

**REPORT**  
**on “Gyumri Urban Roads” Project Implementation Process**  
**(Reporting period 01.01-31.03.2018)**

**1) General Information**

For the implementation of the project “Gyumri Urban Roads” (hereafter the Project), on May 11, 2016 European Bank for Reconstruction and Development (hereafter the Bank), Republic of Armenia (hereafter the Borrower) and Gyumri commune (hereafter the Project Entity) have signed “Loan Agreement”, “Grant Agreement Tranche A”, “Project Agreement”, which have been ratified as prescribed by law and “Project Implementation Agreement” has been signed between the Borrower and the Project Entity (hereafter the above agreements together –the Project Documents) on December 30, 2016:

Taking into account the Project Entity’s responsibilities set out in section 2.08. point (b) of “Project Agreement” , we present the quarterly report which is noticed in the section 4.04(a)(iv) of Standard Terms and Conditions.

**A) The works carried out during the reporting period**

Due to Technical Cooperation Grants, the “Dorproject Institute” LLC (hereafter, the Consultant) and the Project Entity have signed with the first dose “Gyumri Urban Roads-Project Implementation Support, Detailed Design, Construction Supervision, Maintenance Contracts Preparation” consultancy services contract (hereafter the Contract), on June 7, 2017. Within the frames of the contract during the reporting period the Consultant has drawn and has submitted to the Project Entity packages of tender documents on construction works for the 11 streets and 2 squares which are included in the project, which have been grouped in 4 doses and tenders have been announced agreeing with The Bank. Within the frames of the Contract 1 the Consultant has drawn up and has submitted also Project reports on Road safety audit, Environmental and Social Impact assesment and Environmental and Social Action Plan to the Project Entity ( they have been presented to the Bank as well).

On January 18, 2018 in the administrative building of Gyumri Municipality the tender CW-ICB-2018/01 opening occurred announced for the road rehabilitation and street lighting works on Komitas street. 4 tenderers have submitted tenders, namely "Undermoscow" OJSC, "Akhuryani Coopshin" Co. Ltd, "Bedeck" LLC, "Metsn Erik" LLC (The minutes of tender opening have been sent to The Bank).

Then the evaluation process has been held. The tender evaluation report has been formed and sent to The Bank and received No objection.

According to the results of the evaluation the winner is "Undermoscow" OJSC with the proposed lowest price of AMD 250 713 150.0 (425 254.68 Euro).

On March 17, 2018, for the implementation of Komitas street construction works, a contract has been signed with the project Contractor, after which it was proposed an amendment on the advance payment and the agreement on it has been sent to the Bank for approval.

On February 1, 2018 a tender was announced under the code CW-ICB-2018/02. On March 16, 2018 the tender CW-ICB-2018/02 opening occurred for the road rehabilitation works on Jivani, Ghoghghanyan, Abovyan and Varpetac streets. 3 tenderers have submitted tenders, namely "Undermoscow" OJSC, "Akhuryani Coopshin" Co. Ltd and "Metsn Erik" LLC (The minutes of tender opening have been sent to Bank).

The tender evaluation report has been drawn up as a result of the tender review. According to the results of the preliminary evaluation report, it was recommended to consider the "Undermoscow" OJSC as a winner with the proposed lowest price of Euro 439 116. 84

The Consultant accomplished the detailed design documents (design estimate documents) of Yerevan Highway and Mush II Link road, Garegin Njdeh Avenue, Tigran Mets avenue, Sayat Nova street, Hayuhu square, Vazgen Sargsyan street, Gertsen street and Sharl Aznavour square, which have been coordinated with the structures regulating the aspects as prescribed by law. The package of tender documents on the mentioned streets has been sent to the Bank for approval.

For the rehabilitation works of mentioned streets, on March 3, 2018 new tenders under codes CW-ICB-2018/03, CW-ICB-2018/04 and CW-ICB-2018/05 were announced.

A contract (Contract 2) for consultancy services for the realization of the project component "Parking Strategy and Action Plan" was signed on January 15, 2018 with the Jewish company "ROM Transporting Engineering" (Consultant 2), which won as a result of the tender

within the project. Within the frames of the contract, the Consultant 2 outlined the list of streets together with The Project Entity and commenced the works started from January 15.

