SOCIALIST REPUBLIC OF VIETNAM
MINISTRY OF TRANSPORT
PROJECT MANAGEMENT UNIT No. 85 (PMU85)

CONSULTING SERVICES
FOR
HAI VAN PASS TUNNEL CONSTRUCTION PROJECT
CONTRACT No. 01/HVT/97
(OECF Loan Agreements No. VNIV-5, VNVI-5 and VNIX-4)

CLAIM EVALUATION REPORT
FOR
PACKAGE-1A: NORTH TUNNEL SECTION

REPORT 3: CLAIM EVALUATION

OCTOBER 2005

JOINT VENTURE OF
NIPPON KOEI CO., LTD. and LOUIS BERGER INTERNATIONAL INC.
in association with
TRANSPORT ENGINEERING DESIGN INCORPORATION

HAI VAN PASS TUNNEL PROJECT

Joint Venture of
NIPPON KOEI CO., LTD., JAPAN and
LOUIS BERGER INTERNATIONAL INC., USA
In association with
TRANSPORT ENGINEERING DESIGN
INCORPORATION (TEDI), VIETNAM

Project Office in Danang, Vietnam
Room #307, PMU85 Danang Office,
Group 35, Hoa Cuong Quarter, Hai Chau Dist.
Danang City, Vietnam
Tel.: (84)-511-644549
Fax.: (84)-511-644551

Ref. No. PMU- 140- 05
Date October 6, 2005

To:
Mr. Nguyen Ngoc Canh, Project Manager, PMU85
Copy to:
Mr. Nguyen Ngoc Tran, General Director, PMU85 038-834-705
1) File

SUBJECT: Submission of Claim Evaluation Report

Dear Mr. Canh,

Reference is made to the followings:

1) PK1A letter No. ENG-05-079 dated 26 September 2005
2) Meeting results with PMU85 on 22 September 2005.

We are pleased to submit “Report 2: Claim Evaluation” in accordance with the discussion results with Mr. Tran on 22 September 2005, and updated claim documents submitted by the Contractor with the above reference 1).

Thank you for your attention. If you have any inquiry, please contact with us without hesitation.

Sincerely yours,

Ichizuru Ishimoto
Project Manager
Encl.: Report 2: Claim Evaluation 2 copies

CLAIM EVALUATION REPORT FOR PACKAGE-1A: NORTH TUNNEL SECTION
Report 2: Claim Evaluation

Table of Contents

CLAIM EVALUATION REPORT FOR PACKAGE-1A: NORTH TUNNEL SECTION

1 General

1.1 Claim Submitted by the Contractor

The Contractor of Package-1A: North Tunnel Section, J/V of Hazama and Cienco 6, issued the claim letter by his letter No. ENG-04-027 dated 12 February 2004.

1.2 Claim Management Procedure by the Engineer

The Consultant has been carrying out the project management by referencing the following matrix indicated in PMBOK 2000 issued in 2001 by PMI (Project Management Institute).

Process Groups / Knowledge Area	Initiating	Planning	Executing	Controlling	Closing
4. Project Integration Management		4.1 Project Plan Development	4.2 Project Plan Execution	4.3 Integrated Change Control	
5. Project Scope Management	5.1 Initiation	5.2 Scope Planning 5.3 Scope Definition		5.4 Scope Verification 5.5 Scope Change Control	
6. Project Time Management		6.1 Activity Definition 6.2 Activity Sequencing 6.3 Activity Duration Estimating 6.4 Schedule Development	6.6 Activity Weights Definition	6.5 Schedule Control 6.7 Progress Curves Development 6.8 Progress Monitoring	
7. Project Cost Management		7.1 Resource Planning 7.2 Cost Estimating 7.3 Cost Budgeting		7.4 Cost Control	
8. Project Quality Management		8.1 Quality Planning	8.2 Quality Assurance	8.3 Quality Control	
9. Project Human Resource Management		9.1 Organizational Planning 9.2 Staff Acquisition	9.3 Team Development		9.3 Project Completion
10. Project Communications Management		10.1 Communications Planning	10.2 Information Distribution	10.3 Performance Reporting	10.4 Administrative Closure
11. Project Risk Management		11.1 Risk Management Planning 11.2 Risk Identification 11.3 Qualitative Risk Analysis 11.4 Quantitative Risk Analysis 11.5 Risk Response Planning		11.6 Risk Monitoring and Control	
12. Project Procurement Management		12.1 Procurement Planning 12.2 Solicitation	12.3 Solicitation 12.4 Source Selection 12.5 Contract Administration		12.6 Contract Closeout
13. Project Safety Management		13.1 Safety Planning	13.2 Safety Plan Execution		13.3 Administration & Reporting
14. Project Environmental Management		14.1 Environmental Planning	14.2 Environmental Assurance	14.3 Environmental Control	
15. Project Financial Management		15.1 Financial Planning		15.2 Financial Control	15.3 Administration & Records
16. Project Claim Management		16.1 Claim Indentification 16.2 Claim Quantification		16.3 Claim Prevention	16.3 Claim Resolution

