



# REPORT

JANUARY-JUNE 2014



საავტომობილო გზების დეპარტამენტი  
ROADS DEPARTMENT OF GEORGIA

# REPORT

JANUARY-JUNE 2014



Ministry of Regional  
Development and  
Infrastructure of Georgia

One of the major challenges for the management of Roads Department of Georgia is to bring the country's road sector closer to European standards and working in this direction actively continues in 2014.

It has to be noted that positive dynamics that started in road sector in 2013 has considerably increased. First half of the current year, despite the hindering conditions (natural disasters, prolonged bad weather), has successfully completed.

Within the first 6 months of 2014, 42% of the total annual budget and 94% of planned six-month budget has been utilized. Mentioned data demonstrates the highest progress over the last years.

Works related to construction and rehabilitation projects are actively progressing. By the end of this year, it is planned to complete rehabilitation of about 250 km road and 30 bridges. Also, 32,2 km new section of the highway is expected to be completed during the current year. Statistics of 2014, in this part as well, will be notable compared to the statistics of previous years.

One of the top priorities of RD is to improve road asset management system which, along with the road infrastructure improvement projects, covers the activities for road operation by application of modern standards. Pilot project (PBC – Performance Based Contracts), implementation of which commenced this year and is financed by the World Bank, is a step forward in this direc-

tion. Mentioned project considers integrated services within the scope of five-year road maintenance contract and will foster introduction of modern road operation standards.

Roads Department of Georgia is actively working on road as well as institutional, social and environmental projects to successfully handle the challenges it faces in 2014.

Mentioned activity aims at establishment of rational and road user oriented road infrastructure management system, which is a key factor for gradual integration of the country with the European standards.



**DAVIT SHAVLIASHVILI**

Chairman of  
Roads Department of Georgia



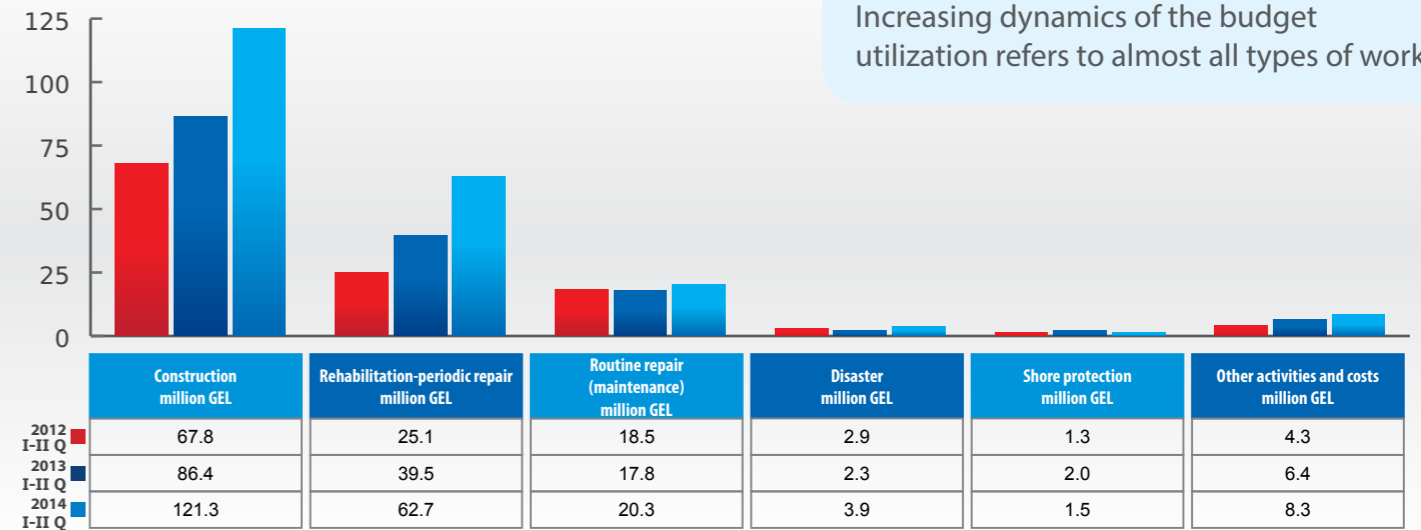
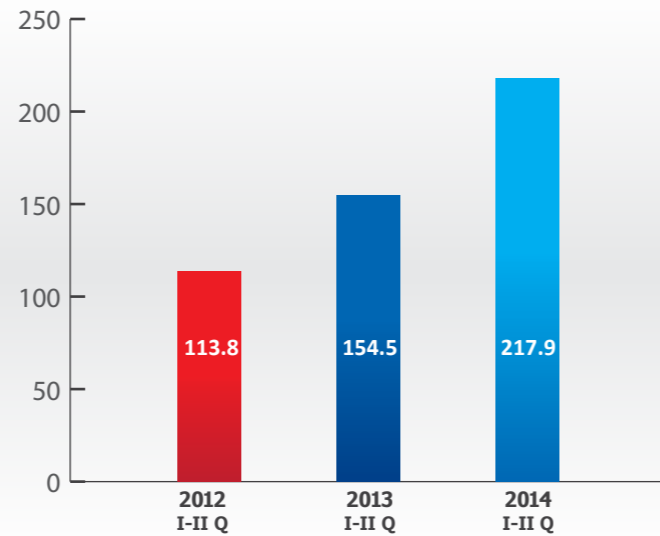
<b>GEL 230,8</b> MILLION	PLANNED BUDGET FOR THE FIRST 6 MONTHS OF 2014
<b>GEL 217,9</b> MILLION	UTILIZED BUDGET FOR 6 MONTHS OF 2014
<b>BY 94%</b>	UTILIZATION OF BUDGET DURING 6 MONTHS
<b>GEL 514,2</b> MILLION	TOTAL ANNUAL BUDGET

