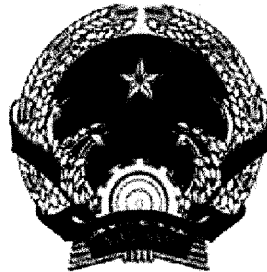


**GOVERNMENT OF SOCIALIST REPUBLIC OF VIET NAM  
MINISTRY OF TRANSPORT**



**Consulting Service for Detailed Design  
for  
Da Nang – Quang Ngai Expressway Development Project  
IDA Credit No. 3843-VN**

**Contract  
for  
Independent Replacement Cost Survey (RCS)  
(Lump Sum Contract)**

**BETWEEN**

**NIPPON KOEI CO., LTD**

**AND**

**JOINT-VENTURE OF INDEPENDENT VALUATION CONSULTANCY  
COMPANIES OF DANANG-QUANG NAM-QUANG NGAI**

**Dated: 30 January 2012**

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CONTRACT AGREEMENT  
ON  
INDEPENDENT REPLACEMENT COST SURVEY (RCS)  
FOR  
CONSULTING SERVICES FOR DETAILED DESIGN FOR  
DANANG - QUANG NGAI EXPRESSWAY DEVELOPMENT PROJECT  
PROJECT ID NO. P.106235  
IDA CREDIT NO. 3843-VN

This Contract made and entered into this 30 January 2012, by and between:

Nippon Koei Co., Ltd. duly organized and existing under the laws of Japan, with its principal office located in 4, Kojimachi 5-chome, Chiyoda-ku, Tokyo, 102-8539 Japan. (hereinafter referred to as the "Consultant") and Joint- Venture of Independent Valuation Consultancy Companies of Danang – Quang Nam – Quang Ngai, duly organized and existing under the laws of Vietnam, with its principal office located at 644 Quang Trung Street, Quang Ngai City, Quang Ngai Province, Vietnam (hereinafter referred to as the "Sub-consultant")

WITNESS THAT the parties covenant, promise and agree as follows:

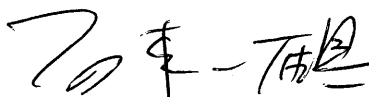
The Sub-consultant agrees to do and complete the Independent Replacement Cost Survey (RCS) for whole section of Da Nang – Quang Ngai Expressway Development Project (hereinafter referred to as the "Works") in accordance with the terms, conditions and requirements of this Contract.

The Consultant agrees to pay the Sub-consultant in consideration of the fulfillment of the Works, the Contract Price of Two Hundred Twenty Thousand US Dollar only (USD 220,000), including VAT, in lump sum, in accordance with the terms and conditions specified in Clause 2.12 of General Conditions.

It is agreed that the terms, conditions and requirement of the Contract shall prevail to the extent that are expressly modified or altered by this Contract.

IN WITNESS WHEREOF, each of the parties hereto has caused this Contract to be executed in duplicate as of the date first above written by its duly authorized representative.

**For and on behalf of the Consultant.**



**Ichizuru Ishimoto**

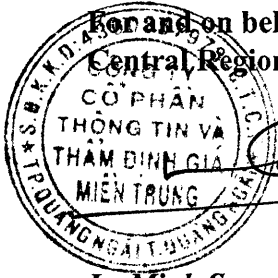
**Project Manager**

**Nippon Koei Co., Ltd.**



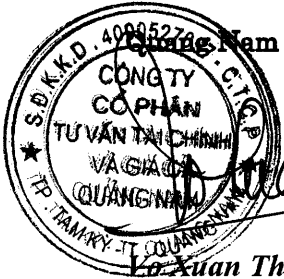


For and on behalf of each Members of the Joint-Venture  
Central Region Information and Valuation Joint Stock Company (CIVS)



*Le Minh Son*  
General Director

Quang Nam Financial and Price Consultancy Joint Stock Company (QTG)



*Lo Xuan Thu*  
Director

Danang Valuation and Financial Service Co., Ltd (DVFSC)



*Thi My Lang*  
Director



*Handwritten signature*

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## II. GENERAL CONDITIONS OF CONTRACT

### 2.1 Definitions

The following words and expressions shall have the meaning assigned to them except where the context otherwise requires:

- (a) The "Client" shall mean Project Management No.85 (PMU85) under Ministry of Transport (MOT) of Government of Socialist Republic of Vietnam (GOV).
- (b) The "Project" shall mean Da Nang – Quang Ngai Expressway Development Project, approximately 140 km long, in the central Vietnam.
- (c) The "Service" shall mean the Consulting Services for Detailed Design for Da Nang – Quang Ngai Expressway Development Project to be carried out by the Joint Venture.
- (d) The "Joint Venture" shall mean the Joint Venture of Nippon Koei Co., Ltd., Nippon Engineering Consultants Co., Ltd., Chodai Co., Ltd. and Thai Engineering Consultants Company Limited to supervise the Works at the Site(s) in Vietnam where the Contract has to be carried out. Whereas, the Joint Venture, was assigned by the Government of Vietnam to undertake the Consulting Services for Detailed Design for Danang - Quang Ngai Expressway Development Project.
- (e) "NK" shall mean Nippon Koei Co., Ltd., the prime consulting firm responsible for the implementation of the Service having an address of its head office at;
  - 4, Kojimachi 5-chome,
  - Chiyoda-ku, Tokyo, 102-8539, Japan
- (f) The "Project Manager" shall mean team leader of the Joint Venture approved by the Client.
- (g) The "Consultant" shall mean a person or persons of the Joint Venture appointed by the Project Manager.
- (h) The "Sub-consultant" shall mean the person whose bid has been accepted by the Consultant and approved by the Client.
- (i) The "Contract" shall mean the agreement between the Consultant and the Sub-consultant, and include General Conditions, Term of Reference (TOR), Technical Specifications and Priced Bill of Quantities (BOQ) attached hereto.
- (j) The "Site" shall mean the places of the area shown on the attached project location map in Appendix-A.
- (k) The "Works" shall mean the works for the Inundation Analysis of Quang Ngai Section of Da Nang – Quang Ngai Expressway Development Project as shown in

the Bill of Quantities attached in the Appendix E.

- (l) The "Contract Price" shall mean the sum named in the Contract as the Contract price.
- (m) The "Bill of Quantities" or "BOQ" shall mean the price schedule attached to the Contract.
- (n) The "Unit Price" shall mean the unit price stated in the Bill of Quantities.
- (o) The "Drawings" shall mean the drawings referred in the Contract and any modification of such figures and drawings approved in writing by the Consultant.
- (p) "Day, Week, Month, Year" shall mean calendar day, calendar week, calendar month and calendar year.
- (q) "Approval" or "Approved" shall mean approval or approved in writing by the Consultant.
- (r) "Writing" shall mean any manuscript, typewritten or printed statement under seal or hand. Words importing the singular only also include the plural and vice versa where the context requires. The fact that the words defined in this Clause are or are not capitalised in the Contract shall not affect their meaning.

## 2.2 Sub-consultant to Inform Himself Fully

The Sub-consultant by bidding shall be deemed to have satisfied himself as to all the conditions and circumstances affecting the Contract price, and to have fixed these prices according to his own view for these as no additional allowances, except as otherwise expressly provided, will afterwards be made beyond the Contract Price. The Sub-consultant shall be responsible for any misunderstanding or incorrect information, whatsoever, obtained except information given in written by the Consultant. The Sub-consultant shall determine the presence of all services or ground facilities that may be affected by his work.

## 2.3 Time for Commencement and Completion

The commencement date of the Works is 30 January 2012 and The whole of the Works shall be completed not later than 31 July 2012.

## 2.4 Manner of Execution

- 1) The Works to be done under this Contract shall be executed in accordance with the Sub-consultant where not specified therein shall be in accordance with such instructions as the Consultant may issue from time to time as he considers necessary and appropriate. If something, which is not described in this Contract, occurred, the Sub-consultant shall consider and judge based on the conscience and justice of the engineership.

*Change the bid*  


- 2) The Sub-consultant shall be responsible for observing all regulation and safety precautions required by authorities and/or through legislation.
- 3) The Sub-consultant shall keep good relation with concerned persons and organization of the Works and shall settle any conflict with them at his own responsibility and expense.

## **2.5 Information and Official Permission**

- 1) The Consultant shall make available to the Sub-consultant for the purpose of performing the Works which are listed in the Contract.
- 2) Official permission from the authorities concerned for the execution of the Works at the Site shall be arranged by the Sub-consultant at his own expenses.

## **2.6 Sub-consultant's Representative and Persons**

- 1) The Sub-consultant shall make his own arrangements for the engagement of all the engineers, technicians and labours necessary for the execution of the Works. The Sub-consultant shall submit to the Consultant for approval a complete list of principal staff showing names, functions, personal histories and periods of assignments prior to commencement of the Works.
- 2) The Sub-consultant shall appoint one or more competent representatives from the Sub-consultant's engineers assigned to the Works to superintend the carrying out of the Works on the Site. The names, training and experience of the Sub-consultant's representatives shall be submitted to the Consultant for approval before they are appointed. The said representative, or if more than one shall be appointed, then one such representative shall be present on the site during working hours, and any orders or instructions which the Consultant may give to the said representative of the Sub-consultant shall be deemed to have been given to the Sub-consultant by the Consultant.
- 3) The Sub-consultant shall be responsible for observation of all regulation and safety precautions imposed by labour legislation and authorities in Vietnam. The Sub-consultant shall prepare a safety policy document for submission to the Consultant for approval prior to starting work on the site. No work will be allowed to proceed until this document has been submitted and approved. Any costs delay due to the late submission of this document will be at the Sub-consultant's expense.
- 4) The Consultant shall be at liberty by notice in writing to the Sub-consultant to object to any representative or other person employed by the Sub-consultant in the execution of the Works who shall, in the opinion of the Consultant, misconduct himself or be incompetent

or negligent or be sick and the Sub-consultant shall remove such person from the Works and provide an acceptable replacement for such person at the Sub-consultant's expense.

