



Tacis Regional 2000 Traceca Programme

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

General Progress Report No 3

Third Progress Report (January – June 2004)
(PRP / No 3 / 2004 / G)

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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 SAS
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 July 05, 2004
Reporting Period January-June, 2004 (General Progress Report No3)
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>

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1.0 PROJECT SYNOPSIS

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

<p>Wider Project Objectives</p>	<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.
<p>Specific Project Objectives</p>	<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 SNiP 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) have been reviewed. Report on review of Tender Documents has been produced in 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. Serious problems with the original design survey data were found. Kocks Consultant's Managing Director and Transportation Engineer has visited the site in August 26, 2003 and 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 and agreed jointly by Consultant and Contractor and approved by the Client.

Civil Works for Shemkir to Gazakh road sections 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). Again serious problems with the original design survey data have been found. Meeting was held in "RoadTransService Department" on 26 April 2004 to solve this issue (Minutes of the meeting is enclosed in **Annex 1** to this Report).

Kocks Senior Highway Engineer has visited the site on 31 May 2004. Consultant has point out problems on survey data and produced the Minutes of Meeting (please refer to **Annex 2** of this Report).

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.

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 May 31, 2004.

The revised Contractor's Works Program has been submitted on 14 April 2004. The Contractor has also submitted Revised Performance Bank Guarantee.

Status of the sub-component: works completed.

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

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

Status of the component: Works completed.

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, cost Estimate and Environmental Impact Assessment Report were produced on 26 February 2004 and Final Report on 18 April 2004. Status of the component: Works completed.

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

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

Works completed (please refer to **Sub Section 2.1** of this Report).

Sub-component 1.2 Construction Supervision of Ganja to Gazakh Road

Civil Works Contract for Ganja-Shemkir road section is behind the schedule and Completion Date most likely will be affected by Design (survey) discrepancies. Despite of delays, Completion Date for Civil Works is established by 21 October 2004.

Original Completion Date for Shemkir to Gazakh road sections (4 contracts) is by 23 August 2005. Delay is expected due to Design (survey) discrepancies. Consultant CAD Engineer (short term) has arrived to site to help the Contractors for producing the redesign. Completion of Civil Works for Shemkir to Gazakh Road is obviously going to be beyond Consultant project completion date. Impacts on delay are detailed in **section 5** of this Report.

Consultant will continue works supervision task as required by the Terms of Reference.

Sub-component 1.3 Assistance to the PIU

Consultants have 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 Consultants during reporting period is detailed in **Section 4** of this Report.

Consultants will continue assistance as required by the ToR until the Project Completion Date including follow up of the revised Tender Documents for the Reconstruction of GaziMammed to Kyurdamir road; Civil Works financed by EBRD.

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

Civil Works are completed. *Consultants will continue administrative matters as required by the Civil Works Contract.*

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 on 15th August and 15th October 2003. Draft Final Report on 18 February 2004 and the Final Report on 18 April 2004.

Status of the component: Works completed.

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 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, cost Estimate and Environmental Impact Assessment Report were produced on 26 February 2004 and Final Report on 18 April 2004.

Status of the component: Works completed.

4. PROJECT PROGRESS IN REPORTING PERIOD

The Project Team Leader has performed project management mission to Georgia and Armenia in February 19 - March 2 and April 18 - 22, 2004. He has attended important meetings at the MoT, NCU and SRD. This helped to finalize the Draft and Final Reports on Components 2 and 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 on the extension of Consultant Services Contract till end of 2006 as the WB/Government intend to launch Tovuz bypass (new project) The Civil Works allocation would be performed from the available saving on WB projects, Azerbaijan. Consultant extension budget has been submitted to the WB on 22 March 2004.

Mr. G.Tharakan and Mr. F. Mammedov (WB mission) visited Baku on 18 May 2004 to discuss progress on the recent WB contracts (CW 2003/1 to 4) and Tovuz bypass.

The Team Leader has carried out project management mission to Ganja - Gazakh on 6, 11, and 19 February; 3 and 26 March; 4-5 and 20-21 May 2004. During the mission project's progress for Ganja-Shemkir and the 2 bridges Contract has been reviewed. Mission has helped to evaluate supervision tasks and helped to keep pressure on the 2 Bridges Contractor in order to press on completion of the Contract within the Revised Completion Date.

Meeting with Mr. Brian Tennant and Mrs. Sarah Spink TRACECA Co-ordination Unit was held on 26 April 2004. They have performed on 4-5 May 2004 a site visit accompanied with the TL. This helped to discussing project progress as well as the most recent matters on bridges Contract.

The Team Leader has attended meetings with the project Monitor Mr. Gotsiridze on January 27, March 19 and 22 and 27 April 2004 in Tbilisi TACIS Monitoring Office and Consultant Office, Baku. Important issues were discussed to improve progress reviews.