Figure 3–1. Mapping of Project Management Processes and Construction Management Processes to the Process Groups and Knowledge Areas

Figure 1-1 Referenced Job Matrix (PMBOK 2000)

In accordance with Chapter 16: Project Claim Management of the above table, the submitted claims have been managed by the following four steps:

1) Claim Identification
2) Claim Quantification
3) Claim Prevention
4) Claim Resolution

1.3 Step 1: Claim Identification

The Engineer submitted the claim identification report with his letter No. PMU-180-04 dated 9 August 2004.

Since the submission, Project Claim Evaluation Committee (PCEC), headed by Project Manager of the Employer, was established with member from the Employer and the Engineer, and the claim evaluation had been continued.

On 29 November 2004, PCEC called PK1A Contractor and conclusion of the claim identification by PCEC was informed during the meeting. The Conclusion was confirmed by the Engineer's letter No. PMU-248-04 dated 30 November 2004.

On 1 December 2004, the first MOT Claim Evaluation Committee (MCEC) was held in Hanoi. During the meeting, the Contractor made brief presentation and PCEC reported his evaluation result.

Conclusion of MCEC was summarized by his letter No. 4462/GD dated 6 December 2004. In his notice, MCEC approved 20 claims among 49 claims are as shown in **Table 1-1**.

Among the 20 claims, CC.37: Price Adjustment of Blasting Materials was separately approved and the payment procedure ongoing. Therefore, Claim Quantification should be carried out for 19 claims.

Table 1-1 Accepted Claims by MOT on 1st December 2004

	Claim Code No.			Description	Extra Work Only (Type A)	EOTOnly (Type B)	Both (Type C)	Ground	Judge
	CATEGORY 1 - Issues Affecting Whole of Site and Causing Delay to Project Completion								
1	C1	G7	CC.01	Deferred Commencement of Project and Related Matters		X		44.1	OK
2		G5	CC.02	Non-Contributing Production Resources Affected by Commencement Delay	X			12.2	OK
	CATEGORY 2 - Issues Resulting in Delay to Ventilation Adit								
3	C2	G7	CC.03	Adverse Water Conditions			X	12.2	OK
		G1	**144m-Extension to Adit**					51.1	OK
4			CC.04	Time for Additional Excavation		X			
5			CC.05	Time for Additional Concrete Lining		X			
6			CC.06	Time for Relocation of Junction Works		X			
7		G5	CC.09	Non-Contributing Production Resources Affected by Ventilation Adit Works Delay	X			51.1	OK
	CATEGORY 3 - Issues Causing Delay to Main Tunnel and Project Completion								
8			CC.19	Remedial Works for Excess Geological Deformation		X		44.1	OK
9			CC.20	Impact of Adit Delay on Main Tunnel Progress		X		44.1	OK
		G3	**Provision of Temporary Cross Passages**					51.1	OK
10			CC.21	Temporary Cross Passage (TCP2) from MT to ET	X				
11			CC.22	Temporary Connection Tunnel from VA to MT	X				
12		G5	CC.24	Non-Contributing Production Resources Affected by Main Tunnel Works Delay	X			51.1	OK
13		G7	CC.25	Consolidated EOT Request (including Time-Related Costs of Delay)	X			51.1	OK
	CATEGORY 4 - Variation Issues not Relevant to Other Issue Category								
14	C4	G6	CC.28	Ventilation System at EP Tunnels 1 and 2	X			51.1	OK
15			CC.29	Lighting System at EP Tunnels 1 and 2	X				
16		G3	CC.35	Provision of Temporary Cross Passage (TCP1)	X			51.1	OK
		G7	CC.37	Price Adjustment of Blasting Materials	X			70.8	OK
17			CC.38	Temporary Gravel Bedding at Portal Plaza and Tunnel Road Maintenance	X			51.1	OK
	CATEGORY 5 -Issues Necessary for Acceleration of Project								
18	C5	G4	CC.43	Deployment of 2nd Advance from South End of Tunnel	X			51.1	OK
19			CC.48	Provision of Temporary Cross Passages (TCP3 & TCP4)	X				