## **2.7 Working Days and Hours**

The Sub-consultant shall carry out the Works on the Site continuously during the normal working hours generally recognised in Vietnam. The Sub-consultant may, with the arrangement of the Consultant, carry out work at other time if it shall be practicable in the circumstances for work to be so done.

## **2.8 Materials, Equipment and Facilities to be provided by the Sub-consultant**

The Sub-consultant shall, at his own expense, supply and provide all the equipment, materials, labors and other things or every kind required for the execution and completion of the Works.

## **2.9 Program to be Furnished**

- 1) The Sub-consultant shall submit to the Consultant for his approval his proposed time schedule and field operation program for each section of the Works.
- 2) After approval by the Consultant of such time schedule and field operation program, the completion time for the Works stipulated in the same time schedule shall be considered as "Guaranteed Time for Completion of the Works", and the Sub-consultant shall adhere to the order of procedure method and time schedule unless he obtains the written permission of the Consultant to vary such order or method or time schedule.
- 3) Such time schedule and field operation program shall be supplemented by the Sub-consultant in weekly progress reports indicating the actual state of progress of all items during the course of the Works at the Site. The form and substance of such weekly reports shall be satisfactory to the Consultant. The weekly progress report shall be submitted by Monday of the following week to which it applies.
- 4) In the course of the Works, when the Consultant calls the Sub-consultant for a meeting, the Sub-consultant and/or his representatives shall at any time and at his own expense attend the meeting and shall report the actual state of Works.

## **2.10 Insurance**

- 1) The Sub-consultant shall at his expense effect accident and insurance for engineers, technicians and labours employed by the Sub-consultant for the execution of the Works, and shall indemnify the Consultant from any claim for the compensation of such accident and injury, damage to property and third parties caused in undertaking the duties and all claims whatsoever.

- 2) The Sub-consultant shall, at his expense, insure the equipment, materials and facilities to be provided by the Sub-consultant and keep each part thereof insured for its full value against loss, damage and fire.

### 2.11 Force Majeure

- 1) If either party is temporarily unable by reason of force majeure or the law or regulation of to meet any of its obligation under the Contract, and if such party gives to the other party written notice of the event within fourteen (14) days after its occurrence, such obligations of the party, as it is unable to perform by reason of the event, shall be suspended for as long as the inability continues.
- 2) Neither party shall be liable to the other party for loss or damage sustained by such other party arising from any event referred to in Clause 2.11 1) or delay arising from such event.
- 3) The term "Force Majeure" as employed herein shall mean Act of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars, blockades, earthquakes, storm, lighting, floods, washouts, civil disturbances, explosion, curfews, and any other similar event, beyond the control of either party.

### 2.12 Terms of Payment

- 1) This is a lump sum contract.
- 2) As soon as the Works has been started, the Sub-consultant shall submit to the Consultant, the invoices of amount payable. After checking the invoices, the Consultant shall pay the Sub-consultant in respect of the Works. The Consultant reserves the right to exclude such items that are not considered to be authenticated, from the payment.
- 3) <sup>First</sup> ~~Advance~~ payment equivalent to Forty percent (40%) of the Contract Price shall be made to the Sub-consultant after approval by the Consultant for the following items:
  - Completion of mobilization of personnel and equipment at the Site,
  - Work plan.
- 4) <sup>Second</sup> ~~Interim~~ payment equivalent to Forty percent (40%) of the Contract Price shall be made to the Sub-consultant upon acceptance of the outcome by the Consultant.
- 5) Final payment equivalent to Twenty percent (20%) of the Contract Price shall be made to the Sub-consultant upon issuance of "Work Completion Certificate" by the Consultant after receiving the acceptance letter by PMU85.

- 6) No extra payments in respect of overtime, holiday work, additional equipment, materials and facilities, or special conditions of hardship shall be claimed by the Sub-consultant beyond the Contract price.
- 7) Payment procedure is provided in Appendix-B. Remittance charge shall be paid by the Sub-consultant.

### **2.13 Taxes and Related Charges**

All the income and other taxes, levies, imposes, deductions, charges, fees and similar assessments whatsoever imposed, assessed, levied or collected by the Government of Vietnam or any subdivisions thereof or any taxing authority therein, upon the Sub-consultant and his staff shall be paid and/or borne by the Sub-consultant.

### **2.14 Variations and Omissions**

- 1) The Sub-consultant shall not alter any of the Works except as directed in writing by the Consultant. The Consultant shall have full power, from time to time, during the execution of the Contract, to direct the Sub-consultant to alter, amend, omit, add to or otherwise vary any of the Works, by notice in writing, and the Sub-consultant shall carry out such variations. In case the Consultant asks the Sub-consultant, on the spot, to change the areas to be investigated from the originally proposed areas, the Sub-consultant shall at that instance obey such directions and later obtain written confirmation from the Consultant.
- 2) If a decrease in the Works is ordered by the Consultant, such orders shall not constitute any ground for claim for damage or loss of anticipated profits on the Works. All extra additional Works shall be performed with the same materials and workmanship as employed for the Works of similar character in the original one as far as they are applicable thereto.
- 3) In case some modification and/or variation are requests made by Consultant and/or Client, those works shall be paid by Consultant basing on the unit price in BOQ and the actual quantity. In case such modifications and/or variations requested are not included in the BOQ, both Parties will discuss to make a supplementary agreement to the Contract.