Implementation of works in the amount of GEL 230,8 million was planned for upgrading and development of country's road infrastructure within 6 months of 2014. Despite the hindering factors taking place during the mentioned period (natural disaster, prolonged bad weather), it became possible to utilize GEL 217,9 million under various projects - 94% of the planned budget.



UTILIZATION OF BUDGET | (MILLION GEL)

The value of road works performed in the first 6 months of 2014 is GEL 63,4 million more compared to the same period of the last year and GEL 104,1 million more compared to the same period of 2012.



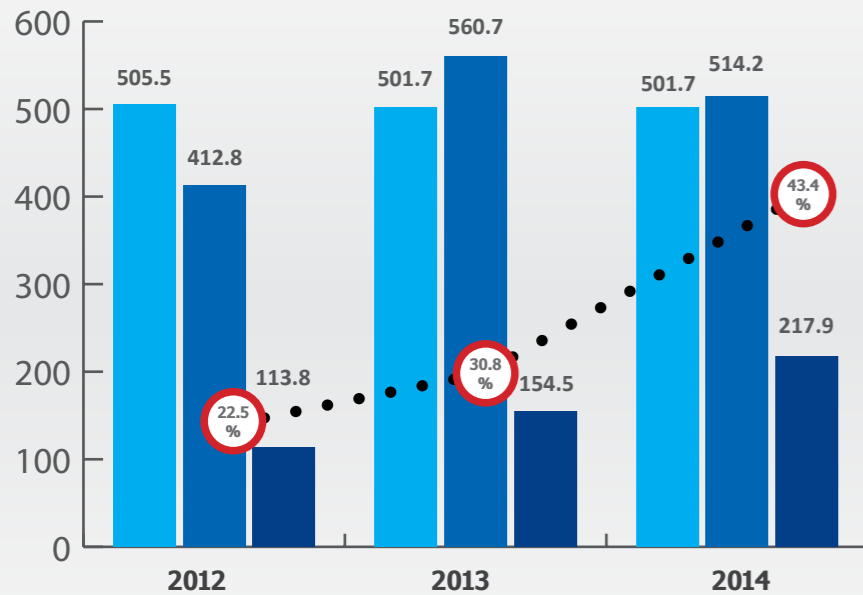
2013  
2014

BASED ON DATA OF THE LAST 3 YEARS, DYNAMICS OF UTILIZATION OF BUDGET HAS DRAMATICALLY INCREASED FOR THE YEARS 2013-2014

2013

THE BUDGET PLANNED FOR THE ACTIVITIES OF ROADS DEPARTMENT FOR THE FIRST 6 MONTHS HAS BEEN EXECUTED BY 30,8% WITHOUT ADJUSTMENT

DYNAMICS OF UTILIZATION OF BUDGET | (MILLION GEL)



GEL 63,4 million more has been utilized from the budget in first 6 months of 2014 than during the same period of the last year, while data on mentioned performance exceeds by GEL 104,1 million to that of 2012.

