



Tacis Regional 2000 Traceca Programme

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

Quarterly Progress Report No 2

(January – March 2004)
(QPR / No 2 / 2004 / G)

April 10, 2004



This Project is
funded by the
European Union



A technical
Support Project
By Louis
Berger SA

Report Cover Page

Project Title	Rehabilitation of Caucasian Highways Azerbaijan, Georgia and Armenia	
Project Number	EUROPEAID/113179/C/SV/MULTI	
Country	Azerbaijan, Georgia and Armenia	
Name 1	Local Operator Ministry of Transportation, RoadTransService Department, cc Cabinet of Ministers	EC Consultant Louis Berger SA
Address 1	72/4 Gadjibekova Street, Baku, 370010, Azerbaijan	Mercure III 55 Bis Quai de Grenelle 75015 Paris France
Tel No	+994 12 930192	+ 33 1 45 78 39 39
Fax No		+ 33 1 45 77 74 69
Contact Person	Mr. Javid Gurbanov	Mr. F Signor
E-mail		fsignor@louisberger.com
Name 2	Ministry of Transport and Communications Georgia, State Department of Roads Georgia	
Address 2	29a Gagarin Street, 380060 Tbilisi, Georgia	
Tel No	+995 12 376286	
Fax No	+995 12 376218	
Contact Person	Mr. R. Dalakishvili	
Name 3	Ministry of Transport and Communications Armenia, Road Department of Armenia	
Address 3	21 Koriun St., Yerevan, 375009, Armenia	
Tel No	+3742 582153	
Fax No	+3742 151830	
Contact Person	Mr. E. Karapetyan	

Date of Report April 10, 2004
Reporting Period January– March, 2004
Author of Report Razek Degheim
 Team Leader (EC Service Contractor's)

Azerbaijan	Mr. Javid Gurbanov		
Georgia	Mr. R. Dalakishvili		
Armenia	Mr. E. Karapetyan		
EC Delegation TACIS Bureau (Task Manager)			
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

Report Cover Page

Project Title	Rehabilitation of Caucasian Highways Azerbaijan, Georgia and Armenia	
Project Number	EUROPEAID/I13179/C/SV/MULTI	
Country	Azerbaijan, Georgia and Armenia	
Name 1	Local Operator Ministry of Transportation, RoadTransService Department, cc Cabinet of Ministers	EC Consultant Louis Berger SA
Address 1	72/4 Gadjibekova Street, Baku, 370010, Azerbaijan	Mercure III 55 Bis Quai de Grenelle 75015 Paris France + 33 1 45 78 39 39 + 33 1 45 77 74 69 Mr. F Signor fsignor@louisberger.com
Tel No	+994 12 930192	
Fax No		
Contact Person	Mr. Javid Gurbanov	
E-mail		
Name 2	Ministry of Transport and Communications Georgia, State Department of Roads Georgia	
Address 2	29a Gagarin Street, 380060 Tbilisi, Georgia	
Tel No	+995 12 376286	
Fax No	+995 12 376218	
Contact Person	Mr. R. Dalakishvili	
Name 3	Ministry of Transport and Communications Armenia, Road Department of Armenia	
Address 3	21 Koriun St., Yerevan, 375009, Armenia	
Tel No	+3742 582153	
Fax No	+3742 151830	
Contact Person	Mr. E. Karapetyan	

Date of Report **April 10, 2004**
 Reporting Period **January– March, 2004**
 Author of Report **Razek Degheim**
Team Leader (EC Service Contractor's)

Azerbaijan	Mr. Javid Gurbanov		
EC Delegation			
TACIS Bureau (Task Manager)			
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

Report Cover Page

Project Title	Rehabilitation of Caucasian Highways Azerbaijan, Georgia and Armenia	
Project Number	EUROPEAID/I13179/C/SV/MULTI	
Country	Azerbaijan, Georgia and Armenia	
Name 1	Local Operator Ministry of Transportation, RoadTransService Department, cc Cabinet of Ministers	EC Consultant Louis Berger SA
Address 1	72/4 Gadjibekova Street, Baku, 370010, Azerbaijan	Mercure III 55 Bis Quai de Grenelle 75015 Paris France + 33 1 45 78 39 39 + 33 1 45 77 74 69 Mr. F Signor fsignor@louisberger.com
Tel No	+994 12 930192	
Fax No		
Contact Person	Mr. Javid Gurbanov	
E-mail		
Name 2	Ministry of Transport and Communications Georgia, State Department of Roads Georgia	
Address 2	29a Gagarin Street, 380060 Tbilisi, Georgia	
Tel No	+995 12 376286	
Fax No	+995 12 376218	
Contact Person	Mr. R. Dalakishvili	
Name 3	Ministry of Transport and Communications Armenia, Road Department of Armenia	
Address 3	21 Koriun St., Yerevan, 375009, Armenia	
Tel No	+3742 582153	
Fax No	+3742 151830	
Contact Person	Mr. E. Karapetyan	

Date of Report **April 10, 2004**
 Reporting Period **January – March, 2004**
 Author of Report **Razek Degheim
 Team Leader (EC Service Contractor's)**

Armenia	Mr. E. Karapetyan		
Armenia	Mr.H.Petrosyan		
EC Delegation			
TACIS Bureau (Task Manager)			
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

Report Cover Page

Project Title	Rehabilitation of Caucasian Highways Azerbaijan, Georgia and Armenia	
Project Number	EUROPEAID/113179/C/SV/MULTI	
Country	Azerbaijan, Georgia and Armenia	
Name 1	Local Operator Ministry of Transportation, RoadTransService Department, cc Cabinet of Ministers	EC Consultant Louis Berger SA
Address 1	72/4 Gadjibekova Street, Baku, 370010, Azerbaijan	Mercure III 55 Bis Quai de Grenelle 75015 Paris France + 33 1 45 78 39 39 + 33 1 45 77 74 69
Tel No	+994 12 930192	Mr. F Signor
Fax No		fsignor@louisberger.com
Contact Person	Mr. Javid Gurbanov	
E-mail		
Name 2	Ministry of Transport and Communications Georgia, State Department of Roads Georgia	
Address 2	29a Gagarin Street, 380060 Tbilisi, Georgia	
Tel No	+995 12 376286	
Fax No	+995 12 376218	
Contact Person	Mr. R. Dalakishvili	
Name 3	Ministry of Transport and Communications Armenia, Road Department of Armenia	
Address 3	21 Koriun St., Yerevan, 375009, Armenia	
Tel No	+3742 582153	
Fax No	+3742 151830	
Contact Person	Mr. E. Karapetyan	

Date of Report **April 10, 2004**
 Reporting Period **January – March, 2004**
 Author of Report **Razek Degheim**
Team Leader (EC Service Contractor's)

Georgia	Mr. R. Dalakishvili		
EC Delegation			
TACIS Bureau (Task Manager)			
	<i>Name</i>	<i>Signature</i>	<i>Date</i>

CONTENTS

Chapter	Subject	Page No
	Cover Page	Page 2
1.0	Table of Contents	Page 3
	Project Synopsis	Page 4
2.0	Summary of project progress since the start	Page 7
3.0	Summary of project planning for the remainder of the project	Page 8
4.0	Project progress in reporting period	Page 9
4.1	Project achievements in comparison with planned results	Page 9
4.2	Deviation from original planning and reasons	Page 13
4.3	Specific action needed from the Local Authorities – Including the Coordinating Unit Concerned – and/or the European Commission	Page 13
	Forms:	
	2.2 Project progress report	
	2.3.1 Resource utilization report for 3 Components	
	2.3.2 Resource utilization report per Component	
	2.4 Output performance report	
5.0	Project planning for the next reporting period	Page 14
5.1	Important observations for project success	Page 14
5.2	Proposals for adjustment of overall planning and consequences	Page 16
	Form:	
	1.6 Plan of operations for the next period	

1.0 PROJECT SYNOPSIS

Project Title	Rehabilitation of Caucasian Highways Azerbaijan Georgia and Armenia
Project Number	EUROPEAID/113179/C/SV/MULTI
Country	Azerbaijan, Armenia and Georgia
Wider Project Objectives	<p>The Wider Project 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. These include the following:</p> <ul style="list-style-type: none"> • The improvement and provision of a better level of service for the travelling public on route corridors; • To reduce costs in road transportation; • To arrest deterioration of pavements by timely intervention; • To reduce costs for road rehabilitation and maintenance; • To strengthen the national road construction and maintenance capabilities through transfer of technology.
Specific Project Objectives	<p>The Specific Project Objectives are to provide consultancy services for three Beneficiaries. These all being the State Departments of Roads in their respective Countries namely Azerbaijan, Georgia and Armenia.</p> <p>Azerbaijan: Component 1</p> <p>In Azerbaijan there are four subcomponents of the Project:</p> <ol style="list-style-type: none"> 1.1) Review of Designs and Tender Documents; 1.2) Supervision of Construction of the WB (IDA) financed road sections under the Azerbaijan Highway Project; 1.3) Assistance to the joint Project Implementation Unit (PIU) for the World Bank and EBRD roads Projects; 1.4) Technical supervision of the TACIS project: Construction of two bridges/ Gasan Su Chay and Shemkir. <p>Duration estimated 24 months.</p> <p>Georgia: Component 2</p> <p>In Georgia the main objective is the developing of a 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 modernization periods, technical and economic study and comparison of the modernization alternative with the alternative of construction of international motorway (to a SNIIP Category I). Also</p>

	<p>an exchange of technical expertise. Duration estimated 10 months, in conjunction with the project in Armenia.</p> <p>Armenia: Component 3</p> <p>The project in Armenia covers the investigations, designs, preparation of contract drawings, cost estimates and Tender Documents for 3 tunnels on the road from Vanadzor to the Georgian Border. Also an exchange of technical expertise. Duration estimated 10 months, in conjunction with the project in Georgia.</p>
Planned Outputs	<p>Azerbaijan: Component 1</p> <p>1.1) Assistance to the PIU such that they become an experienced unit and fully conversant with the procedures of all the International Funding Institutions (IFI); 1.2) Supervision of six Contracts such that they are all finished in accordance with the International Standards and within the programmed time and in accordance with the budget.</p> <p>Georgia: Component 2</p> <p>The production of a Pre-Feasibility Study for the road improvements to the Poti to Red Bridge Road.</p> <p>Armenia: Component 3</p> <p>The production of a complete set of Tender Documents for the 3 tunnels.</p>

Project Activities

The Project is set up in the form of separate components all of which form the main basis of the proposed project activities. These are enumerated in the table below.

Component	Location	Services
Component 1	Azerbaijan	Design Reviews, Construction Supervision and Assistance to the Project Implementation Unit in Azerbaijan.
Sub-component 1.1		Review of the Design and Contract Documents.
Sub-component 1.2		Construction Supervision on Lots 1 (CW/2002/1) and 1 to 4 (CW/2003/1 to 4) of Ganja to Gazakh Road.
Sub-component 1.3		Technical assistance to the PIU.
Sub-component 1.4		Technical supervision of the TACIS project "Reconstruction of two bridges Gasan Su Chay and Shemkir".
Component 2	Georgia	Pre-Feasibility study of modernisation of Poti-Tbilisi-Red Bridge Road in Georgia.
Component 3	Armenia	Design and Preparation of Tender Documents for three Tunnels on the road from Vanadzor to the Georgian Border in Armenia.
Project Starting Date		Contract signed on 25 th November 2002.
Project Duration		24 months.