### **2.15 Sub-consultant's Default**

- 1) If the Sub-consultant shall neglect to execute the Works with the diligence and expedition or shall refuse or neglect to comply with any reasonable instructions or orders given in writing by the Consultant in connection with the Works, or shall contravene the provisions of the Agreement, the Consultant may give notice in writing to the Sub-consultant to make good the failure, neglect or contravention complained of.

- 2) In case, the Sub-consultant fail to comply with the notice within a reasonable time from the date thereof, then and in such case the Consultant shall be at liberty to employ other workmen and forthwith execute such part of the Works as the Sub-consultant may have neglected to do, or, if the Consultant shall think fit, it shall be lawful for him, without prejudice to any other right he may have under the Contract, to make the Works wholly or in part out of the Sub-consultant's hands and re-contract with any other person or persons to complete the Works or any part thereof.
- 3) The Consultant shall be entitled to retain and apply any balance which may be otherwise due by him to the Sub-consultant, or such part hereof as may be necessary to payment of the cost of executing the said part of the Works of completing the Works as the case may be. If the cost of completing the Works or executing part thereof as aforesaid shall exceed the balance due to the Sub-consultant, the Sub-consultant shall pay such excess upon request writing from the Consultant.

#### **2.16 Rejection**

If at any time before the Works are accepted by the Consultant, the Consultant shall decide that any work done by the Sub-consultant is defective or not in accordance with the Sub-consultant or that the Works or any portion thereof are defective or do not fulfil the requirements of the Contract, then the Sub-consultant shall with all speed and at his own expense make good defects so specified. In case the Sub-consultant shall fail so to do, the Consultant may, provided he does so without undue delay, take at the cost of Sub-consultant, such steps as may in all the circumstances be reasonable to make good such defects.

#### **2.17 Time for Completion**

- 1) The whole of the Works shall be completed with the time guaranteed by the Sub-consultant or such extended time as may be allowed under the following paragraph.
- 2) The Sub-consultant shall not be held responsible for failure to carry out his obligations in case of force majeure, such as embargo, blockade, war, natural disasters or any disaster or any circumstances beyond his reasonable control.
- 3) The Sub-consultant shall notify the Consultant in writing within seven (7) days of the commencement of force majeure conditions. Depending on the production of satisfactory evidence and if the existence of force majeure conditions is accepted by the Consultant, the Consultant will grant extension of the Guaranteed Time for Completion of the Works sufficient to compensate for delay due to force majeure without penalty.

## **2.18 Delay in Completion**

If the Sub-consultant fails to complete the Works in accordance with the Contract within the time fixed by the Contract, there shall be deducted from the Contract Price as and for liquidated and ascertained damages a sum of money equal to a half percent (0.5%) of the Contract Price for each day between the Guaranteed Time for Completion of the Works and the actual date of completion but the amount so deducted shall not in any case exceed five percent (5%) of the Contract Price. Such deduction shall be in full satisfaction of the Sub-consultants liability for the said failure. The Consultant may request the Sub-consultant to employ additional labour or use additional equipment and materials and the Sub-consultant will do so at his expense in case a delay in the completion of the works has to be expected.

## **2.19 Suspension of the Works**

The Sub-consultant shall, on the written order of the Consultant, suspend the progress of the Works or any part thereof for time or times and in such manner as the Consultant may consider necessary and shall be doing such suspension properly protect and secure the works so far as is necessary in the opinion of the Consultant. All expenses incurred by the Sub-consultant by reason of the suspension of the Works by the Consultant will be at the sole responsibility of the Sub-consultant if the suspension is:

- (a) Otherwise provided for in the Sub-consultant
- (b) Necessary for the proper execution of the works or by reason of whether conditions affecting the safety or the quality of the Works or by some defaults on the part of the Sub-consultant, or
- (c) Necessary for the safety of the Works or any part thereof.

## **2.20 Certificate of Completion of the Works**

As soon as in the opinion of the Consultant, the whole of the Works shall have been satisfactory completed, the Consultant shall issue a Certificate of Completion of Works after receiving a written application thereof. Upon issuance of such Certificate of Completion of Works, the Sub-consultant shall cease to be under further obligation under the Contract.

When whole the Work completed, a Certificate of Completion of Works shall be issued to terminate the Contract after receiving the acceptance letter from PMU85.

## **2.21 Bankruptcy**

If the Sub-consultant shall become bankrupt or insolvent or have a receiving order made against him, or compound with his creditors, or being a corporation, commence to be wound

up, not being a member's voluntary winding up for the purpose of amalgamation or reconstruction, or carry out its business under a receiver for the benefit or its creditors or any of them, NK shall be at liberty:

- 1) To terminate the Contract forthwith by notice in writing to the Sub-consultant or to the receiver, or liquidator, or to any person in whom the Contract may become vested, and to act in the manner provided in Clause 2.15 of the Sub-consultant's Default, as though the last mentioned notice has been the notice referred to in such Clause and the Works has been taken out of the Sub-consultant's hand, or
- 2) To give such receiver, liquidator or other person the opinion of carrying out the Contract subject to his providing a guarantee for the due and faithful performance of the Contract up to an amount to be agreed.