IN FIRST 6 MONTHS 42% OF TOTAL ANNUAL BUDGET AND 94% OF THE PLANNED BUDGET FOR 6 MONTHS HAS BEEN UTILIZED

2014

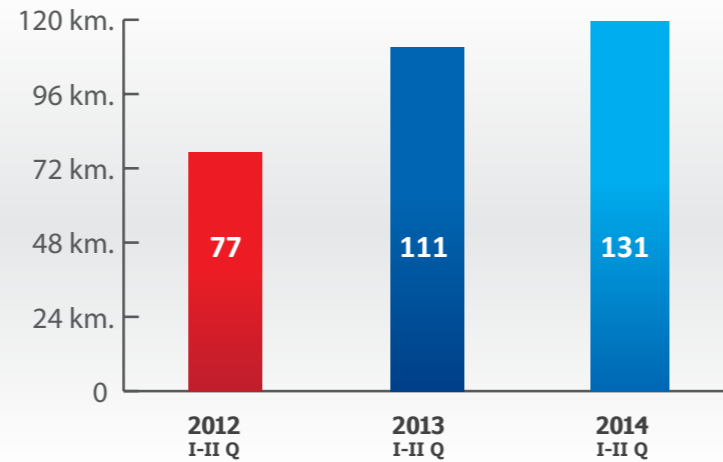




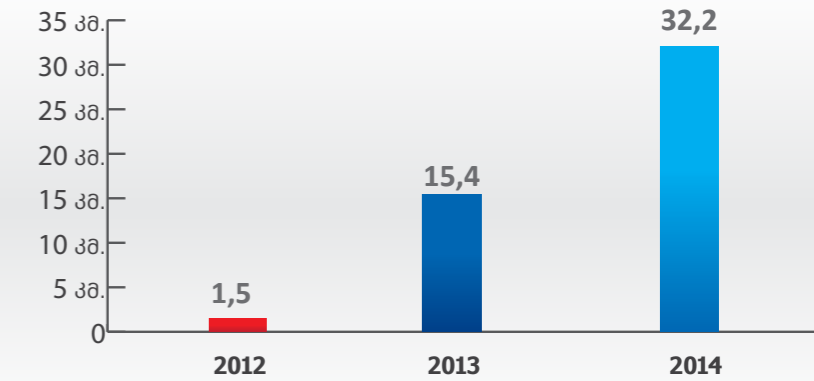
CONSTRUCTION ACTIVITY ALONG THE HIGHWAY | (KM)

STATISTICS OF ROADS OPEN TO TRAFFIC | (KM)

In 2014 the projects relating to the highway construction represent a priority of road sector. During 6 months of 2014, construction activity has progressed overall at 131 km road section in east and west part of the country. By the end of the year construction activities are planned at about 140 km road.



In 2014 it is planned to open in total 32,2 km new road at various sections of the highway, while in 2013 construction of 15,4 km section and in 2012 completion of only 1,5 km section was possible.



