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# MUNICIPAL INFRASTRUCTURE AND IDP HOUSING REHABILITATION PROJECT

Quarterly Report Year 3: 1st Quarter (October - December 2012)

**CONTRACT: AID-EDH-I-00-08-00027-00, TASK ORDER: AID-114-TO-11-00002**

10 January 2013

This document was produced for review by the United States Agency for International Development. It was prepared by Tetra Tech for the Municipal Infrastructure and IDP Housing Rehabilitation Project, Task Order number AID-114-TO-11-00002 under the USAID Architectural and Engineering (A&E IQC).



# MUNICIPAL INFRASTRUCTURE AND IDP HOUSING REHABILITATION PROJECT

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Quarterly Report Year 3: 1<sup>st</sup> Quarter (October-December 2012)

CONTRACT: AID-EDH-I-00-08-00027-00, TASK ORDER:  
AID-I14-TO-I1-00002

10 January 2013

The following document was prepared by Tetra Tech (<http://www.tetrattech.com>).

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January 10, 2013

Mr. Bradley Carr  
Water Irrigation and Infrastructure Advisor  
Office of Economic Growth  
United States Agency for International Development  
11 George Balanchine Street  
Tbilisi, 0131, Georgia

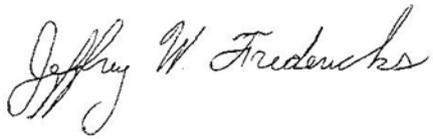
Re: Quarterly Report Year 3: 1<sup>st</sup> Quarter (October - December 2012) for the Municipal Infrastructure and IDP Housing Rehabilitation Project

Dear Mr. Carr:

This report is being submitted to you in accordance with the requirements of task order no. AID-114-TO-11-00002 of contract AID-EDH-I-00-08-00027-00. It provides Tetra Tech's Quarterly Report Year 3: 1<sup>st</sup> Quarter (October - December 2012) for the Municipal Infrastructure and IDP Housing Rehabilitation Project.

We look forward to your review and welcome your comments and suggestions.

Very truly yours,



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## ACRONYMS

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BEO	USAID Bureau Environmental Officer
BOQ	Bill of Quantities
BSG	Black Sea Group LTD
CM	Construction Management
COR	USAID Task Order Cognizant Technical Officer
DB	Design-Build
DCC	Document Control Center
Dm	Station distance along canal
DQC	Design Quality Control
EA	Environmental Assessment
EHS	Environmental, Health & Safety
EOI	Expression of Interest
ERW	Explosive Remnants of War
ESS	Environmental Scoping Statement
FBO	Federal Business Opportunities
GEL	Georgian Lari
GMIP	Municipal Infrastructure and IDP Housing Rehabilitation Project (the project)
GoG	Government of Georgia
GUWC	Georgian United Water Company
Ha	Hectare
HO	Home Office
IDP	Internally Displaced Persons
IFB	Invitation for Bids
IL	Implementing Letter
JSC	Joint Stock Company
JV	Joint Venture
KM	Kilometer
LOE	Level of Effort
LTTA	Long Term Technical Assistance
M	Meter
M80	Mshenebeli 80 Ltd (Contractor)
MDF	Municipal Development Fund
MOA	Ministry of Agriculture
MRA	Ministry of Refugee Affairs
MRDI	Ministry of Regional Development and Infrastructure
NEO	New Economic Opportunities (USAID Project)
O&M	Operation & Maintenance
PEA	Programmatic Environmental Assessment
QA/QC	Quality Assurance/Quality Control
QBS	Quality Based Selection
RCO	USAID Regional Contract Officer
RFP	Request for Proposal
RFQ	Request for Quotation
SSEMP	Site Specific Environmental Mitigation and Monitoring Plans
STTA	Short Term Technical Assistance
TOR	Terms of Reference
Tt	Tetra Tech Inc.
USAID	United States Agency for International Development
USD	United States Dollar
WWT	Wastewater Treatment

## **I. EXECUTIVE SUMMARY**

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### **I.1 Authorization**

Under the United States Agency for International Development (USAID)/Caucasus Municipal Infrastructure and IDP Housing Rehabilitation Project (GMIP) Contract No. AID-EDH-I-00-08-00027-00 Order No: AID-114-TO-11-00002, Tetra Tech (Tt) is responsible for providing support to monitor current processes and practices, identify and mitigate areas of risk, and carry out oversight and quality control efforts to ensure that selected municipal and internally displaced persons (IDP) infrastructure projects are implemented effectively and in accordance with U.S. and Georgian standards and regulations.

The period of performance for the contract is 30 months from 23 May 2011 to 22 November 2013.

### **I.2 Purpose of Report**

The purpose of this report is to summarize progress of the major activities during Year 3 Quarter 1 (October - December 2012), indicating any problems encountered and steps taken to resolve them or proposing remedial actions as appropriate. The report identifies any problems, delays, or adverse conditions that materially impair Tetra Tech's ability to meet the requirements of the contract.

### **I.3 Components**

The project includes three major components and two subcomponents:

1. Component 1: Municipal Infrastructure
2. Component 2: Rehabilitation of Irrigation Infrastructure
3. Component 3: IDP Durable Housing
  - a. Subcomponent 1: Provide Water And Sanitation Upgrades for IDP Cottage Housing For IDPs from the August 2008 Conflict
  - b. Subcomponent 2: Provide Durable Housing Solutions for IDPs from 1990s Conflict

### **I.4 Summary**

GMIP has completed 19 months of the 30 month contract (63%) and expended U.S. dollars (USD) \$2,849,324 (estimate) or 60% of the total USD \$4.77 million budget.

Municipal Development Fund (MDF) has disbursed a total of USD \$5,848,420 or 11.2% of the total MDF budget of \$52,399,097; USD \$4,759,810 for implementing letter (IL) one (1) and USD \$1,088,610 for IL two (2).

At the recommendation of the USAID Task Order Cognizant Technical Officer (COR), a letter was sent on 8 November 2012 to USAID informing that Tt would exhaust funds under this task order in June 2013 based on its current burn rate with the addition of another expatriate. USAID Regional Contract Officer (RCO) responded recommending modification of the award to reflect this new end date as part of the expatriate approval process. Tt submitted a proposed expatriate candidate along with a summary budget demonstrating the expected expenditure of funds at an accelerated burn rate through on/about June 2013 on 30 November 2012. A modification to the Tt task order is expected in January 2013.

During the reporting period (October – December 2012) Tt concentrated on assisting MDF and USAID in:

## **General Activities**

- Review and approval of all MDF advances and liquidation of these advances for #17, #18, and #19.
- Maintained Document Control Center (DCC).
- Daily communications and attendance at regular twice-weekly meetings with USAID and MDF.
- Participation at monthly meetings with all contractors.
- Regular visits to all construction sites.
- Accompanying the USAID COR and USAID Engineering Specialists on their field visits.

## **Municipal Infrastructure subprojects:**

- Engineering oversight and monitoring of the two road Design-Build (DB) contracts for the six (6) road subprojects. Both subprojects are 90% complete. Both contractors have demobilized for the winter period. The contractor for Roads Lots 1 & 3 (Black Sea Group LTD) has requested an extension until 31 May 2013.
- Opening and review of the bid documents for the design of Dusheti Flood Protection subproject and Gori Water Supply DB subproject (both cancelled). Preparation of bid documents for the Oni Water supply project.
- Submittal of an environmental scoping statement (ESS) to USAID for Oni Water Supply project. The ESS responded to USAID Bureau Environmental Officer's (BEO) comments.
- Submittal of the environmental assessment (EA) to USAID for Oni Water Supply project.

## **Irrigation subprojects**

- Oversight, review, and monitoring of design and construction works for the DB Irrigation contract. Works are 20% complete. Contractor is behind schedule. Safety issues have developed because of the discovery of unexploded ordinance and have affected the progress of the work.

## **Cottage Housing Upgrades For IDPs**

- Review and issue of bid documents for Improvement of Potable Water Supply in nine (9) IDP Cottage Settlements. Sole bidder did not meet minimum qualifying requirements and bid was reissued.
- Preparation of terms of reference (TOR) for bid document for Improvement of Drainage (six communities), internal water supply hook-ups (10 communities), and sanitary upgrades (nine communities).

## **Durable Housing Solutions for IDPs**

- Evaluation of bid proposals for the design of the unoccupied eight (8) hospitals (973 apartment units) and 28 occupied collective center buildings (813 apartment units). After unsuccessful separate negotiations with the two international bidders, a Request for Quotation (RFQ) was issued to six local firms. All submitted proposals. The proposals are under evaluation.
- Oversight, review, and monitoring of design and construction works for the DB contract for the rehabilitation of 10 unoccupied IDP buildings (apartment 340 units). Works are 20% complete. Contractor is behind schedule and has requested a four month extension until 30 September 2013.

## **Special Events**

- Mission Director visited project sites in Kutaisi, Tskaltubo and Vani (11 October), Pushkin St & Goriyvari Road (13 November), and Tiriponi Irrigation Project (5 December).

**Reports/Deliverables:**

- Weekly reports
- Regional Office reports
- Site Visit Reports
- Tt Annual Report (Oct 2011 - Sep 2012)
- Revised Tt Annual Work Plan (FY 2012/13)
- Review of the invitation for bid (IFB) for the Cottage Water Supply Tender
- Technical Evaluation Reports for eight (8) Hospitals, 28 Collective Centers, Dusheti Gorge Flood Protection Project, Gori Water Supply project, and Improvement of Potable Water Supply in nine (9) IDP Cottage Settlements
- Preparation of a draft TOR for solicitation for consulting services of a design firm for preparation of Detailed Engineering Design and providing Design Inspection Services for Cottage Settlement Drainage, Internal Water Supply, and Sanitary Improvements
- Design reviews for roads, irrigation, and IDP Housing 10 building rehabilitation projects
- Revised ESS for Oni Water Supply project
- EA for Oni Water Supply project

## 2. PROGRESS OF MAJOR ACTIVITIES/DELIVERABLES

### 2.1 Component I Municipal Infrastructure

#### 2.1.1 Project Selection

Component I focuses on rehabilitating infrastructure projects in municipalities impacted by the 2008 conflict with Russia. Consistent with the Congressional Notification of 1207 approximately USD \$9.4 million is allocated on activities directly related to infrastructure rehabilitation. In agreement with the Ministry of Regional Development and Infrastructure (MRDI) five municipalities were pre-selected for assistance: 1) Dusheti; 2) Mtskheta; 3) Gori; 4) Kareli; and 5) Oni. The rehabilitated infrastructure is expected to impact at least 60% of the municipal population and contribute to economic growth in these locations.

There were originally nine subprojects identified for implementation. All subprojects were reviewed by Tt. Based on the review, technical feasibility, and budget limitations seven sub-projects remain on the implementation list, six (6) road projects (two contracts) and one water supply project.

#### 2.1.2 Procurement

The procurement phase is on-going. One project remains to be tendered, the rehabilitation of water supply in Oni.

The status of the various Municipal Infrastructure procurements is presented below.

#	Description	Type	Project Costs (USD)	Status
1	Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, and Municipal Road Sagolasheni – Dvani. ICB No: USAID/CW/ICB/03-2012	DB	\$7,190,014	Contract Date: 24 Aug 12 to 21 Jan 13; on-going
2	Rehabilitation of Internal Roads in Town Oni IFB No: USAID/W/ICB/03-L2/1-2012	DB	\$1,052,463	Contract Date: 11 Sep 12 to 8 Feb 13; on-going
3	Rehabilitation works for installation of water metering and regulations valves of 122 Housing in Town Gori, "Kombinati Residence" ICB No: USAID/CW/ICB/04-2012	DB	-	IFB issued 17 Sep 12; Bids opening 22 Oct 12; Procurement cancelled (Nov 6)
4	Improvement of Headworks of Town Oni Water Supplying System ICB No: USAID/CW/ICB/06-2012	Construction	\$516,179	Under preparation; estimated contract date: Mar – Aug 2013
5	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection in Dusheti Town RFP No: USAID/C/QBS/03	Consulting Services Design	-	IFB/RFP reissued 26 Jul 12 Bid opening: 29 Aug 12; Procurement cancelled (9 Oct 12)
	<b>Total</b>		<b>\$8,758,656</b>	

#### I. Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, Oni, and Municipal Road Sagolasheni – Dvani; ICB No: USAID/CW/ICB/03-2012

The contract with Black Sea Group LTD (BSG) for Lots 1 & 3 after clearance by USAID was signed on 24 August 2012. It is a DB contract. The original contract cost was USD \$6,291,679. The contract was amended. The latest amended contract cost is USD \$7,190,014. The original completion date was 21 January 2013. BSG has requested an extension of time until 30 May 2013.