## **2.22 Assignment and Sublet the Contract**

The Sub-consultant shall not, without the prior consent in writing of the Consultant, assign or transfer the Works or the benefits or obligations thereof or any part thereof to any other persons. The Sub-consultant shall not, without the prior consent in writing of the Consultant, which shall not be unreasonably withheld, sublet the Sub-consultant any part thereof or make any sub-contract with any person or persons.

Any such consent if given shall not relieve the Sub-consultant from his obligations under the Contract. The Sub-Sub-consultant shall be regarded as employee of the Sub-consultant. The Sub-consultant shall be solely responsible for the performance of the Sub-Sub-consultant and for all payments to the Sub-Sub-consultant.

## **2.23 Arbitration**

- 1) If any dispute or difference of any kind whatsoever shall arise between NK and the Sub-consultant in connection with the interpretation or application of the Contract, it shall be settled as much as possible by amicable arrangement between both parties. If such arrangement cannot be realised, the dispute of difference shall be settled by arbitration as provided herein.
- 2) All questions, disputes or differences arising out of or in relation to the interpretation of the Contract which cannot be settled by manual accord shall be submitted to a committee for arbitration consisting of three arbitrators, one to be nominated by NK, another by the Sub-consultant and the third as chairman by the two mentioned arbitrators above, and shall be finally settled in conformity to the rules and procedures of Conciliation and Arbitration of the International Chamber of Commerce. Such arbitration shall be held at such place and time as the arbitrators may decide. Any decision, opinion, direction,

certificate or valuation given by the arbitrators shall be obeyed by both parties and be final.

#### **2.24 Notice and Correspondence**

Any notice to be given to the Sub-consultant shall be served by sending the same by post, facsimile, email, or leaving the same at the Sub-consultant's principal place of business, or to the address of his representative at the Site. Any notice to be given to the Consultant shall be served by sending the same by post, facsimile, email, or leaving the temporary site office of the Consultant in Danang, or to NK address as stated in the Contract.

#### **2.25 Documents**

- 1) All the correspondences, figures, drawings and other documents shall be made in both English and Vietnamese.
- 2) The several documents have to be taken as mutually explanatory of one another, but in case of ambiguities or discrepancies the same shall be adjusted in accordance with the provisions of Clause 2.23 thereof.

#### **2.26 Inspection of Work**

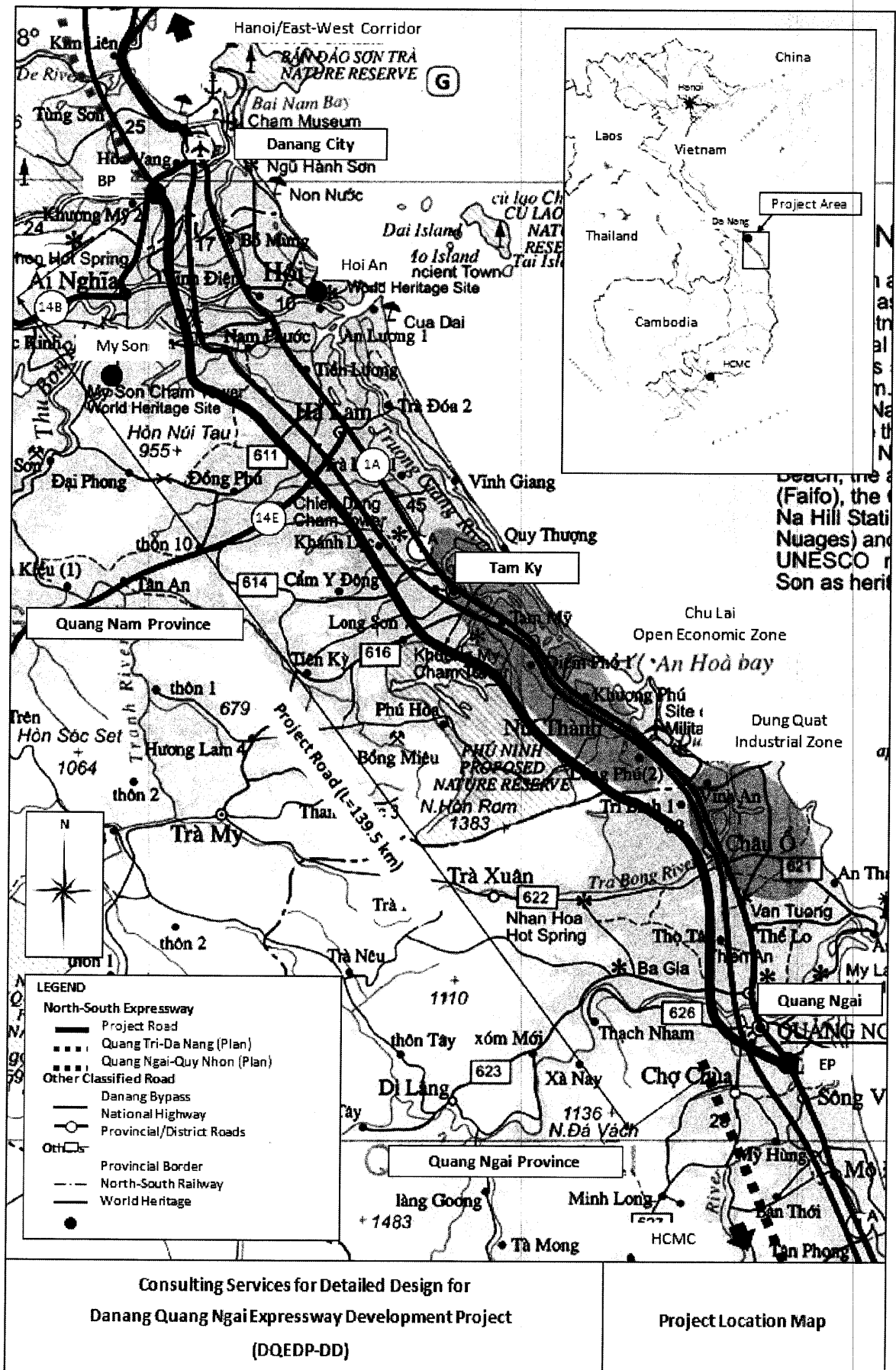
The Consultant shall, at all times, have access to the Works wherever it is in preparation or progress and the Sub-consultant shall provide necessary facilities for such access and for inspection. Where the specifications require any work to be specially tested or approved, the Sub-consultant shall give the Consultant timely notice of his readiness for inspection and, if the inspection is by an authority other than the Consultant, of the date fixed for such inspection.