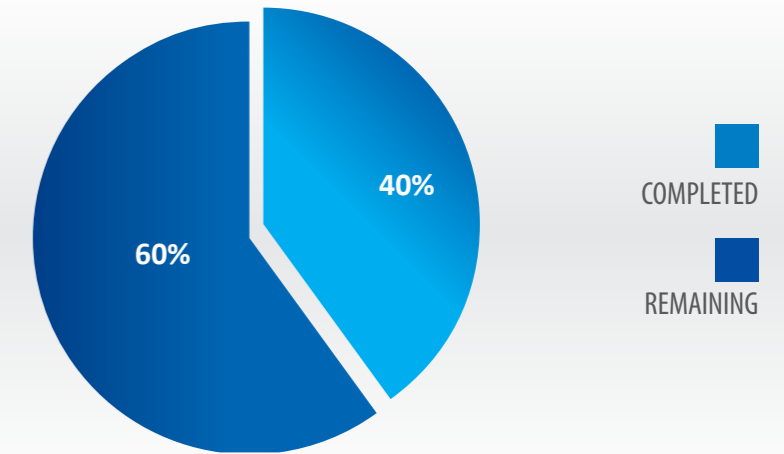




UTILIZATION OF BUDGET | JANUARY - JUNE 2014

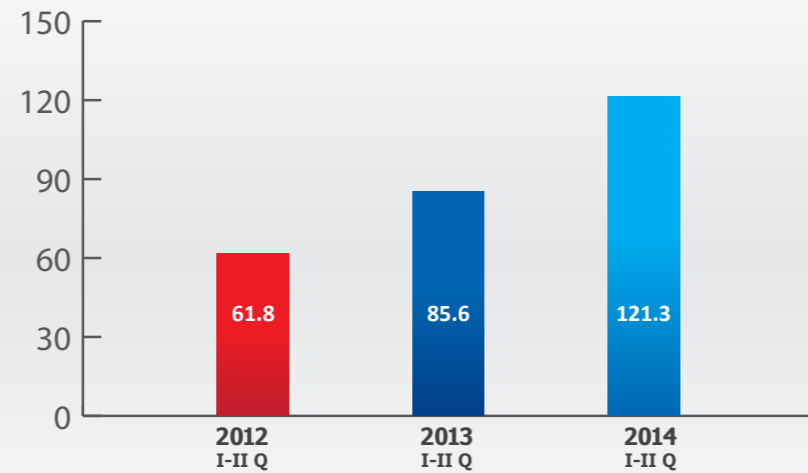
Notwithstanding the seasonal abundant precipitation and then prolonged bad weather, the works for highway construction were not suspended. Activities, which could be implemented given the environmental conditions, progressed intensively.

Based on 6 months data, the total budget of highway construction projects have been utilized by 40%.



DYNAMICS OF UTILIZATION OF CONSTRUCTION BUDGET ACCORDING TO YEARS | (MILLION GEL)

Within 6 months of 2014 the works implemented under the road and structures construction projects amount to GEL 121,3 million that is GEL 35,7 million more than the data for same period of the last year and GEL 59,5 million more compared to same data of 2012.





2014

IN 2014 CONSTRUCTION ACTIVITIES WILL BE SIMULTANEOUSLY IMPLEMENTED AT 8 SECTIONS OF THE HIGHWAY WITH THE TOTAL LENGTH OF ABOUT 140 KM ROAD



2014

IN I-II QUARTER IT WAS POSSIBLE TO IMPLEMENT CONSTRUCTION WORKS AT 131 KM SECTION OF THE HIGHWAY



CONSTRUCTION OF KUTAISI BYPASS ROAD WILL BE COMPLETED IN 2014

- « LENGTH OF THE ROAD UNDER CONSTRUCTION – 17.3 KM
- « WILL BE CONSTRUCTED – 5 BRIDGES AND 5 OVERPASSES
- « COST OF THE PROJECT – GEL 77.9 MILLION AND EURO 20.6 MILLION (LOT I)
- « DONOR – JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)





CONSTRUCTION AT 14 KM SECTION OF KUTAISI BYPASS – SAMTREDIA ROAD WILL BE COMPLETED IN 2014

- « LENGTH OF THE ROAD UNDER CONSTRUCTION – 25,6 KM
- « WILL BE CONSTRUCTED – 3 BRIDGES AND 5 OVERPASSES
- « COST OF THE PROJECT – GEL 69,6 MILLION AND EURO 20.9 MILLION (LOT II)
- « DONOR – JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)



CONSTRUCTION OF ZESTAPONI-KUTAISI BYPASS ROAD CONTINUES

- « CONSTRUCTION WILL BE COMPLETED IN 2015
- « LENGTH OF THE ROAD UNDER CONSTRUCTION – 15,2 KM
- « COST OF THE PROJECT – GEL 71,1 MILLION AND EURO 22.1 MILLION (LOT III)
- « DONOR – JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)







CONSTRUCTION OF KOBULETI BYPASS -CHAKVI ROAD IS ACTIVELY PROGRESSING

- « CONSTRUCTION SHALL BE COMPLETED IN 2016
- « LENGTH OF THE ROAD TO BE CONSTRUCTED - 19.2 KM
- « 16 BRIDGES AND 2 TUNNELS SHALL BE CONSTRUCTED IN TOTAL
- « COST OF THE PROJECT – GEL 209,8 MILLION
- « DONOR – ASIAN DEVELOPMENT BANK (ADB)



