study and comparison of the modernization alternative with the alternative of construction of international motorway (to a SNIIP Category I).</p> <p>Duration estimated 10 months,</p> <p>Azerbaijan:</p> <p>a) Supervision of Construction of the WB (IDA) financed road sections under the Azerbaijan Highway Project:</p> <p>b) Assistance to the joint Project Implementation Unit (PIU) for the World Bank and the EBRD roads projects.</p> <p>c) Technical supervision of the TACIS project : construction of two bridges / Gasan Su Chay and Shemkir</p> <p>Duration estimated 24 months,</p>



Project activities	Component 1	Overall Project management
	Component 2	Construction Supervision and Assistance to the Project Implementation Unit in Azerbaijan
	Segment 2.1	Review of the Contract Documents
	Segment 2.2)	Supervision of Lots 1 to 5 of Ganja Gazakh Road
	Segment 2.3	
	Segment 2.4	The Technical supervision of the Tacis project "reconstruction of two bridges Gasan Su Chay and Shamkir" in Azerbaijan
	Component 3	Feasibility of study of modernisation of Poti to Tbilisi Red Bridge Road Georgia
	Component 4	Design and Preparation of Tender Documents for three Tunnels on the road from Vanadzor to the Georgian Border in Armenia
	Component 5	Training and Technology Transfer
Project Starting Date		Contract signed 27 th November 2002 Team Leader Mobilised 19 th January 2003 Resident Engineer mobilised 19 th February
Project Duration	2 Years	



2 Analysis of Project

2.1 Start Situation

The Contract was signed on 27th November 2002. Mobilisation commenced from 24th December 2002 but due to the proximity of Christmas and New Year Holidays, the Team Leader arrived in Baku on 19th January 2003 accompanied by the Project Director.

The Director and Team Leader arranged meetings, where possible, with the main parties of the Project. Meetings were arranged in Baku with the Traceca Intergovernmental Commission (IGC) The National Secretary of Azerbaijan (IGC), the vice President of Azeravtoyol, Azerkorpu (the proposed Contractor for the two bridges), Turan Hazinedaboglu (the Turkish Contractor for Contract CW2002-1 Ganja Shemkir Road). The Project director then left for meetings in Georgia and Armenia.

Azeravtoyol's president was unavailable as he was undergoing hospital treatment in Moscow until sadly he passed away on 22nd February. In his absence the Government requested that the complete Contract between Louis Berger and the EC be translated in to Azeri to comply with the rules of the Azerbaijan. After some discussions the Terms of Reference and general Conditions of Contract were to be submitted in Russian.

A temporary office was offered to the Team Leader from 3rd February 2003. This office had the basic furniture and was within the premises of Azeravtoyol adjacent to the PIU office.

During the meeting with Azerkorpu it was discovered that the Contract between them and the EC had already been signed. A copy of the Contract was sent to the Team Leader via Azerkorpu on 3rd February 2003. A full copy arrived by the end of February.

During the inception period it was ascertained that a letter of intent was issued to Turan Hazinedaboglu but the signing of the Contract agreement, for Contract CW2002-1 Ganja Shemkir Road, was delayed until the Contract had been translated into Azeri. The first version was not of an acceptable standard and the Contract was not signed as 21st February

It was ascertained that Contract CW2002-2 (now CW 2003-1) was split into four lots and was due to invite Tenders in late March or early April.

2.2 The Beneficiaries

As can be seen from the Section 1 there are five components of the project and there are three beneficiaries as below.

1. The Cabinet of Ministers and the State Corporation Azeravtoyol (Roads) in Azerbaijan;



2. The Ministry of Transport and Communications State Department of Roads of Georgia;
3. The Ministry of Transport and Communications Roads Department of Armenia

2.3 The Five Main Components of the Project

The five main components of the project are as follows

The first component, overall management

This is the most critical component for the successful and sustainable outcome of the Project. This component covers all Scope of work specified in the TOR. Our approach to Overall Project Management is to:

- provide a strong and seasoned team of resident staff: a Team Leader/Project Manager;
- provide management and technical support with a Project Management Committee staffed by International experts who are senior experts in the Louis Berger Group;
- provide outstanding technical specialists to be Component/Segment Managers for each of the Tasks. As part of the Management Team, these Component/Segment Managers will help co-ordinate all International technical assistance and training to maximise the impact on achieving project results; and
- provide line positions, with clear tasks and responsibilities to deliver, for the Local experts on our team and closely integrate them into the project.