**2. Rehabilitation of Internal Roads in Town Oni; IFB No: USAID/W/ICB/03-L2/1-2012**

The contract with Arnabi 21 Ltd was signed on 11 September 2012. It is a DB contract. The original contract cost was USD \$894,671. The latest amended contract cost is USD \$1,052,463. The completion date is 08 February 2013.

**3. Rehabilitation works for installation of water metering and regulation valves of 122 Housing in Town Gori, "Kombinati Residence"; ICB No: USAID/CW/ICB/04-2012**

The work was to be carried out as a DB contract. Bid opening was 22 October 2012. The bid cost was USD \$1,064,685. Due to program budget limitations under the MDF Municipal Infrastructure IL portfolio, USAID agreed to cancel the procurement on 6 November 2012.

**4. Improvement of Headworks of Town Oni Water Supplying System; ICB No: USAID/CW/ICB/06-2012**

The designs were prepared by Georgian United Water Company (GUWC) under Government of Georgia (GoG) financing. The works are to be carried out as a construction contract. Draft bidding documents are under preparation.

**5. Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection in Dusheti Town; RFP No: USAID/C/QBS/03**

Proposals were submitted on 29 August 2012. Only one proposal was submitted by Designing Consulting Company BT Ltd (Georgia). MDF issued the technical evaluation report on 24 September 2012. Designing Consulting Company BT Ltd was found technically responsive. The financial proposal was opened on 8 October 2012. The design bid cost was USD \$159,235. Due to program budget limitations USAID agreed that funding the design without funding construction which was estimated at USD \$1,522,956 was not justified. The procurement was canceled on 9 October 2012.

### **2.1.3 Environmental**

In September 2011 USAID BEO confirmed that an EA must be prepared for all municipal projects. To carry out the work Tt mobilized expatriate short term technical assistance (STTA), Jim Gallup and Karen Menczer, supported by Mamuka Gvilava, local STTA.

The ESS for Oni Water Supply was submitted to USAID on 31 August 2012. Revised ESS with response to BEO comments was submitted on 5 October 2012. The EA was submitted to USAID on 19 December 2012.

The ESS for the Rehabilitation of Dusheti Flood and Gori 26 May River Bank Protection projects was approved by USAID on 6 July 2012. However with the decision by USAID to cancel the sub-project no further work was carried out on the EA.

### **2.1.4 Design/Construction management**

Six road subprojects are currently being implemented under two DB contracts. 'Merab Chi adze was assigned as the MDF Project Manager. Akaka Shubitidze was assigned as the Tt Roads Contract Manager. Givi Varduashvili (Tt Senior Civil Engineer), Vasil Apkhazava (Tt Quality Assurance/Quality Control Engineer), and Mamuka Shaorshadze (Tt Environmental, Health & Safety Specialist) are assisting on these contracts. Tt is providing engineering oversight and monitoring through review of

designs, review of statement of accomplished works, regular site visits, Environmental, Health & Safety (EHS) compliance, Quality Assurance/Quality Control (QA/QC) inspections and testing, review of all submittals and other technical assistance as required.

**I. Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, and Municipal Road Sagolasheni – Dvani (ICB No: USAID/CW/ICB/03-2012) with Black Sea Group LTD**

The contract is a five month contract that began in August 2012 and was expected to be completed in January 2013. Due to i) weather limitations; ii) archaeological discovery at Sagolasheni; and iii) Hydro seeding requirement for Gorijvari, BSG has requested an extension of time until 30 May 2013. Construction works were stopped because of weather on 15 December 2012. A letter was received from BSG notifying MDF that they are beginning demobilization for the winter period on 20 December.

Monthly meetings were held at MDF on 25 October and 6 December. MDF environmental training for road supervisors was held on 5 November. Amendment #1 to contract was approved on 19 December. A briefing was held on 21 December by BSG on the archeology find at Sagolasheni.

Status for each of the roads as of 31 December follows:

**Gorijvari Road (1,476 m)**

Electronic version of 95% design was received on 16 October. Construction permit was issued on 16 October. Revised design after comments was received on 29 October. Full permission for construction was given on 14 November. All works have been completed except for hydro-seeding, installation of rock fall catch fences, sealing of concrete pavement, and installation of road signs and road markings.

**Mtskheta (11 streets)**

MDF meet met with the municipality on 26 October prioritizing streets due to budget limitations. It was decided that the number of streets would be reduced to 11 from 32.

#	Street Name	Length (m)
1	Saakadze	1,035 m
2	Kartli	160 m
3	Kartli dead alley	295 m
4	Saguramo	330 m
5	Guramishvili	470 m
6	Gvinjilia	252 m
7	Gorgasali	770 m
8	Shroma	246 m
9	Narikvavi	672 m
10	Mtkvari	210 m
11	Bagineti	156 m
	<b>Total</b>	<b>4,596 m</b>

Electronic version of 95% design was received on 23 October. Construction permit was issued for 11 streets on 26 October. Saakadze Street drainage is under review at the request of USAID. Progress as of 31 December 2012 on the 11 streets:

- Site clearance 100%
- Leveling layer with sand-gravel 100%
- Arranging of the base crushed rock (0-40) 100%

- Arranging of asphalt binder course 100% - 8 Streets (Narekvavi-Gartikari, Kartli dead end, Gvinjilia, Shroma, Guramishvili, Saakadze, Saguramo, Gorgasali streets)
- Arranging of asphalt wearing course 100% - 8 streets (Narekvavi-Gartikari, Kartli dead end, Gvinjilia, Shroma, Guramishvili, Saakadze, Saguramo, Gorgasali streets)
- Arranging of cobbling 100% (Kartli street)
- Arranging of cobbling 60% (Mtkvari street)
- Arranging of cobbling 0% (Bagineti street)
- Arranging of asphalt on sidewalks 85%
- Lifting of existing manholes 90%

### **Pushkin Street (916 m)**

Electronic version of 95% design was received on 11 October. Full permission for construction was given on 11 October. All works have been completed except for road markings.

### **Dusheti (7 streets)**

Due to budget considerations it was decided to reduce the number of streets from eight (8) to seven (7).

No	Street	Length (m)
1	Aragvispireli	220 m
2	Dadiani	322 m
3	Chonkadze	160 m
4	Dadiani Lane	212 m
5	Tamar Mepe	355 m
6	Bachana	285 m
7	Bukhaidze	417 m
<b>Total</b>		<b>1,971 m</b>

Electronic version of 95% design was received on 18 October. Construction permit was issued on 25 October. Contractor was obliged to stop construction works due to local populations' demand to arrange asphalt surface instead of cobble stones. Due to grade issues, concrete not asphalt was approved. Construction permit was granted on 16 November. Progress as of 31 December 2012 on seven (7) streets:

- Milling of existing asphalt 100%
- Leveling layer with mixed sand-gravel 90%
- Arranging of the base (0-40) 90%
- Lifting of existing wells 80%
- Arranging of concrete for box culvert 100% (Shushiashvili street)
- Installing of curbs 100% (Shushiashvili and Bukhaidze streets)
- Arranging of lower layer of asphalt 100% - 2 streets (Shushiashvili and Bukhaidze streets)
- Arranging of lower upper of asphalt 100% - 2 streets (Shushiashvili and Bukhaidze streets)
- Arrangement of concrete for road 100% - 3 streets (Chonkadze, Dadiani and Dadiani dead end streets)
- Arrangement of concrete for road 40% - 2 Streets (Aragvispireli and Tamar Mepe streets)

### **Sagolasheni-Dvani (12.46 km)**

Electronic version of 95% design was received on 23 October. After comments, revised design was received on 29 October. Permission for construction was given for several items on 2 November. Full permission was given on 13 November after approval of the Site Specific Environmental Mitigation and Monitoring Plan (SSEMP). On 8 December at Km location 12 an archeological site

cemetery was uncovered. Work was stopped at this section pending results of the archeologists' report. Progress as of 31 December 2012:

- Milling of existing asphalt 100%
- Cleaning site from tree branches 95%
- Excavation 90%
- Installing of pipe culverts 75%
- Arranging crushed 0-40 material 75%
- Prepare of concrete foundation for box culvert 100%
- Inlet – Outlets for pipe culverts 75%
- Concrete for box culvert 100%
- Arranging of Macadam 55%
- Arranging of asphalt 55%
- Arranging of shoulders 40%

## **2. Rehabilitation of Internal Roads in Town Oni (IFB No: USAID/W/ICB/03-L2/I-2012)**

The contract with Arnabi 21 Ltd is a five month contract that began in September 2012 and is expected to be completed in February 2013. The contractor did not request advanced payment. Six (6) streets are being rehabilitated.

No	Name	Length (m)
1	Rustaveli	218 m
2	Saakadze	710 m
3	Tsereteli	480 m
4	Demetre II	280 m
5	Qapianidze (Stalini)	650 m
6	Tsereteli (additional)	215 m
	Total	2,553 m

Revised designs and SSEMP were approved 5 October. Permission for construction was given on 11 October 2012. On 11 December the contractor submitted bill of quantities (BOQs) and calculations for additional works (junctions, curbstones, asphalt sidewalk dimensions, bicycle parking) and it is under review. As of 31 December 2012 on five (5) streets all works have been completed except for:

- Concrete works for channels 15%
- Sidewalks 0%
- Yard entrances 0%
- Crashed material for sidewalks 0%
- Installing of road signs 0%
- Road marking 0%

## **2.2 Component 2: Rehabilitation of Irrigation Infrastructure**

### **2.2.1 Project Selection**

The proposed works for irrigation rehabilitation under GMIP was approved by the MDF Supervisory Board on 28 December 2011. The works included complete rehabilitation of Saltvisi Irrigation System main and distributary canals (46.6 km) serving 9,722 ha; and rehabilitation of Tiriponi Irrigation System main canal and secondary canals (72 km) including the Karbi head which works up

to the first crossing of occupied territory serving 8,500 ha. The critical/significant facilities on Tiriponi main canal, after first crossing with occupied territories, may be added to originally suggested rehabilitation works if funding is available.

### **2.2.2 Procurement**

USAID and MDF agreed that a DB contract would be used for the rehabilitation of the irrigation works.

#### **1. Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems (ICB No: USAID/W/ICB/02-2012)**

(M80) was the lowest evaluated responsive qualified bidder. Contract was signed on 31 May. Due to project budget limits, the final price of the contract was set at USD \$8,100,000. The 17 month contract is scheduled for completion on 1 November 2013.

### **2.2.3 Environmental**

The EA for Irrigation Rehabilitation Activities was submitted on 28 December 2011 and approved by BEO on 15 March 2012.

### **2.2.4 Design/Construction Management**

The 17 month contract is with M80. Designs are being prepared by the Saktskalproekti Joint Stock Company (JSC) under a sub-contract. MDF mobilized their Design and Construction Management team that included two MDF staff and three staff from Ministry of Agriculture (MOA) Irrigation Company. Zviad Parkadze was assigned as the MDF Project Manager. Otar Magalashvili was assigned as the Tt Irrigation Contract Manager. Vasil Apkhazava (Tt QA/QC Engineer), Givi Varduashvili (Tt Senior Civil Engineer), and Mamuka Shaorshadze (Tt EHS Specialist) are assisting. Tt is providing engineering oversight and monitoring through review of designs, review of statement of accomplished works, regular site visits, EHS compliance reviews, QA/QC inspections and testing, review of all submittals and other technical assistance as required.

Canal closure on for Tiriponi System was 8 October. Water was not stopped on Saltvisi Gravity Canal until 15 October. This has had an effect on the progress of the work.

Unexploded mines were found in the Saltvisi Primary Canal project area. Work was stopped on Saltvisi Primary Canal due to safety issues on 1 October. Demining site survey was conducted by ERWCC/DELTA on Saltvisi Primary Canal on 8 October and Tiriponi Main Canal on 10 October. During October Halo Trust surveyed the Saltvisi Primary and Tiriponi Main Canal to identify the presence of Explosive Remnants of War (ERW) resulting from the dumping of unexploded ordnance and abandoned ammunition into the canals. Reaches of the canals were categorized as the following:

- Type I: No evidence of ERW within canal; therefore construction can proceed after the construction company staff receives ERW training;
- Type 2: Technical Survey required; to be carried out by Halo Trust;
- Type III: ERW contaminated; contaminated material within the canal and its banks to be excavated and inspected.