The EBRD mission has visited Baku on January 27 and March 19, 2004 to evaluate progress on the revised Tender Documents for the reconstruction of the GaziMammed to Kyurdamir road. Revised Pre-Qualification Document has been approved by EBRD in March 2004. Revised Tender Documents (Volume I and Volume II) has been submitted to PIU on 18 May 2004.

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 are ongoing. However, Design (survey) discrepancies have been found and appropriate measures were being taken as described above. Design discrepancies have affected the Civil Works Completion Date. The project data is briefly presented in the **Table 4.1 Civil Works Progress Data**.

The Team Leader has performed site-training program on Construction Supervision and Quality Control on 11 February 2004 at Consultant site office. He has submitted to PIU hard copy of the training session, which was focused on:

- Introduction on ISO series;
- Explanation on sampling and materials testing;
- Inspection;

- Quality planning;
- Environmental protection.

(Please refer to **Annex 7** of this Report for more details).

Table 4.1 Civil Works Progress Data

Works Contract:(CW 2002-1)	
Works Tender Opened	14 th May 2002
Contract Awarded Article 33.2	30 th December 2002 by IDA
Letter of Acceptance Issued 33.1	24 th March 2003
Contract Agreement Signed Article 33.3	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 Programme received	18 th April 2003
Last revision of Works programme	8 th May 2004
Value of Works to date as per IPCs	13,801,253,178.00 AZM
Value of Works to date	14,288,750,244.80 AZM
Value of Works to date (%)	48
Variations	Extension 3 months with no additional cost
Advance Payment Received	5,980,680,936.00 AZM
Repayments made	1,932,092,890.00 AZM
Delays (with no additional cost)	3 months
Claims	Nil to Date
Time elapsed to date	435 days
Time remaining to date	115 days
Delays expected	One month

Contracts CW 2003 -1 to CW 2003 - 4 Rehabilitation and upgrading of Shemkir – Gazakh Road sections

The Civil Works Contracts have been awarded to the following Contractors:

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

As sated in **section 2** of this Report, serious problems were found in the original design survey data, delay on Civil Works Contract is expected.

The project data is enclosed in the **Annex 9** of this Report.

Progress on Sub-component 1.3 Assistance to the PIU

Assistance to PIU during reporting period was focused on:

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 negotiated with the Government of Azerbaijan.

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 preparing the revised Pre-Qualification Document for the Reconstruction of GaziMammed to Kyurdamir road section (85 km). Revised Pre-qualification Document has been submitted to PIU on 22 March 2004. PIU has started Pre-Qualification Evaluation process.

The Consultant has also assisted PIU in preparing the Revised Tender Documents (Volume I and Volume II) for the above Road Project. Documents have been set up in accordance with the Procurement of Works issued by the European Bank for Reconstruction and Development (EBRD). Revised Tender Documents have been submitted to PIU on 18 May 2004.

Volume I consists of:

Invitations fro Tenders; Instructions to Tenderers; Tender Data; Tender Form and Attachments to the Tender and Tender security Form.

Volume II consists of:

Standard Form of Agreement; Part I, General Conditions of Contract; Part II, Conditions of Particular Application and Securities Forms.

Volume III except Specification would be revised and submitted by Kocks as settled on between EBRD and Kocks.

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 commenced 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.

1.3.5 Day-to-day assistance

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 14 April 2004 to Consultant. The Contractor has also submitted Revised Performance Bank Guarantee in accordance with the Terms of Contract.

Civil Works are completed. Certificate of Provisional Acceptance has been issued. Taking Over performed (please refer to **Annex 10** of this Report, Minutes of Taking Over Meeting).

Addenda to the Contract: No 30468 (Civil Works, 2 bridges Contract)

The following Contract Addenda were issued during the progress of the Civil Works:

Addendum No 1: "EC Approval of the extension of Construction Performance Date"

(The Contracting Authority issued this Addendum approving an extension of the Performance Date till 30/03/04).

Addendum No 2: "EC Approval of the extension of Construction Performance Date"

(The Contracting Authority issued this Addendum approving an extension of the Performance Date till 31/05/04).

No additional cost requested by the Contractor on the above extensions of Performance Date.

(Please refer to **Annexes 3 and 8** of this Report, Addenda to the Contract and important correspondences).

The project data is presented in the **Table 4.2 Project Data** below:

Table 4.2 Project Data

Works Contract EUROPEAID/112944/CW/AZ	
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	31 st May 2004
Works Programme revised	14 th April 2004
Works complete to date	100 %
Value of Works to date	€1,518,929.22
Value IPCs issued to date	€1,098,602.82
Variations	Revised design at Contractors cost
Advance Payment Received	€142,401.78
Repayments made	€151,998.72
Delays	150 days
Claims	Extension of Performance Date by May 31, 2004 with no additional cost
Time elapsed to date	447 days
Time remaining	0 days

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 15th August and 15th October 2003. Draft Final Report on 18 February 2004 and the Final Report on 18 April 2004. Status of the component: Works completed.