CONSTRUCTION OF RUISI-AGARA SECTION IS ONGOING

- « LENGTH OF THE ROAD TO BE CONSTRUCTED - 19.5 KM
- « 4 BRIDGES, 2 OVERPASSES AND 5 UNDERPASSES SHALL BE CONSTRUCTED
- « COST OF THE PROJECT – GEL 70,8 MILLION
- « DONOR – WORLD BANK (WB)







CONSTRUCTION OF SAMTREDIA-GRIGOLETI ROAD IS LAUNCHED

- « CONSTRUCTION SHALL BE COMPLETED IN 2016
- « LENGTH OF THE ROAD TO BE CONSTRUCTED (LOT I) - 11.5KM
- « 26 UNDERPASSES AND 8 OVERPASSES SHALL BE CONSTRUCTED, AMONG THEM 3 BRIDGES AND 1 RAILWAY OVERPASS; CULVERT SHALL BE ARRANGED
- « CONTRACTUAL COST OF THE PROJECT AMOUNTS TO GEL 153 498 019.53

Preparation of detailed designs and bidding procedures for the next construction sections is ongoing in a concurrent mode. At the same time, negotiations with international financial institutions for financing of new sections are actively progressing in order to enable commencement of construction works on all sections of East-West highway within the optimal timeframes.



CONTRACT FOR CONSTRUCTION OF AGARA-ZEMO OSIAURI ROAD SECTION IS CONCLUDED



- « LENGTH OF THE ROAD TO BE CONSTRUCTED - 12 KM
- « 2 INTERCHANGES, 4 BRIDGES, 20 CULVERTS AND 3 UNDERPASSES SHALL BE CONSTRUCTED
- « CONTRACTUAL COST OF THE PROJECT AMOUNTS TO GEL 105.019.564
- « DONOR - WORLD BANK (WB)



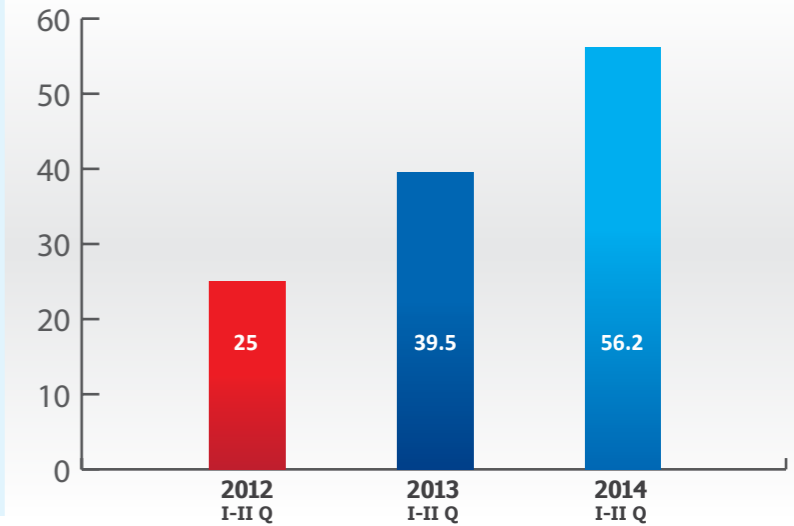
Contract for construction of 12 km Agara-Zemo Osiauri highway was signed between Roads Department and Kuwait Company Copri Construction Enterprises W.L.L on May 29, 2014.