1.4 MOT Approval

Early May 2005, MOT approved seven (7) items shown in **Table 1-2** in his letter No. 1499/QD-BGTVT dated 4 May 2005.

Table 1-2 Seven Claims Approved by MOT (by 1499/QD-BGVTV on 4 May 2005)

Claim Code No.		Contractor's Claim (A)			MOT Approved (B)	Balance (C) = (A) - (B)
		JPY	VND	Total in VND	VND	VND
Main Tunnel						
	CC.21	1,676,986	73,398,377	291,406,557	287,861,589	3,544,968
	CC.22	2,556,316	179,879,801	512,200,881	508,655,913	3,544,968
Other Places						
C4	CC.28	1,631,436	191,810,616	403,897,296	403,897,296	0
	CC.29	460,092	44,650,176	104,462,136	104,462,136	0
	CC.35	1,686,440	74,015,910	293,253,110	289,708,142	3,544,968
	CC.38	0	1,000,311,000	1,000,311,000	399,473,252	600,837,748
Acceleration of Works						
	CC.48	3,287,483	145,356,502	572,729,292	565,639,356	7,089,936
		11,298,753	1,709,422,382	3,178,260,272	2,559,697,684	618,562,588

2 Step 2: Claim Quantification during July 2005

2.1 Purpose of Claim Quantification

In order to support reaching agreement between the Employer and the Contractor, the Engineer carried out the Claim Quantification, in accordance with the Contract requirements and the claim documents submitted by the Contractor.

2.2 Contractor's Documents to be Evaluated

The Contractor had submitted the following documents as their claim documents. Document No.2 is simply extracted from Document No.1 for the items approved by MOT on 1st December 2004. Description itself was not updated at all.

Table 2-1 Contractor's Submitted Documents to be Evaluated

No.	Letter No.	Date Submitted	Cover Letter's Subject
1	ENG-04-027	12 Feb 2004	Submission of Requests for Extension of Time and Additional Compensation for the Whole of PK1A Civil Works
2	EMP-04-030	30 Dec 2004	Approved Item's (20 Proposals) Cost Calculation for Request Compensation of Package 1A's Contract
3	EMP-05-003	28 Jan 2005	Request for Issuance of Variation Order for the 20 Items Accepted by the Employer

As described in Section 3.5 of Report 1: Claim Identification Report, Document No.1 above can be deemed as the contemporary records required by GCC Sub-Clause 53.2 or substantiation documents required by GCC Sub-Clause 53.3 subject to the Employer's consent.

Document No.3 was submitted including some supplemental supportive documents with modifications from Document No.1 for the 20 times approved by MOT on 1st December 2004. It was agreed by the Employer to accept this report was one of the official substantiation documents required by GCC Sub-Clause 53.3.

2.3 Summary

Summary of the claim quantification is as shown in **Table 2-3.**

Table 2-3 Summary of Claim Quantification (July 2005)

Claim Code No.		Contractor's Claim (A)		Engineer's Justification (B)		Balance (C) = (A) - (B)	
		JPY	VND	JPY	VND	JPY	VND
Delay of Commencement							
	CC.02	905,927	1,567,962,157	905,927	986,173,936	0	581,788,221
Ventilation Adit							
C2	CC.03	19,036,854	499,814,092	11,271,255	193,253,440	7,765,599	306,560,652
	CC.09	502,534	5,006,556,891	7,728,764	832,301,237	-7,226,230	4,174,255,655
Main Tunnel							
	CC.24	2,549,948	6,232,119,140	22,601,307	1,572,242,583	-20,051,359	4,659,876,557
	CC.25	13,216,453	3,544,287,044	3,123,600	339,071,776	10,092,853	3,205,215,268
Acceleration of Works							
C5	CC.43	14,859,665	581,233,315	14,859,665	581,233,315	0	0
		51,071,381	17,431,972,639	60,490,517	4,504,276,286	(9,419,136)	12,927,696,353
	Total in VND		24,071,252,169		12,368,043,529		11,703,208,640
	Total in JPY	185,163,478.00		95,138,796.00		90,024,682.00	

Note: Exchange Rate 1JPY = 130 VND.