The second component is

This component covers the Construction Supervision of Works Contracts and to provide technical assistance to the PIU in Azerbaijan.

It is proposed that these tasks will be accomplished using the Service Contractor's International and local Associates' experts in a coordinated manner so that during the course of the project the Service Contractor's Team will:

1. Review and Design of the Tender documents;
2. Perform Construction supervision of the Ganja-Gazakh Road (World Bank Financed);
3. Assist the PIU in the implementation of the World Bank and EBRD projects;
4. Perform Technical Supervision of the TACIS Project: "Construction of two bridges: Gasan Su Cay and Shemkir

The third component is

This component covers the Pre-feasibility Study for modernization of Poti-Tbilisi-Red Bridge Road in Georgia. Tasks under this component will be accomplished using the



Service Contractor's International and Local experts in a coordinated manner to provide solutions concerning modernization of Poti-Tbilisi-Red Bridge motorway in Georgia and to determine the effective use of attracted financing from IFI for investment in the roads rehabilitation.

The fourth component

This component covers the design and preparation of Tender Documents for three tunnels on the road from Vanadzor to the Georgian Border in Armenia. This component will be accomplished using Internationals and Local experts in a coordinated manner such that the site investigations, designs, drawings, cost estimates and the Tender documents will be developed as required by the ToR.

The fifth component is

This component covers the Training and Technology Transfer. Training and technology transfer activities are proposed as a separate component, since the ToR indicates that the transfer of know-how from EU to Caucasian Republics is the one of the expected results of the project (paragraph 2.4 of the ToR). This activity is so critical to the long-term success and sustainability of the Project that the Service Contractor's approach is to address this as a separate component, and interfacing across all components in a very dynamic manner. All members of the Service Contractor's team will be deeply involved in training counterparts, appropriate stakeholders, and other key individuals as identified by the Project Partners. It is proposed that the following activities will bring this component to fruition:

- mobilising a Human Resources Development Specialist early on in the Project to carry out a training needs assessment of the Project Partners and stakeholders and developing a training program;
- have the training program structured so that each International expert mobilised by the Service Contractor's holds seminars and workshops to transfer the technology and the require skills to use that technology so that when the International expert departs Project Partners are fully effective in using and updating the tools developed during the Project's duration; and
- ensure that the Team Leader meets and has effective dialog with senior management of the three Road Administrations and operational-level staff to ensure that the training program is meeting the needs of Project Partners.

2.4 Project Organisation

The project has been split into specific tasks with explanations as to who is responsible for each task. In section three there is a progress on the tasks to date and a full description of the tasks is appended with basic comments in Appendix 1.



2.5 Problems Deficiencies and Solutions Thereof

2.5.1 Shamkir and Gasan Su Cay Bridges: During a start up meeting with Mr. E Ismiyev the Chairman of Azerkorpu it was discovered that the EC had already signed a Contract, in late December, for the two Bridges at Shamkir and Gasan Chay directly with the European Commission in Brussels. On 3rd February 2003 the Project Manager (Engineer as in FIDIC) received an electronic version of the bidding documents including the General and Special Conditions of Contract. It appeared that this situation could cause contractual misunderstandings. Therefore the Project Team Leader arranged subsequent meetings with Azeravtoyol and the Delegation in Baku.

A complete set of the Contract documents was delivered to Paris by 20th February and forwarded to the Team Leader.

2.5.2 Meeting with Azeravtoyol During most of the inception period the President of Azeravtoyol was away, and consequently could not make any decisions with respect to the component 2 of the Project. Office space was, however, granted from 3rd February and a telephone line promised on 13th February. However it was always possible for the Service Contractor's to use the telephone lines of the PIU. The Service Contractor's (LBSA) provided the basic office equipment. This was in accordance with Article 4.1 of the Terms of Reference.