2. SUMMARY OF PROJECT PROGRESS FROM THE START

2.1 Component 1: Design Reviews, Construction Supervision and Assistance to the Project Implementation Unit (PIU) in Azerbaijan

Sub-component 1.1 Reviews of the Design and Contract Documents

By the time of the start of consulting services, 2 out of 6 Contracts for Civil Works have already been tendered and contracts awarded. Thus, consultant had no possibility to review Tender Documents before Bids process. Reviews of Contract Documents have been taking place during the execution of the two Contracts (Ganja-Shemkir road section and the two bridges).

Designs and Tender Documents for Lots 1 – 4 of Shemkir – Gazakh Road Sections (4 ICB Contracts) requested from the PIU for reviews have been reviewed. Report on review of Tender Documents has been produced on 11 August 2003 and additional recommendations have been submitted to PIU on 18 August 2003.

Status of the sub-component: completed.

Sub-component 1.2 Construction Supervision of Ganja to Gazakh Road

Civil Works Contract for Ganja-Shemkir Road Section is ongoing after solving the serious problems with the original design survey data. KOCKS Consultant's Managing Director and Transportation Engineer have reported on September 8, 2003 confirming the problematic issue with the longitudinal profile.

Redesigned longitudinal profile and cross sections for the total length (~ 21 km) have been carried out jointly by Consultant and Contractor.

Civil Works Contracts for road sections from Shemkir to Gazakh have been awarded to Azerkorpu-Azwirt Consortium (Contracts CW 2003/ 1 and 2) and to MZ Autobahn BAU GMBH (Contracts CW 2003/3 and 4).

Contracts finalisation meetings with the two Contractors were held on 18 February 2004 and the Start of Works Date was established by 23 February 2004 (please refer to **Annex 1** of this Report - Minutes of Contracts finalisation Meetings).

Sub-component 1.3 Assistance to the PIU

Consultant (LBSA) has been providing day-to-day training and assistance to the PIU, including equipping the PIU (finalized in April 2003) and providing salaries (please refer to **section 4** of this Report, Progress on Subcomponent 1.3 Assistance to the PIU).

Sub-component 1.4 Technical supervision of the TACIS project "Reconstruction of two bridges Gasan Su Chay and Shemkir"

Design reviews for two bridges (re-designed by the contractor) are finalized. On 24 July 2003, permission was granted by GOSSTROY for construction to begin on the 2 bridges provided that existing piles on Gasan Su Chay Bridge shall be checked. Revised Construction Performance Date approved by the EC is by March 30, 2004. Additional 2 months extension was recommended to the EC, the Contracting Authority.

Status of the sub-component: works are ongoing.

2.2 Component 2: Pre-Feasibility Study of Modernisation of Poti- Tbilisi-Red Bridge Road in Georgia

Inception and progress reports were produced on 15 August and 15 October 2003 respectively and the Draft Final Report on February 18, 2004.

2.3 Component 3: Design and Preparation of Tender Documents for Three Tunnels on the Road From Vanadzor to the Georgian Border in Armenia

Four reports were produced, three technical reports: Engineering-Geological Conclusion, Survey of Tunnels and Site Inspection & Rehabilitation Works Proposal in addition to the inception report. Tender Documents (including specifications, Drawings and Bill of Quantities), Environmental Impact Assessment Report and Cost Estimate were submitted on 26 February 2004.

3. SUMMARY OF PROJECT PLANNING FOR THE REMAINDER OF THE PROJECT

Since the practical day-to-day work on the project has started with the Team Leader's arrival in Baku on 19th January 2003, LBSA proposes to define January 15 of 2003 as the project's start date and *January 15, 2005* as a project's completion date (Contract Duration is 24 months).

3.1 Project Planning for Component 1: Design Reviews, Construction Supervision and Assistance to the Project Implementation Unit (PIU) in Azerbaijan

Sub-component 1.1 Reviews of the Design and Contract Documents

Design reviews for two bridges are accomplished during the execution of Civil Works.

Designs for Ganja to Shemkir road section (reviewed during Contract execution) have been improved after solving the discrepancies in survey data. Consultant has undertaken topographical surveys jointly with Contractor on the total length (~ 21 km).

Consultant has reviewed the Tender Documents for Shemkir to Gazakh road sections.

Status of the sub-component: completed.

Sub-component 1.2 Construction Supervision of Ganja to Gazakh Road

Civil Works Contract for Ganja-Shemkir Road section is expected to be completed by October 21, 2004 without additional financial cost related to the Extension of Time (please refer to **Annex 5** Correspondence, Contractor letter).

Civil Works Contracts for road sections from Shemkir to Gazakh have been awarded to Azerkorpu-Azwirt Consortium (Contracts CW 2003/ 1 and 2) and to MZ Autobahn BAU GMBH (Contracts CW 2003/3 and 4).

Completion of Civil Works for Shemkir to Gazakh Road is obviously going to be beyond LBSA project completion date. Impacts on delay are detailed in **section 5** of this Report.

Consultant (LBSA) will continue construction supervision until the Project Completion Date.

Sub-component 1.3 Assistance to the PIU

Consultant has been providing day-to-day assistance to the PIU, including equipping the PIU, providing salaries, providing a training session on implementation of internationally funded projects. Assistance to PIU carried out by Consultant is detailed in **Section 4** of this Report.

Consultant (LBSA) will continue assistance as required by the ToR until the Project Completion Date.

Sub-component 1.4 Technical supervision of the TACIS project "Reconstruction of two bridges Gasan Su Chay and Shemkir"

Revised Construction Performance Date approved by the EC is by March 30, 2004. The Consultant has recommended to the EC additional 2 months extension of Performance without additional financial implication (please refer to **Annex 5** of this Report).

Consultants will continue Works supervision until the Completion Date.

3.2 Planning for Component 2: Pre-Feasibility Study of Modernisation of Poti- Tbilisi-Red Bridge Road in Georgia

Inception and progress reports were produced in August and October 2003 respectively.

Draft final report was produced on 18 February 2004 and Final Report is due on *19 April 2004*.

3.3 Planning for Component 3: Design and Preparation of Tender Documents for Three Tunnels on the Road From Vanadzor to the Georgian Border in Armenia

Four reports have been produced so far. Three technical reports: Engineering-Geological Conclusion, Survey of Tunnels and Site Inspection & Rehabilitation Works Proposal, in addition to the inception report.

Tender Documents (including Specifications, Bill of Quantities and Drawings), Environmental Impact Assessment Report, and cost estimates were submitted on February 26, 2004.

4. PROJECT PROGRESS IN REPORTING PERIOD

The Team Leader has performed project management mission to Georgia and Armenia in February 19 – March 2, 2004. He has attended important meetings at the MoT, NCU Yerevan and SRD Tbilisi. Mission has helped to submit the Draft Final Report on Component 2 and the Tender Documents on Component 3.

Mr. Talvitie (WB) has visited Azerbaijan in March 9-12 to review progress on WB financed projects, Azerbaijan. He has requested the Consultant to submit to the WB the cost estimate for the extension of Consultant Services Contract till end of 2006 as the WB/Government intend to launch Tovuz bypass project. The Civil Works allocation for this new project would be performed from the available saving on WB projects.

The Team Leader has carried out project management mission to Ganja - Gazakh on 6, 11, 19 February and 3, 26 March 2004. During the mission project's progress for Ganja-Gazakh and the 2 bridges Contract has been reviewed. Mission has helped to evaluate supervision tasks.

The EBRD mission has visited Baku on January 27 and March 19, 2004 to evaluate progress on the revised Tender Documents for the Road from GaziMammed to Kyurdamir. Prequalification Document has been submitted to the EBRD in March 2004.

The Team Leader has attended meetings with Mr. Gotsiridze on January 28 and March 2, 2004 in Baku and Tbilisi. Mr. Gotsiridze has arrived to Baku on January 28, 2004 for project reviews and progress monitoring process.

4.1 Project Achievements in Comparison with Planned Results

4.1.1 Progress on component 1

Progress on Sub-component 1.1 Reviews of the Design and Contract Documents

Works are completed.

Progress on Sub-component 1.2 Construction Supervision of Ganja to Gazakh Road

Civil Works Contract for Ganja-Shemkir road section is ongoing. As requested by the Client, LBSA's CAD engineer expert has performed a mission on 11-22 March 2004 to review the redesign on Ganja-Shemkir road section.

For road sections Shemkir to Gazakh, the Civil Works Contracts have been awarded to the following Contractors:

-Contracts CW-2003/1 and 2

Azerkorpu-Azwirt Consortium from Shemkir/Deller to km 409+800 (CW 2003/ 1) and from km 409+800 to Tovuz km 430+800 (CW 2003/ 2).

-Contracts CW-2003/ 3 and 4

MZ Autobahn BAU GMBH from Tovuz to km 451+800 (CW/2003/ 3) and from 451+800 to Gazakh km 463+800 (CW 2003/ 4).

The project data is briefly presented in the **Table 4.1 for Ganja-Shemkir** road section and in **Tables 4.2 and 4.3** for Shemkir to Gazakh road sections (please refer to **Annex 2** of this Report, **Civil Works Progress Data**).

The **Table 5.1** of this Report illustrates the tendering schedule and Contracts award from the 4 ICB Contracts.

The Team Leader has performed local site staff training program on Construction Supervision and Quality Control on 11 February 2004 and submitted to the PIU the hard copy of the training session.

The training was focused on:

Introduction on ISO series, Explanation on sampling and materials testing, Inspection, Quality planning and Environmental protection.

(Please refer to **Annex 3** of this Report for more details).

Progress on Sub-component 1.3 Assistance to the PIU

Assistance to PIU during reporting period was as follows:

1.3.1 Contracts award Shemkir to Gazakh road sections

Consultant has followed the Contracts award process and assisted PIU during this stage.

1.3.2 Procurement Plan (PP)

The Consultant has supported PIU on updating the PP of WB and EC projects.

1.3.3 GaziMammed - Kyurdamir road section

As stated in the Terms of Reference (ToR), one of the tasks for assistance to the PIU is in implementation of EBRD Projects.

The Consultant has assisted PIU in preparation of the revised Pre-qualification Documents for the rehabilitation and upgrading of the GaziMammed to Kyurdamir road section (85 km). Revised prequalification Document has been submitted to the PIU on 22 March 2004.

1.3.4 Training and English Courses

Consultant has organized English Training courses in Language Service Direct LTD Baku for PIU Staff using available operational funds. Courses started in January 2004 for PIU 's director, financial specialist and procurement specialist. The PIU's translator has started English Training end of the last year.

Consultant has submitted to PIU the ISO 9003 Model for Quality Assurance as well as the Training Program on Construction Supervision and Quality Control in English and Russian versions.

In addition to above, Consultants have been providing day-to-day assistance to the PIU Staff (Highway Engineer, Financial Specialist; Procurement Specialist and Translator) including equipping the PIU and providing salaries.

Progress on Sub-component 1.4 Technical supervision of the TACIS project "Reconstruction of two bridges Gasan Su Chay and Shemkir"

The revised Contractor's Works Program has been submitted on 5 February 2004 to the construction supervision Consultant.

The EC has approved a revised Performance Date by March 30, 2004. Additional 2 months without any financial implication has been recommended to the Contracting Authority due to discrepancies in level survey on Ganja- Shemkir road section, which affected the execution to the approaches road to Shemkir Bridge.

Additional cost of 28681 Euro on Gasan Su Bridge for the execution of 2*2 supplementary piles is still to be approved by the EC (Contracting Authority on the 2 bridges Contract).

The project progress data is presented in the **Annex 2** of this Report, **Table 4.4 Project Data**.

4.1.2 Progress on Component 2: Pre-Feasibility Study of Modernisation of Poti-Tbilisi-Red Bridge Road in Georgia

Inception and Progress Reports were produced on August 15 and October 15, 2003 respectively and the Draft Final Report on 18 February 2004.