3 Step 3: Claim Prevention

3.1 Chronicle

After the issuance of “Report 2: Claim Quantification” by the Consultant with his letter No. PMU-113-05 dated 26 July 2005, several discussions have been held among the Employer, the Engineer and the Contractor in order to seek the agreeable point for the settlement of the claim..

On 22 September 2005, a summary meeting was held with attendance of General Director of PMU85, Mr. Nguyen Ngoc Tran, and the Engineer and the Contractor at PMU85 Hanoi office. During the meeting, the parties reached an agreement for procedure of the finalization of claims submitted by the Contractors

3.2 Contractor’s Claim Documents Updated

Following the procedure agreed in the above meeting, the Contractor updated his claim documents and submitted a report titled “Request for Compensation of Additional Cost Resulting from 12 Items (EOT Relatives)” with his letter No. ENG-05-079 dated 26 September 2005.

Quantification process at this time, the updated report above is solely re-evaluated. Previous reports listed in Table 2-1 were not referred.

4 Step 4: Claim Resolution September-October 2005

4.1 Summary of Claim Evaluation

As shown in the following chapter, the Engineer has carried out the detailed evaluation of claims the updated claim document submitted by the Contractor.

Result of the evaluation is summarized in Table 4-1.

Table 4-1 Summary of Claim Resolution (October 2005)

Claim Code No.		Description	Contractor's Claim (A)		Engineer's Justification (B)		Balance (C) = (A) - (B)	
			JPY	VND	JPY	VND	JPY	VND
Delay of Commencement								
C1	CC.02	Non-Contributing Production Resources Affected by Commencement Delay	725,792	1,560,667,663	725,792	1,367,958,215	0	192,709,448
Ventilation Adit								
C2	CC.03	Adverse Water Conditions	8,911,432	139,889,670	7,511,432	139,889,670	1,400,000	0
	CC.09	Non-Contributing Production Resources Affected by Ventilation Adit Works Delay	1,186,899	2,435,489,445	1,186,899	2,052,892,382	0	382,597,063
Main and Evacuation Tunnel								
C3	CC.24	Non-Contributing Production Resources Affected by Main Tunnel Works Delay	3,463,427	5,629,387,227	3,463,427	4,780,349,212	0	849,038,015
	CC.25	Consolidated EOT Request (including Time-Related Costs of Delay)	15,923,467	6,286,697,474	15,306,883	3,248,437,580	616,584	3,038,259,894
Acceleration of Works								
C5	CC.43	Deployment of 2nd Advance from South End of Tunnel	14,859,665	581,233,315	7,429,833	290,616,658	7,429,833	290,616,658
		Total	45,070,682	16,633,364,794	35,624,265	11,880,143,717	9,446,417	4,753,221,077
Total in VND		Total in VND		22,492,553,428		16,511,298,180		5,981,255,248
Total in JPY		Total in JPY	173,019,642.00		127,009,986.00		46,009,656.00	

Note: Exchange Rate 1JPY = 130 VND.

5 Evaluation Results of Each Claimed Item

5.1 ITEM No. 01 Adverse Water Conditions in Ventilation Adit (CC03)

(A) The Engineer's Evaluation

Item 1: Emergency Import of 4 units - 8" Submersible Pumps

Difficulties of downwards excavation at the Ventilation Adit was discussed and possibility of the water intrusion was pointed out during the contract negotiation in August 2000. The Contractor submitted the construction plan soon after the commencement of the works and it was described about the water intrusion at the Ventilation Adit.

Considering 1) the magnitude of abnormal level of the event of water intrusion, 2) the purchased pumps become property of the Contractor; the Engineer can accept 50% of the pump price.