2.5.2 The formation of the PIU. As the PIU was already in existence the Team Leader based his initial budget on the seven possible workers within the Unit. Thus Task 2301: to review the staff and make recommendations to the IDA (and the EBRD) has in fact been completed by others. This was confirmed in discussions between the delegation and the Task Manager in the presence of the Team Leader.



Section 3: Project Planning

3.1 Project Goals

The project objectives are outlined in the Project Synopsis. The project covers the design of tunnels in Armenia and a feasibility study for a bypass in Georgia. In Azerbaijan the project consists mainly of the supervision of Highway Works Contracts. The goal therefore is to complete the designs and for the various Contractors to complete the Works Contracts on schedule and within the Budget. However, there are many factors beyond our control that will have to be considered before these targets can be met. These will be discussed in the section regarding risks. For ease of following the aims of the project it is split into a number of tasks. Some of these tasks have been started during the inception period.

3.2 Project Approach

It is intended to proceed with the tasks as in the appendix, which divides the project into a number of tasks. The design works in Georgia and Armenia are a sub-section of the main Contract and will start at a later date as the programme is only for 12 months of the total 24-month Contract. Other works have started as intended.

3.2.1 Tasks undertaken during the inception period

Task 1001: Formation of the Management committee.

In accordance with Clause B.2.1.3 of our proposal the Project management committee was formed. This consisted of the President and Chief Operating Officer of Louis Berger SA Mr. F Farhi, the Project Director Mr. F Signor who is also a vice president of the company, The Project Coordinator Mr k Zukhurov, and the Team Leader Mr. G Tremlett. LBSA will also provide short-term experts and component managers for each of the major tasks of the project.

Task 1002: Start up Meetings

During the week of 19th to 25th January the Project director and the Project Team Leader held start up meetings with the Project partners and beneficiaries in Azerbaijan. They meet with the Traceca IGC in Baku. Together with the ICG representative they meet with the Cabinet of Ministers and the vice President of Azeravtoyol. The successful Contractors for CW2002-1 and the Bridge structures were also met for preliminary discussions. Mr. Signor moved on to Tbilisi to meet the local representative of Traceca, the local highways design institute and the State department of Roads. In the meantime the Team Leader had a meeting with the Local World Bank (IDA) representative in Baku.

A start up meeting with the Armenian beneficiary is due to take place at a later date. This will take place when the Works start on components three and four of the project and the Highways Engineer has been mobilised.



Task 1003: This covers the setting up of the Project Offices in Baku. On arrival in Baku it was ascertained that the Project Implementation Unit (PIU) had been set up under another project and was functioning in accordance with rules of the IDA. (World Bank) We took over the funding arrangements for the offices from 1st February 2003 and Azeravtoyol provided an office space for the Team Leader and his secretary from 3rd February. As part of this project is to provide the funds for the PIU to purchase office equipment and furniture the offices were partially furnished and without any office equipment. In accordance with Article 4.1 of the Terms of Reference the Service Contractor's provided some basic equipment to be able start the works from 10th February 2003.

Task 1004

The Project Team Leader developed a work plan but initially had to discover the programme of events. It was apparent that the Contract CW2002-1 had been awarded but not signed as at 21st February and indications were that the Contract Agreement would be delayed until early March. The Structures Contract had already been signed in December and under the Conditions of Contract that was the instruction to commence works within 30 days. As Contract CW2002-2 (now known as CW2003-1) has not called for Tenders only a small team has to be mobilised. Discussions were held with a sub-Contractor AYOL and the Azeravtoyol to provide the additional local staff. Azeravtoyol were adamant that they must also approve all staff who are to be Employed on the Works. The Project Director indicated that all key staff has already been approved in the Contract.

Tasks 2100 series: Construction supervision and assistance to the PIU

Task 2101 to 2106

These tasks are all related to the site conditions. Following his arrival on 20th February the Project Resident Engineer arranged to make a site visit to inspect the site of the Bridges and to investigate the general roads Contract.

Task 2107 & 2108: Review of the Detailed Planning and Engineering design

These programmes and Contractor designs are not available for checking at present.