Halo Trust Assessment of ERW Contamination Training was provided on 2 November. USAID arranged for Halo Trust to conduct the required Technical Survey and to carry out excavation and inspection of the Type III canals. Halo Trust mobilized for ERW clearance for Tiriponi Main Canal on 7 December. Halo Trust will clear 595 m of Tiriponi Main Canal for Type III ERW clearance. The clearance operation is expected to take 17 weeks (1 Feb 13). Halo Trust is expected to mobilize for clearance of the Saltvisi Primary Canal in January 2013.

Phase II design submittal package was received from MDF on 9 October. The construction permit was issued on 24 October. Tt conducted biweekly site visits and attended regular on-site MDF/Tt/Contractor weekly meetings. Several meetings were also held with Amelioration Company to discuss the project (10 October) and to prioritize works (17 and 21 December). Monthly contractor meetings were held on 30 October and 4 December. The contractor stopped work several times without explanation (17 through 30 November) and during the week of 4 December. There have also been problems with the quality of the concrete being mixes and placed by the contractor. The contractor is behind schedule.

Design progress as of 31 December 2012:

Saltvisi Irrigation System					
#	Description	Length (km)	Topographic Survey	Inventory	Completed Design
1.	G-1	21 km	15	-	-
2.	G-2	9.5 km	9.5	5 km	4.0
3.	Saltvisi Primary canal	4.1	4.1	4.1	4.1
4.	Dzlevijvari canal	6	6 (Needs Resurvey)	-	-
5.	Alternative canal	8.2	8.2	8.2	Railway crossing
6.	Headrace canal	0.92	0.92	0.92	0.92
7.	G-2 Connecting canal	0.9	0.9	0.9	0.9
	<b>Sum</b>	50.62	42.62	19.12	9.92
Tiriponi Irrigation System					
1.	Tiriponi Main Canal	15.6	14.2	Will be done repeatedly after cleaning	-
2.	G -1	3.5	3.5	+	-
3.	G -1-1	1.2	1.2	+	-
4.	G -1-2	0.7	0.7	+	-
5.	G -2	2.6	-	-	-
6.	G -3	11	-	+	-
7.	G -3-1	6.0	6.0	+	-
8.	G -3-1-6	4.5	-	-	-
9.	Karbi Headwork	-	+	+	Electrical part Mechanical part
	<b>Sum</b>	45.1	25.6		

Construction Progress as of 31 December 2012:

- **Saltvisi. Bank protection, lining and road construction for gravity headrace canal from head works.** Seepage from the Saltvisi gravity canal during the irrigation season was an obstacle for completing construction works on the bank protection retaining wall. The work is now completed (122 m). Gabion bed is arranged at the end of the wall. Slopes are being graveled for concreting. Shaping, graveling, and lining the headrace canal (920 m) is ongoing. Work is 15% complete. The canal is fully cut and graveled. The bottom is concreted for 421 m. Reinforcement concrete prefab lining slabs are put on the slopes (153 items). Construction of the access road continues.
- **Saltvisi. Connecting canal from Primary Canal to G-2 and construction road from Dm 0+00 to Dm 8+92.** Contractor has concreted the bed and slopes of the connecting canal (892 m). Contractor started works on bulkhead and formwork at Saltvisi Primary Canal Dm 40+51.8. Work was stopped on 1 October because of security issues. There have been questions on the quality of the concrete. Tests were taken; the results were mixed. No decision has been made on what to do with the sections of bad concrete.
- **Tiriponi. Karbi Headwork.** Contractor has conducted works on overflow section, on the left and right sides of the dam, construction of trash rack pillars at the entrance of water

intake, construction of the fish way, fabrication of sluice gates, and construction of service building.

- **Tiriponi. Cleaning Canals from the Bushes.** In order to conduct topographic surveys, contractor cut 14.3 km of bushes along the following canals: main canal (3 km), G-1 (2.5 km), G-1-1 (0.7 km), G-1-2 (0.6 km), G-2 (2.0 km), G-3-1 (2.0 km), and G-3-1-6 (3.5 km).
- **Tiriponi. Pipe Chute of Distributary G-3 (477 m).** Removal of existing lining. Excavation and graveling of trench. Supply, installation, and welding of pipe (50%). Excavation and pouring of floor slab for outlet stilling well.
- **Tiriponi. Main Canal Cleaning (15 km).** Cleaning of Tiriponi main canal started on 18 December from Dm 74+56. At this stage, 150 m are cleaned.

## 2.3 Component 3: IDP Durable Housing Subcomponent 1: Provide Water and Sanitation Upgrades for IDP Cottage Housing

### 2.3.1 Project Selection

Under the IDP durable housing component for cottage settlements USAID is committed to provide both water and sanitary upgrades to the cottage settlements where feasible and needed. The total USAID budget available for this component is USD \$8,603,449. The current proposal assumes that USAID will fund external water supply improvements for nine communities, improvement of drainage for 10 cottage settlements, internal water supply hook-ups for 10 settlements, and sanitary upgrades for nine settlements.

On-site waste water treatment alternatives will include those listed below:

- Septic tanks with subsurface wastewater infiltration systems
- Package plant biological treatment system (activated sludge, anaerobic filter)
- Dry toilet latrines

#	Location	House holds	Persons	Water Supply	Drainage (external)	Drainage (per cottage)	Waste Water Treatment & Disposal	Inside water connection	Sewage system (network)	Shower & toilet	New bore holes
1	Akhalsopeli	100	350	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Repair
2	Mokhishi	58	220	Yes	No	Yes	Yes	Yes	Yes	Yes	No
3	Skra	86	312	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
4	Karaleti	480	1,644	Yes	Yes	Yes	No	No	Yes(repair)	No	No
5	Berbuki	134	460	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
6	Shavshevi	177	586	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Khurvaleti	139	460	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
8	Teliani	54	164	No	Yes	Yes	Yes	Yes	Yes	Yes	No
9	Metekhi	35	128	Yes	No	Yes	No	No	No	No	No
10	Tsilkani	400	1,093	Yes	Yes	No	Yes	Yes	Yes	Yes	No
11	Frezeti	300	721	No	Yes	Yes	Yes	Yes	Yes	Yes	No
	<b>Total</b>	<b>1,963</b>	<b>6,138</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>9</b>	<b>2</b>

### 2.3.2 Procurement

Separate contracts will be implemented, one for construction for the water supply works and a single set of contracts for design-bid-build for the drainage, household water supply hookups, and the sanitary upgrades. Total costs are estimated at USD \$8,067,836.

Subproject Name	Updated Cost <sup>1</sup> for Approved Projects: Oct 2012 (USD)	Status
Improvement of potable water supply nine (9) villages of IDPs	\$703,828	Construction, Under Procurement; IFB re-announced: 21 Dec; Bid opening: 22

		Jan
Improvement of Drainage (six communities), internal water supply hook-ups (10 communities), sanitary upgrades in nine (9) villages of IDPs	\$6,658,291	Design-Bid-Build Procurement documents for consulting services for design under preparation
<b>Total</b>	<b>\$7,362,119</b>	

Note: <sup>1</sup> Includes design, construction supervision, and construction costs

### **1. Construction Contract for Rehabilitation of Water Supply Systems for Nine (9) IDP Cottage Settlements (Gori, Kareli, Kaspi and Mtskheta Districts); ICB No: USAID/CW/ICB/05-2012**

The water supply improvement designs prepared by HOLINGER International Consultants (Switzerland) are being used for the construction procurement. The construction contract will be for six (6) months. The bid documents were prepared by MDF and reviewed by Tt. The IFB was announced on 19 October and posted on Federal Business Opportunities (FBO). The pre-bid meeting was held at MDF on 9 November. Representative of four (4) companies (three bidders and one potential bidder by that date) attended. Six Companies requested bid documents. The bid opening date was 30 November. There was one bidder Joint Venture of Java Ltd and Erisimedi JSC. The bidder did not meet the minimum qualifying criteria under sub-clause 2.2.2 Pending Litigation.

Rebid was approved by USAID on 17 December. The IFB was posted on FBO on 21 December. Bid opening is scheduled for 22 January 2013.

### **2. Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Improvement of Drainage (Six communities), internal water supply hook-ups (10 communities), sanitary upgrades in Nine (9) villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities)**

A draft TOR was prepared by Tt. The Request for Proposals (RFP) and final TOR are currently under review and finalization by MDF.

#### **2.3.3 Environmental**

The updated Programmatic Environmental Assessment (PEA) to include consideration of water supply and drainage improvements for IDP cottage settlements was approved by BEO on 19 April 2012.

### **2.4 Component 3 IDP Durable Housing Subcomponent 2: Provide Durable Housing Solutions for IDPs**

#### **2.4.1 Project Selection**

Under the IDP durable housing component 10 unoccupied buildings, eight (8) hospitals and 28 collective centers have been selected for rehabilitation. The possibility of constructing new apartment buildings is also being considered per GoG request. The works are being implemented under different types of DB and design-bid-build contracts. Total costs available for this component at this time are USD \$27,013,757.

The status of the buildings selected for rehabilitation is listed below:

<b>Building Type</b>	<b>Buildings</b>	<b>Apartments</b>	<b>Total Cost</b>	<b>Cost/apartment</b>	<b>Total Building Area</b>	<b>Cost/m<sup>2</sup></b>

	#	%	#	%	USD	%	USD	m <sup>2</sup>	USD
Collective centers <sup>1</sup>	28	61	973	46	\$11,853,866	45	\$12,183	49,702	\$238
Unoccupied buildings <sup>2</sup>	10	22	340	16	\$4,965,301	19	\$14,604	18,220	\$273
Empty Hospitals <sup>3</sup>	8	17	813	38	\$9,479,657	36	\$11,660	37,469	\$253
<b>Total</b>	<b>46</b>	<b>100</b>	<b>2,126</b>	<b>100</b>	<b>\$26,298,824</b>	<b>100</b>		<b>105,391</b>	

Note: <sup>1</sup> Feasibility Cost (GEO LTD) without external works; <sup>2</sup> Tender Cost (M80); <sup>3</sup>USD \$230 per m<sup>2</sup> without external works

The selection process for identifying potential buildings to be rehabilitated involved an extensive review and evaluation process. It involved assessment of over 205 buildings and more than 36 hospitals.

Criteria used to select buildings for rehabilitation included structural stability, rehabilitation cost, potential for connection to a central sewage and water supply system, government ownership, potential for IDP employment in the surrounding community and numbers of IDP households requiring durable housing in an area within proximity of the buildings to be rehabilitated.

At the request of USAID, Tt conducted a Concept Study on New Buildings in May 2012. The purpose of the study was to provide USAID and Ministry of Refugee Affairs (MRA) with information on options for construction of new IDP housing. The average cost per building was estimated at \$920,000/building (\$836/m<sup>2</sup>; \$28,758/apartment). The recommended site for the new construction was Kutaisi. On 20 November MRA informed that the site for new buildings in Kutaisi had been sold to a private investor and they were searching for an alternative site.

#### 2.4.2 Procurement

The procurement phase is on-going.

The status of the various IDP housing procurements is presented below.

#	Description	Type	Updated Cost <sup>1</sup> Dec 2012 (USD)	Status
1	Rehabilitation Works for IDP Housing IFB No: USAID/W/ICB/01-2011	DB	\$4,965,301	Contract Date: 25 May 12 to 1 Jun 13; on-going
2a	Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings RFP No: USAID/C/QBS/01	Consulting Services (Design/Design Inspection)	\$177,821	Bids Open 31 Aug 12; Procurement cancelled; Rebid as RFQ on 11 Dec 12; Bid opening on 25 Dec 12; Proposals under evaluation
2b	Construction Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings	Consulting Services (Construction Management)	\$430,894	RFP Under preparation
2c	Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings	Construction	\$8,617,870	To be prepared; estimated contract date Sep 2013 to Aug 2014

#	Description	Type	Updated Cost <sup>1</sup> Dec 2012 (USD)	Status
3a	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for 28 Buildings RFP No: USAID/C/QBS/02	Consulting Services (Design/Design Inspection)	\$181,698	Bids Open 31 Aug 12; Procurement cancelled; Rebid as RFQ on 11 Dec 12; Bid opening on 25 Dec 12; Proposals under evaluation
3b	Construction Services for Rehabilitation Works for IDP Housing for 28 Buildings	Consulting Services (Construction Management)	\$538,812	To be prepared
3c	Rehabilitation Works for IDP Housing Rehabilitation Works for IDP Housing for 28 Buildings	Construction	\$10,776,242	To be prepared; estimated contract date Sep 2013 to Sep 2014
4a	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for New Buildings for IDP Housing	Consulting Services (Design/Design Inspection)	\$60,233	RFP Under preparation
4b	Construction Services for New Buildings for IDP Housing	Consulting Services (Construction Management)	\$60,233	To be prepared
4c	New Buildings for IDP Housing Rehabilitation Works for IDP Housing	Construction	\$1,204,654	To be prepared
	<b>Total</b>		<b>\$27,013,758</b>	

### **1. Rehabilitation Works for IDP Housing; IFB No: USAID/W/ICB/01-2011(10 Buildings)**

The procurement of the Rehabilitation Works for IDP Housing (10 unoccupied buildings) was issued as a DB contract. The contract was signed on 25 May. The contractor is M80. The expected completion date is 1 June 2013 or 12 months after start of the contract. The total contract amount was originally Georgian Lari (GEL) \$7,849,746 (USD \$4,757,422). Amendment #2 was issued on 26 October for the amount of USD \$4,965,301; an increase of 4%.