Item No.	Description	Unit	Qty.	Contractor's Claimed Amount			Engineer's Judge	Engineer's Evaluated Amount		
				JPY	VND	VND Equivalent		JPY	VND	VND Equivalent
A	8" Submersible Pumps --- 600 kgs each Arrival Date: 29 Jan-02 & 04 Feb-02	unit	4	2,800,000	-	364,000,000	50%	1,400,000	-	1,400,000
B	Air Freight (Tokyo - DAD)	unit	4	2,688,000	-	349,440,000	100%	2,688,000	-	2,688,000
C	Import Tax at DAD Airport	Unit	4	-	38,169,600	38,169,600	100%	-	38,169,600	38,169,600
D	Custom Charges at DAD Airport	LS	1	-	539,800	539,800	100%	-	539,800	539,800
E	Inland Transport (DAD to Loc Hai)	LS	1	-	736,000	736,000	100%	-	736,000	736,000
TOTAL				5,488,000	39,445,400	752,885,400		4,088,000	39,445,400	43,533,400

Item 2: Primary Water Control System at Adit Portal by means of "Gravity Flow"

This item is to be applied Pay Item 02346: Complete Primary Water Control System for each flow rate. The Contractor submitted the water flow record as the substantiative documents and those are acceptable. Accordingly, the Engineer can accept 100% of the claimed amount.

(B) Claim Amount After Evaluated

Item No.	Description	Unit	Qty.	Contractor's Claimed Amount			Engineer's Judge	Engineer's Evaluated Amount		
				JPY	VND	VND Equivalent		JPY	VND	VND Equivalent
A	8" Submersible Pumps --- 600 kgs each Arrival Date: 29 Jan-02 & 04 Feb-02	unit	4	2,800,000	-	364,000,000	50%	1,400,000	-	182,000,000
B	Air Freight (Tokyo - DAD)	unit	4	2,688,000	-	349,440,000	100%	2,688,000	-	349,440,000
C	Import Tax at DAD Airport	Unit	4	-	38,169,600	38,169,600	100%	-	38,169,600	38,169,600
D	Custom Charges at DAD Airport	LS	1	-	539,800	539,800	100%	-	539,800	539,800
E	Inland Transport (DAD to Loc Hai)	LS	1	-	736,000	736,000	100%	-	736,000	736,000
	TOTAL			5,488,000	39,445,400	752,885,400		4,088,000	39,445,400	570,885,400

CC No.	Item	Description	Contractor's Claimed Amount			Engineer's Judge	Engineer's Evaluated Amount		
			JPY	VND	VND Equivalent		JPY	VND	VND Equivalent
CC 03		Adverse Water Conditions	8,911,432	139,889,670	1,298,375,830		7,511,432	139,889,670	1,116,375,830
	1	Emergency Import of 4 units - 8" Submersible Pumps	5,488,000	39,445,400	752,885,400	76%	4,088,000	39,445,400	570,885,400
	2	Primary Water Control System at Adit Portal by means of "Gravity Flow"	3,423,432	100,444,270	545,490,430	100%	3,423,432	100,444,270	545,490,430

5.2 ITEM No. 02 Non-Contributing Production Resources Affected by Ventilation Adit Works Delay (CC02, 09, 24)

(A) The Engineer's Evaluation

Monthly Rate

Substantiative documents for monthly rate for both expatriate and Vietnamese are presented. Accordingly, the Engineer can accept

100% of the unit rate of monthly rate.

Number of Direct Manpower

Substantiative documents for the number of direct manpower for both expatriate and Vietnamese are presented. Accordingly, the Engineer can accept 100% of the number of the direct manpower.

Equipment Rate

Submitted unit rate is issued by Ministry of Construction (MOC) with his letter No. 1260/1988/QD-BXD, 38/2002/QD-BXD. 2276 BXD/VKT. This rate is not acceptable. Claimed extra cost should be justified by substantiative documents and substantiative documents means actual payment records for those equipment. Considering the actual situation although no persuasive evidence provided, the Engineer can accept 80% of the equipment rate.

Rate of Delay Extent

2.5 months of the extension of time for the open works was approved by MOT. 3.5 months of the extension of time for the Ventilation Adit works was approved by MOT. 3.23 months of the extension of Time for the main tunnel works and the evacuation tunnel works was agreed by PMU85.

Calculation method of delay extent is reasonable. Accordingly, the Engineer can accept 100% of the rate of the delay extent.