Task 2201: Mobilisation of the Supervision Team

Following initial meetings with the PIU and the successful Contractors it became clear that the Resident Engineer should be mobilised quickly and he arrived on 20th February after meeting with the Project Director in Paris on 18th and 19th.



Task 2202: Pre-Construction Advisory service

2202.1 Contract Documents

The Project Team Leader has been shown the basic set of contract documents to review. The Resident Engineer arrived on 20th February and was given a set of documents to study. At first glance the specifications are a mixture of Din, GOST and others. There is also a proviso for the use of differing specifications provided they are of equal or higher standards. The PIU have assured the Team Leader that Kocks Consult had prepared the documents and that the IDA has approved the said documents. Therefore there is no requirement for a further report.

2202.1 Other Preconstruction Services

The team leader had advised the PIU that meetings should be held with both the Turkish Contractor Turan Hazinedaboglu and Azerkorpu. The meetings should be recorded and form part of the Contract. The signing of Turan Hazinedaboglu's Contract Agreement has been delayed as Azeravtoyol have requested that the Contractor translate the Contract into Azeri. This is in accordance with Azeri law.

The notice to commence Works under these Conditions of Contract is actually part of the Contract agreement and is not the duty of the Project Manager/Engineer to issue, unlike in a FIDIC Contract. Thus Azerkorpu have had their Instructions to commence.

At a meeting held on 14th February the Team Leader ascertained that Azerkorpu had already started the Works unsupervised. At that meeting Azeravtoyol issued a directive to the Contractor to change the elevation of Shemkir Bridge. It should be noted that the Client for the Bridges Contract is the EC, but they have not as then issued an instruction to the Project Team Leader to mobilise the supervision team.

Insurance policies have not been submitted as at 21st February 2003.

Also under the prevailing Conditions of Contract both the performance Bond and the advance payment bonds are issued directly to the Employer (that is the EC for the Bridges and Azeravtoyol for the roads contracts). Azerkorpu have indicated that they are preparing the Bonds for the EC financial division and Turan Hazinedaboglu is to present bonds to Azeravtoyol after resolution of the advance payment, and repayment, terms and also the clarification of the Contract Price

The Bridges Contract appears to require that the Contractor must complete the design of the Bridges. This was being done but the Azeravtoyol were happy to check and make the recommendations. There is also a customary system in a CIS state that involves a state or university expert to check and approve designs. However it is still the responsibility of the Service Contractor's and a Bridge specialist is being prepared for approval from Brussels.



Task 2301: Review the design and set up organization of the PIU clearly defining lines of responsibilities.

The Project Implementation Unit (PIU) has been set up as a section within Azeravtoyol and reported directly to the late President of the state corporation. The vice president appears to be the nominated counterpart of the Team Leader.

According to the Terms of reference the PIU should consist of four key staff. These being:

- a) A Highway Engineer, to act as the director.
- b) A financial specialist,
- c) A procurement specialist
- d) A translator.

There was no previous mention made of non-key staff, such as drivers. In the Service Contractors proposal it was planned to develop and review the Job Description of each role and present that to the IDA and EBRD for their approval. As discussed in 2.4.2 this was considered as task complete.

Task 2302 Review suitable management procedures and systems for the management of the PIU

The PIU has given the Team Leader a copy of the TACIS / IDA financial Management System and Financial Management Manual. This gives a detailed set of instructions of the procedures for dealing with Interim Certificates and reporting to the IDA. The PIU assured the Team Leader that this system had worked well on previous Contracts. However a one-day workshop cannot be arranged until the President can approve it. The Team Leader will arrange an extra workshop to evaluate the PIU's views before making further comments

Tasks 2303 to 2308

These tasks follow from Task 2302 and cover the assistance to the PIU in greater detail. They were awaiting the President's return to confirm their instructions and powers. In the meantime general advice is given to the Unit.

Task 2309: Provide Administrative support for the PIU, in the form of salaries and payroll cost, office equipment, supplies and running costs, training, and transport

The Team Leader assumed the financial support as from 21st January and for the payment of salaries as from 1st February.