#### **2.27 Maintenance of Security**

Without obtaining the Consultant's prior written approval, the Sub-consultant shall not disclose, not only during the effective period of this Contract, but also after the termination or completion of this Contract, any information and/or data, etc., which has been made known to the Consultant in executing the Work.

#### **2.28 Emergency Communication Network**

The Sub-consultant shall submit to the Consultant an emergency communication network which includes contact numbers and addresses in both case of usual and emergency response.



Handwritten signature or initials.



### Appendix-B: Mode of Payment

- A. The Sub-consultant shall submit an invoice for services performed by him/her. A sample invoice form is attached hereto.
- B. The above invoices shall be submitted to NK with the following particulars:

Address : Mr. Ichizuru Ishimoto  
General Manager  
Highways and Bridges Dept.,  
Nippon Koei Co., Ltd.  
Tokyo, 102-8539, Japan

Project Code : JA08O1057

- C. The payment shall be made in US Dollar of telegraphic transfer to the account mentioned below within one (1) month from the date of the receipt of the invoice. The Sub-consultant shall confirm in advance the reliability of transferring to this account.

Bank Name : \_\_\_\_\_  
Branch Name : \_\_\_\_\_  
Account Name : \_\_\_\_\_  
Account Number : \_\_\_\_\_  
Bank Address : \_\_\_\_\_  
Country : Vietnam  
(where the bank exists):

- D. Remittance charges shall be deducted from the amount of each payment.



## Section 5. Terms of Reference

### 1. Background

The Government of the Socialist Republic of Vietnam (GOVN) represented by Vietnam Expressway Corporation, through Project Management Unit No. 85 (PMU85) is planning to implement Expressway Development (Da Nang - Quang Ngai) Project (hereafter called the Project). Vietnamese MOT is the line agency who makes investment decision for the Project. VEC is the project owner and PMU85 is the project management consultant at project preparation and implementation phases until the works is handed over and put into operation. PMU85 is also the implementing agency who actively works with relevant authorities to solve all the issues related to the Project. The purpose of the Expressway is to improve the inter-regional transport networks to support the socio-economic development in the Central region and in the whole country and promote traffic safety.

In preparation for the Project, the GOVN commissioned a Feasibility Study (FS) in 2003 which was subsequently revised and completed in March 2008 by JETRO Consultants. In order to meet the requirements of the guidelines and loan procedure of the World Bank and other international financial donors, the FS was updated by Nippon Koei Co., Ltd., being completed in May 2009. This updated FS is being reviewed and further refined by CPCS Transcom Limited.

The Project consists of the following three components;

- (1) Component A: Civil Works  
Construction of four-lane dual carriageway road (with capacity for eventual widening to six lanes) and 131 km in total length.
- (2) Component B: ITS (Intelligent Transport System) Works  
Provision of traffic management and toll collection facilities
- (3) Component C: Expressway Operations and Maintenance  
Planning an institution to operate and maintain the expressway and identifying facilities and equipment that it will need.

It is currently expected that the project will be implemented with financial support from the World Bank and the Japan International Cooperation Agency (JICA). Funds from these agencies would be used to finance separate sections of the Project. The current Terms of Reference pertain to the entire Project.