(B) Claim Amount After Evaluated

CC No.	Description	Delay (months)	Contractor's Claimed Amount			Engineer's Judge	Engineer's Evaluated Amount		
			JPY	VND	VND Equivalent		JPY	VND	VND Equivalent
CC 02	Non-Contributing production Resources Affected by Delay		725,792	1,560,667,663	1,655,020,623		725,792	1,367,958,215	1,462,311,175
	Manpower cost Open W.	2.50	725,792	597,120,425	691,473,385	100%	725,792	597,120,425	691,473,385
	Plants and Equipments cost Open W.	2.50	-	963,547,238	963,547,238	80%	-	770,837,790	770,837,790
CC 09	Non-Contributing production Resources Affected by Delay		1,186,899	2,435,489,445	2,589,786,315		1,186,899	2,052,892,382	2,207,189,252
	Manpower cost VA	3.50	1,186,899	522,504,132	676,801,002	100%	1,186,899	522,504,132	676,801,002
	Plants and Equipments cost VA	3.50	-	1,912,985,313	1,912,985,313	80%	-	1,530,388,250	1,530,388,250
CC 24 (1)	Non-Contributing production Resources Affected by Delay		3,283,156	4,107,201,851	4,534,012,131		3,283,156	3,505,986,053	3,932,796,333
	Manpower cost MT	3.23	3,283,156	1,101,122,862	1,527,933,142	100%	3,283,156	1,101,122,862	1,527,933,142
	Plants and Equipments cost MT	3.23	-	3,006,078,989	3,006,078,989	80%	-	2,404,863,191	2,404,863,191
CC 24 (2)	Non-Contributing production Resources Affected by Delay		3,283,156	4,107,201,851	4,534,012,131		180,271	1,274,363,158	1,297,798,388
	Manpower cost ET	3.23	180,271	283,074,289	306,509,519	100%	180,271	283,074,289	306,509,519
	Plants and Equipments cost ET	3.23	-	1,239,111,086	1,239,111,086	80%	-	991,288,869	991,288,869
	TOTAL		8,479,003	12,210,560,810	13,312,831,200		5,376,118	8,201,199,809	8,900,095,149

5.3 ITEM No. 03 Time-Related Costs of Delay (1), Power Supply Cost

(A) The Engineer's Evaluation

Monthly Rate of Power Supply Cost (1), Public Power Receiving

The Contractor provided breakdown of the public power supply in page 79. Among seven (7) transformers, the Engineer can accept the following items as indirect cost during the time extended:

1) Workshop,
2) North Portal Plaza
3) Inside Tunnel (Ventilating Fans and Lighting Facility)

All the other plant operation cost is included in the cost of each work and paid in accordance with BOQ items.

No.	Plant	Category	Engineer's Judgment
T1	Main Office	Temporary Facility	NOT Acceptable
T2	Crushing Plant -01	Temporary Facility	NOT Acceptable
T3	Work-shop Motor-pool, Warehouse, Laboratory	Temporary Facility	Acceptable
T4	Batching Plant Concrete, Shotcrete production	Temporary Facility	NOT Acceptable
T5	North Portal Area Motor-pool, Site-office, Lighting, Exhaust Fan	Temporary Facility	Acceptable
T6	Inside Tunnel Tunnel equipments	Tunnel equipments	NOT Acceptable
	Ventilating Fan, Lighting Facility	Temporary Facility	Acceptable
T7	Crushing Plant -02	Temporary Facility	NOT Acceptable

Transformer and counter-meter		Category	Consumption kw*h	Duration months	Consumption kw*h/ month	Rate VND/ kw*h	Amount VND/ month
T3	Work-shop Motor-pool, Warehouse, Laboratory	– Tempo. Facility	320,000	34	9,412	1,122	10,560,264
T5	North Portal Area Motor-pool, Site-office, Lighting, Exhaust Fan	– Tempo. Facility	1,741,660	28	62,202	1,122	69,790,644
T6	Inside Tunnel Ventilaing Fan, Lighting Facility	– Tempo. Facility	1,162,269	32	36,321	1,045	37,955,445
					Average Monthly Public Power Receiving		118,306,353

Monthly Rate of Power Supply Cost (2), Diesel Generator

The Contractor provided breakdown of the diesel generator power supply in page 87. Among four (4) work items, the Engineer can accept the following items as indirect cost during the time extended: Costs of the tunnel excavation and dewatering system were paid in accordance with BOQ items.