The Terms of Reference also include up to €20,000 for office equipment. This is to be purchased in accordance with EC procurement guidelines. The PIU has some ideas for the equipment they require but have not obtained the necessary quotations for the Team Leader to send to Brussels for approval.



Task 2400: Technical Supervision of the Construction of Gasan Su Chay and Shamkir Bridges

Task 2401:

As has been noted in the segment 2003 this contract has been signed between the EC and the Contractor. There has been an instruction to start works, and that the beneficiary has instructed that one bridge be raised to accommodate acceptable gradients to and from the bridges. A redesign is underway and the Contractor who also was to provide the working drawings has agreed to complete the design in accordance with Azerbaijan standards. However as part of the Service the EC has placed the responsibility for a further verification on to the Service Contractor's. As such a CV for a Bridge specialist will be submitted to Brussels for approval and it is expected that a short-term bridge expert will be in Baku during April 2003 for this task.

Task 2402 Review of the Design and Tender Documents.

As has already been reported above this Works Contract was prepared under another TACIS contract by the company Kocks Consult and the EC has used a set of documents that they have been a party too. Thus the Contract is a *faite accompli* and the "documents" were sent to the Team Leader from Brussels on a CD. However the Team Leader must comment that documents that were received were in fact the Tender documents and did not contain the priced Tender or the minutes of the pre-Tender clarification meetings (if any) with Questions and Answers. Neither was there any record of post-Tender meetings. The special conditions allow for an advanced payment to the Contractor but do not specify as to how the advance payments are recovered. Having been given a copy of the priced Bill of Quantities the Team Leader noted that the item covering "all the necessary for the Engineer" was too low, whereupon the Contractor insisted that these items, in the specification, were not part of the Contract. The Team Leader has requested a copy of the complete contract documents from Brussels. This has now been delivered.

The remaining aspects of the series 2400 are part of the supervision

3.2.2 Future Planning

The plans for expanding the Project to include for the works in Georgia and Armenia will form part of the next quarterly report. Currently as that section only covers a twelve-month period we have decided to set up the Baku project office before adding the offices in Tbilisi and Erevan.

There is no current need to change the planning as outlined in the proposal that is part of our Contract, however this will be kept under review.



3.3 Personnel and Equipment

In accordance with Article 16.5 the Service Contractor has identified all the necessary Local Experts for the completion of the design works in Georgia and Armenia. The CV's of all these persons has been submitted to the Project Manager for formal approval. Regarding the necessary local expert supervision staff in Azerbaijan the Project Resident Engineer and the Project Team Leader are investigating local companies and seeking suitable persons. A full set of CV's will be forwarded to Brussels before the Construction commences on the Works Contracts. The first task on the Bridges is to check the integrity of the design of the bridges and as such a CV of the European Expert will be submitted for approval in Early March. The design will be completed by 1st April.

3.4 Constraints Risks and Assumptions:

- The programme for the successful completion of the service Contract relies on a number of factors that are beyond the control of the Team Leader.
- The Contract for the bridges was signed before the mobilisation of the Team Leader but he was not informed officially of the start of the Contract. However steps were taken to resolve any problems.
- Contract CW2002-1 was "awarded" to Turan Hazinedaboglu but at the date of the report the Contract agreement was still outstanding.
- This is for a 15-month Contract and as such delays in starting will not cause problems as the mobilisation of staff can be delayed. However, it was intended that some local staff would be involved in supervision of both the bridges and the CW2002-1.
- It was assumed that the other Contract CW2002-2 (now CW2003-1) would also be started early in the diary of this project. This seems to be awaiting approval or the resolution of some problems such as land expropriation before an Invitation to Tender is issued. Thus the programme for Tender Evaluation and Award could take until September or later.
- If the Works cannot start before September 2003, and then assuming a 15-month construction period the Service Contractor's Contract would overrun the allotted time scale. The problem will also arise if there are any compensation events that result in an Extension of Time being granted to the Contractor.