### **2. Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings**

The procurement of the Rehabilitation Works for IDP Housing (8 Hospitals) is being done as a design-bid-build. The original design contract was expected to begin in November 2012. However because of cost differences MDF failed to successfully negotiate a contract with either of the two qualified bidders. An RFQ was reissued in December 2012. The design contract is now expected to be signed in January 2013 and completed in June 2013 with a duration of five months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be a 12 month contract that will begin in September 2013 and be completed in August 2014. There will also be a contract for construction management that will run the duration of the construction program. The estimated cost for the three procurements is USD \$9,479,657.

#### **a. Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings; RFP No: USAID/C/QBS/01**

The draft TOR and Scope of Services for consulting services for design were prepared by MDF and reviewed by Tt. The MDF short-listed six firms which possessed relevant qualifications. The RFP was issued to the short-listed firms on 26 July. The proposals submission deadline was 29 August. Three proposals were submitted. The method of selection was Quality Based Selection (QBS). Based on

the scoring, one firm was disqualified. The highest technical scores were received by Sheladia Associates Inc. (USA) with local Sub-Consultants Artsutio Project Ltd (Georgia) and Akhali Sakkalakmshenproekti Ltd (Georgia). The financial proposal of the consultant was opened on 8 October by the Evaluation Committee after receiving clearance on the technical evaluation form from USAID on 5 October. Due to price differences, negotiations with Sheladia Associates ended on 16 November and MDF moved to the next highest ranked bidder, Joint Venture (JV) of Umar Munshi Associates (Pakistan), leading Partner, and CI&O Architects (Georgia), Partner. Their financial proposal was opened on 19 November. On 30 November again because of major price differences, MDF/USAID decided to cancel the bid and rebid and issue an RFQ. MDF reissued the RFQ to six local firms on 11 December. Bid submission was 24 December. Bid opening was held on 26 December. All six firms submitted proposals. The evaluation is ongoing.

**b. Construction Management and Supervision Services for Rehabilitation Works for IDP Housing for Eight (8) Formal Hospital Buildings**

The draft TOR and Scope of Services for consulting services for Construction Management and Supervision Services design were prepared by MDF and are currently under review by Tt.

**3. Rehabilitation Works for IDP Housing for IDP Housing for 28 Collective Centers; RFP No: USAID/C/QBS/02**

The procurement of the Rehabilitation Works for IDP Housing (28 Collective Centers) is being done as a design-bid-build. The original design contract was expected to begin in November 2012. However MDF failed to successfully negotiate a contract with either of the two qualified bidders. An RFQ was reissued in December. A contract is expected to be signed in January 2013 and completed in July 2013 with duration of six months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be a 12 month contract that will begin in September 2013 and be completed in August 2014. There will also be a contract for construction management that will run the duration of the construction program. The estimated cost for the three procurements is USD \$11,853,866.

**a. Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for 28 Collective Centers; RFP No: USAID/C/QBS/02**

The draft TOR and Scope of Services for consulting services for design were prepared by MDF and reviewed by Tt. The MDF short-listed six firms which possessed relevant qualifications. The RFP was issued to the short-listed firms on 26 July. The proposals submission deadline was 29 August. Three proposals were submitted. The method of selection was QBS. Based on the scoring, one firm was disqualified. The highest technical scores were received by Sheladia Associates Inc. (USA) with local Sub-Consultants Artsutio Project Ltd (Georgia) and Akhali Sakkalakmshenproekti Ltd (Georgia). The financial proposal of the consultant was opened on 8 October by the Evaluation Committee after receiving clearance on the technical evaluation form from USAID on 5 October. Due to major price differences, negotiations with Sheladia Associates were ended on 16 November and MDF moved to the next highest ranked bidder, JV of Umar Munshi Associates (Pakistan), leading Partner, and CI&O Architects (Georgia), Partner. The financial proposal was opened on 19 November. On 30 November again because of major price differences MDF/USAID decided to cancel the bid and issue an RFQ. MDF reissued the RFQ to six local firms on 11 December. Bid submission was 24 December. All six firms submitted proposals. Bid opening was held on 26 December. The evaluation is on-going.

**4. New Buildings for IDP Housing Rehabilitation Works for IDP Housing**

The procurement of the new buildings for IDP housing will be done as a design-bid-build. The recommended site for the new construction is Kutaisi. On 20 November MRA informed USAID & MDF that the site for new buildings in Kutaisi had been sold to a private investor. MRA is searching

for an alternative site. The design contract is planned for a period of five months. Assuming a two month period for bid preparation and contractor selection, the contract for construction is expected to be an eight month contract. Even if the design contract were issued in February 2103 it is unlikely that the new buildings could be completed before April 2014. The estimated cost available for the procurements will depend on the funds remaining for new construction. The estimated cost for the three contracts (design, construction management, and construction) if a single building is constructed would be about USD \$1 million.

**a. Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for New Buildings for IDP Housing**

The draft TOR and Scope of Services for consulting services for design was prepared by Tt home office (HO) in September 2012.

### **2.4.3 Design/Construction Management**

#### **I. Rehabilitation Works for IDP Housing; IFB No: USAID/W/ICB/01-2011(10 Buildings)**

The DB contract was signed on 2 May with M80. The expected completion date is 1 June 2013 or 12 months after start of the contract. Avtandil Jakeli was assigned as the MDF Project Manager. Teimuraz Levanishvili (Housing Rehabilitation Manager) was assigned as the Tt Contract Manager. He is assisted by Koba Tsiramua (Regional Engineer Kutaisi) and Avtandil Baramia (Regional Construction Over-Site Engineer Kutaisi). Vasil Apkhazava was assigned as the Tt QA/QC Engineer and Mamuka Shaorshadze as the Tt EHS Specialist.

The contractor M80 began mobilization in June 2012. Designs (50%) were submitted for three of 10 buildings in early July: Kutaisi Police Building, Tskaltubo Statistic Building, and Vani Vocational School. Construction preparation activities were started on the three building in early July; and Zestaphoni Central Hospitals (two buildings), Terjola Hospital, Marneuli Former Kindergarten Building, and Kareli Vocational School Building in late July 2012. Revised designs for the three buildings (Kutaisi, Tskaltubo, and Vani) were received in August 2012. Concurrence for starting construction in Kutaisi Police Building and Tskaltubo Statistic Building was given in mid-August. Construction preparation work was stopped at Zestaphoni Central Hospital (two buildings) pending removal of old hospital inventory to be arranged by MRA. Work on Vani Vocational School, Marneuli Kindergarten and Kareli Vocational School was stopped in mid-August pending the decision on who would fund external sewage connections for the buildings. Designs for Marneuli, Kareli and Terjola were received end of August. Vani construction permit was approved on 5 October. Kareli & Marneuli construction permits were approved with conditions on 13 October. Amendment #2 was approved for five (5) buildings (Kutaisi, Tskaltubo, Vani, Marneuli, and Kareli) on 26 October. Kutaisi Police Building mock-up inspection was held on 8 November. Revised internal designs for Vani, Terjola, and Tskaltubo were received on 19 November. Terjola design was approved and construction permit was granted on certain works on 17 December. Revised Kareli and Vani drawings were received on 18 December. Marneuli external design was received on 27 December. At the request of USAID updated schedule of all works was received on 27 December. On 28 December the contractor sent a letter requesting the contract date be extended four months to 30 September 2013.

The contractor is behind schedule on all works and is having major difficulty in preparing and submitting designs in a timely manner.

The status as of 31 December 2012:

MDF has full time presence at Kutaisi Police Building, Tskaltubo Statistic Building, Vani Vocational School; Zestaphoni Polyclinic/Dental Clinic, Marneuli Kindergarten, Kareli Vocational School and

Terjola Hospital sites. As of 31 December rehabilitation works continue in eight of 10 buildings: former Kutaisi Police Building, Tskaltubo Statistic Building, Vani Vocational School, Terjola Hospital, Marneuli Kindergarten, Kareli Vocational School and Zestaphoni Polyclinic/Dental Clinic (Unicode: 139-140, two buildings). Works have temporarily stopped in Zestaphoni Central Hospitals (two buildings).

**Kutaisi Police Building:** The contractor is behind schedule. Internal design was approved. Site plan and external design have not been received. Permission to begin internal work was given on 20 August after approval of designs. M80 site manager and 18 workers are on-site. Roof work is completed. Erection of internal partition walls is finished. Plastering of internal walls is finished. Connecting of partition walls to the ceiling by using of metal profiles is finished. Placement of cement/sand mortar is finished in the rooms. Electric work continues inside the building. Plastering of façade and installation of outside metal-plastic windows are finished. Arrangement of ceiling with gypsum plasterboard is finished. Spackling of the walls continues. Setting creaming tiles on the walls in the bathrooms has started. Preparation for the paving around the building is finished. Mock-up inspection by USAID/MDF/Tt was conducted on 8 November. Mock-up still has not been approved. For approval the contractor is still required to install the gas stove, gas water heater, toilet mirror, and paper dispenser in the mock-up apartment.

**Tskaltubo Statistic Building:** The contractor is behind schedule. Permission to begin internal work was given on 20 August after approval of designs. Site plan and external design have not been received. M80 site manager and six (6) workers are on-site. New roof was completed. Erecting of the internal walls has finished. Plastering of internal walls has completed on all floors. Installation of the gypsum plasterboard on the ceiling continues. Installation of metal-plastic windows was completed; only glass is missing in the windows. Placement of cement/sand mortar (cement covering) of the floor continues. Spackling of the walls continues. Internal sewage and water pipe system installation was completed. Mock-up apartment is under preparation.

**Terjola Hospital:** The contractor is behind schedule. Originally the internal design were received on 20 August and reviewed on 31 August. Request for redesign was given on 21 September after the focus group meeting on the floor plan layout. Revised designs without BOQs were received on 19 November. BOQs were received on 14 December. Permission to begin internal work was given on 17 December. Site plan and external designs have not been received. Permission for other works will be provided after solving the issue with structural stability of balconies and finishing the mock-up. M80 site manager and six (6) workers are on-site. Mock-up has not been started. Construction for walls and partitions inside the building is on-going. Backside of the site has been fenced with warning tape. Scraping of old plaster and demolishing of the internal partition walls was completed. Demolishing of the walls for doors openings continues. Construction of internal walls has started. Tt oversight engineer carried out balcony concrete testing. On 15 December the structural engineer of M80 checked the condition of the balconies of the building. Design for the balconies has not been submitted.

**Vani Vocational School:** The contractor is behind schedule. Designs were originally submitted in July. However contractor was requested to stop all work in August pending MRA approval of funds for rehabilitation of the external sewage system. This was provided on 21 September. Permission to begin construction was given on 5 October. Revised internal designs were received on 19 November and 18 December. Site plan and external design have not been received. Mock-up has not been approved. M80 site manager and 10 workers are on-site. Construction of the new roof in both buildings is finished. Scraping off plaster from the walls continues. Construction of internal walls has finished. Electric work continues. Plastering of walls continues. Vani municipality provided a letter where they confirm that the work for arranging the concrete fence along the water channel and connecting the building to the central water network will be done in the first quarter of 2013.

Contractor has placed sandbags as a temporary measure to avoid flooding; they have also made temporary drainage ditches.

**Zestaphoni Polyclinic/Dental clinic** (Unicode: 139-140): The contractor is behind schedule. Internal designs have not been submitted. Site plan and external design have not been received. Because designs have not been submitted, permission to begin internal work has not been given. M80 site manager and four (4) workers are on-site. MDF on site inspector is on-site regularly. There is no information banner on-site, only site access and safety signs are installed. Site needs to be fenced. Scraping off the old plaster and demolition of the old linoleum flooring, partition and door frames continue (30 % completed). Approved drawings and BOQs are required to proceed with other construction works.