1) Ventilation System
2) Lighting, Site-office and Motor-pool

No.	Type of Works	Category	Engineer's Judgment
1	Tunnel Excavation	Equipments	NOT Acceptable
2	Ventilation system	Contra Fan	Acceptable
3	Dewatering system	Submersible pump	NOT Acceptable
4	Lighting, Site-office and Motor-pool		Acceptable

A.	Generating Volume at Ventilation Adit Works			3,293,792	kw*h
	Ventilation system (Contra Fan), 21 months			3,093,792	kw*h
	Lighting, Site-office and Motor-pool, 26 months			200,000	kw*h
B.	Fuel Consumption Rate for Generator	1,373,262 ltr. / 6,625,448 kw*h =		0.20727	ltr./ kw*h
C.	Diesel Consumption				
	Ventilation system (Contra Fan), 21 months	3,093,792 x 0.20727 =		641,250	ltr.
	Lighting, Site-office and Motor-pool, 26 months	200,000 x 0.20727 =		41,454	ltr.
D.	Diesel Unit Rate	5,732,39,000 VND / 1,373,262 ltr. =		4,174	VND/ltr
		ltr.	months	VND / month	
	Ventilation system (Contra Fan), 21 months	641,250	21	127,456,071	
	Lighting, Site-office and Motor-pool, 26 months	41,454	26	6,654,961	
E.	Average Monthly Diesel Consumption Cost			134,111,033	VND

(B) Monthly Rate After Evaluated

The Engineer's evaluated monthly rate is tabulated as follows:

Average Monthly Public Power Receiving	118,306,353
Average Monthly Diesel Consumption Cost	134,111,033
Total	252,417,386

5.4 ITEM No. 03 Time-Related Costs of Delay (2), Plants and Equipment Depreciation Cost

(A) The Engineer's Evaluation

The Contractor applied Regulation of Depreciation issued by Ministry of Finance (MOF), Decision 166/1999/QD-BTC. Type of the plant and arrival date on site was confirmed by the Contractor's monthly progress report.

(B) Further Clarification Needed by the Contractor

Following documents to be provided by the Contractor:

1) Regulation of Depreciation by MOF
2) Evidence of unit price of each plant
3) Origin of the product in comparison to the Contract
4) Year of product of each plant in comparison to the Contract

(C) Claim Amount After Evaluated

In case, the above clarification would satisfy the requirements in the contract, the Engineer can accept 100% of the claimed amount.

Evaluation will be finalized after receiving the above clarifications.

5.5 ITEM No. 03 Time-Related Costs of Delay (3), Indirect Cost

(A) The Engineer's Evaluation

Monthly Rate

Substantiative documents for monthly rate for both expatriate and Vietnamese are presented. Accordingly, the Engineer can accept 100% of the unit rate of monthly rate.

Number of Direct Manpower

Substantiative documents for the number of direct manpower for both expatriate and Vietnamese are presented. Accordingly, the Engineer can accept 100% of the number of the direct manpower.

(B) Further Clarification Needed by the Contractor

Following documents to be provided by the Contractor:

1) Calculation sheets of monthly rate of each plant.

(C) Claim Amount After Evaluated

In case, the above clarification would satisfy the requirements in the contract, the Engineer can accept 100% of the claimed amount.

Evaluation will be finalized after receiving the above clarifications.

5.6 ITEM No. 03 Time-Related Costs of Delay (4), Site Expense

(A) The Engineer's Evaluation

- The Contractor provided summary of site expenses including various items.
- "Office Furniture and Equipments" should not be included. This cost seems unchanged whether 3.8 months EOT or not.
- In addition, 47,901,813 VND per month had been paid to the Contractor under Pay Item 01250-2: Employer's and Engineer's Office Facility, Operation Cost. In case, the Contractor fail to provide sufficient evidence for the expense, considerable amount should be unused and should be used for the compensation of the cost of delay.
- The Engineer assumed that 30% of the above was used in the maintenance of the Employer's and Engineer's Office Facility, Operation Cost

A	Original	47,901,813	VND / Month
B	Effective	30%	
C = A x B	Used	14,370,544	
D = A - C	Balance	33,531,269	
E	Month	48	
F = D x E		1,609,500,917	

(B) Further Clarification Needed by the Contractor

Following document to be provided by the Contractor:

1) Expense evidence of Pay Item 01250-2: Employer's and Engineer's Office Facility, Operation Cost
2) Other substantiative data for each item.