The progress on component 2 in reporting period is the producing of the Draft Final Report for the Pre-feasibility study.

The Draft Final Report was submitted in 4 Volumes:

Volume	I	Explanatory note and tables of main works
Volume	II	Drawings and photos
Volume	III	Road transport economics
Volume	IV	Environmental Assessment

All the following outputs have been performed and reported in the above 4 volumes of the Draft Final Report. In order to emphasize output results on Component 2, the performance carried out by Consultant and Local Partner 'Transproject, the Sub Consultant' could be summarized as follows:

1. Volume I: Explanatory note and tables of main works

- 1.1 Main Characteristics of the existing road (geometry, pavement, structures, roughness and etc.) and Standards used;
- 1.2 Selection of alternatives on a scale of 1:50000 and of some alternatives in mountainous areas on a scale of 1:25000;
- 1.3 Choice alternatives to be carried out and updating them after field reconnaissance and examination of satellite photographs;
- 1.4 Analysis of the main technical parameters, estimated volumes and construction costs of the alternatives;
- 1.5 Analysis of local roads and interchanges;
- 1.6 Preparing layouts of horizontal alignment (TEM Standard), 2 or 3 alternatives for each section with a scale of 1:50000 using AutoCAD;
- 1.7 Preparing layouts of interchanges, local roads and facilities as parking using AutoCAD and according to TEM Standards;
- 1.8 Preparation the vertical alignment for all chosen alternatives by mean of CREDO (local software for road design) after calculation of economical cost and choice of alternatives for each section;
- 1.9 Analysis of the natural conditions (Climate, precipitation, geological conditions and etc.);
- 1.10 Analysis of the construction volumes and costs and Calculation of the cost estimation for each alignment section by section for the preparatory works, removal of existing structures, land acquisition, earthworks, road pavement, box and pipe culverts, bridges and retaining walls, overpasses junctions and interchanges, local roads, road marking and etc.

2. Volume II: Drawings and Photos

- 2.1 Longitudinal profile and typical cross-sections;
- 2.2 Typical drawings of road pavement;
- 2.3 Typical drawings of pipe and box culverts;
- 2.4 Typical drawings of bridge (deck and beam);
- 2.5 Typical design of overpasses (roads and railways);
- 2.6 Typical design of tunnels;
- 2.7 Typical design of retaining walls;
- 2.8 Typical design of interchanges;
- 2.9 Photos for road sections Senaki-Poti-Sarpi, Tbilisi-Senaki-Leselidze, Tbilisi-Red Bridge and Tbilisi bypass.

3. Volume III: Road Transport Economics

- 3.1 Economic review: Trends in gross domestic product; Transport section and road traffic growth projections;
- 3.2 Description of the existing road and traffic: Analysis of the Origin-Destination (OD) Survey results; Analysis of the traffic counts results; Calculation and determination of traffic forecast till 2030; Analysis of road accident Database;
- 3.3 Determination of the road capacity by using Highway Capacity Manual HCM 2000;
- 3.4 Calculation of the Level of Service (LOS) for the existing road;

- 3.5 Calculation of the LOS for the next 20 years;
- 3.6 Economical appraisal and Road network input data;
- 3.7 Analysis of alternative motorway alignments;
- 3.8 Vehicle fleet input data;
- 3.9 Works standards input data;
- 3.10 Methodology approach;
- 3.11 Results of the Economic appraisal.

4. Volume IV: Assessment of the Environmental impact

In the Volume IV of the Draft Final Report, Consultant has assessed the environmental impacts and mainly the following:

- 4.1 Overview of the relevant legislation and general environmental analysis of the construction and operations stages in terms of expected impacts;
- 4.2 General data collection and analysis of the existing condition of the route;
- 4.3 Identification of the main impact categories, sources and receptors;
- 4.4 Prognosis for the qualitative and quantitative changes of the environment;
- 4.5 Concluding the general assessment of the environmental and social risks;
- 4.6 Public awareness and public consultations;
- 4.7 Environmental Management System;
- 4.8 Environmental Analysis of the alternatives.

4.1.3 Component 3: Design and Preparation of Tender Documents for Three Tunnels on the Road from Vanadzor to the Georgian Border in Armenia

Four reports have been produced. Three Technical Reports: Engineering-Geological Conclusion, Survey of Tunnels and Site Inspection & Rehabilitation Works in addition to the Inception Report.

The outputs results carried out during reporting period were the submission of the Tender Documents for the 3 tunnels.

4 Tender Documents have been forwarded to the SRD and appropriate authorities as per the ToR in the last week of February 2004. Consultant has prepared additional Tender Documents for the 3 tunnels jointly in order to help the MoT Armenia for future financial planning.

As required by the ToR, Consultant has submitted the Tender Documents using the World Bank Standard Bidding Documents (WB SBD) for International Competitive Bidding (ICB) including updated corrigenda. Tender Documents for each tunnel and for the 3 tunnels mutually have been presented in the following 4 documents:

Volume I	Sections I, II, III, IV and V
Volume II	Section VI
Volume III	Section VII
Volume IV	Sections VIII and IX

The **Volume I** consists of: Invitation for Bids, Instruction to Bidders, Forms of Bid, Conditions of Contract and Contract Data;

Volume II: Specifications;

Volume III: Drawings;

Volume IV: Bill of Quantities and Security Forms with the recent corrigenda.

In addition to the Tender Documents, Consultant has submitted the following documents and or reports:

Environmental Impact Assessment Report and cost estimates for the 3 tunnels. The Environmental Report comprises:

The project objectives;
Policy and administrative framework;
Project description and baseline conditions;
Potential environmental impacts;
Environmental management plan;
Implementation arrangements; and
Summary of mitigation plan.

Project progress and resources in reporting period for components 1, 2 and 3 are presented in the **Forms 2.2 and 2.3.1** respectively.

Consultant has introduced additional **Form 2.3.2** for resources utilization per each Component.

4.2 Deviation from Original Planning and Reasons

Deviations from original planning are occurring in design reviews, construction supervision of Ganja – Gazakh road rehabilitation, and Construction of two bridges. Reasons for these deviations are explained in the **section 4.1.1** of this Report.

Deviation on Performance Date on 2 bridges Contract has occurred due to Design review and discrepancies on level survey on the road section Ganja-Shemkir.

No additional financial implication is occurred on the extension of Performance Date.

Components in Armenia and Georgia have started in May. The delay, in comparison with originally planned start (January, as per original schedule stated in LBSA proposal – the first month of the project), has occurred due to better convenience for field investigations and studies in mountainous conditions. Deviations, reasons for deviations and comments are presented in **Form 2.4 Output Performance Report**.

4.3 Specific Action Needed from the Local Authorities – Including the Coordinating Unit Concerned – and/or the European Commission

Actions from Project Partner are being provided during the project implementation. However, the project will need the following actions in the nearest time:

Component 1: Azerbaijan

Additional cost on Gasan Su Bridge and the 2 months extension of Performance Date for the 2 bridges Contract need to be approved by the EC (the Contracting Authority for the Contract Agreement No 30468, 2 bridges Contract).

Redesign form km 10 to km 21 for Ganja-Shemkir road section needs to be approved by the MoT.

Component 2: Georgia

Consultant expects that Project Partner provide their comments on Draft Final Report (if any).

Component 3: Armenia

Consultant expects that Project Partner provide their comments on Tender Documents for the 3 tunnels (if any).

FORM 2.2: PROJECT PROGRESS REPORT

Project title: Rehabilitation of Caucasian Highways		Project number: Europeaid/113179/C/SV/MULTI			Country: Azerbaijan, Georgia and Armenia			Page: 1 of 4					
Planning period: January 2004 – March 31, 2004		Prepared on: April 10, 2004			EC Consultant: LBSA								
Project objectives: Component 1: Supervision of six civil works contracts, assistance to PIU, Component 2: Pre-Feasibility Studies, Component 3: Design and Tender Documents for three tunnels													
No	ACTIVITIES IMPLEMENTED	TIME FRAME 2004			INPUTS								
		Month			PERSONNEL EC CONSULTANT		COUNTERPART		EQUIPMENT AND MATERIAL		OTHER		
		January	February	March	Planned	Utilised	Planned	Utilised	Planned	Utilised	Planned	Utilised	
1	Component 1: Azerbaijan												
1.1	Subcomponent 1.1: Review of the design and tender documents		Completed										
1.1.1	Road Ganja-Gazakh: Lot 1 Ganja-Shemkir 2002-1 Lot 1 Shemkir-km 409+800 Lot 2 km 409+800-Tovuz Lot 3 Tovus-km 451+800 Lot 4 km 451+800-Gazakh												
1.1.2	Reconstruction of Two Bridges												
1.2	Subcomponent 1.2 Construction Supervision Ganja – Gazakh Road				440	266	3124	1431	n/a	n/a	n/a	n/a	
1.2.1	Lot 1 Ganja-Shemkir												
1.2.1.1	Mobilisation of Consultant												
1.2.1.2	Pre-construction advisory services	Completed											

¹ (STE):International Short Term Experts.

1.2.1.3	Construction supervision													
1.2.1.4	Progress reports													
1.2.1.5	Final Acceptance													
1.2.2	Lot 1 Shemkir-km 409+800	Contracts Awarded												
1.2.3	Lot 2 km 409+800-Tovuz													
1.2.4	Lot 3 Tovus-km 451+800													
1.2.5	Lot 4 km 451+800-Gazakh													
1.3	Subcomponent 1.3: Assistance to the PIU in implementation of the World Bank and EBRD projects						440	297	22	22	Euro 20,000	Euro 18.822	n/a	n/a
1.3.1	Set-up of organisation and structure of the PIU	Completed												
1.3.2	Review suitable management procedures and systems	Completed												
1.3.3	Advise and assist the PIU in the management and implementation of the project													
1.3.4	Advise and assist the PIU to develop and operate procedures and expertise in the financial administration of Contracts													
1.3.5	Provide assistance and liaison to the management of RoadTransService and the EBRD and World Bank, as may be necessary													
1.3.6	Provide Administrative support for the PIU, in the form of salaries and payroll cost, office equipment, supplies and running costs, training, and transport													

² Figures in brackets are shared with other Component (s).

3	Component 3: Armenia Design and Tender Documents for three tunnels on the road from Vanadzor to the Georgian Border							15 STE (220)	19 (150)	1342	1342	n/a	n/a	n/a	n/a	
3.1	Field Investigations															
3.2	Design works															
3.3	Determination of Excavation works															
3.4	Technical description of Construction and Engineering Process															
3.5	Cost estimates															
3.6	Preparation of the Tender documents															
3.7	Reporting						X									
							TOTAL	1203	815	6103	4410	Euro 20,000	Euro 18,822	n/a	n/a	

FORM 2.3.1: RESOURCE UTILISATION REPORT FOR 3 COMPONENTS

Project title: Rehabilitation of Caucasian Highways		Project number: Europeaid/113179/C/SV/MULTI		Country: Azerbaijan, Georgia and Armenia		Page: 1 of 1	
Planning period January 2004 – March 31, 2004		Prepared on: April 10, 2004		EC Consultant: LBSA			
Project objectives							
RESOURCES/INPUTS	TOTAL PLANNED	PERIOD PLANNED	PERIOD REALISED	TOTAL REALISED ¹	AVAILABLE FOR REMAINDER		
PERSONNEL							
International Experts:							
<i>Long Term:</i>							
Team Leader	440	57	57	297	143		
Resident Engineer	440	55	55	266	174		
Highway Engineer	220	28	28	150	70		
<i>Short Term:</i>							
Short term Experts	103	40	40	102	1		
Sub-Total International	1203	180	180	815	338		
Local Long and Short Term Experts							
Senior	3310	578	578	2624	686		
Junior	2793	458	458	1786	1007		
Sub Total Local	6103	1036	1036	4410	1693		
Sub-total	7306	1216	1216	5225	2081		
EQUIPMENT AND MATERIAL	20,000	0	0	18,882	1,118		
Euro							

¹ From the start.