**Zestaphoni Central Hospitals** (Unicode 137 & 137a): The contractor is behind schedule. Internal design has not been submitted. Site plan and external design have not been received. M80 has no workers on-site. Work has been stopped temporarily because medical waste and other inventory remains in the buildings. MRA, Ministry of Economic Development and Ministry of Health are involved in solving of this issue. Ministry of Economic Development has received official permission on removal of medical waste from Ministry of Health.

**Marneuli Kindergarten:** The contractor is behind schedule. Internal design was originally received in August 2012. However contractor was requested to stop all work in August 2012 pending MRA approval of funds for rehabilitation of the water supply and external sewage systems. This was provided in September 2012. Construction permit was approved with conditions on 13 October. Draft site plan and external design were submitted on 27 December and are under review. However the contractor has declined to prepare the design for the external sewage network connection. Mock-up has not been approved. M80 site manager and four (4) workers are on-site. The site is fenced and a guard protects the site and the area. Roof work is finished. Internal partitions have been completed on the first and second floors. Cleaning and demolition works continue (80% finished). Installation of the PVC windows continues (95% finished). Glazing work has started. Safety recommendations are being implemented. Stair safety railing has been installed. External gravity sewerage pipeline should be arranged with new manholes. Letter on water schedule (4 hours a day) from municipality was received. Water supply system should be arranged with the use of water storage tanks.

**Kareli Vocational School:** The contractor is behind schedule. Internal design was originally received in August 2012. However contractor was requested to stop all work in August pending MRA approval of funds for rehabilitation of the water supply and external sewage systems. This was provided in September 2012. Construction permit was approved with conditions on 13 October. Site plan and external design have not been submitted. Mock-up has not been started. M80 site manager and 12 workers are on-site. First layer of the soft flat roof has been arranged. Construction of the internal partitions continues. Scraping off the old plaster continues. The drawings for windows opening strengthening was prepared by the design group. An external gravity sewerage pipeline should be arranged with new manholes. Water supply system should be arranged by using existing well or drilling a new well and use of storage water tanks. Designs are to be provided by the contractor.

#### **2.4.4 Environmental**

The PEA was approved by BEO on 1 March 2012.

## **2.5 MDF Financial Review**

USAID is implementing their agreement with MDF through two ILs. Included in the ILs are the Cash Advance/Liquidation Policies and Procedures to be followed by MDF in receiving and liquidating advances. Under Tt's contract with USAID, Tt is responsible for the review and approval of all MDF advances and liquidation of these advances.

During the report period Tt reviewed and cleared the liquidation for advances #17, #18, #19. Through the period ending December 2012, a total of USD \$5,848,420 or 11.2% of the total MDF budget of \$52,399,097 has been spent; USD \$4,759,810 for IL 1 and USD \$1,088,610 for IL 2. This includes total payment to date for the four DB contracts of Rehabilitation Works for IDP's Housing Contract (10 Buildings) for USD \$857,268 (17%), Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems for USD \$1,314,970 (16%), Roads 1&3 USD \$2,600,133 (40%), and Oni Roads USD \$732,567 (11%).

## **2.6 Training/Workshops/Events**

### **2.6.1 Special Events**

Tt participated in several visits by USAID Mission Director during the Quarter:

- Mission Director visited project sites in Kutaisi, Tskaltubo and Vani on 11 October.
- Mission Director visited project sites at Pushkin St & Gorijvari Road project on 13 November.
- Mission Director and COR visited Tiriponi Irrigation Project site on 5 December.

### **2.6.2 TrainNet**

Tt completed and submitted the USAID TrainNet reports each quarter.

### **2.6.3 Document Control Center Training**

A DCC Training was held on 5 October at MDF by Anna Urotadze (Tt DCC Manager). The purpose of the training was to implement a Unified Document Control System for all involved parties in GMIP and introduce DCC procedure to contractors. There were nine participants (including four women) representing MDF and two of the three contractors, BSG and Arnabi 21 Ltd. M80 did not attend.

### **2.6.4 Saltvisi and Tiriponi Irrigation System – Assessment of Explosive Remnants of War (ERW) Contamination - Halo Trust Training**

Assessment of ERW Contamination training was held on 2 November at Shida Kartli, Kvemo Nikozi. The training was given by Lasha Lomidze from Halo Trust. The purpose of the training was 1) provide construction company staff training in the recognition of ERW, and 2) provide instructions to construction company management advised on how to respond should a suspicious item be seen. MDF project manager, Tt staff, and over 40 employees from the contractor M80 attended. This will allow the contractor to continue working in those areas where no evidence of ERW within the canal (Type I: small quantities of ERW may be found - as is the nature of other similar post-conflict areas in Shida Kartli).

## **2.7 Project Management/Coordination**

### **2.7.1 General**

Tt staff have daily communications with USAID (Brad Carr, COR and George Kokochashvili, Engineering Specialist) and MDF (Kartlos Gviniashvili, Program Manager). Gocha Lobzhanidze

(USAID) is supporting the USAID team and actively participates in all GMIP construction management and oversight activities. Tt also participates in regular weekly USAID/MDF coordination meetings held two times a week alternately at MDF and Tt offices.

## 2.7.2 Coordination with Other Donors and Technical Assistance Activities

Tt staff participated in the following meetings/field trips during the reporting quarter:

- A New Economic Opportunities (NEO) coordination meeting was held on 3 October.
- Tt team met with COR & BEO (William Gibson) to discuss project environmental issues on 31 October.
- Tt met with NEO on Toolkits for Cottage Maintenance Teams on 15 November.
- Tt attended the USAID 20 Year Anniversary Celebration on 15 November.
- Tt met with COR and Halo Trust Project Tom Meredith (Project Manager) to discuss ordnance clearing work plan for Tiriponi/Saltvisi Irrigation System on 4 December.
- Tt HO conducted quarterly Project Evaluation and Estimation at Completion review.

## 2.8 Branding Implementation Plan and Marking Plan

During the reporting period the following branding and marking activities were conducted:

- Photos were taken on all site visits.
- Tt assisted MDF and USAID in review of all construction signage.
- Draft Success Stories were prepared and submitted to USAID on:
  - Collaboration between Tt (GMIP) and Municipal Development Fund and Capacity Strengthening for MDF Staff
  - Inauguration of Tiriponi-Saltvisi Irrigation Channel Rehabilitation in Shida Kartli, Village Keri, Gori Region
  - Rehabilitation of Karbi Headworks in Tiriponi Irrigation System Enables New Opportunities for Shida Kartli Population

## 2.9 Reports and Deliverables

The following reports and deliverables were submitted during the year:

#	Reports and Deliverables for October – December 2012	Date
1	Weekly Status Reports	Weekly
2	Regional Office and Site Visit Reports	Weekly
3	IDP Housing Monthly Progress Report	Monthly
4	Design Status for IDP Housing Rehabilitation Project	Oct 3
5	Technical Evaluation Report for Eight (8) Hospitals	Oct 5
6	Technical Evaluation Report for 28 Collective Centers	Oct 5
7	Technical Evaluation Report for Dusheti Gorge Flood Protection	Oct 5
8	Environmental Scoping Statement for Oni Water Supply	Oct 5
9	Design Review for Roads Rehabilitation Project in Oni	Oct 9
10	GMIP Annual Work Plan (FY 2012/13)	Oct 14
11	IFB for the Cottage Water Supply Tender	Oct 18
12	Amendment #2 of Contract Rehabilitation of IDP Housing: 10 Buildings (USAID/W/ICB/01-2011)	Oct 26
13	GMIP Annual Report (Oct 2011 - Sep 2012)	Nov 1
14	TOR for Cottage Settlement Drainage, Internal Water Supply, and Sanitary Improvements	Nov 6
15	Amendment #1 of Contract for Rehabilitation of Internal Roads in Town Oni (USAID/W/ICB/03-L2/1-2012)	Nov 19
17	Revised TOR for 28 Collective Centers	Nov 30
18	Amendment #1 of Contract Roads Lots 1 & 3 (USAID/W/ICB/03-2012)	Dec 3

#	Reports and Deliverables for October – December 2012	Date
19	RFQ and TOR for Concrete Testing for Irrigation Project	Dec 4
20	ITQ package for 28 Collective Centers	Dec 7
21	ITQ package for Eight (8) Hospitals	Dec 9
22	EA for Oni Water Supply	Dec 19
23	GMIP Procurement Schedule Update	Dec 21

### 3. ACTIVITIES PLANNED FOR NEXT QUARTER

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Activities planned for next quarter include:

#### 3.1 Component I Municipal Infrastructure

##### 3.1.1 Project Selection

All projects have been identified and there are no new projects planned at this time.

##### 3.1.2 Procurement

The following activities will be carried out during next quarter:

- I. Oni Water Supply Construction Contract:
  - Assist MDF in preparing, reviewing, finalizing and issuing the bid documents (Jan)
  - Assist MDF in organizing pre-bid meeting (Jan)
  - Assist MDF in evaluating and selecting the contractor (Feb)

Based on the approved projects Tt will assist in preparing and reviewing the bid documents for the following projects:

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed (estimated)
4	Municipal Infrastructure Water Supply	Rehabilitation of Water Supply Head Works in Town Oni	TBD	Construction	N/A	15-Jan	26-Feb	28-Mar

##### 3.1.3 Design/Construction Oversight

The following activities will be carried out during next quarter:

- I. For Road DB Contract (Lot 1/3) Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, and Municipal Road Sagolasheni – Dvani USAID/CW/ICB/03-2012: Contractor BSG
  - Review and approve extension Amendment through 31 May 2013 (Jan)
  - Review of Gorijvari erosion and sediment prevention and control plan (Jan)
  - Review of proposed additional streets (Jan)
  - Review of bike lane options (Jan)
  - Review and approve designs (as required)
  - Monitor environmental compliance (SSEMP) during construction (as required)
  - Attend monthly meetings (monthly)
  - Review all design changes, payments, etc. (as required)
  - Conduct on site visits and on site testing (as required)
  - Review approval for payment (monthly)
2. For Road DB Contract (Oni) Rehabilitation of Internal Roads in Town of Oni USAID/W/ICB/03-L2/1-2012: Contractor Arnabi 21

- Review and approve extension Amendment (Jan)
- Review and approve designs (as required)
- Monitor environmental compliance (SSEMP) during construction (as required)
- Attend monthly meetings (monthly)
- Review all design changes, payments, etc. (as required)
- Conduct on site visits and on site testing (as required)
- Review approval for payment (monthly)

3. For Oni Water Supply Construction Contract:

- Mobilize oversight team and procedures (Feb)
- Establish DCC (Feb)
- Prepare QA/QC Guidelines with appropriate forms (Feb)
- Construction Management QA/QC Inspector Training (Feb)
- Prepare for Pre-Work Conference (Mar)
- Train contractor on EHS procedures (Mar)
- Train contractor on QC/DCC procedures (Mar)
- Train contractor on cash flow procedures (Mar)
- Review contractor preliminary project schedule, QC Plan, and safety plan (Mar)
- Support preparation and review of all submittals, site-specific EHS compliance documentation by contractor (Mar)
- Attend monthly meetings (monthly)
- Review all design changes, payments, etc. (as required)
- Conduct on site visits and on site testing (as required)

### 3.1.4 Environmental

The following activities will be carried out during next quarter:

- Complete EA for Oni Water Supply project (Jan)

## 3.2 Component 2: Rehabilitation of Irrigation Infrastructure

### 3.2.1 Procurement

Procurement ICB No: USAID/W/ICB/02-2012 contract signed with M80. No additional procurement activities are expected.