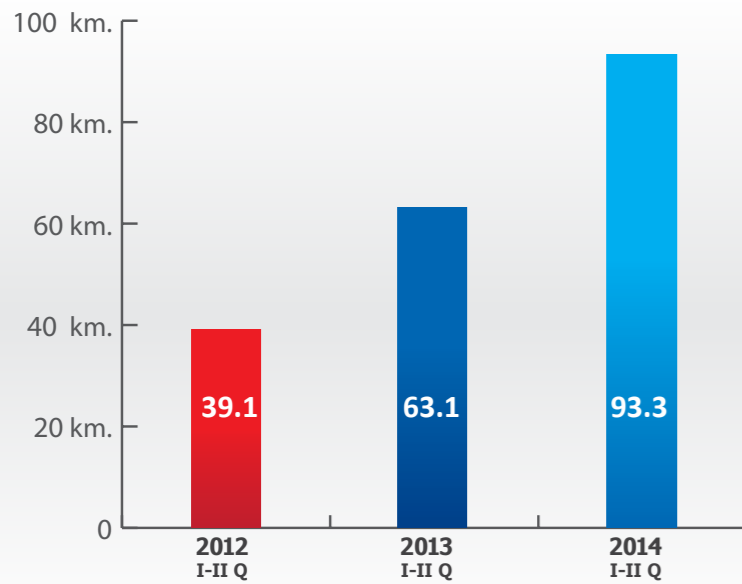


BUDGET OF ROADS REHABILITATION PROJECTS | (GEL MLN)

According to the statistical analysis of the last three years, works implemented during the first six months of 2014 exceed by GEL 16.7 mln compared to works implemented in 2013, but by GEL 31.2 mln compared to 2012.



WORKS VOLUME OF ROADS REHABILITATION PROJECTS | (KM)



Volume of works implemented during 1st and 2nd quarters 2014 exceeds by 30,2 km to the work volume executed during 6 months of the previous year, but compared to the similar data of 2012 is 54,2 km more.







Along with implementation of road construction and rehabilitation projects, the priority importance is attached to further maintenance activities. Full operation and lifecycle of newly constructed or rehabilitated roads depends on routine repair works.

**INNOVATION** – implementation of pilot project (PBC – Performance-based contract) launched this year, which considers complex service under five-year road maintenance contracts. Procurement of maintenance works through mentioned model is in progress.



STUDIES UNDERTAKEN IN DEVELOPED COUNTRIES REVEALED THAT ROADS MAINTENANCE UNDER PERFORMANCE-BASED CONTRACTING MODEL IS COST-EFFECTIVE BY 10-15%



First pilot project under the World Bank financing shall be implemented in Kakheti. One winning Company shall serve various road sections (in total 220 km) in Dedoplistskaro and Tsnori Municipalities. Company shall be liable for maintenance-repair works of the whole road, including rehabilitation of 70 km long section and its further maintenance works.



Respective contact model increases motivation of contractor to implement rehabilitation works in a quality manner thus ensures further road operation with less expenses.

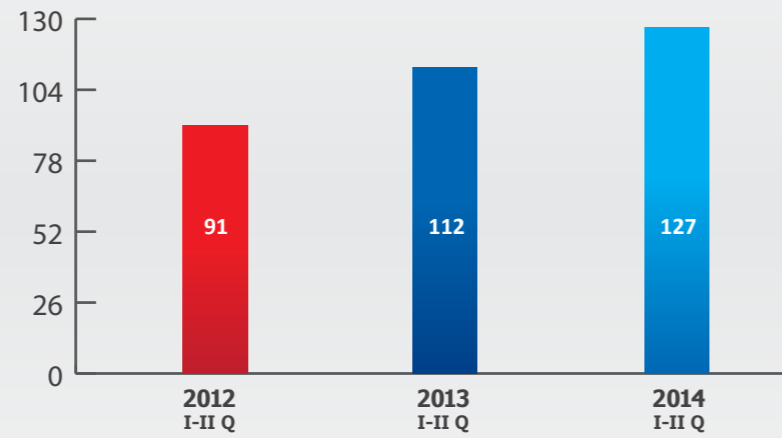
Long term contracts enable local companies to think of technological development that eventually promotes to increase competitiveness in the sector.