FORM 2.3.2 RESOURCE UTILISATION REPORT PER COMPONENT

Project title: Rehabilitation of Caucasian Highways		Project number: Europeaid/113179/C/SV/MULTI			Country: Azerbaijan, Georgia and Armenia			Page: 1 of 1		
Planning period January 2004 – March 31, 2004		Prepared on: April 10, 2004			EC Consultant: LBSA					
Project objectives										
RESOURCES	TOTAL PLANNED	PERIOD REALISED			TOTAL REALISED ¹			AVAILABLE FOR REMAINDER		
		AZ	GE	AR	AZ	GE	AR	AZ	GE	AR
International Experts										
Long term:										
Team Leader	440	(57) ²	(57)	(57)	(297)	(297)	(297)	(143)	(143)	(143)
Resident Engineer	440	55	-	-	266	-	-	174	-	-
Highway Engineer	220	-	(28)	(28)	-	(150)	(150)	-	(70)	(70)
International Short term:	103	-	40	-	35	48	19	-	1	-
Local Long term:										
Senior	2192	207	116	49	546	602	220			
Junior	2077	212	0	98	594	147	440			
Local Short term:										
Senior	1118	10	161	35	209	591	456			
Junior	716	59	36	53	201	178	226			
Total Long and Short term	6103	488	313	235	1550	1518	1342	1693	0	0
Grand-Total	7306									
EQUIPMENT AND MATERIAL	20000	0	-	-	18822	-	-	1118	-	-
Euro										

¹ From the start;

² Figures in brackets are shared with other Component (s).

FORM 2.4: OUTPUT PERFORMANCE REPORT

Project title: Rehabilitation of Caucasian Highways		Project No: Europeaid/113179/C/SV/MULTI	Country: Azerbaijan, Georgia and Armenia	Page: 1 of 3
Prepared on: April 10, 2004			EC Consultant: LBSA	
Output results	Deviation original plan + or - %	Reason for deviation	Comments on constrains & assumptions	
Component 1: Azerbaijan				
Subcomponent 1.1: Review of the design and tender documents	~2months behind the proposed Procurement Plan (PP) as agreed at negotiations for road sections from Shemkir to Gazakh	Substitute "Azeravtoyol" Management with "RoadTransService" and delay on SPN advertisement	The deadline for bid submission is planned for October 16, 2003 instead of August 30, 2003 (as per PP)	
Road Ganja-Gazakh:	TD reviewed after contract awarded			
Lot 1 Ganja-Shemkir CW 2002-1	Completed			
Lot 1 Shemkir - km 409+800	Completed			
Lot 2 km 409+800 -Tovuz	Completed			
Lot 3 Tovus - km 451+800	Completed			
Lot 4 km 451+800-Gazakh	Completed			
Reconstruction of Two Bridges	TD reviewed after contract awarded			
Subcomponent 1.2 Construction Supervision Ganja – Gazakh Road				
Lot 1 Ganja-Shemkir	Completed			
Mobilisation of Consultant	Completed			
Pre-construction advisory services	Ongoing, delays expected	Survey discrepancies	Redesigning is completed	
Construction supervision Progress	n/a	n/a	n/a	
Final Acceptance	Behind the PP scheduled	Contract awarded	Starting Date February 23, 2004	
Lot 1 Shemkir - km 409+800	Behind the PP scheduled	Contract awarded	Starting Date February 23, 2004	
Lot 2 km 409+800 -Tovuz				

Lot 3 Tovus - km 451+800 Lot 4 km 451+800 - Gazakh	Behind the PP scheduled Behind the PP scheduled	Contract awarded Contract awarded	Starting Date February 23, 2004 Starting Date February 23, 2004
Subcomponent 1.3: Assistance to the PIU in implementation of the World Bank and EBRD projects			
Set-up of organisation and structure of the PIU	Completed		No comments
Review suitable management procedures and systems	Completed		No comments
Advise and assist the PIU in the management and implementation of the project	Ongoing		No comments
Advise and assist the PIU to develop and operate procedures and expertise in the financial administration of Contracts	Ongoing		No comments
Provide assistance and liaison to the management of "RoadTransService" and the EBRD and World Bank, as may be necessary	Ongoing		No comments
Provide Administrative support for the PIU, in the form of salaries and payroll cost, office equipment, supplies and running costs, training, and transport	Ongoing		No comments
Sub-component 1.4: Technical Supervision of the TACIS Project: "Construction of two bridges: Gasan Su Cay and Shemkir			
Mobilisation of the Bridge Design Engineer	Completed		No comments
Review of the Design and Tender/Contract Documents	Completed		No comments
Technical meeting on the Reviewed Contract Documents	Completed		28681Euro additional costs 2*2 piles needs to be approved by the EC
Provide the EU and "RoadTransService" with an overall performance schedule	Behind the schedule		Revised completion date approved by the EC by March 30,2004
Technical Supervision of the Contract	Behind the schedule		Additional 2 months recommended to

<p>Inspections and Control Issue Acceptance Certificates Prepare Financial Documents Prepare Reports on Project Progress; <u>Total reports produced on Component 1=</u> <u>18 reports</u></p> <p>Component 2: Pre-feasibility Study for modernization of Poti-Tbilisi-Red Bridge Road in Georgia</p> <p>Data Collection and Surveys Develop Technical Specifications Perform Environmental Assessment Assessment of Economic Costs Perform Economic Analysis Determining Cost Estimates Reporting <u>Total reports produced on Component 2</u> = 2 reports</p> <p>Component 3: Design and Tender Documents for three tunnels on the road from Vanadzor to the Georgian Border in Armenia</p> <p>Field Investigations Design works Determination of Excavation works Technical description of Construction and Engineering Process Cost estimates Preparation of the Tender documents Reporting <u>Total reports produced on Component 3</u> = 4 reports</p>	<p>Behind the schedule Behind the schedule Behind the schedule Ongoing</p> <p>Completed Completed Completed Completed Completed Completed Ongoing</p> <p>Completed Completed Completed Completed Ongoing</p>	<p>Discrepancies on road section Ganja-Shemkir</p>	<p>the Contracting Authority</p> <p>No comments No comments No comments No comments No comments No comments Final report due on 19 April 2004</p> <p>No comments No comments No comments No comments</p> <p>No comments No comments Final report would be submitted with the FR on Component 2</p>
--	--	--	--

Notes:

- In addition to the above reports, 5 General Reports have been produced. The total of reports produced so far is 29 (please refer to **Annex 5** of this Report, tables 1, 2,3, and 4 for more details on each component and general reports and to **section 5.2** of this Report).

5. PROJECT PLANNING FOR THE NEXT REPORTING PERIOD

Next reporting period is January – June 2004 (the General six monthly Progress Report No 3).

This section of the report is presenting LBSA's plans for the next reporting period from April-June 2004.

5.1 Important observations for the project success

Component 1: Design Reviews, Construction Supervision and Assistance to the Project Implementation Unit (PIU) in Azerbaijan

Sub-component 1.1 Reviews of the Design and Contract Documents

Designs reviews of Ganja to Gazakh road sections and the two bridges Contract (Gasan Su Chay and Shemkir) are completed.

Sub-component 1.2 Construction Supervision of Ganja to Gazakh Road

For the next reporting period, Consultant is planning to follow the *Construction Supervision tasks*.

The **Table 5.1** of this Report summarizes tendering schedule and Contracts award for the 4 ICB Contracts:

Table 5.1 Tendering Schedule- Contracts Award

Step	Action	Estimated Date Plan	Actual Date
1	PIU sells the Tender Documents to the prospective Bidders	From September 2, 2003	September 2, 2003
2	Pre-Bid Meeting	September 16, 2003	September 16, 2003
3	Deadline for submission of Bids	October 16, 2003	October 16, 2003
4	PIU carries out Bid opening	October 16, 2003	October 16, 2003
5	PIU submits to the Bank the Minutes of the Bid opening	October 16, 2003	October 16, 2003
6	PIU carries out the evaluation of the Bids and submits to the Bank the Evaluation Report	December 9, 2003	December 9, 2003
7	Banks reviews the Evaluation Report and sends comments/no objection to PIU	December 20, 2003	December 25, 2003
8	Government/PIU invites the lowest evaluated Bidder to sign the Contract (Clause 33.1 of Instructions to Bidder)	January 02, 2004	December 27, 2003
9	Government/PIU signs the Contract (Clause 33.3 of Instructions to Bidders)	January 30, 2004	January 22, 2004
10	The successful Bidder signs the Contract (Clause 33.3 of Instructions to Bidders)	February 20, 2004	February 12, 2004
11	Government/PIU sends to the Bank conformed copy of the signed Contract	March 04, 2004	March 04, 2004
12	Government/PIU notifies the other Bidders that their Bids have been unsuccessful (Clause 33.4 of Instructions to Bidders)	When successful Bidder furnishes the PS	Notified with different dates

Civil Works for Ganja-Shemkir road section would be completed in end of October 2004. No additional financial implication would occur on this Extension of Time (see Contractor letter included in **Annex 5**, correspondence).

LBSA has revised the original proposal for component 1.2 (Construction Supervision of Ganja - Gazakh road sections) and assessed the impact of delay of the 4 ICB Contracts (Shemkir - Gazakh) on required staff resources.

Consultant has submitted to the EC two scenarios for the Consultant extension budget. As requested by the World Bank, additional scenario has been submitted on 22 March 2004 to the WB indicating extension budget till end of 2006 (please refer to Section 4 of this Report).

Sub-component 1.3 Assistance to the PIU

Consultant (LBSA) has been providing day-to-day assistance to the PIU, including equipping the PIU, providing salaries, providing a training session on implementation of internationally funded projects. *LBSA will continue assistance as required by the ToR until the project completion date including assistance to the PIU in providing the Revised Tender Documents for the Road Section GaziMammed to Kyurdamir financed by the EBRD.*

Sub-component 1.4 Technical supervision of the TACIS project "Reconstruction of two bridges Gasan Su Chay and Shemkir"

The Contractor has been submitted on 5 February 2004 to construction supervision Consultant the revised Works Program.

The EC has approved a revised Performance Date by March 30, 2004. Additional 2 months has been recommended to the Contracting Authority due to discrepancies in level survey on Ganja- Shemkir road section, which affected the execution to the approaches road to Shemkir Bridge.

Consultants will continue to supervise TACIS project and to submit the required reports as per the ToR.

Planning for component 1 is presented in the **Form 1.6 Plan of operations for the next period.**

Component 2: Pre-Feasibility Study of Modernisation of Poti- Tbilisi-Red Bridge Road in Georgia

The Draft final Report has been submitted in February 2004. *The Final Report is due in April 2004.*

The project planning for the next reporting period for the **component 2** is to provide *the Final Report.*

Planning for Component 2 is presented in the **Form 1.6 Plan of operations for the next period.**

Component 3: Design and Preparation of Tender Documents for Three Tunnels on the Road from Vanadzor to the Georgian Border in Armenia

4 Tender Documents have been forwarded to the SRD and appropriate authorities. *Consultant looks forward to receive comments on the Tender Documents (if any) from the Project Partner.*

The project planning for the next reporting period for the **component 3** is to provide *the Final Report* in conjunction with Component 2.