### 3.2.2 Design/Construction Oversight

The following activities will be carried out during next quarter:

- I. Rehabilitation Works for Tiriponi and Saltvisi Irrigation Systems ICB No: USAID/W/ICB/02-2012
  - Review and approve designs (as required)
  - Review and approve SSEMPs (as required)
  - Monitor environmental compliance (SSEMP) during construction (as required)
  - Attend monthly meetings (monthly)
  - Review all design changes, payments, etc. (as required)
  - Conduct on site visits and on site testing (as required)
  - Review approval for payment (monthly)

### 3.2.3 Environmental

The following activities will be carried out during next quarter:

- None at this time

### 3.3 Component 3: IDP Durable Housing Subcomponent I: Provide Water and Sanitation Upgrades for IDP Cottage Housing

#### 3.3.1 Procurement

The following activities will be carried out during next quarter:

1. Improvement of potable water supply in nine villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities):

- Assist MDF in organizing pre-bid meeting for the Gori Water Supply DB contract (Jan)
- Assist MDF in evaluating an selecting the contractor (Jan)

2. Preparation of the Detailed Engineering Design and Bidding Documentation Package and Provision of Design Inspection Services for Improvement of Drainage (six communities), internal water supply hook-ups (10 communities), sanitary upgrades in nine villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities) for Consulting Services for Design:

- Assist MDF in preparing, reviewing, finalizing and issuing Expression of Interest (EOI) and review of qualified contractors for Consulting Services for Design (Jan)
- Assist MDF in preparing, reviewing, finalizing, and issuing the RFP documents (Feb)
- Assist MDF in organizing pre-bid meeting (Mar)
- Assist MDF in evaluating an selecting the contractor (Mar)

Based on the approved projects Tt during next quarter will assist in preparing and reviewing the bid documents for the following projects:

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed
1	IDP Cottage Settlement Water Supply	TBD	TBD	Construction	N/A	22-Dec-12	22-Jan-13	21-Feb-13
2	IDP Cottage Settlement Drainage/ Sanitary upgrades	TBD	TBD	Consulting Services (Design)	11-Jan-13/1-Feb-13	15-Feb-13	29-Mar-13	28-Apr-13

### 3.3.2 Environmental

None at this time

### 3.4 Component 3 IDP Durable Housing Subcomponent 2: Provide Durable Housing Solutions for IDP from 1990s Conflict

#### 3.4.1 Project Selection

The following activities will be carried out during next quarter:

- Assist in identifying new building site in Kutaisi (Jan)
- Assist in developing procedures be used for temporary resettlement of IDPs during rehabilitation of the occupied community center buildings (as required)

#### 3.4.2 Procurement

The following activities will be carried out during next quarter:

1. Eight Hospitals
  - a. Consulting Services (Design)
    - Assist MDF in evaluating and selecting the contractor (Jan)
  - b. Consulting Services (Construction Management)
    - Assist MDF in preparing, reviewing, finalizing, and issuing EOI and review of qualified contractors for Consulting Services for Construction Management (TBD)
2. 28 Occupied Buildings
  - a. Consulting Services (Design)
    - Assist MDF in evaluating and selecting the contractor (Jan)
  - b. Consulting Services (Construction Management)
    - Assist MDF in preparing, reviewing, finalizing, and issuing EOI and review of qualified contractors for Consulting Services for Construction Management (TBD)
3. New Buildings
  - a. Consulting Services (Design)
    - Assist MDF in preparing, reviewing, finalizing, and issuing EOI and review of qualified contractors (Jan)
    - Assist MDF in preparing, reviewing, finalizing, and issuing the RFP documents (Feb)

Based on the approved projects Tt will assist in preparing and reviewing the bid documents for the following projects:

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed
1a	IDP DH Building Rehabilitation	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for	USAID/C/ QBS/01	Consulting Services (Design)	N/A	11-Dec-12	25-Dec-12	24-Jan-13

#	Project Type	Contract Name	Contract No.	Contract Type	EOI Issue/ Open	RFP/ IFB	Bid Due	Contract Signed
		Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings						
2a	IDP DH Building Rehabilitation	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for IDP Housing for 28 Buildings	USAID/C/ QBS/02	Consulting Services (Design)	N/A	11-Dec-12	25-Dec-12	24-Jan-13
3a	IDP DH Building Rehabilitation	Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for New Buildings for IDP Housing	TBD	Consulting Services (Design)	15-Jan-13 /5-Feb-13	20-Feb-13	3-Apr-13	3-May-13

### 3.4.3 Design/Construction Oversight

The following activities will be carried out during next quarter:

- I. DB Rehabilitation Works for IDP's Housing Contract No. USAID/W/ICB/01-2011(10 Buildings)
  - Evaluate request for extension (Jan)
  - Inspect and approve mock-up apartments (as required)
  - Review designs for external works/site plans (as required)
  - Assist with design of water and sewage facilities (as required)
  - Review designs (as required)
  - Review ready for construction drawings (as required)
  - Attend monthly meetings (as required)
  - Review all design changes, payments, etc. (as required)

- Conduct on-site visits and on-site-testing (as required)
2. Eight Hospitals Design Contract:
    - Attend pre-design meeting (Jan)
    - Review Design Quality Control (DQC) Plan (Jan)
    - Review Site Investigation/Building Inspection Report -10% (Mar)
    - Attend all design submittal meetings (as required)
  3. Twenty eight (28) Occupied Collective Center Buildings Design Contract:
    - Attend pre-design meeting (Jan)
    - Review DQC Plan (Jan)
    - Review Site Investigation/Building Inspection Report - 10% (Mar)
    - Attend all design submittal meetings (as required)

#### **3.4.4 Environmental**

The following activities will be carried out during next quarter:

- Prepare Scoping Statement and initiate EA for construction of new buildings for IDP housing (Feb)

#### **3.5 Project Management**

The following activities will be carried out during next quarter:

- Coordination with other donors and technical assistance activities (as required)

#### **3.6 MDF Financial Review**

The following activity will be carried out during next quarter:

- Review and clear monthly MDF advances (monthly)

#### **3.7 Training/Workshops/Events**

The following activities will be carried out during next quarter:

- Contract Pre-Work Conference: All Contracts (as required)
- Contractor QC/DCC training (as required)
- Contractor EHS training (as required)

#### **3.8 Reports and Deliverables**

The following reports and deliverables are planned per task order for next quarter:

<b>Report</b>	<b>Date</b>
C. Bi-Weekly Meetings and Reporting	As required
E. Quarterly Progress Reports	10 Jan 13

## **4. PROBLEMS AND ISSUES**

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### **4.1 Technical & Geographical Diversity of the Proposed Projects**

GMIP is composed of a wide range and types of subprojects, from roads, domestic water supply and irrigation systems to the rehabilitation of IDP apartment buildings and improved water supply and sanitation for IDP cottage communities. The subprojects are situated over a fairly wide area of Georgia, and travelling from one to another can take several hours by road. Works include:

- Infrastructure improvement projects in five municipalities involving
  - 24 km of road repair for over 27 streets and roads (Gori, Dusheti, Mtskheta, Kareli, Oni)
  - Water supply treatment facility upgrade for 2,000 persons in Oni
- Irrigation rehabilitation in two large schemes with over 100 km of canals
- Water supply and sanitary upgrades for 11 cottage settlements (2,000 cottages) in two regions and five districts
- Rehabilitation of 46 IDP buildings and over 2,100 apartments located in five regions
- Possible construction of two-five new apartment buildings in Kutaisi

Successfully covering engineering and monitoring oversight on all these subprojects is a major challenge. This wide diversity of activities over a wide geographical area presents engineering, management, and site supervision challenges. A Tt regional office was established in Kutaisi to assist with implementation of works in Western Georgia.

### **4.2 Project Completion Date**

The MDF ILs are through 31 December 2013. The construction period including turnover was expected to be completed by September 2013. Given the slow start-up phase of the project, delays in procurement and start of construction, a number of construction contracts are expected to finish after this date. The latest procurement schedule shows that five construction contracts, totaling over USD \$36 million, are expected to extend beyond November 2013. For example the irrigation contract is scheduled for completion in November 2013. The contract for upgrade of sanitary facilities for cottage settlements is expected to run through March 2014. The contracts for the designs of the eight hospitals and 28 collective center building rehabilitation will not be signed until January 2013. The designs are expected to take five and six months respectively. The construction tendering process will take a minimum of two months and construction 12 months. This results in project completion dates of August/September 2014. If USAID decides to fund additional new building construction for IDP housing this would require a construction period through August 2014. Assuming the construction works will extend past the project completion date, USAID may want to begin thinking on how best to extend the ILs through the end of the project agreement date, December 31, 2014.

### **4.3 Tetra Tech Contract Budget Realignment**

The Tt original contract goes through November 2013. Sufficient funds are not available to maintain the current local level of effort (LOE) through the end of the project. The Gap Analysis carried out March – May 2012 also recommended that an additional Tt expatriate long term resident engineer be hired to support the project. At the recommendation of the COR, a letter was sent on 8 November to USAID informing that Tt would exhaust funds under this task order

in June 2013 based on its current burn rate with the addition of an additional expatriate. RCO responded recommending to modify the award to reflect this new end date as part of the expatriate approval process. Tt submitted a proposed expatriate candidate along with a summary budget demonstrating the expected expenditure of funds at an accelerated burn rate through on/about June 2013 on 30 November. A modification to the Tt task order is expected in January 2013.

#### **4.4 Capacity of MDF**

MDF has limited in-house capacity to implement the program. They are stretched very thin and are having some difficulty in providing the degree of design review and on-sight supervision required by USAID. The system places a Project Manager over each of the various contracts with a Core Team supporting the Project Manager and a Site Team placed in the field to directly monitor and supervise the construction activities. A major gap exists in the design review. MDF also has difficulty in implementing a full scale QA/QC plan.

A Gap Analysis was conducted during March - May 2012. The analysis confirmed the chief issues or gaps in MDF infrastructure implementation are lack of sufficient full time on-site inspection, written construction management guidelines and/or QA/QC Plans, industry acceptable construction management (CM) procedures and/or processes, and organization and motivation. It was recommended that if MDF could not provide these services GMIP should consider using Georgian consultant engineering firms through MDF subcontracts, working closely with Tt.

MDF is providing the CM for the 10 Buildings contract and the roads contracts. For the irrigation project MDF is providing CM. They have one person full time and a second part time. MOA is providing three staff for on-site inspection. Unfortunately the MOA staff are dependent on the contractor for transportation and fuel. This has not worked out very well. Tt has recommended MDF provide two additional persons for irrigation site supervision.

MDF has decided to contract out CM services for the 28 Buildings and the eight Hospital contracts. For the water supply and sanitary upgrades at the cottage communities it may be possible with assistance from the NEO project to identify qualified IDPs living in these communities to assist with the on-site supervision.

Resources to support the MDF project management staff was also an issue. These include staff salaries, field support equipment, and travel and transportation. USAID agreed to allow MDF to use project funds for procuring inspection and safety equipment and information technology equipment. Under the GMIP funding agreement, it is difficult for USAID to cover the costs of staff salaries. These are usually considered GoG contributions to the project. USAID has agreed to provide office support, communications, and transportation costs through the various contracts. Initially MDF rejected the idea but reconsidered. This mechanism was not included in the 10 Buildings contract. MDF negotiated a price with the 10 Buildings contractor for supplying these items. These CM support costs were included in the irrigation contract. However, the contractor has been reluctant in providing full services. These items were included in the roads contracts and MDF has had no problems with the level of support provided by the roads contractors. It is recommended that the cost for these CM support items be included in all future contracts. However, they should be identified as separate BOQ line items in the bid documents to avoid any problems during contract implementation.

As a result of the change in GoG in October 2012, MDF has new management. Indications are that the new management is committed to working with USAID to resolve these issues.

#### **4.5 Procurement Issues**

Funding limitations, excessive bid costs, and limited number and non-responsive bidders have all affected the procurement process.

During the quarter there were five procurements out for bid or under evaluation:

1. Rehabilitation of Drinking Water Systems within Apartment Buildings in the City of Gori, "Kombinati Residence" (DB);
2. Preparation of the Detailed Engineering Design, Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection (Consulting Services Design)
3. Improvement of Potable Water Supply in Nine (9) Villages of IDPs (Construction)
4. Preparation of the Detailed Engineering Design, Design Inspection Services for Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings (Consulting Services Design)
5. Preparation of the Detailed Engineering Design, Design Inspection Services for Rehabilitation Works for IDP Housing for 28 Buildings (Consulting Services Design)

For the contract for the Rehabilitation of Drinking Water Systems within Apartment Buildings in the City of Gori there was only one bidder. The contract was cancelled on 6 November due to limited Municipal Infrastructure budget.

For the contract for Rehabilitation Works for Dusheti Gorge Flood Protection Consulting Services Design again there was only one bidder. The contract was cancelled on 12 October due to limited Municipal Infrastructure budget.

For the contract on Improvement of Potable Water Supply in Nine (9) Villages of IDPs there was only one bidder. The bidder was found non-responsive due to financial litigation issues. The contract was rebid on 22 December.

The bid proposals for the design contracts for IDP Housing for the Eight Hospitals and 28 Collective Centers were received from two international and one local firm on 5 October. Only the two international firms were evaluated as responsive. The financial proposal for the highest ranked technical proposal was opened on 8 October. After unsuccessful negotiations because of excessive cost, MDF moved to the second bidder. Again because of high costs the negotiations with the second bidder were ended on 16 November. The tender was reissued as an RFQ to six qualified local firms on 11 December. The bid opening was 25 December. All six firms responded to both RFQs. The bid prices were within the engineers estimate. As of 31 December the bids are under review.