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 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, cost Estimate and Environmental Impact Assessment Report were produced on 26 February 2004 and Final Report on 18 April 2004.

Status of the component: Works completed.

Project progress and resources in reporting period for components 1, 2 and 3 are presented in the **Forms 2.2, 2.3.1 and 2.3.2** respectively.

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.

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

Specific actions from the local partners, Regional TRACECA Coordinating unit and EC are being provided to overcome of problems arisen 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 needs to be approved by the EC.

Extension of Consultant Services Contract has to be decided.

Component 2: Georgia

Works completed.

Component 3: Armenia

Works completed.



5. PROJECT PLANNING FOR THE NEXT REPORTING PERIOD

Next reporting period is July – September 2004 (the Quarterly Progress Report No 3). This section of the report is presenting LBSA's plans for the next reporting period.

5.1 Project Planning for the 3 Components

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 and Tender Documents for Shemkir-Gazakh Road section have been reviewed. Works completed.

Designs reviews of two bridges Contract (Gasau Su and Shemkir) are completed.

Sub-component 1.2 Construction Supervision of Ganja to Gazakh Road

Civil Works Contract for Ganja-Shemkir Road Section is behind the schedule and Completion Date most likely will be affected by Design (survey) discrepancies have been found. Despite of delays, Civil Works expected to be completed by 21 October 2004.

No additional financial implication would occur on the Extension of Time for this lot (please refer to Contractor letter enclosed in **Annex 8**, important correspondences).

Original Completion Date for Shemkir to Gazakh road sections (4 contracts) is by 23 August 2005 and delay is expected due to Design (survey) discrepancies.

Completion of Civil Works for Shemkir to Gazakh is obviously going to be beyond the Project Completion Date.

LBSA has revised the original proposal concerning local Staff for component **1.2** (Construction Supervision of Ganja - Gazakh Road) and assessed the impact of delay of the 4 ICB Contracts (Shemkir - Gazakh) on required staff resources. Consultant has submitted to the Contracting Authority 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 detailing impact on Consultant Extension Budget till end of 2006 (please refer to **Section 4** of this Report).

For the next reporting period, Consultant is planning to follow the *Civil Works supervision until the Original Completion Date (defined as by 15 January 2005)*.

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.

Consultant intends to help PIU in development of the EU financed project as well, as part of the TOR requirements.

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 Gasau Su Chay and Shemkir"

The revised Contractor's Works Program has been submitted on 14 April 2004. The Contractor has also submitted Revised Performance Bank Guarantees.

Consultants will continue to supervise TACIS project including administration topics as per Civil Works Contract 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

Works completed; Outputs delivered.

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

Works completed; Outputs delivered.

5.2 Proposals for adjustment of overall planning and their consequences.

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 have been submitted to the EC and additional scenario to the World Bank (please refer to **section 5.1 Sub-component 1.2**, Construction Supervision of Ganja to Gazakh road sections).

Working days realized in 2003 and 2004¹ and financial topics on the Original Consultant Contract are shown in **Tables 5.4, 5.5** and **5.6** respectively.

The **Table 5.6** exemplifies the working days billed in the first six –month (period 1, January-June 2003), the second six-month (period 2, July-December 2003) and the third six-month (period 3, January – June 2004) on Local staff for each Component. Local staff long and short-term experts have been classified into senior and junior.

Available Working days till end of the Consultant Contract Completion Date are shown in **Tables 5.5** and **5.7.2** for local and international experts respectively.

Consultant has adjusted inputs all through project progress and achievement in order to keep Consultant Contract Value consistent.

Working days performed by international experts in 2003 and 2004 are shown in **Tables 5.7.1** and **5.7.2** of this Report.

(Please, refer to **Annex 4** of this Report).

Financial implication for Components 2 and 3 Georgia and Armenia has been reported in the Final Report dated 18 April 2004. However, Consultant has assessed and planned staff working days for the 3 Components till the Original Contract Completion Date (January 15, 2005) without any financial implication to Consultant Contract.

EC approval of Consultant’s Team employed in this project and for the 3 Components is enclosed in **Annex 5** to this Report.

Reports produced on this project including this Progress Report are detailed in **Annex 6** 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 to the above reports, Consultants have produced the following reports:

- Report for the EC Task Manager dated October 15, 2003 during EC’s delegation site visit;
- Report for the WB dated November 5, 2003 during WB’s delegation site visit;
- Report for the WB dated March 9, 2004 during WB’s delegation site visit;
- Report delivered to the participants of the meeting held in “RoadTransService” Department on 26 April 2004 detailing the actual situation on road sections from Shemkir to Gazakh (CW 2003/1 to 4).

Important Correspondences during reporting period are enclosed in **Annex 8** to this Report.

¹ End of June 2004.



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