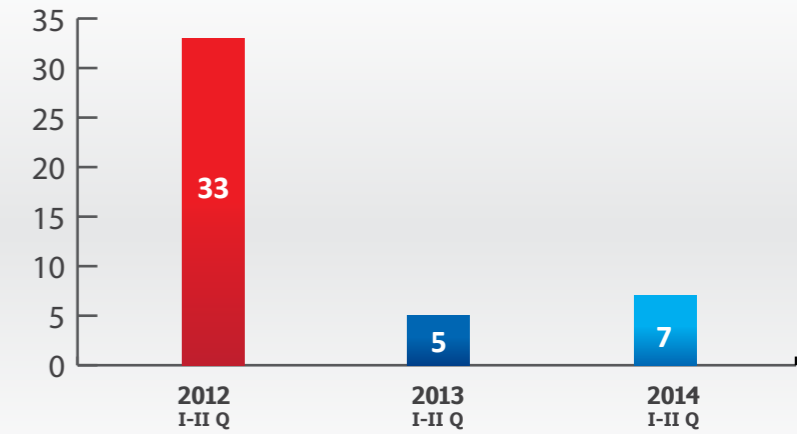
PROCUREMENT STATISTICS ACCORDING TO I-II QUARTERS DATA

SIMPLIFIED PROCUREMENTS ACCORDING TO I-II QUARTERS DATA

The number of state procurements carried out through bidding procedures during the first six months of 2014 is increased by 15 comparing to the data of similar period of 2013, but comparing to biddings conducted within the same period of 2012 exceeds by 36. Growth trend is revealed in the number of international tenders.

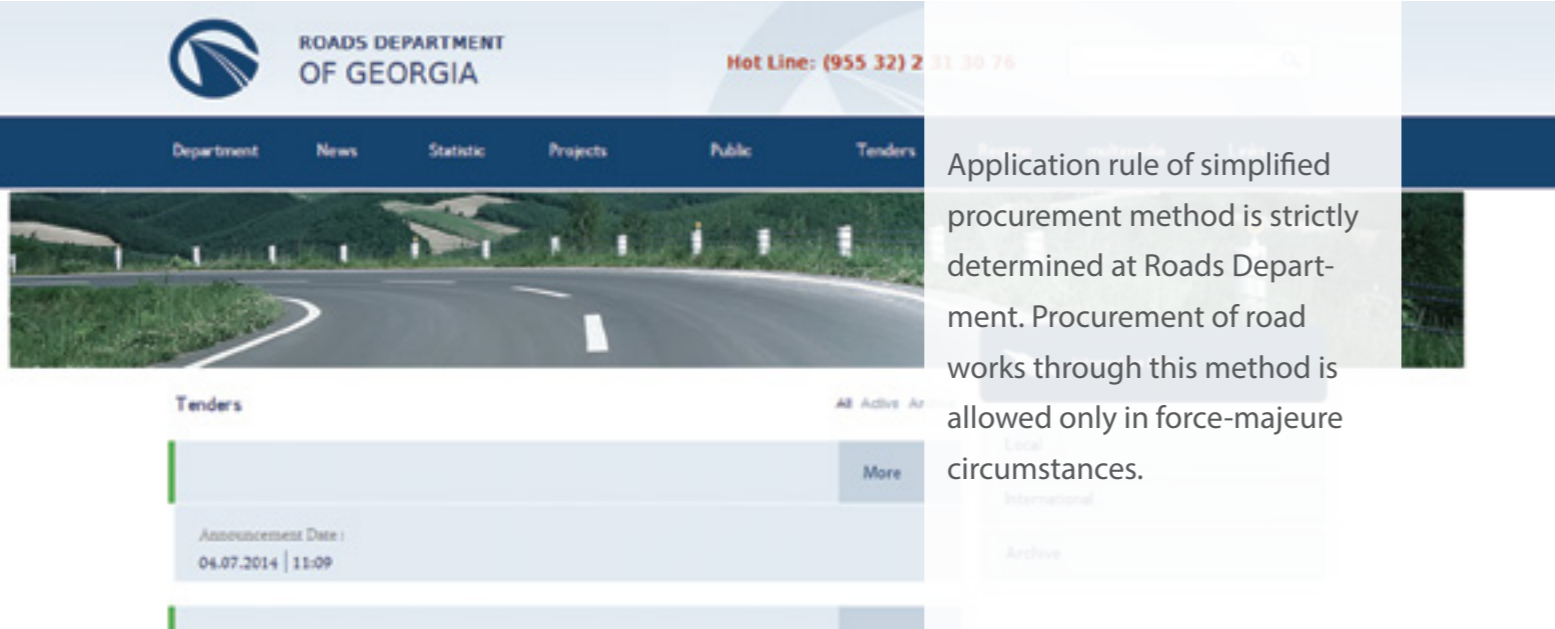


The number of simplified procurements conducted within the first six months of the current year is reduced by 26 compared to the same period of 2012; but compared to 2013 respective indicator is increased by 2. This year, simplified procurements were conducted for liquidation of damages caused by disaster in Dariali, Rikoti bypass section and Khulo district.