Planning for Component 3 is presented in the **Form 1.6 Plan of operations for the next period.**

5.2 Proposals for adjustment of overall planning and their consequences

Start date of Works on Component 2 Georgia and Component 3 Armenia does not effect to the overall project implementation. Being 10 months long, these components have been finalised within the service contract period (24 months).

As it is described in the **section 5.1** of this Report, there is a delay in sub-component **1.2**, which is expected in implementation of construction supervision on Shemkir – Gazakh road rehabilitation. Proposal for adjustment and consequences has been submitted to the EC and the WB (please refer to **section 5.1 Sub-component 1.2, Construction Supervision of Ganja to Gazakh Road**).

Reports produced on this project including this Quarterly Progress Report are detailed in **Annex 4** of this Report. The summary illustrates reports produced on each component (tables 1, 2 and 3) as well as general reports for the 3 Components (table 4).

In addition, Consultant has produced the following reports:

- Report for the EC Task Manager dated October 15, 2003 during site visit;
- Report for the WB mission dated November 5, 2003 during site visit;
- Report for the WB mission dated March 9, 2004 during site visit.

Important Correspondences during reporting period are attached in **Annex 5** to this Report.

1.2.1.3	Construction Supervision												
1.2.1.4	Monthly Progress Reports		X		X								
1.2.1.5	Final Acceptance												X
1.2.2	Lot 1 Shemkir-km 409+800	Contract awarded starting date 23 February 2004											
1.2.3	Lot 2 km 409+800 -Tovuz	Contract awarded starting date 23 February 2004											
1.2.4	Lot 3 Tovus - km 451+800	Contract awarded starting date 23 February 2004											
1.2.5	Lot 4 km 451+800 - Gazakh	Contract awarded starting date 23 February 2004											
1.3	Subcomponent 1.3: Assistance to the PIU in implementation of the World Bank and EBRD projects							60			n/a		n/a
1.3.1	Set-up of organisation and structure of the PIU	Completed											
1.3.2	Review suitable management procedures and systems	Completed											
1.3.3	Advise and assist the PIU in the management and implementation of the project												
1.3.4	Advise and assist the PIU to develop and operate procedures and expertise in the financial administration of Contracts												
1.3.5	Provide assistance and liaison to the management of "RoadTransService" and the EBRD and World Bank, as may be necessary												
1.3.6	Provide Administrative support for the PIU, in the form of salaries and payroll cost, office equipment, supplies and running costs, training, and transport												

1.4	Sub-component 1.4: Technical Supervision of the TACIS Project: "Construction of two bridges: Gasan Su Cay and Shemkir									
1.4.1	Mobilisation of the Bridge Design Engineer	Completed								
1.4.2	Review of the Design and Tender/Contract Documents	Completed								
1.4.3	Technical meeting on the Reviewed Contract Documents	Completed								
1.4.4	Provide the EU and "RoadTransService" with an overall performance schedule									
1.4.5	Technical Supervision of the Contract									
1.4.6	Inspections and Control									
1.4.7	Issue Acceptance Certificates									
1.4.8	Prepare Financial Documents									
1.4.9	Prepare Reports on Project Progress		X		X		X			
2	Component 2: Pre- feasibility Study for modernization of Poti- Tbilisi-Red Bridge Road in Georgia						(60) 1 STE	0	n/a	n/a
2.1	Data Collection and Surveys	Completed								
2.2	Develop Technical Specification	Completed								
2.3	Perform Environmental	Completed								

2.4	Assessment Assessment of Economic costs	Completed										
2.5	Perform Economic Analysis											
2.6	Determining Cost Estimates											
2.7	Technical Reporting Receiving Comments	X										
3	Component 3: Design and Tender Documents for three tunnels on the road from Vanadzor to the Georgian Border in Armenia					(60)	0	n/a	n/a			
3.1	Field Investigations	Completed										
3.2	Design works											
3.3	Determination of Excavation works											
3.4	Technical description of Construction and Engineering Process											
3.5	Cost estimates											
3.6	Preparation of the Tender documents											
3.7	Reporting Receiving Comments	X										
					TOTAL:	124	505	n/a	n/a			

Annex 1
Contract Finalization Meetings (Contracts CW/2003/1 to 4)
(It contains 4 pages excluding this one)

Azerbaijan Highway Project – Rehabilitation and upgrading of Shemkir-Gazakh Road Section – Contracts CW 2003-3 and CW 2003-4

Minutes of the Contract Finalisation Meeting with MZ AUTOBAHN BAU GMBH

held on the 18th 2004 February at PIU Offices.

Present:	Mr. R. Degheim	Project Manager
	Mr. S. Dotchev	PM's Representative
	Mr. Manfred Martin	MZ Autobahn Director
	Mr. Fikrat Nacafov	MZ Autobahn Representative
	Mr. K. Aliyev	MZ Autobahn Technical Director
	Mr. A. Gojayev	PIU Director
	Mr. H. Valehov	RTSD Chief Expert on Projects Management and Donor Relations
	Mr. G. Safarov	PIU Procurement Specialist

The following items were discussed and the final agreements and clarifications are recorded.

Mr. H. Valehov congratulated MZ AUTOBAHN BUA GMBH with Contract awarding.

1. Bill of Quantities

The BoQ has been revised to take into account errors, etc. and agreed by PIU/ Contractor.

2. Detailed cost breakdown

The Contractor will provide to the Project Manager's satisfaction a detailed and comprehensive breakdown of some items which would be provided later by the Consultant to the Contractor. The detailed breakdown will include basic rates for labour, plant and equipment and calculating of the Contractor's multiplying factors, before the start of any work on site.

3. Traffic Management System (Safety)

The Contractor will provide Traffic Management System to minimize impact to Public.

4. Revised Works Program and Cash flow

The Contractor will submit within one week of the date of this Meeting a Revised Works Program and Cashflow. The Contractor will submit to the Project Manager a specific program for the period between mid December and March detailing proposed precautions prior to onset winter.

5. Quality Assurance Plan and Method Statements

The Contractor will submit for the Project Manager's approval by the start of Works a detailed Quality Assurance Plan and Method Statements.

6. Schedule of Key Personnel

The Contractor will submit before the start of Works the details including CV's of additional key personnel.

7. Plant and Equipment

The Contractor will provide to the Project Manager's satisfaction, before the Start of Works, a revised detailed list of Plant and Equipment, which he intends to bring to site.

8. Project Manager's offices and accommodation

The Contractor will prepare detailed drawings showing the site layout, fencing, access, telephone, etc. of each type of building to the Project Manager's approval. It was agreed that any additional modification on project Manager's office and accommodation would be discussed on site.

9. Performance Bank Guarantee

The Performance Bank Guarantee is not in accordance with the Conditions of the Contract. It was agreed that the Contractor shall provide a revised Performance Bank Guarantee complying with the Contract Conditions and shall be in type and proportions of currencies stated in the Letter of Acceptance.

10. Contract Starting Date

It was agreed that the Start of Works Date is 23 February 2004.

11. Complete set of Contract Documents

It was agreed that PIU will submit to the Contractor a complete set of Contract Documents duly signed within 2 days after receiving the Revised Performance Bank Guarantee from the Contractor.

Signed and agreed as correct Minutes of Meeting.

For the Client:

Mr. H. Valekov

For the Consultant:

Mr. R. Degheim

For the Contractor (**MZ Autobahn Bau GMBH**):

Mr. M. Martin

For PIU:

Mr. A. Gojayev

Azerbaijan Highway Project – Rehabilitation and upgrading of Shemkir-Gazakh Road Section – Contracts CW 2003-1 and CW 2003-2

Minutes of the Contract Finalisation Meeting with Azerkorpu-Azwirt Consortium held on the 18th February 2004 at PIU Offices.

Present:	Mr. R. Degheim	Project Manager
	Mr. E. Ismiyev	Chairman Azerkorpu-Azwirt Consortium
	Mr. Sh. Gasimov	Azerkorpu-Azwirt Consortium PM
	Mr. A. Gojayev	PIU Director
	Mr. H. Valehov	RTSD Chief Expert on Projects Management and Donor Relations
	Mr. G. Safarov	PIU Procurement Specialist

The following items were discussed and the final agreements and clarifications are recorded.

Mr. H. Valehov congratulated Azerkorpu with Contract awarding.

12. Bill of Quantities

The BoQ has been revised to take into account errors, etc. and agreed by PIU/ Contractor.

13. Detailed cost breakdown

The Contractor will provide to the Project Manager's satisfaction a detailed and comprehensive breakdown of some items which would be provided later by the Consultant to the Contractor. The detailed breakdown will include basic rates for labour, plant and equipment and calculating of the Contractor's multiplying factors, before the start of any work on site.

14. Traffic Management System (Safety)

The Contractor will provide Traffic Management System to minimize impact to Public.

15. Revised Works Program and Cash flow

The Contractor will submit within one week of the date of this Meeting a Revised Works Program and Cashflow. The Contractor will submit to the Project Manager a specific program for the period between mid December and March detailing proposed precautions prior to onset winter.

16. Quality Assurance Plan and Method Statements

The Contractor will submit for the Project Manager's approval by the start of Works a detailed Quality Assurance Plan and Method Statements.

17. Schedule of Key Personnel

The Contractor will submit before the start of Works the details including CV's of additional key personnel.

18. Plant and Equipment

The Contractor will provide to the Project Manager's satisfaction, before the Start of Works, a revised detailed list of Plant and Equipment, which he intends to bring to site.

19. Project Manager's offices and accommodation

The Contractor will prepare detailed drawings showing the site layout, fencing, access, telephone, etc. of each type of building to the Project Manager's approval. It was agreed that any additional modification on project Manager's office and accommodation would be discussed on site.

20. Performance Bank Guarantee

The Performance Bank Guarantee is not in accordance with the Conditions of the Contract. It was agreed that the Contractor shall provide a revised Performance Bank Guarantee complying with the Contract Conditions and shall be in type and proportions of currencies stated in the Letter of Acceptance.

21. Contract Starting Date

It was agreed that the Start of Works Date is 23 February 2004.

Signed and agreed as correct Minutes of Meeting.