(C) Claim Amount After Evaluated

In case, the above clarification would satisfy the requirements in the contract, the Engineer can accept 100% of the claimed amount.

Evaluation will be finalized after receiving the above clarifications.

5.7 ITEM No. 03 Time-Related Costs of Delay (5), Price Escalation

(A) The Engineer's Evaluation

The Engineer has no objection to the calculation method presented by the Contractor.

(B) Claim Amount After Evaluated

Evaluation will be finalized after receiving the "Total Indirect Cost" through the process above.

Description		Amount				Remarks
		JPY	USD	VND	consolidated VND	
Total Construction Cost	a	2,403,294,631	525,000.00	116,820,198,887	436,619,500,917	as of MS 32
Total Indirect cost	b	163,362,400	-	43,466,313,251	64,703,425,251	
Percentage	c = b / a				14.82%	
Total price escalation	d	-	-	16,723,432,642	16,723,432,642	as of MS 32
Total price escalaion for Indirect cost	e = c x d	-	-	2,478,275,413	2,478,275,413	
Price escalation cost for one-mouth	f = e / 48	-	-	51,630,738	51,630,738	
Price escalation cost for EOT period	g = f x 3.8	-	-	196,196,804	196,196,804	

5.8 ITEM No. 03 Time-Related Costs of Delay (6), Overhead and Profit

(A) The Engineer's Evaluation

The Engineer can accept 5% of Indirect Cost.

(B) Claim Amount After Evaluated

Evaluation will be finalized after receiving the "Total Indirect Cost" through the process above.

5.9 ITEM No. 03 Time-Related Costs of Delay (7), Summary of Amount Evaluated

CC No.	Description	Delay (months)	Contractor's Claimed Amount			Engineer's Judge	Engineer's Evaluated Amount		
			JPY	VND	VND Equivalent		JPY	VND	VND Equivalent
CC 25	Consolidated Extension of Time Related Cost		15,923,467	6,286,697,474	8,356,748,158		15,306,883	3,248,437,580	5,238,332,318
	Power-supply cost	3.80	-	2,087,674,590	2,087,674,590	46%	-	959,186,066	959,186,066
	Plants and Equipments Depreciation cost	3.80	2,335,723	151,019,600	454,663,616	100%	2,335,723	151,019,600	454,663,616
	Indirect cost	3.80	12,352,493	3,497,686,820	5,103,510,884	98%	12,353,534	3,376,651,686	4,982,611,106
	01250-2: Employer's and Engineer's Office Facility, Operation Cost							(1,609,500,917)	(1,609,500,917)
	Price Escalation for Indirect Cost	3.80	-	200,547,782	200,547,782	98%	-	196,196,804	196,196,804
	Overhead and Profit = Indirect cost x 10/5%	3.80	1,235,251	349,768,682	510,351,286	50%	617,625	174,884,341	255,175,643
	TOTAL		15,923,467	6,286,697,474	8,356,748,158		15,306,883	3,248,437,580	5,238,332,318

5.10 ITEM No. 04 Deployment of 2nd Advance from South End of Tunnel

(A) The Engineer's Evaluation

The Contractor proposed to claim 10% of BOQ item works of the acceleration of tunnel excavation from July 2003 to October 2003. This acceleration was instructed by the Employer by his letter No.HVALL-011-03 dated 10 March 2003.

However, considering that volume of indirect work was not much, The Engineer can accept 5% of BOQ item works of the acceleration of tunnel excavation.

(B) Claim Amount After Evaluated

CC No.	Description	Delay (months)	Contractor's Claimed Amount			Engineer's Judge	Engineer's Evaluated Amount		
			JPY	VND	VND Equivalent		JPY	VND	VND Equivalent
CC 43	Deployment of 2nd Advance from South End of Tunnel		14,859,665	581,233,315	2,512,989,765		7,429,833	290,616,658	1,256,494,883
	Acceleration order for Main Tunnel Excavation		14,859,665	581,233,315	2,512,989,765	50%	7,429,833	290,616,658	1,256,494,883
	TOTAL		14,859,665	581,233,315	2,512,989,765		7,429,833	290,616,658	1,256,494,883