#### **4.6 Design-Build Contracts**

The concept of DB is relatively new to Georgia and MDF. The use of DB contracts was important in getting the first IDP Building Rehabilitation, Irrigation, and Road projects started as soon as possible. The road contracts worked quite well. The contracts for IDP Building Rehabilitation and Irrigation were awarded to a single contractor. Unfortunately these two

contracts have had numerous problems. The contractor is a traditional constructor unable to coordinate and manage the DB process. This has caused misunderstandings and frustrations with the contractor that has resulted in delays in design preparation, construction permit approvals, construction progress, and payment approvals. Future projects will be issued as more traditional design-bid-build contracts.

#### **4.7 Component I Municipal Infrastructure**

The final selection of the municipal infrastructure subprojects is complete. The total budget available for Municipal Infrastructure is USD \$9,496,000. USD \$8,242,478 has been committed to the roads projects which are now under contract. Decisions were made on how to use the remaining USD \$1,200,000. There were three projects under consideration: Dusheti Flood Control (USD \$1,500,000); Gori Water Supply (USD \$1,064,685); and Oni Water Supply (USD \$516,000). It was decided to cancel the Dusheti Flood Control and Gori Water Supply contracts. Oni Water Supply remains under consideration.

#### **Rehabilitation of Access Road of Village Gorijvari, Internal Roads in Towns of Gori, Mtskheta, Dusheti, Oni, and Municipal Road Sagolasheni – Dvani (ICB No: USAID/CW/ICB/03-2012)**

Originally MDF hoped to complete the contract by November 2012 before the start of the winter season and limited the contract to a five month period. The DB contract was finally signed on 17 August with a completion date of 21 January 2013. The contractor was BSG. Because of this delay the contractor was verbally instructed to start the work by MDF before review and approval of the designs. At the request of USAID the work was stopped and the contractor was instructed to prepare proper designs in accordance with the contract. As of the 1<sup>st</sup> week in October work was officially stopped at all sites pending submission of proper designs and environmental SSEMPs. The contractor was made aware of its contract obligations. Full work was authorized for Pushkin Street on 11 October, Dusheti (seven streets) on 25 October, Mtskheta on 26 October, and Sagolasheni-Dvani on 2 November. Because of slope stability issues permission was given to continue limited work at Gorijvari on 16 October and final permission on Gorijvari on 14 November. After receiving final BOQs and related costs the number of streets in Dusheti was cut from eight to seven; and from 32 to 11 in Mtskheta. Other issues that have come up during the implementation of the contract include an archeologist find on 7 December on Sagolasheni-Dvani, request by residents to replace cobblestone streets with concrete in Dusheti, decision on location and requirements for bike lanes, quality of concrete in Gorijvari & Dusheti, and additional works proposed by Dusheti & Mtskheta municipalities. The contractor has been fully cooperative and worked closely with MDF and municipalities to solve each of these issues. Request for time extension until 30 May 2013 was submitted on 19 December. Several reasons were given including winter weather conditions for all roads, archaeological find at Sagholasheni, and hydro seeding for Gorijvari. This is now under review by MDF. The contractor demobilized for winter period on 20 December.

#### **Rehabilitation of Internal Roads in Town of Oni (IFB No: USAID/W/ICB/03-L2/1-2012)**

Originally MDF hoped to complete the contract by November 2012 before the start of the winter season and limited the contract to a five month period. The DB contract was finally signed on 11 September 2012 with a completion date of 8 February 2013. The contractor was

Arnabi 21. Because of this delay the contractor was verbally instructed to start the work by MDF before review and approval of the designs. At the request of USAID the work was stopped and the contractor was instructed to prepare proper designs in accordance with the contract. As of the 1<sup>st</sup> week in October works were officially stopped at all sites pending submission of proper designs and environmental SSEMPs. The contractor was made aware of its contract obligations. Full work was authorized on 10 October. Some issues that have come up during the implementation of the contract include location and requirements for bike lanes and extending several of the streets. The contractor has been fully cooperative and worked closely with MDF and the municipality to solve each of these issues.

### **Preparation of the Detailed Engineering Design, Bidding Documentation Package and Provision of Design Inspection Services for Rehabilitation Works for Dusheti Gorge Flood Protection in Dusheti Town (USAID/C/QBS/03)**

Due to limitations on the availability of project funds for municipal works, at the request of MDF based on municipality priorities, USAID agreed to drop this project.

### **Rehabilitation of Drinking Water Systems within Apartment Buildings in the City of Gori, "Kombinati Residence" (ICB No: USAID/CW/ICB/04-2012)**

GUWC prepared a design for internal water supply and installation of water meters in apartment buildings in Kombinati Settlement in Gori. Due to the uncertainties in the design, MDF agreed to issue the tender as a DB contract to allow a thorough design review before proceeding with construction. The bid opening for the DB contract was 22 October. The bid price was USD \$1,064,685. The cost of civil works was 9.5% higher than the engineer's estimate. Due to limitations on the availability of project funds for municipal works, at the request of MDF based on municipality priorities, USAID agreed to drop this project.

### **Rehabilitation of Water Supply Head Works in Town Oni (ICB No: USAID/CW/ICB/06-2012)**

The designs and costs data were prepared by GUWC. The project was evaluated and approved by Tt. An environmental scoping statement and EA were prepared. The bid documents for construction are under preparation. There are no problems or issues at this time.

## **4.8 Component 2: Irrigation Infrastructure**

The DB contract was signed with M80 on 31 May 2012. The completion date is 1 November 2013. The bid amount for the contract exceeded the USAID budget ceiling allocated for the irrigation component. Therefore the ceiling for the contract was set at USD \$8.1 million.

Because of the uncertainty of the cost of the hydraulic structures and the feasibility level of the quantity estimates it was recognized by USAID that the extent of the works that could be completed within the allocated budget needed to be re-evaluated and prioritized by the contractor as part of the preliminary design in order to maximize the original benefits to be expected under the project. Unfortunately the contractor has not understood this process and continues to resist providing preliminary designs and cost estimates for all project works at one time. Tt continues to try to work with the designer and MOA to prioritize works.

Due to the late signing of the contract (31 May 2012) the irrigation season had already started and water was flowing in the canals at the start of the contract. The actual closure dates for Tiriponi Main Canal and Saltvisi Main Gravity Canal were not until 8 October and 15 October respectively. The contractor was unable to organize procedures for shutting down parts of the irrigation system or working around this problem during the irrigation season (June-Oct 2012). Therefore during the first four months of the contract, the contractor was unable to conduct proper inspection on the condition of the canals and related structures and carry out the canal surveys required for estimating material quantities needed for design. The contractor was also unable to gain access for inspection and survey purposes to several of the lower level canals because of private land ownership. As a consequence several of the lower level canals were dropped from the proposed works.

Because of limited access to canals and canal structures during the irrigation season, the contractor proposed rehabilitation and construction of the access and operation & maintenance (O&M) roads for several of the canals. The final set of roads to be prepared was discussed and agreed with the MOA Irrigation Company. The contractor also proposed several works that were not part of the original works. Because of their importance, USAID, MDF, and MOA agreed to include them in the proposed works. These included:

- Lining of the head reach of the Saltvisi Main Gravity Canal and rehabilitation of river embankment protection for the canal just downstream of the Nikosi head works.
- Construction and realignment of a connecting canal between the Saltvisi Primary Canal and the distributary G-2. The original off-take is now in occupied territory and the connecting canal will allow irrigation water to reach over 1,000 ha, currently cut-off from the main canal.

The initial quality of the designs and construction work did not meet original expectations. It has been working with the contractor to improve this situation through increased coordination with the designer, increased on-site supervision and use of outside material testing. The designer's experience with geographic information systems, electronic drawing standards and modern irrigation performance strategies was also less than originally expected. It took almost four months to get a digital map of the irrigation project. By contract, an operation and maintenance plan was to be submitted six (6) months after signing of the contract. The contractor claims they cannot submit the plan until the end of the project. The contract also calls for a canal & structure inventory with associated data base, Irrigation System Flow Measurement Manual, procuring satellite imagery and determination of irrigable area using remote sensing techniques, and preparation of an irrigation operations model. There has been little or no progress on any of these items.

The contractor also stopped work several times during the quarter without explanation, once during November (2 weeks) and again during the first week in December.

Safety issues have become a major concern as well. Ordnance (mines and traces of cluster bombs) left over from the 2008 conflict have been uncovered during the construction. The GoG agency responsible for removing and disarming live ordnance was called to assist. They conducted an initial survey and recommended a professional group be hired to clear the danger areas. Halo Trust is conducting this operation on the sections of the Saltvisi Primary and Tiriponi Main canals classified as Type III: ERW contaminated. Special training was given by Halo Trust to the contractor's staff on 2 November to allow the contractor to continue work on

those canal sections classified as Type I: No evidence of ERW within canal. Even after completion of this training the contractor did not start cleaning of the Tiriponi Main Canal until the last week in December. There was also the kidnapping of a driver and the theft of a concrete mixer along the Saltvisi Primary Canal. The driver was released; however the truck is still missing. Because of this incident the contractor stopped works on the Saltvisi G-2 connecting canal on 1 October. MDF and the contractor have been requested to prepare a security plan to prevent this from happening in the future.

There is a major concern that the contractor will not be able to complete the required works during the contract period which ends on 1 November 2013. There are less than four months (Jan-April) remaining before the start of irrigation season. The irrigation season will run through September 2013. Priority works have been set by the Amelioration Company. All surveys and designs should be completed next quarter (31 March 2013). To date the contractor has been unable and/or unwilling to provide an appropriate schedule and procedures for continuing the work during the next several months and through the irrigation season. If the contractor is unable to demonstrate an improved ability to implement the contract within the contract period other possible options should be considered.

#### **4.9 Component 3: IDP Durable Housing Subcomponent I: Water and Sanitation Upgrades for IDP Cottage Housing**

There will be two separate construction contracts under this component. One will be water supply and distribution system upgrades (nine cottage settlements) and the second will be for drainage improvement (six cottage settlements), internal water supply hook-ups (10 settlements), and sanitary upgrades (nine settlements).

##### **Rehabilitation of Water Supply System (in nine villages) for IDP Settlements (Gori, Kareli, Kaspi and Mtskheta Districts); IFB No. USAID/W/ICB/05-1-2012**

The bid proposals for the construction contract were received on 30 November. There was only one bidder. Unfortunately one of the JV partners had pending litigation of more than 30% of its liquid assets. Therefore they did not meet the minimum qualifying criteria under sub-clause 2.2.2 Pending Litigation of the Section III – Evaluation and Qualification of the Bidding Document. The procurement was rebid on 21 December.

Water quality testing of the water supply sources by Tt for the cottage communities (nine) where improvements in water supply have been planned showed high nitrate concentrations (110 mg/l) in the ground water supply for the cottage community of Shavshevbi. An alternative water source, identified during the original hydrogeological investigation carried out in 2010 was proposed. At the request of USAID, MDF prepared the designs and BOQs for the alternative water source and this was included in the construction contract.

##### **Improvement of Drainage (six communities), internal water supply hook-ups (10 communities), Sanitary Upgrades in nine villages of IDPs (Gori, Kareli, Kaspi and Mtskheta Municipalities)**

The decision was made to issue a single design package that included the remaining works for the cottage settlements: drainage, internal water supply connections, and on-site waste water improvements.

It is recognized that it will be difficult for IDPs to cover waste water treatment (WWT) O&M costs. Unfortunately the municipalities were not able or willing to allocate the land required for construction of infiltration fields required for supporting the least cost O&M, central septic tank WWT option. A second but more sophisticated and expensive option of installation of a package activated sludge treatment plant (Biotal) was also proposed. However, the municipalities still have not responded to requests for guarantees of a dedicated O&M budget to support these WWT facilities. USAID requested Tt carry out an “alternatives” study to determine the best site specific options for each settlement. Unless the municipalities are willing to provide land and/or O&M costs, the only economically viable solution seems to be to provide individual cottage septic tanks with on-site soak pits and/or sand filters.

One of the sanitary improvements involves the construction of a combined flush toilet/shower facility. Ideally this would be connected directly to each cottage. However, MDF under a separate European Union funded contract has installed special insulation on the outside of all of the cottages. Construction of any structure that would attach directly to the cottage would require cutting a door through the outside cottage wall. There is concern this would interfere with the integrity of the insulation and potentially place blame on USAID if there were future problems. Alternatives will be considered during the design phase.

Considerable concern has been raised by various donors and USAID on the extent of the mold problem in many of the cottages. It seems to be a universal problem caused by improper construction and inadequate drainage. USAID decided to address the drainage issue under GMIP. The improved surface drainage proposed in the Holinger design will be included in the design contract for sanitary upgrades. This will allow a renewed look at various drainage alternatives including sub-surface drainage, installation of storm drains and gutters for each cottage, and improved local yard drainage.