For the Client:

For the Consultant:

Mr. H. Valehov

Mr. R. Degheim

For the Contractor (Azerkorpu-Azwirt Consortium):

Mr. E. Ismiyev

For PIU:

Mr. A. Gojayev

Annex 2
Civil Works Progress Data
Ganja-Gazakh Road Sections and 2 Bridges Contract
(It contains 2 pages excluding this one)

Table 4.1 Civil Works Progress Data

Works Contract:(CW 2002-1)	
Works Tender Opened	14 th May 2002
Letter of Acceptance Issued	24 th March 2003
Contract Agreement Signed	April 9, 2003
Tender Amount	28,749,462,180.50 AZM
Contract Amount Article 15.3	29,903,403,179.00 AZM
Contract Start Date	21 st April 2003
Original Contract Completion Date	21 st July 2004
Extended Completion Date	21 st October 2004
Works Program received	18 th April 2003
Last revision of Works program	10 th March 2004
Value of Works to date	8,869,089,307.89 AZM
Variations	Extension 3 months with no additional cost
Advance Payment Received	5,980,680,936.00 AZM
Repayments made	0%
Delays	3 months
Claims	Nil to Date
Time elapsed to date	346 days
Time remaining to date	204 days

Table 4.2 Civil Works Progress Data

Works Contract:(CW 2003-1 and 2)	
Works Tender Opened	September 2, 2003
Letter of Acceptance Issued	December 27, 2003
Contract Agreement Signed	January 22, 2004
Contract Amount	60,082,264,241.00 AZM
Contract Start Date	February 23, 2004
Original Contract Completion Date	August 23, 2005
Extended Completion Date	N/A
Works Program received	24 th March, 2004
Last revision of Works program	N/A
Value of Works to date	AZM
Variations	N/A
Advance Payment Requested	12,016,452,848.20 AZM
Repayments made	0%
Delays	N/A
Claims	N/A
Time elapsed to date	38 days
Time remaining to date	510 days

Table 4.3 Civil Works Progress Data

Works Contract:(CW 2003-3 and4)	
Works Tender Opened	September 2, 2003
Letter of Acceptance Issued	December 27, 2003
Contract Agreement Signed	January 22, 2004
Contract Amount	45,937,384,407.15 AZM
Contract Start Date	February 23, 2004
Original Contract Completion Date	August 23, 2005
Extended Completion Date	N/A
Works Program received	1 st March, 2004
Last revision of Works program	15 th March, 2004
Value of Works to date	N/A
Variations	N/A
Advance Payment Requested	9,187,476,881.42 AZM
Repayments made	N/A
Delays	N/A
Claims	N/A
Time elapsed to date	38 days
Time remaining to date	510 days

Table 4.4 Civil Works Progress Data

Works Contract EUROPEAID/112944/C/W/AZ	
Works Tender Opened	
Contract Awarded	27 th December 2002
Contract Agreement Signed	27 th December 2002
Tender Amount	€1,424,017.80
Contract Amount	€1,424,017.80
Contract Start Date	10 th March 2003
Original Contract Completion Date	4 th November 2003
Extended Completion Date	30 th March 2004
Works Program received	31 st October, 2003
Revised Works Program	5 th February, 2004
Works complete to date	61 %
Value of Works to date	€886,146.27
Value IPC issued to date	€651,051.75
Variations revised bridge design at Contractors cost	Nil
Advance Payment Received	€142,401.78
Repayments made	€34,364.89
Delays	150 + (60) days
Claims	Request for 2 months extension of Performance Date without additional cost
Time elapsed to date	386 days
Time remaining	(60) ¹ days

¹ Subject to EC approval

Annex 3
Local Site Staff Training -*Azerbaijan*
(It contains 4 pages excluding this one)

LOUIS BERGER S.A.

Rehabilitation and Upgrading of the Ganja-Gazakh Road Sections Azerbaijan

LOCAL SITE STAFF TRAINING PROGRAMME CONSTRUCTION SUPERVISION & QUALITY CONTROL (Sampling and Testing and Inspection) Held on 11 February 2004 in Shemkir at (LB office)

1. Introduction

ISO (the International Standard Organization) is a worldwide federation of national bodies. ISO series, for example:

- ISO 9001, Model for quality assurance in design;
- ISO 9002, Model for quality assurance in production, installation and servicing;
- ISO 9003, Model for quality assurance in final inspection and test (Translation is attached);
- ISO 9004, Quality management and quality system elements;
- ISO 10011, Quality auditing.

2. Sampling and testing of materials

2.1 Role of Materials Engineer

2.1.1. Extract a list of tests and appropriate Norms related to, from the specification concerning acceptance of materials and others during execution. Other authoritative Standards which ensure an equal or higher quality than the Standards and Codes specified will be accepted subject to the PM's prior review and written approval;

2.1.2. Check the quality of materials prior to placing in the Works and monitor test results. The Contractor before placing any materials shall submit the name of the firms from whom he proposes to obtain such materials (Spec. Clause 105);

2.1.3. Reject materials if the physical characteristics fail to meet the specification criteria.

2.2 The quality required for each element of the Works is established in the TS. For example, Unsuitable materials: LL>65% and passing on 75 Micron >80 %. Fill materials LL<30% and passing 75 Micron <30%.

Substitution (Clause 303.3): When the existing ground is unsuitable for receiving fill, the Contractor shall excavate to a depth accepted by the PM and remove the materials.

2.3 Minimum frequency of tests: for example, asphalt 6000 m² (Clause 506.26).

2.4 Explaining important tests:

- Atterberg limits;
- Gradation Analysis ;
- Classification of soils (HRB, ASHTO, Specification) examples;
- Nomogram of Casagrande $I_p=0.73$ (LL-20)
- MDD;
- Los Angeles;
- CBR;
- Bitumen & asphalt mixture;
- Others.

2.5 Job Mix Formula (506.11): the Contractor must carry out Marshall tests on trial mixes within the Specification limits and shall submit results to the PM.

2.6 Compactions requirements:

-Asphalt layers: aggregates LA < 30%

Compaction degree: 98% of the maximum density during the Job Mix

-Embankment: Existing ground under embankment: 92% MDD.

3. Quality Control (site supervision)

3.1 Site supervision is the method of control for the operation of Works on site.

Operation on site covers all activities: earthworks, concrete, laying asphalt, levels, etc.

3.2 Site supervision ensures that all Works done with the specification and method of working.

4. Inspection-General

4.1 The first task is to study the specification (tests required, frequency and deviation).

4.2 To be present on the site when inspection requested by the Contractor (Request for approval).

4.3 After completion of each layer, to inspect all necessary tests on site (if the tests are approved then the Contractor can proceed to the succeeding layer).

5. Pavement Inspection

5.1 Check that the weather conditions are acceptable (asphalt mixing is forbidden during rainfall or when ambient temperature is $>5^{\circ}$ C.

5.2 Ensure that the surface is clean.

5.3 Temporary signaling and traffic control.

5.4 Record quantities delivered, time delivery and section laid.

5.5 Number of trucks is sufficient to avoid stoppage of operation (to record).

5.6 Check every load temperature in the asphalt plant and during the laying (temperature at the start and end of compaction).

5.7 Reject the failed layer (compaction less than required, temperature more...). The Contractor must remove it at his own expenses.

5.8 Check condition of the paver (vibrating plate in working order, etc).

5.9 Check compaction operation: record type of compactor, sequence of compaction, number of passes, etc.

5.10 Problems of fuel leakage caused by Contractor's equipment on asphalt during execution.

5.11 To keep an eye to ensure that the level is up to design level.

5.12 Joint (Kraft paper at the end of the day, checking tack coat).

6. Earthworks Inspection

6.1 Check delivered materials (no segregation, no contamination etc.).

6.2 Control level of layer (in accordance with the pegs) and number of passes.

6.3 Doubts about materials (to send sample to the laboratory; example substitution).

6.4 To check that previous layer is tested and approved prior to placement of the subsequent layer.

6.5 Watering, compaction equipment in order and number of passes.

6.6 Keep a diary.

7. Bridge Inspection

7.1 To inspect formworks, steel (position, diameter, etc.) and concrete on site and to make sure that the surface is clean (slab).

7.2 Record date of the section to be poured.

7.3 Control vibration, surface etc.

7.4 Segregation.

7.5 Record number of cubes done for testing and mark them (7 and 28 days).

7.6 Slump test.

7.7 Curing.

8. Surveying Inspection

8.1 Surveyor to set up the Works according to the design. If there is any discrepancy of levels and alignment of the road to correct them (Contractor/Consultant).

8.2 To control each layer as required.

8.3 To reject layer if is not as per drawing and deviation stipulated in TS.

8.4 To check unevenness and tolerances (table in 501.3 and other).

9. Quality planning and quality assurance

9.1 Final acceptance (format of all tests for each layer) Gauss Histograms: standard deviation and etc. for each layer.

10. Protection of the Environment

10.1 Safety;

10.2 Impacts and protection (example from previous Project is delivered).

Annex 4
Summary of Reports produced
(It contains 3 pages excluding this one)

Rehabilitation of Caucasian Highways
Azerbaijan, Georgia and Armenia
EUROPEAID/113179/C/SV/MULTI

Reports Produced

1) Azerbaijan: Component 1

Item	Title	Date of Issue	Prepared by	Expert Expatriate/Local	Report Number
1	Design Review Report- 2 Bridges Contract	May 2003	E.Kritikou	Short-Term Exp. Bridge Engineer	TRP/No2/2003/AZ
2	Quarterly Progress Report	June	S. Dotchev	Long-Term Exp. RE	QPR/No1/2003/AZ
3	Review of Tender Documents- Shemkir to Gazakh Road	August 2003	S. Dotchev	Long-Term Exp.RE	TRP/No3/2003/AZ
4	Pavement Design Evaluation- Shemkir to Gazakh	August 2003	M.E.Heelis	Short-Term Exp. Pavement Engineer	TRP/No4/2003/AZ
5	Supplementary Design Review-2 Bridges Contract ¹	September 2003	J.Rigby	Short-Term Exp. Bridge Engineer	TRP/ No1/2003/AZ
6-12	Monthly Reports- 2 Bridges and Ganja to Shemkir Contracts	March to September 2003 – 7 Reports	S. Dotchev	Long-Term Exp. RE	MPR/No1 to No7/2003/AZ
13	Monthly Report	October 2003	S. Dotchev	Long-Term Exp. RE	MPR/No8/2003/AZ
14	Monthly Report	November 2003	S. Dotchev	Long-Term Exp. RE	MRP/ No9/2003/AZ

¹ Attached to the Second Progress Report (July-December 2003).

15	Quarterly Progress Report	Oct-Dec 2003	S. Dotchev	Long-Term Exp. RE	QPR/No2/2003/AZ
16	Monthly Report	January 2004	S. Dotchev	Long-Term Exp. RE	MRP/No10/2004/AZ
17	Monthly Report	February 2004	S. Dotchev	Long-Term Exp. RE	MRP/No11/2004/AZ
18	Quarterly Progress Report	Jan-March 2004	S. Dotchev	Long-Term Exp. RE	QPR/No3/2004/AZ
	Total				18 Reports

2) Georgia: Component 2

Item	Title	Date of Issue	Prepared by	Expert	Report Number
1	Inception Report	August, 2003	R. Degheim	Long-Term Exp. PM	IRP/No1/2003/GE
2	Draft Final report	February, 2004	P. Pecenic	Long-Term Expert	DFR/N01/2004/GE
	Total				2

3) Armenia: Component 3

Item	Title	Date of Issue	Prepared by	Expert	Report Number
1	Technical Report on Survey of Tunnels ²	July 2003	V.Matnishyan	Short-Term Local Tunnel Engineer	TRP/No1/2003/AR
2	Site Inspection and Rehabilitation Works	August 2003	I.Turnbull	Short-Term Exp. Tunnel Engineer	TRP/No2/2003/AR

² Report enclosed in Annex 4 to the 6 months Progress Report dated July 27;

³ Report enclosed in Annex 5 to the Quarterly Report dated October 15, 2003;

				Eng.	
4	Inception Report ⁵	November	R. Degheim	Long-Term Exp. PM	IRP/No 4/2003/AR
	Total				4

4) General for Components 1, 2 and 3

Item	Title	Date of Issue	Prepared by	Expert	Report Number
1	Inception Report	April 2003	G.Tremlett	Long-Term Exp. PM	IRP/No1/2003/G
2	First Progress Report	July 2003	K.Zukhurov	Long-Term Exp. acting PM	PRP/No1/2003/G
3	Quarterly Progress Report ⁶	October 2003	R. Degheim	Long-Term Exp. PM	QRP/No1/2003/G
4	Second Progress Report	January 2004	R. Degheim	Long-Term Exp. PM	PRP/No2/2003/G
5	Quarterly Progress Report	April 2004	R. Degheim	Long-Term Exp. PM	QRP/No2/2004/G
	Total				5

Grand Total: 29 Reports produced

⁵ Report enclosed in the Second Progress Report (July-December 2003);

⁶ Progress Report for Georgia was produced with this Report.

