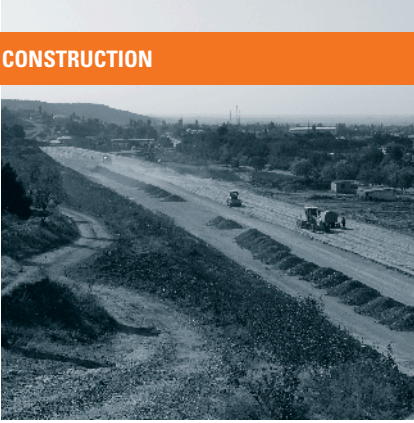


CONSTRUCTION



CASE STUDY

PROJECT MONITORING FOR THE RECONSTRUCTION OF AN AZERI HIGHWAY

To protect the investments of the Republic of Azerbaijan and assure the quality of the design plans and construction, an independent SGS Project Finance Engineering Team was hired for the reconstruction of the Azerbaijan highway.

A CHALLENGING PROJECT

The path to strengthening the economy of Azerbaijan follows a highway on the Northern border with Russia. The Government of the Republic of Azerbaijan set out in 2006 to reconstruct the country's roads infrastructure on which the Azeri economy is highly dependent. One of the largest reconstruction projects involved the highway from Baku to the Russian Federation border, between kilometres 6 and 197. The objective was to restore the highway to Category I road standards, enabling safe, high-speed traffic that in turn would lead to an increased turnover of goods.

The 177 Mio USD necessary to complete the project was secured by the project owner, the Ministry of Transport, through an export facility loan from the Czech Export Bank. Czech company OHL ZS was selected as the main contractor and SGS was hired as an Independent Engineer.

HIGHLY EXPERIENCED ENGINEERS LEAD THE WAY TO SUCCESS

The consulting and supervision services SGS was called to perform were divided into three separate contracts, each covering a distinct section of the highway. Section one covered Km 6 to 45 and it was projected to have 14 km of category II road with two lanes. The work on this section included three bridges, retaining walls, culverts, a pedestrian road and three railway crossings, with a completion period of 20 months. The second section included in the SGS supervision contract is situated between km 89 and 111, and involved the construction of 21 km of dual carriageway, category I roads, with two road junctions, five bridges, retaining walls, culverts and animal crossings. Completion time was set in this case to 27 months.

The third contract covers the highway stretch between km 111 and 134. Construction work was expected to take in this instance 30 months and included 25 km of dual carriageway, category I road, as well as eight bridges, a tunnel, retaining walls, culverts and animal crossings. Performing construction supervision simultaneously on all three highway sections, the SGS team maintained permanent control over quality of construction work, schedule and deadlines, in accordance with the conditions in the FIDIC contract.

With many years of experience in road constructions backing them, the SGS experts reviewed in detail the design and construction documents and operated all adjustments necessary for the design to receive approval from regulatory bodies.



CASE STUDY

As soon as the contractor began his work, SGS specialists were deployed on all construction sites and began inspecting the quality of work performed, the materials used and the way they were stored. A second SGS team was in charge of inspecting and approving all tests and measurements required for the successful reconstruction of the highway.

Health, safety and environmental standards were enforced for the whole duration of the project and their verification was an additional task for SGS together with the management of any claims submitted. After the completion of each kilometre of highway, the work was thoroughly inspected and after passing approval process it was handed over to project owners together with reports on the progress and detailed analyses of the project schedule.

Considering the high value of the project and the fact that the funding was secured through a bank loan, the implementation of an efficient cost control system was a high priority for SGS project managers. Through this system SGS was able to offer project owners a clear overview of how stage payments were made and when Interim Payments Certificates were issued. By successfully implementing a multi-phased project supervision plan, SGS managed to keep the Azeri highway reconstruction on schedule and within the desired quality standards. The entire length of the highway will become fully operational in the summer of 2009.

SGS IS THE GLOBAL LEADER AND INNOVATOR IN INSPECTION, VERIFICATION, TESTING AND CERTIFICATION SERVICES. FOUNDED IN 1878, SGS IS RECOGNIZED AS THE GLOBAL BENCHMARK IN QUALITY AND INTEGRITY. WITH OVER 59,000 EMPLOYEES, SGS OPERATES A NETWORK OF OVER 1,000 OFFICES AND LABORATORIES AROUND THE WORLD.