### 2. Objectives of the Consulting Services

The objectives of the consulting services are:

- To undertake the efficient and proper preparation of the detailed engineering design;
- To prepare an implementation program that can ensure delivery of the project in an efficient and timely manner infrastructure in accordance with the implementation program; and
- To promote technology transfer by employing suitably qualified Vietnamese professionals for the detailed design and implementation planning for the Project and by providing appropriate training for staff of the related agencies who will be at various times responsible for the Project.

### **3. Scope of Services**

#### **3.1 General**

In executing the services, the Consultant shall follow the current relevant Guidelines and regulation/procedures of GOVN and the Bank based on the FIDIC Conditions of Contracts. The Consultant shall assist PMU85/MOT in all aspects of the work including the review of previous studies, detailed design and tender assistance required for implementation of the Project. The scope of the consulting services broadly consists of, but not limited to, the following works:

1. Review of previous studies.
2. Detailed engineering design including cost estimation and preparation of tender documents and other supporting documentation.
3. Assistance with calling and assessing tenders for works and for contract negotiations.

Special attention is drawn to the requirement that the Consultant conduct independent bid evaluations and give the Client advice on issues related to contract negotiations for the Client's reference.

The Consultant shall perform the tasks listed below:

#### **3.2 Review of Previous Studies and Establishing the Detailed Design Framework**

Refer to the original contract.

#### **3.3 Detailed Engineering Design and Procurement Planning**

##### **3.3.1 Packaging**

Refer to the original contract.

##### **3.3.2 Surveys and Investigations**

###### **(1) Data collection**

Refer to the original contract.

###### **(2) Surveys**

Implement detailed surveys served for engineering designs of all work items under the project including: surveys of topography, hydrology, geology and testing, material sources, traffic issues, electricity, land acquisition and resettlement, surveys of relevant underground and overhead structures and staking land acquisition, etc ..,and additional survey quantities (if any) during the design. The surveys must comply with current Vietnamese specifications and standards, and supply sufficient data for documentation of detail engineering designs. Before implementation of surveys, the Consultant must carry out thorough studies on existing documents and data in the previous stages (FS, JETRO). Based on the findings from the studies, the Consultant makes and submits detailed plans for PMU85's approval to implement. Scope of the work are mainly, but not limited, as follows:

- (i) Topographic survey
- (ii) Survey of hydrographical data
- (iii) Engineering geological survey:
- (iv) Material Source Survey
- (v) Survey of other relevant structures
- (vi) Additional Traffic Surveys

Refer to the original contract.

(vii) Independent Land Valuation Survey

As part of the work on updating the Resettlement Action Plan (RAP) the consultant will engage as a sub-consultant a qualified Land Valuation Consultant (LVC). The LVC must be licensed by the Ministry of Finance to undertake land valuation in Viet Nam and be independent of all project stakeholders. As part of the updating work the LVC will undertake a survey to establish current market values for all types of land, by location and use, sufficient to confirm the budget under the updated RAP.

(viii) Environmental and Social Surveys

Undertake surveys as necessary to update the EIA and EMP.

3.3.3 *Detailed Design of Road, Bridges and Other Structures*

Deleted here under....



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## DETAILED TERMS OF REFERENCE FOR REPLACEMENT COST SURVEY

### I. Objectives of the Assignment

Under the Replacement Cost Survey (RCS) the team shall verify and establish compensation rates for land, crops, trees, structures, and other non-land based income (e.g. fishponds) to ensure that Displaced Persons (DPs) are compensated at replacement costs.

### ii. Scope of Works

**Approach.** The establishment of replacement costs will be carried out based on information collected from both Desk research and Direct interviews with people in affected area, both those persons who are affected and those not affected. Desk research will focus on relevant publications, materials of Government authorities, both at central and local levels. However, these materials will play the supporting role only. As the work is aimed at obtaining reasonable replacement costs for different types of affected assets, market evidences are the factors which most strongly base the formulation of these costs. Direct interviews with people in the affected area, both those, whose assets are affected by the Project and those, whose assets are not, will produce reliable data for establishment.

**Basis for Valuation.** The basis for valuation assessment of both land and real estate should be (i) research and market investigations carried out by the RCS team, (ii) accumulated market evidence already held by the valuation organization, (iii) the results of any valuation surveys carried out by any other organization that is available and (iv) survey maps of the land to be valued and surrounding land. Valuation of land must be undertaken by a licensed Land Valuer.

**Data collection.** The interviews will be conducted based on a pre-developed interview guide. Sample size will be determined by the RCS team for land, structures and other fixed assets.

**Structures:** (a) Interviews with owners of structures (main materials they used for their current structures; type of shops where they bought construction materials; distance of transport; origin of the materials (local or overseas); costs of various materials; labor cost); and (b) interviews with construction contractors (main materials which are most used by the local people to build their structures; costs of those main materials; cost of labor; average construction cost (cost per sq.m floor) for different types of houses according to different categories; and (c) validation of provincial construction prices (cost per sq.m floor for each category). Proposed compensation rates for structures will be based on sample of houses in each class to ensure that the rates established cover the whole range of houses in that class.

**Land.** Price of land will be differentiated based on the use of land, including:

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Residential land; Garden land; Agricultural land; Land with water surface for fishery cultivation; and Forest land.