Annex 5
Important Correspondences
(It contains 18 pages excluding this one)

Received on 28.11.03

URAN HAZINEDAROĞLU İnş.ve Tic.A.Ş. - ÖZTAŞ İnş.İnş.MİZ.Tic.A.Ş.
Joint Venture / İş Ortaklığı

LOUIS BERGER S.A.

A. Rıza Değheim
Team Leader- file 220
- file 220
- Svet
RybaNo:46
November 28, 2003

Subject: Variation Order No.1

Project: Rehabilitation and Upgrading of Ganja - Shemkir/Delder Road

Ref.: 1) Your letter dated November 24, 2003 with Reference No.PSZ77/P33/03/220/RD/fb

Dear Sir,

Regarding your Ref. Letter, we hereby declare that, we accept 3 months time extension without any financial compensation due to the discrepancies on longitudinal profiles.

Please be informed that we are busy now with the revision of the work insurance and Bank Guarantee.

We kindly submit to your information.

Sincerely Yours,

A.Murat TURKOĞLU
Asst. Contract Managercc. Mr. S.I. Douchev
Project Manager's Representative



Louis Berger S.A.
Mercure III 55 Bis quai de Grenelle
75015 Paris



**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 PS277/P146/04/150/RD/fb
Tel + 994 12 98 84 31
Fax + 994 12 93 24 76
Director of PIU
Road Transport Service Department
Offices
12th March 2004

Руководитель Группы
Баку
PS277/P146/04/150/RD/fb
Тел + 994 12 98 84 31
Факс + 994 12 93 24 76
Директору ГРП
Офис Департамента Дорожно-
Транспортного Сервиса
12-ое марта 2004

Subject: **Local Site Staff Training
Programme**
For attention Mr. A. Gojayev

Тема: **Программа Тренингу
Местного Персонала**
Ко вниманию г-на А. Годжаеву

Dear Sir,

Уважаемый Г-н,

Please find attached the Local Site Staff Training Programme on construction supervision and quality control held on 11 February 2004 in Shemkir at LB office.

К письму прилагаем Программу по Тренингу Местного Персонала по контролю над строительством и контролю за качеством, проведенного 11-го февраля 2004-го года в Шемкире в офисе Луис Бергера.

Sincerely yours,

Искренне ваш,

Razek Degheim
LBSA Team Leader/ Project Manager

Разек Дегхем
Руководитель Группы/
Менеджер Проекта LBSA

cc: - RTSD – Mr. H. Valehov
- LBSA – Mr. F. Signor

копии: - ДДТС – г-н Х. Валехов
- LBSA – г-н Ф. Синьор

12.03 2004.



Louis Berger S.A.
Mercury III 55 Bis qual de Grenelle
75015 Paris

*file dse
- file accept*



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

EUROPEAID/113179/C/SV/MULTI



This Project is funded by the European Union

Reference PS277/P145/04/260/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76

To: **Azerkorpu-Azwirt Consortium**
179, Azadlig ave
Baku 370130
Tel: (+99 412) 62 74 43
Fax: (+99 412) 62 77 14
Email: azermost@azerin.com

12th March, 2004

**Subject: Contracts CW 2003-1 and CW 2003-2
Letter Heading - Correspondence**

For the attention of Mr. E. Ismiyev

Dear Sir,

We kindly inform you that from now on all correspondence related to the above-mentioned 2 Contracts should have the appropriate Letter heading, i.e. *Azerkorpu-Azwirt Consortium*.

All letters should be addressed to the Site Office to Mr. Svet Dotchev as its delegated power has been notified to yourself (please refer to our letter P134 of 4 March 2004).

Please note that the Minutes of meeting held on 13 and 14 February 2004 (your letter №109 dated 18 February 2004) have been passed to the PIU with a copy to the Ministry of Transport on 16 February 2004 (our letter P116).

Regarding your letter reference №120 of 26 February 2004, we inform you that your request has been passed to the Ministry of Transport on 2 March 2004 (our letter CC-037).

Sincerely yours,

Razek Degheim
Project Manager

cc: PIU – Mr. A. Gojayev
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev

*Handwritten signature: M. Manegoda C.H.
12.03.04*

- file 230
- file cutt



Louis Berger S.A.
Mercury III 65 Bis quai de Grenelle
75015 Paris



Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia

EUROPEAID/113179/C/SV/MULTI

TRACECA

This Project is funded by the European Union

Team Leader
Baku
Reference PS277/P143/04/230/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76
11th March, 2004

To: JSC Azerkorpu
4, Ismail Kutkashenli str.
Baku, Azerbaijan

Subject: Extension of Period of Performance – Contract Agreement №30468

For attention of Mr. E. Ismiyev

Dear Sir,

We refer to your letter №134 dated 11 March 2004 requesting to extend the Period of Performance for 2 months.

Please be informed that we have passed your request to the Contracting Authority requesting the extension for 2 months and we will inform you when we receive the approval (if any).

Sincerely Yours,

Razek Degheim
Project Manager

cc: TRACECA Contract Manager – Mr. A. Boitsios
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev

Uladzimir C.
11.03.04.

- file dso
- file out



Louis Berger S.A.
Mercure III 65 Bis quai de Grenelle
75015 Paris



Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia

EUROPEAID/113179/C/SV/MULTI



This Project is funded by the European Union

Reference PS277/P136/04/260/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76

To: MZ AUTOBAHN BAU GMBH
7 D - 53560 Vettelschoss
Germany
Tel: 0 26 45/131 - 972
Fax: 0 26 45/131 - 974
Email: magmbh@rz-online.de

4th March, 2004

Subject: Contracts CW 2003-3 and CW 2003-4
Delegated Powers

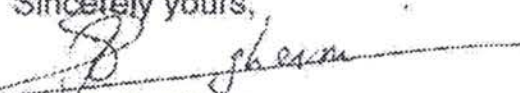
For the attention of Mr. M. Martin

Dear Sir,

In accordance with the Clause 5 of the Conditions of Contracts, we hereby notify you that Mr. Svet Dotchev, the Project Manager's Representative will have the all delegated powers of the Project Manager for the above 2 mentioned contracts as defined in the Conditions of Contracts with the following exceptions:

Clause 4 Project Manager's Decision
Clause 15 Queries about the Contract Data
Clause 24 Disputes
Clause 25 Procedure for Disputes
Clause 26 Replacement for Adjudicator
Clause 28 Extension of the Intended Complete Date
Clause 29 Acceleration
Clause 30 Delays Ordered by the Project Manager (other than for safety reasons)
Clause 39 Variation Orders that involve an Increase of Contract Price.

Sincerely yours,


Razek Degheim
Project Manager

cc: Task Manager - Mr. E. Dalamangas
PIU - Mr. A. Gojayev
Louis Berger SA - Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev



05.03.04.

- file 260
- file 0077



Louis Berger S.A.
Mercury III 55 Bis quai de Grenelle
75015 Paris



**Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia**
EUROPEAID/113179/C/SV/MULTI



This Project is funded by the European Union

Reference PS277/P135/04/260/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76

To: **Azerkorpu-Azwirt Consortium**
179, Azadlig ave
Baku 370130
Tel: (+99 412) 62 74 43
Fax: (+99 412) 62 77 14
Email: azermost@azerin.com

4th March, 2004

**Subject: Contracts CW 2003-1 and CW 2003-2
Delegated Powers**

For the attention of Mr. E. Ismiyev

Dear Sir,

In accordance with the Clause 5 of the Conditions of Contracts, we hereby notify you that Mr. Svet Dotchev, the Project Manager's Representative will have the all delegated powers of the Project Manager for the above 2 mentioned contracts as defined in the Conditions of Contracts with the following exceptions:

- Clause 4 Project Manager's Decision
- Clause 15 Queries about the Contract Data
- Clause 24 Disputes
- Clause 25 Procedure for Disputes
- Clause 26 Replacement for Adjudicator
- Clause 28 Extension of the Intended Complete Date
- Clause 29 Acceleration
- Clause 30 Delays Ordered by the Project Manager (other than for safety reasons)
- Clause 39 Variation Orders that involve an increase of Contract Price.

Sincerely yours,

Razek Degheim
Project Manager

cc: Task Manager – Mr. E. Dalamangas
PIU – Mr. A. Gojayev
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev

Received [Signature] 05.03.04



Louis Berger S.A.
Mercurie III 55 Bis quai de Grenelle
75016 Paris

- file 230
- file 0017



Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia

EUROPEAID/113179/C/SV/MULTI

TRACECA

This Project is funded by the European Union

Team Leader
Baku
Reference PS277/P123/04/230/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76
18th February, 2004

To: JSC Azerkorpu
4, Ismail Kutkashenli str.
Baku, Azerbaijan

Subject: Extension of Period of Performance – Contract Agreement №30468

For attention of Mr. E. Ismiyev

Dear Sir,

We refer to your letter №103 of 16 February 2004 requesting to extend the Period of Performance for 2 months.

In order to forward your request to the Contracting Authority, as stipulated in Article 33 of the General Conditions, we kindly ask you to provide with full and detailed particulars of the request on every bridge (Shemkir and Gasan Su).

The detailed particulars of the request should show why the approaches (access) would affect delay to the Contract Completion.

Sincerely Yours,

Razek Degheim
LBSA Team Leader/ Project Manager

cc: TRACECA – Mr. B. Rössig
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev

Уакузובה С. Шаб /



Louis Berger S.A.
Mercure III 65 Bis quai de Grenelle
75015 Paris

- file 230
- file OUT



Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia

EUROPEAID/113179/C/SV/MULTI

TRACECA

This Project is funded by the European Union

Team Leader
Baku
Reference PS277/P107/04/230/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76
27th January, 2004

To: JSC Azerkorpu
4, Ismail Kulkashenli str.
Baku, Azerbaijan

Subject: Construction of the Gasan Su Cay Bridges - Contract Agreement No 30468

For attention of Mr. E. Ismiyev

Dear Sir,

We refer to the meeting held on 23 January 2004 in our office and to previous correspondences regarding your slow progress on the above-mentioned Contract.

We noted that you have promised in this meeting to perform the Contract in the intended Time for Completion the Works (by end of March 2004) and assured to increase your resources starting from first February 2004.

We would like to remind again, in case of Delays in Performance, the application by the Contracting Authority of the Liquidated Damages at the rate of 1500 Euro per calendar day as stipulated in the Article 34 of the Special Conditions of Contract.

Sincerely Yours

Razek Degheim
LBSA Team Leader/ Project Manager

cc: TRACECA – Mr. B. Rössig
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev

27.01.04.

Received.



Louis Berger S.A.
Mercure III 55 Bis quai de Grenelle
75015 Paris

*Forwarded to Mr. Boitsois
on 11.03.04*



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

EUROPEAID/113179/C/SV/MULTI



This Project is funded by the European Union

Reference: PS277/P139/04/195/RD/fb
11th March 2004

EUROPEAN COMMISSION
Europe Aid Co-operation
Office, L41 04/67
B-1049
Brussels

Fax No: 32 2 2951647

Contract Title: **Rehabilitation of Caucasian Highways
Azerbaijan Georgia and Armenia**

Contract No: **2002/027-531**

Subject: **Extension of Period of Performance –
Contract Agreement №30468**

Dear Mr. A. Boitsois

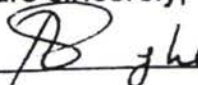
Please find attached a copy of the Contractor letter reference №134 dated 11th March 2004 requesting to extend the Period of Performance for 2 months.

After reviewing the Contractor claim and in accordance with Article 33 of the General Conditions of Contract we recommend to approve the extension of the Period of Performance for 2 months without any financial compensation related to any claims by the Contractor.