**TACIS Regional 2000 (TRACECA) – Rehabilitation of of Cauasian
Highways Inception Report – February 2003**
This Project is funded by the European Union



APPENDIX



Appendix 1

Task Series 1000:	Task	Programme Time
Task 1001:	Forming the Management Committee	Ongoing
Task 1002	Start-up Meeting with Partner Organisations	Ongoing
Task 1003:	Establish Project Offices at Baku, Tbilisi and Erevan	Ongoing
Task 1004:	Mobilisation of Service Contractor's	Ongoing
Task 1005	Management Committee's backstopping of the Project Activities	complete

Project Component 2.1: Review of Designs and Tender Documents

Task Series 2100	Task	Timetable
Task 2101:	Review of <i>Traffic studies</i>	During Construction
Task 2102	Review of Road safety	
Task 2103	Review of the Existing road conditions	
Task 2104	Review of the Geotechnical Investigations	
Task 2105:	Review of Construction materials investigations	
Task 2106:	Review of Topographic survey	
Task 2107:	Review of detailed planning and engineering design	
Task 2108:	Review of Drainage designs	
Task 2109:	Review of Pavement design	
Task 2110:	Review of Design of road furniture, markings etc	
Task 2111:	Review of Designs Drawings	
Task 2112:	Review of Special technical specifications	
Task 2113:	Review of Quantity & cost estimates	
Task 2114:	Review of Compliance with Environmental Standards	
Task 2115:	Review of Utility Relocation	
Task Series 2100	Task	
Task 2116:	Review of Traffic Diversion/Management during construction	
Task 2117:	Review of Contract Packaging	Complete by others in accordance with IDA approval under Kocks Service Contractor



Project Component 2.2: Construction supervision of the Ganja-Gazakh Road (World Bank Financed)

Task Series 2200:	Task	Programme Time
Task 2201:	Mobilisation of Supervision Team	Ongoing
Task 2202:	Pre-Construction Advisory Services	Ongoing
Task 2203:	Administer the Contracts as the "Engineer"	After Works Start
Task 2204:	Immediate Post-Mobilisation Tasks	
Task 2205:	Construction Supervision Manual	
Task 2206:	Document Control System	Ongoing
Task 2207:	Design Review by the Construction Supervision Team	Ongoing
Task 2208:	Monitor Survey and Setting-Out of the Works	
Task 2209	Review of Contractor's Quality Assurance Plan	
Task 2210:	Design and Specification Changes	
Task 2211:	Meetings and Records	
Task 2212:	Site Diaries	
Task 2213:	Project Costs Control - Measurement and Monthly Payment Certificates	
Task 2214:	Schedule Control	
Task 2215:	Maintenance of Traffic on the Existing Road	
Task 2216:	Safety	
Task 2217:	Environmental Protection	
Task 2218:	Contract Variations, Employer's and Contractor's Changes	
Task 2219:	Examine and Recommend on Claims	
Task 2220:	As-Built Drawings	
Task 2221:	Completion of the Works	
Task 2223:	Reporting for Project Component 2.2	



Project Component 2.3: Assistance to the PIU in implementation of the World Bank and EBRD projects

Task Series 2300:	Task	Programme Time
Task 2301:	Review the design and set-up of organisation and structure of the PIU, clearly defining lines of responsibilities	Ongoing
Task 2302:	Review suitable management procedures and systems for the management of the PIU	Ongoing
Task 2303:	Advise and assist the PIU in the management and implementation of the project in consideration of the managerial, financial, procurement, and reporting requirements in accordance with the Guidelines and Rules of the World Bank/ IDA and of the EBRD respectively	Ongoing
Task 2304:	Advise and assist the PIU to establish and operate suitable procedures to manage the construction Contract with assistance of the supervising Service Contractor	Ongoing
Task 2305:	Advise and assist the PIU to develop and operate procedures and expertise in the financial administration of Contracts, including procedures to deal with variations and the resolution of claims and disputes with assistance of the supervising Service Contractor	The PIU is already working in accordance the rules of the IDA
Task 2306:	Liase with the supervising Service Contractor and Contractors, as may be necessary, to resolve difficulties as they arise and to ensure the smooth progress of the project	Ongoing
Task 2307:	Assist the PIU in the preparation and submission of reports in accordance with the requirements of the IDA and the EBRD, and other documentation required for the loans	Ongoing but The PIU is already working in accordance the rules of the IDA
Task 2308:	Provide assistance and liaison to the management of Azeravtoyol and the EBRD and World Bank, as may be necessary	Ongoing
Task 2309:	Provide Administrative support for the PIU, in the form of salaries and payroll cost, office equipment, supplies and running costs, training, and transport	Awaiting approval of Budget from Brussels
Task 2310:	Reporting on Project Component 2.3	Future Activity