A preliminary report has been formed based on the surveys and analysis aimed parking strategy and action plan and it has been sent to the Project Entity.

The consultancy services for modernization of the lighting network by the German company “ENVIDATEC” (Consultant 3), which won in tender, announced by the Bank is in process of implementation. The Consultant 3 made a report on modernization of the lighting network and submitted to The Project Entity for consideration. Several discussions have been organized by initiative of The Bank with Project Entity, Consultant 1 and Consultant 3, as a result of which changes occurred and the report on modernization of the lighting network has been refined.

**B) Actual or expected difficulties or delays in the implementation of the project and their effect on the implementation schedule, and the actual steps taken or planned to overcome the difficulties and avoid delays.**

During the Project implementation, there have been some delays related to the tender opening date announced for rehabilitation work of Komitas street. At first the tender opening date was announced January 11, 2018, then the deadline was changed, setting out the new deadline January 18, 2018.

There were also some extension on the commencement of rehabilitation and street lighting construction works of Komitas street under the code CW-ICB-2018/01.

Delays are foreseen also for the works contract signing dates in frames of the tender announced for Jivani, Abovyan, Ghorghanyan, Varpetaç streets.

**C) Expected changes in the completion date of the Project**

The delays set out in the 2-nd point of this report as well as the extensions of realizing obligations of Consultant 3 set out in Contract 3 may affect the deadlines of The Project closing.



According to schedule set out in the Appendix 1 of the Project Implementation Agreement signed between the Project Entity and the Bank, the Project closing is foreseen December, 2019. However, taking into account the difficulties and delays described in 2-nd point of this report, the Project is expected to be completed in November 2020.

**D) Key personnel changes in the staff of the Project Entity, the PIT, the Consultants or the Contractors**

The Contractor "Undermoscow" OJSC has been selected for the road rehabilitation and street lighting works (under the code CW-ICB-2018/01) of Komitas street during the reporting period.

According to the tender documents submitted by The Contractor, no significant changes have been made to the data and the personnel included in the implementation of works' stage .

Also, no significant changes have been made to the staff of Project Entity, PIT, consultants staff as well. With the increase of scope of the project works, it is expected to have increase in number of PIT staff members as needed, which will be notified to the Bank.

**E) Any development or activity likely to affect the economic viability of any Part of the project**

No development or activity likely to affect the economic viability and expenditures of any Part of the project during the reporting period have been recorded.



2) Column diagram of the implemented work

Currency Euro

N	The description of implemented work	Planned expenditures	Actual expenditures	Timetable		Work processes
				According to the Contract	Actual	
1	Support on Project Implementation: first Contract	283140.0	157570.0			In progress
1.1	Environmental and Social Impact Assessment	47190.0	-	June-December2017	June-July 2017	At the stage of agreements
1.2	Environmental and Social Action Plan	31460.0	-	June-December2017	June-August 2017	At the stage of agreements
1.3	Report on detailed design works	141570.0	141570.0	June-December2017	June-December 2017	Is accepted
1.4	Road safety report	47190.0	-	June-September 2017	March 2018	Is accepted
1.5	Tender documents	15730.0	-	June-January 2017	January 2018	Is accepted
2	"Parking Strategy and Action Plan"	44000.0	16000.0	-	-	In progress
2.1	Diagnostic report	44000.0	16000.0 (advance payment)	January-March 2018	March 2018	At the stage of agreements

### 3)Financial report

Currency: Euro/ Thousand

N	Description	Preliminary estimates of expenditures	Revised estimates of expenditures	Amount of expenditures made during the reporting period	Justifications for difference between made and calculated expenditures	Expenditures calculated for the remaining quarters of year
1	Part A. Capital Expenditures .Tranche A	7950.0	6805.0	0	No expenditures have been made, so there are not differences	6805.0
2	Part B. Technical Cooperation	1360.0	1280.0	157.57	No invoices are presented for making payments	1122.43

#### **4) Brief overview of fulfillment status of the terms provided in agreement**

The project Entity Gyumri Municipality has fulfilled all the terms provided in agreement.