Please note that the company who provided the design and Tender Documents has recognized discrepancies on original design survey for the road section Ganja-Shemkir. We will force the Contractor Azerkorpu to execute the approaches roads for Gasan Su Bridge with the actual levels.

The Contractor submission of a revised Performance Bank Guarantee and other administrative issues related to the revised Period of Performance would condition this extension.

Yours sincerely,


Razek Degheim
Project Manager

cc: F. Signor

- file 280
- file 0017



Louis Berger S.A.
Mercure III 55 Bis quai de Grenelle
75015 Paris



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



EUROPEAID/113179/C/SV/MULTI

This Project is funded by the European Union

Reference PS277/P112/03/260/RD/fb
Tel +994 12 98 84 31
Fax +994 12 93 24 76

To: Azerkorpu-Azwirt Consortium
179, Azadlig ave
Baku 370130
Tel: (+99 412) 62 74 43
Fax: (+99 412) 62 77 14
Email: azermost@azerin.com

6th February, 2004

Subject: Azerbaijan Highway Project – Contracts CW 2003-1 and CW 2003-2

For the attention of Mr. E. Ismiyev

Dear Sir,

Please find attached the letter dated 05 February 2004 giving you the Possession of Site.

You are invited to a Contract Finalisation Meeting, which would be held on 18 February 2004 at 10:00 hours (local time) at PIU Office at the following address: 72/4 U. Gadjibekov str, 7th floor.

Sincerely yours,

Razek Degheim
Project Manager

Enc: - letter dated 05 February 2004.

cc: RTSD Chief Expert on Projects Management
and Donor Relations – Mr. H. Valekhov
PIU – Mr. A. Gojayev
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev
TRACECA – Mr. B. Rössig

09.02.04. Ибрагимов

TO: AZERKORPU – AZWIRT CONSORTIUM

Address of the Contractor: Baku 370130, Azadlig Avenue 179
Tel: (+99 412) 6274 43
Fax: (+99 412) 62 77 14
Email: azermost@azerin.com

**Azerbaijan Highway Project, IDA Credit 3517
Contracts CW 2003 –1 and CW 2003 –2**

05 February 2004

Possession of site

In accordance with Clause 21 of Conditions of Contract, we hereby giving you possession of site on the above mentioned Contracts.

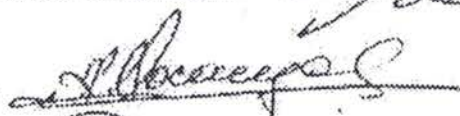
The Bench Marks would be delivered to you by the designer on 16th February 2004.

The start date on the above mentioned Contracts shall be 23 February 2004.

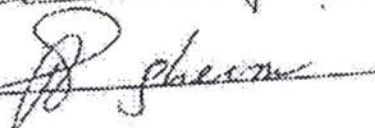
Present: Mr. V. Hacıyev



Mr. A. Godjayev



Mr. R. Degheim



Mr S. Gasimov (Azerkorpu – Azwirt Consortium representative)



*file 260
-file OUT*



Louis Berger S.A.
Mercuré III 55 Bis quai de Grenelle
75015 Paris



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

EUROPEAID/113179/C/SV/MULTI



This Project is funded by the European Union

Reference PS277/P111/03/260/RD/ib
Tel +994 12 98 84 31
Fax +994 12 93 24 76

To: **MZ AUTOBAHN BAU GMBH**
7 D – 53560 Vettelshoss
Germany
Tel: 0 26 45/131 – 972
Fax: 0 26 45/131 – 974
Email: magmbh@ rz-online.de

6th February, 2004

Subject: Azerbaijan Highway Project – Contracts CW 2003-3 and CW 2003-4

For the attention of Mr. M. Martin

Dear Sir,

Please find attached the letter dated 05 February 2004 giving you the Possession of Site.

You are invited to a Contract Finalisation Meeting, which would be held on 18 February 2004 at 14:00 hours (local time) at PIU Office at the following address: 72/4 U. Gadjibekov str, 7th floor.

Sincerely yours,

Razek Degheim
Project Manager

06.02.04

Enc: - letter dated 05 February 2004.

cc: RTSD Chief Expert on Projects Management
and Donor Relations – Mr. H. Valekhov
PIU – Mr. A. Gojayev
Louis Berger SA – Mr. F. Signor
LBSA Project Manager's Representative - Mr. S. Dotchev
TRACECA – Mr. B. Rössig

TO: MZ AUTOBAHN BAU GMBH

Address of the Contractor: 7 D – 53 56 0 Vettelshoss, Germany
Tel: 0 26 45/131 - 972
Fax: 0 26 45/131 - 974
Email: magmbh@rz-online.de

Azerbaijan Highway Project, IDA Credit 3517
Contracts CW 2003 –3 and CW 2003 –4

05 February 2004

Possession of site

In accordance with Clause 21 of Conditions of Contract, we hereby giving you possession of the above mentioned Contracts.

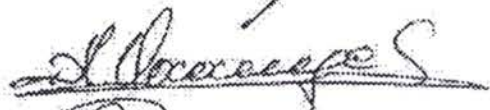
The Bench Marks would be delivered to you by the designer on 16th February 2004.

The start date on the above mentioned Contracts shall be 23 February 2004.

Present: Mr. V. Hacıyev



Mr. A. Godjayev



Mr. R. Degheim



Mr. F. Necefov (MZ AUTOBAHN BAU GMBH representative)



Azərbaycan Respublikası

AZƏRKÖRPÜ

Səhmdar cəmiyyəti



The Azerbaijan Republic

AZERKORPU

Joint-stock company

N 134

11 March 2004 //

To: *Razek Degholm*
Team Leader

Louis Berger S.A.
Uzeyir Gadjiybekov str. 72/4

Copy: *Mr. S. Dötchev*
Project Manager's Representative

Subject: Extension of Period of Performance-Contract Agreement No 30468

Dear Sir,

We refer to your letter PS 277/P123/04/230/RD/fb dated February 18, 2004 requesting detailed particulars to our demand to extend the Period of Performance for 2 months.

We would clarify the following:

The design survey discrepancies for the road section Ganja-Shemkir and the delay by the Ministry of Transport for the approval of the longitudinal redesign have affected to the execution of the approaches roads to the bridge.

In addition, the flowage of Shemkir River has been running many times and this has affected the execution of the foundation to the middle span.

We kindly ask you to grant 2 months extension of period of performance without any financial compensation related to any claims.

Concerning Gasan Su Bridge, we will continue the performance of Civil Works with the actual levels. The road sections on Contract CW/2003-3 would be linked to the approaches roads to Gasan Bridge.

Best regards,
Chairman JSC "Azerkorpu"

E. Ismilyev

ET 4 (LOUIS BERGER) BAKU

FAX NO. :+994 12 932476

Jan. 05 2004 10:34PM P1

Azərbaycan Respublikasının
Nəqliyyat Nazirliyi
"Yol nəqliyyat xidməti" Departamenti



Azerbaijan Republic
Ministry of Transport
"Roadtransservice" Department

№ 629/02 YNS

17. Yanvar 2004

PS 277 RAZEK DEGHEIM

TO: AZERKORPU-AZWIRT CONSORTIUM

Address of the Contractor: Baku 370130, Azadlig Avenue 179
Tel: (+99 412) 62 74 43
Fax: (+99 412) 62 77 14
Email: azerncat@azerin.com



Azerbaijan Highway Project, IDA Credit 3517
Notification of Award and Signing Agreement
Contracts CW 2003-1 and CW 2003-2

LETTER OF ACCEPTANCE

Dear Sir,

In accordance with Clause 33 of Instructions to Bidders, we are pleased to notify you that the "RoadTransService" Department accepts your Bid for the Contracts CW 2003-1 and CW 2003-2 in the adjusted Bid Sum of:

1. In the amount of 28,841,834,600.00 AZM (twenty eight billion eight hundred forty one million eight hundred thirty four thousand six hundred AZM) for Contract CW 2003-1.

The currencies of payment should be carried out in compliance with your bids as follows:

- 50 % Azerbaijan Manat or 14,420,917,300.00 AZM
- 50 % US\$ or 2,935,854.50 US\$ (1 US\$ = 4,912.00 AZM)

2. In the amount of 31,240,429,641.00 (thirty one billion two hundred forty million four hundred twenty nine thousand six hundred forty one AZM) for Contract CW 2003-2.

FR 1 :LOUIS BERGER BAKU

FAX NO. :+994 12 932476

Jan. 05 2004 10:35PM P2

The currencies of payment should be carried out in compliance with your bids as follows:

- 50 % Azerbaijan Manat or 15, 620, 214, 820. 50 AZM
- 50 % US\$ or 3, 180, 011.16 US\$ (1 US\$ = 4,912.00 AZM).

The agreement incorporating all agreements between the Employer and Bidder is being sent to you. Within 21 days of receipt, you will sign the Agreement and deliver to the Employer together with the Performance Security in the amount of ten (10) percent of Contract Price, denominated in the type and proportion of currencies as mentioned above.

Yours Faithfully,
J.G.Gurbanov
Director of "RoadTransService" Department



Azərbaycan Respublikasının
Nəqliyyat Nazirliyi
"Yolnəqliyyat xidməti" Departamenti



Azerbaijan Republic
Ministry of Transport
"Roadtransservice" Department

No. 628/02 yps

27. Decabr 2003-cü il

TO: MZ AUTOBAHN BAU GMBH

Address of the Contractor: 7 D - 53560 Vettelshoss, Germany
Tel: 0 26 45/131 - 972
Fax: 0 26 45/131 - 974
Email: magmbh@rz-online.de

Subject: Azerbaijan Highway Project, IDA Credit 3517 - Notification of Award and
Signing Agreement
Contracts CW 2003-3 and CW 2003-4

LETTER OF ACCEPTANCE

Dear Sir,

In accordance with Clause 33 of Instructions to Bidders, we are pleased to notify you that the "RoadTransService" Department accepts your Bid for the Contracts CW 2003-3 and CW 2003-4 in the adjusted Bid Sum of:

1. In the amount of 23, 273, 630, 323.14 AZM (twenty three billion two hundred seventy three million six hundred thirty thousand three hundred twenty three and fourteen AZM) for Contract CW 2003-3,

The currencies of payment should be carried out in compliance with your bids as follows:

- 60 % Azerbaijan Manat or 13, 964, 178, 198. 88 AZM
- 40 % US\$ or 1, 895, 246.77 US\$ (1 US\$ = 4,912.00 AZM)

2. In the amount of 22, 663, 754, 084. 01 (twenty two billion six hundred sixty three million seven hundred fifty four thousand eighty four and one AZM) for Contract CW 2003-4.

S BERGER BAKU

FRAC NO. : +994 12 932476

Jan. 05 2004 10:35PM P4

The currencies of payment should be carried out in compliance with your bids as follows:

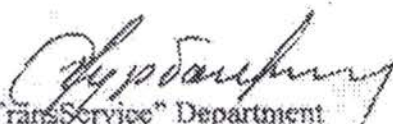
- 60 % Azerbaijan Manat or 13, 598, 252, 450. 41 AZM
- 40 % US\$ or 1, 845, 582. 58 US\$ (1 US\$ = 4,912.00 AZM).

The agreement incorporating all agreements between the Employer and Bidder is being sent to you. Within 21 days of receipt, you will sign the Agreement and deliver to the Employer together with the Performance Security in the amount of ten (10) percent of Contract Price, denominated in the type and proportion of currencies as mentioned above.

Yours Faithfully,

J.G.Gurbanov

Director of "RoadTransService" Department





This publication has been produced with the assistance of
the European Union.
The contents of this publication is the sole responsibility of
Louis Berger SA and can in no way be taken to reflect the
views of the European Union.