Project Component 2.4: Technical Supervision of the TACIS Project: "Construction of two bridges: Gasan Su Cay and Shemkir

Task Series 2400:	Task	Programme Time
Task 2401:	Mobilisation of the Bridge Design Engineer	Resident Engineer Started duties on 20 th February
Task 2402:	Review of the Design and Tender/Contract Documents	Ongoing
Task 2403:	Technical meeting on the Reviewed Contract Documents	Ongoing
Task 2404:	Provide the EU and Azeravtoyol with an overall performance schedule	Final duty under Works Contracts
Task 2405:	Technical Supervision of the Contract	
Task 2406:	Inspections and Control	
Task 2407:	Issue Acceptance Certificates	
Task 2408:	Prepare Financial Documents	
Task 2409:	Prepare Reports on Project Progress	

Project Component 3: Pre-feasibility Study for modernization of Poti-Tbilisi-Red Bridge Road in Georgia

Task Series 3000:	Task	Programme Time
Task 3001	Data Collection and Surveys	After April
Task 3002:	Develop Technical Specifications	
Task 3003:	Perform Environmental Assessment	
Task 3004:	Assessment of Economic Costs	
Task 3005:	Perform Economic Analysis	
Task 3006:	Determining Cost Estimates	
Task 3007:	Technical Reporting	

Project Component 4 Design and Tender Documents for three tunnels on the road from Vanadzor to the Georgian Border in Armenia

Task Series 4000:	Task	Programme Time
Task 4001:	Field Investigations	After April
Task 4002:	Design works	
Task 4003	Determination of Excavation works	
Task 4004	Technical description of Construction and Engineering Process	
Task 4005	Cost estimates	
Task 4006	Preparation of the Tender documents	
Task 4007	Reporting	



Project Component 5: Training and Technology Transfer

Task Series 5000	Task	Programme Time
Task 5001:	Mobilisation of the Human Resources Development Specialist	
Task 5002:	Development of the training program	
Task 5003:	Training Workshops for PIU members in Azerbaijan	
Task 5004:	On the Job Training	
Task Series 6000		
Task 6001:	Perform TACIS Reporting as per ToR Requirements	Ongoing



**TACIS Regional 2000 (TRACECA) – Rehabilitation of of Cauasian
Highways Inception Report – February 2003**
This Project is funded by the European Union



FORMS



Form 1.4 OVERALL PLAN OF OPERATIONS

Project Title Rehabilitation of Caucasian Highways		Project Number Europraid/113179/C/SV/MULTI				Country Azerbaijan Georgia and Armenia			Page 1				
Planning period 1 2003 - 12 2004		Prepared on 21 Feb 2003				EC Service Contractor's Louis Berger SA							
Project Objectives: Assistance to Project Implementation Unit and Supervision of Works Contracts						Inputs							
No	Main activities	Time Frame								Personnel		Equipment Materials	Other
		2003				2004				EC Service Contractor's Man Days	Counterpart Man Days		
		1	2	3	4	1	2	3	4				
1	Overall Project management	F	F	F	F	F	F	F	F	100		PC Copier	
2	Construction Supervision and Assistance to the Project Implementation Unit in Azerbaijan											Office stationery	
2a	Review of Design and Tender Documents	FF	F							20	97		
2b	Supervision of Lots 1 to 5 of Ganja Gazakh Road in Azerbaijan	FL	FL	FL	FL	FL	FL	FL	FL	500	2420		
2c	Assistance to the PIU in implementation of the world Bank and EBRD funded projects	F	F	F	F	F	F	F	F	280		PC's Copiers	Office furniture Salary
2d	The reconstruction of two bridges Gasan Su Chay and Shemkir	FL	FL	FL	FL	FL	FL	FL	FL	100	704		
3	Feasibility of study of modernisation of Poti to Tbilisi Red Bridge Road Georgia			FL	FL	FL	FL			180	858		
4	Design and Preparation of Tender Documents for three Tunnels on the road from Vanadzor to the Georgian Border in Armenia			FL	FL	FL	FL			143	1562		
5	Training and Technology Transfer	F	F	F	F	F	F	F	F	10	462		
		Totals								1233	6,103	€20,000	€200,000