#### **4.10 Component 3 IDP Durable Housing Subcomponent 2: Durable Housing**

Of the various program components, the IDP durable housing may be the most complicated component to address. The issues surrounding IDPs and the intense sensitivity of IDPs, their interaction with each other and with broader non-IDP communities, can be complicated and require careful consideration throughout to avoid possible problems during implementation. Cooperation during the planning and design stages between MRA, MDF and USAID to identify, anticipate and plan actions required to mitigate risks for all possible issues is essential for final success. IDPs living in the durable housing units that will be rehabilitated will be relocated during and after the construction. Experience has shown this practice of moving the IDPs is very complicated and requires careful and thorough planning. If temporary relocations are implemented without good and regular communication, and without adequate provision for quality of life issues, IDPs will not only fail to support the rehabilitation, but the larger Georgian community (non-governmental organizations, politicians, etc.) may fail to support it, and may actively work against the project. Poorly planned and implemented temporary relocation could derail support for the project. Mitigation, in the form of a resettlement plan with regular and inclusive communication, will be required to offset any adverse impacts. MRA has taken responsibility for relocating IDPs during construction works. USAID has been working with MRA and NEO to come up with possible solutions that include:

- Preparation of a data base of IDPs that will be resettled

- Start of negotiations with IDPs in the collective centers to resolve any issues prior to the resettlement
- Preparation of the strategy for temporary resettlement and identification of the target group for permanent resettlement

Ownership of the buildings and surrounding area has become a major issue. Of the original 93 buildings identified by MRA for rehabilitation, only 36 buildings are being considered for rehabilitation (10 unoccupied and 28 occupied collective centers). Only those buildings with confirmed government ownership are being considered. However some of the buildings are under partial lease or have not been registered properly. MRA is correcting these inconsistencies.

Availability of water and sewage for the buildings proposed for rehabilitation is also a major problem. USAID will not fund any external sewage facilities. Unless GUWC or the municipalities have existing connections or facilities, will guarantee funds or agree to construct new facilities, USAID will not consider these buildings for rehabilitation. MRA, working with GUWC and the municipalities, is addressing these issues.

### **Rehabilitation Works for IDP's Houses 10 Unoccupied Buildings; IFB No. USAID/W/ICB/01-2011**

There have been several problems/issues that have occurred during implementation of the contract for rehabilitation of the 10 unoccupied buildings. MDF and USAID are aware of these issues and are taking steps to solve them.

- The five hospitals buildings had medical inventory. MRA signed a contract for clearing the hospital inventory. As of 31 December two of the hospital buildings in Zestaphoni (Central Hospital) still had not been cleared. Contractor has stopped works in these buildings. MRA is working on solving this issue.
- One building in Zestaphoni (Central Hospital) had communication equipment and antennae from three telecommunication companies on the roof. There was concern of a potential health risk. At the request of MRA the communication companies provided medical clearance on the safety of the communication equipment.
- External sewage connections and disposal were problems on three buildings (Marneuli, Kareli, and Vani). Construction permits were delayed pending submittal of letters by GUWC and municipalities committing funds to provide sewage connections or on-site treatment. MRA has agreed to cover the costs. GUWC provided a design for a septic tank for Vani. The municipality plans to issue a tender in January 2013. To date the contractor's designer has not provided the requested designs for Kareli and Marneuli. It will take time for MRA to tender these works. This will delay completion of the construction.
- USAID had questions on structural stability for one of the buildings in Zestaphoni (Zestaphoni Polyclinic/Dental Clinic). The contractor was not allowed to proceed until a separate outside expert was hired to review. The outside expert signed off on the building as being structurally sound on 10 September. The contractor did not begin cleaning and demolition works until the beginning of November 2012. The contractor still has not submitted design drawings.

- USAID had questions on structural stability for balcony for the Terjola building. Contractor was requested to investigate in early November 2012. As of 31 December no solution has been provided.
- USAID requested several layout floor plans be prepared by the designer for each of the buildings. Due to lack of cooperation by the contractor's designer, at the request of USAID, MDF hired a local architect to provide alternatives. It also had their HO provide options. Focus groups were held with IDPs and their preferences incorporated into the designs.
- Three buildings had asbestos-cement roofs. Initially the contractor failed to follow proper removal and disposal procedures. Training was provided by Tt. The contractor implemented an improved health and safety program. It has continued to monitor.
- All building designs must be in compliance with USAID Policy on Standards for Accessibility for the Disabled. The designer was required to revise several sets of their original designs to comply with these requirements. Contractor's designer has requested additional payment for these designs.
- The contractor is required to prepare mock-ups in each building. Even though training was provided to MDF and the contractor by Tt and assistance was given in initially setting up a "Phase I" mock-up, there has been resistance to the concept by the contractor. The contractor was informed they would not be given permission to proceed with any internal work unless they complied. The mock-up for Kutaisi was inspected on 8 November by USAID, MDF, and Tt. A punch list was prepared. As of 31 December the contractor still had not made the necessary improvements required for a final inspection. The latest schedule for mock-ups provided on 29 December for five of the nine buildings (excluding Kutaisi) show an average of 65 days to complete what can be done within three weeks.
- The contractor was requested on 20 August to provide site plans for Kutaisi, Tskaltubo and Vani. These still have not been provided. The contractor's latest proposal is that site plans will be provided by the end of February 2013.
- The contractor has continually failed to meet design schedules. Originally all designs were to be prepared and submitted by 12 July 2012. As of 31 December, seven months into the contract, the contractor has only submitted final designs that include external site plans for one of 10 buildings, and internal designs for six of 10 buildings.
- During November and December the contractor has been working with reduced crews on a number of sites. The contractor's claim that this is because of cash flow problems due to late payments. These claims need to be further clarified. All requests for payment for approved works submitted to date have been paid.
- Instead of focusing on how to complete the works within the remaining contract period (five months), on 28 December the contractor submitted a request to extend the contract end date from 1 June 2013 to 30 September 2013, an additional four months.

### **Rehabilitation Works for IDP Housing for Eight (8) Former Hospital Buildings**

A recent field survey by USAID showed the following issues:

- A number of the hospitals still have medical wastes and inventory that must be removed.
- Mukhrani Medical Service Building:
  - The building is occupied - formally there are nine IDP families, but actually only four families live there

- The Polyclinic is still operational
  - There is no central water system or waste water disposal system
  - Building's territory is flooded from a nearby channel during the rainy season
- Main Hospital of Khashuri
  - Since 4 November 2012 the building has been occupied by 20 local poor families

MDF and MRA have been made aware of these issues and they are being addressed.

### **Rehabilitation Works for IDP Housing for 28 Buildings**

USAID is concerned that there could be one or more families in each of the 28 collective centers proposed for rehabilitation that will not be willing to vacate their current apartments. The families are concerned they will not be able to return to their original apartment, may be given a smaller apartment or will be relocated to a less desirable location. MRA conducted a survey to determine the extent of this problem. The results were inconclusive. USAID has stated that even if one family refuses to relocate then this may make the entire building ineligible for rehabilitation under the USAID program.

### **New Buildings for IDP Housing Rehabilitation Works for IDP Housing**

One alternative being considered by USAID is the construction of new buildings. A concept study was conducted in May 2012 by Tt at the request of USAID. Three locations were reviewed: Batumi, Poti, and Kutaisi. It was determined that Kutaisi was the best location. The cost of a new building was estimated at USD \$591,470 (USD \$836 per m<sup>2</sup> or USD \$28,758 per apartment). MRA has agreed. However, in November 2012 MRA was informed that the site for the new buildings in Kutaisi has been sold to a private investor.

## 5. STAFF LEVEL OF EFFORT

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The Tt long term technical assistance (LTTA) and STTA professional, technical, and administrative support staff for the reporting period are presented below:

### 5.1 Resident Staff

No new staff were hired during the Quarter.

One staff member left during the Quarter:

- Ilia Eloshvili (Infrastructure Manager)

Resident Tt staff are listed below:

Name	Position
Jeffrey Fredericks	Chief of Party
TBD	Infrastructure Manager
Teimuraz Levanishvili	Housing Rehabilitation Manager
Mamuka Shaorshadze	Environmental, Health & Safety Specialist
Archil Lezhava	Displaced Person Relations/Outreach
George Nizharadze	Office Operations Manager
Irakli Kakulia	Paralegal/Licensing & Permits
Givi Varduashvili	Senior Civil Engineer
Vasil Apkhazava	QA/QC Engineer
Otar Maghalashvili	Irrigation Engineer
Koba Tsiramua	Regional Engineer (Kutaisi)
Avtandil Baramia	Regional Construction Over-Site Engineer (Kutaisi)
Anna Urotadze	Document Control Manager
Maia Dvali	Translator/Interpreter

### 5.2 Short Term Staff during the Report Period

There were no expatriate STTA providing support in Georgia during the report period:

The following expatriate STTA provided support from the home office or from the US during the report period:

- James Gallup, Environmental Specialist
- Julie Oakley, Document QA/QC

The following local STTA provided support during the report period:

- Mamuka Gvilava, Environmental Consultant
- Akaki Shubitidze, Road Engineer
- Demna Sakhltkhutsishvili, Financial Management Specialist

### 5.3 Home Office Staff

The Tt HO management staff supporting the project are listed below:

Name	Position
Firouz Rooyani	A&E IQC Program Manager
Renee Valentino	Contract Manager

Shelly Rice	Subcontract Specialist
Brian Potvin	Task Order Manager & QA/QC
Susan DeMarre	Project Analyst
Brian Bemis	Sr. Administrative Assistant
David Sharashenidze	Home Office Coordinator
Stephanie Coulis	Contracts Administrator

#### 5.4 Other Administrative & Staff Issues

Purchase Orders for local contract services during the quarter included:

- Tt has made arrangements with subcontractor Autorent Ltd for provision of auto services.
- Tt office information technology support is provided by IT Fix Ltd.
- Tt has an agreement with MagtiCom to provide corporate mobile communication service.
- LTD “Caucasus Online” provides GMIP office with high speed internet.
- Tt signed a fixed price agreement with General Partnership Kavtaradze & Partners to provide various legal services to GMIP.
- Tt has made arrangement with Sole Proprietor David Tsagurishvili for the provision of additional vehicle and driver service to the project.
- Tt has an agreement with Rima Boshishvili for the provision of GMIP office cleaning service.
- Mariam Vasadze was hired as office cleaner for Kutaisi regional office and contracted under simplified purchase order.
- Tt has made arrangement with sole proprietor Roland Begiashvili for the provision of additional vehicle and driver service to the project.
- Tt has made arrangement with sole proprietor Besik Abaishvili for the provision of additional vehicle and driver service to the project.
- Tt has an agreement with JSC Insurance Company Aldagi BCI to provide health insurance service for LTTA project staff.
- “EuroTech House” LTD was contracted to provide Schmidt hammers.

## 6. STATUS OF FINANCES AND EXPENDITURES

GMIP has completed 19 months of the 30 month contract (63%).

Financial summary for the reporting period October - December 2012 is presented below:

Contract No.: EDH-I-00-08-00027-00  
 Order No.: AID-114-TO-11-00002  
 Georgia Municipal Infrastructure Project  
 Tt EMI  
 Reporting Period: Oct - Dec 2012  
 Funding to Date: \$4,777,396

Expense Type	Budget	Previous Period	Current Period	Cumulative To Date	Balance Remaining	Expended
Salaries Workdays Ordered	\$43,703	\$10,420	\$1,297	\$11,717	\$31,986	27%
Fringe/Overhead	\$38,515	\$9,183	\$1,143	\$10,326	\$28,189	27%
Other Direct Costs/Travel	\$4,751	\$419	\$60	\$479	\$4,272	10%
Intercompany/ Subcontractors	\$4,368,581	\$2,208,049	\$429,773	\$2,637,822	\$1,730,759	60%
G&A	\$9,306	\$2,142	\$267	\$2,409	\$6,897	26%
<b>Subtotal</b>	<b>\$4,464,856</b>	<b>\$2,230,214</b>	<b>\$432,540</b>	<b>\$2,662,754</b>	<b>\$1,802,102</b>	<b>60%</b>
Fixed Fee	\$312,540	\$156,115	\$30,277	\$186,392	\$126,148	60%
<b>Total</b>	<b>\$4,777,396</b>	<b>\$2,386,329</b>	<b>\$462,819</b>	<b>\$2,849,148</b>	<b>\$1,928,248</b>	<b>60%</b>

Source: Tt Voucher # 50636596 (4 January 2013).

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