STATE PROCUREMENTS

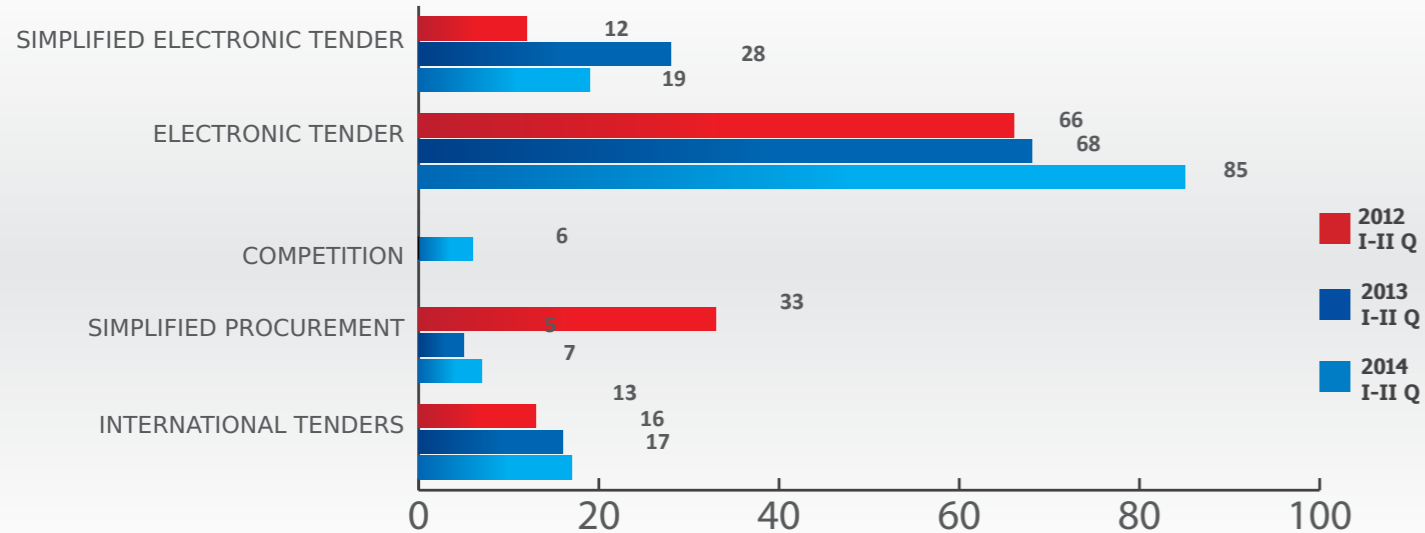


Application rule of simplified procurement method is strictly determined at Roads Department. Procurement of road works through this method is allowed only in force-majeure circumstances.

**INNOVATION** – In 2014 procurement of design works was conducted through competition. In case of procurement of services through mentioned method, unlike electronic procurements evaluation is made considering qualification of consulting company but not proposed price.

Procurement method through competition, so-called “two-stage bidding” is approved by leading countries of the world and it is intended to achieve optimal results in design.

TYPES OF CONDUCTED PROCUREMENTS







In 2014 Roads Department faced major challenges due to natural disasters.



1 mln m<sup>3</sup> ice and rock mass collapsed from the glacier on Stepantsminda-Larsi section on May 17, thus resulted impounding of the river Tergi and flooding of the road. Unfortunately, natural disaster resulted in victims. Collapsed mass reached 20-30 m in height, hence impeded liquidation of disaster consequences.





Principals of the Ministry of Regional Development and Infrastructure, Roads Department and State Construction Company supervised works related to river restoration to its original riverbed and road reinstatement within one month in the most complicated conditions. 70 unit of machinery worked intensively on site.



Traffic on section damaged by natural disaster was resumed on June 14 as a result of 24-hour work of Roads Department and State Construction Company.





**Ministry of Regional Development  
and Infrastructure of Georgia**



**Roads Department of Georgia**