F signifies Foreign Experts and L signifies Local experts



1.5 Overall Output Performance Plan			
Project Title Rehabilitation of Caucasian Highways	Project Number Europraid/113179/C/SV/MULTI	Country Azerbaijan Georgia and Armenia	Page 1
Planning period 1 2003 - 12 2004	Prepared on 21st February 2003	EC Service Contractor's Louis Berger SA	
Outputs	Agreed Objective Verifiable Indicators	Constraints and Assumptions	
<p>Service Contract</p> <p>Take over the running costs of the PIU Technical assistance to PIU Set up Baku Project Office</p> <p>Other Contracts</p> <p>Mobilise Highway Engineer Set up offices in Georgia Feasibility Study Set up Office in Armenia Design of Tunnel rehabilitation</p> <p>Works Contracts</p> <p>Mobilise the resident Engineer Mobilise the site staff Supervision of the Works Contracts</p> <p>Reports</p> <p>Prepare Inception Report Prepare Quarterly Reports Prepare Monthly Works Progress Reports</p>	<p>Service Contracts</p> <p>Pay all salaries and expenses on production of invoices and receipts Advise the PIU on day to day matters Obtain project office from Azeravtoyol, furnish and equip</p> <p>Other Contracts</p> <p>Obtain and equip offices in Erevan and Tbilisi Prepare feasibility report and basic planning Design tunnels.</p> <p>Works Contracts</p> <p>Monitor all progress and prepare monthly interim certificates for payments Advise on any possible delays and overspends</p> <p>Reports</p> <p>Publish and distribute all reports.</p>	<p>Service Contracts</p> <p>Depends on the production of invoices and or receipts to prove expenditure Advice is only advice and the Service Contractor's cannot enforce his opinion Office must have basic amenities including a telephone line.</p> <p>Other Contracts</p> <p>Works Contracts</p> <p>The main Works are subject to a strict timetable for Tender and evaluation. A prompt start cannot be delayed beyond September. The Works cannot be guaranteed not to overrun due to many unforeseeable factors Economic stability of the local currencies</p>	



1.6 Plan of Operations for the Next Period																	
Project Title Rehabilitation of Caucasian Highways			Project Number Europraid/113179/C/SV/MULTI						Country Azerbaijan Georgia and Armenia				Page 1				
No	Main Activity	Months	Time Frame 2003											Personnel		Equipment	Other Salary
			1	2	3	4	5	6	EC Service Contractor's	Counterpart							
														Person days	Person days		
1	Overall Project management	F		F		F		F		F		F		20	0		€60,000
2	Construction Supervision and Assistance to the PIU																
2a	Review of Design and Tender Documents	F		F										20			
2b	Supervision of Lots 1 to 5 of Ganja Gazakh Road in Azerbaijan			F	L	F	L	F	L	F	L	F	L	40	80		
2c	Assistance to the PIU in implementation of the world Bank and EBRD funded projects	F		F		F		F		F		F		42		€20,000	€17,500
2d	The reconstruction of two bridges Gasan Su Chay and Shemkir	F	L	F	L	F	L	F	L	F	L	F	L	48	60		
3	Feasibility of study of modernisation of Poti to Tbilisi Red Bridge Road Georgia							F	L	F	L	F	L	60	205		
4	Design and Preparation of Tender Documents for three Tunnels on the road from Vanadzor to the Georgian Border in Armenia									F	L	F	L	30	300		
5	Training and Technology Transfer	F		F		F		F		F		F		10			
											Totals		270	645			