The objective of this establishment is to determine whether the provincial prices are sufficient or not to purchase the same quality and quantity of land. The establishment of compensation for the loss of land is based on its market value. The best way to obtain this market value is to gather data of some sales of land, which have just taken place. However, the transfer of land use right does not always go along with such sales, which makes details of such sales not recorded. The team will make their best effort to collect sales evidence to support the verification of provincial prices. In addition, information to base the establishment will be collected from direct interviews with owners of land in Project affected area, including those, whose land is affected and those whose land is not. The interviews will cover the following issues: (i) recent land use rights transfer in the area and (ii) price, at which owners (affected and not affected persons) are willing to sell their land.

Apart from determining the rates for various types of land. The Land Valuer also need to determine the transaction costs involved such as administrative charges, taxes, registration and titling costs. The Land Valuer should bear in mind that when establishing replacement cost for each type of assets, transaction costs should be clearly specified and should be shouldered by the Project.

Crops and Trees. The objective of this establishment is to determine whether the provincial prices paid to DPs are equivalent, lower or higher than the average market price. The basis of the establishment is to determine the average market price for each type of crops and trees. The information to base the establishment will be collected from:

- Secondary sources: (a) publications of respective ministries (environment, agriculture, forestry and (b) publications of Price Committee (if available)
- Primary source: (a) interviews with people who own the same crops and trees in the locality. The interviews will cover price, at which owners are willing to sell each type of their crops and trees. The prices for perennial trees will be differentiated by the age of the trees and (b) market, team will investigate the sales price of outputs of different types of crops and trees in the market.

Replacement Cost = Current Market Value + Transaction Cost. Apart from determining the rates for land and non-land assets indicated above. The RCS team also needs to determine the transaction costs involved such as administrative charges, taxes, registration and building permit costs. The RCS team should bear in mind that when establishing replacement cost for each type of assets, transaction costs should be clearly specified to ensure that these expenses or costs are shouldered by the Project and should not be deducted from the compensation payment that each AP will receive. A separate section in the report should present how transaction costs are calculated.

### **iii. Formal Outputs**

Based on the activities carried out, the consultant team should (i) present the methodology used and (ii) prepare a table and discuss among the team the unit rates to be applied for the

project.

#### IV. Working Schedule

The tasks for the Replacement Cost Survey will be a critical input to the Detailed Measurement Survey (DMS) to be undertaken to prepare the detailed Resettlement Action Plan. To ensure that the results of the Replacement Cost Survey are available to be incorporated in the DMS it is expected that this work will be undertaken between December 2011 – May 2012 with the following inputs submission schedule:

No.	Output	Hard copies		Date
		Vietnamese	English	
1	Inception report	6	6	1 month after beginning of the assignment
2	Replacement cost survey	6	6	06 month after signing of contract

#### V. Qualification and Experience Requirements

The team will be composed of one senior social development consultant, at least 2 resettlement consultants and a team of enumerators, statistician and encoders. A licensed Land Valuer must be engaged as part of the team to prepare land valuations that are (i) prepared using internationally accepted methodologies, (ii) reflect market values and clear transaction costs and (iii) are independent.

Each member of the RCS team will have the following minimum qualifications and experience:

- (a) The consultants must hold a university degree with a minimum of Bachelor preferably with a major in social sciences;
- (b) The Land Valuer must hold all required licenses and registrations to practice as a land valuer in Vietnam;
- (c) The consultant must have at least 2 years working in similar field and that have experience in RCS for projects funded by WB or other international sponsors such as ADB;
- (d) Preferably RCS consultants should have experience in the management of projects;
- (e) Consultant must be fluent in written and spoken English.

#### VI. Client's Inputs

The consultant shall report to the PMU85 and Vietnam Expressway Corporation (VEC), who will provide, free of charge, the RAPs, and available related documents of the project.

PMU85/VEC will assist in arranging access to, and coordination with relevant departments, local authorities and organizations in the three project provinces of Da Nang, Quang Nam, and Quang Ngai.



### Priced Bill of Quantities

No.	Components	Quantity (person)	Quantity (work day)	Unit price (VND/day)	Total (VND)	Unit price USD/day	Total USD
<b>I</b>	<b>DIRECT COST</b>				<b>3.113.343.000</b>		<b>148.254,43</b>
1	Wages				1.612.800.000	60,00	76.800,00
1.1	Team leader, member of the management board cum Price valuation specialist	3	90	840.000	226.800.000	40,00	10.800,00
1.2	Specialists	20			1.008.000.000		48.000,00
	<i>Price valuation specialists</i>	4	80	630.000	201.600.000	30,00	9.600,00
	<i>Construction pricing engineers</i>	4	80	630.000	201.600.000	30,00	9.600,00
	<i>Estate pricing specialists</i>	4	80	630.000	201.600.000	30,00	9.600,00
	<i>Estate and other assets pricing specialists</i>	4	80	630.000	201.600.000	30,00	9.600,00
	<i>Social science and humanity and Language specialists</i>	4	80	630.000	201.600.000	30,00	9.600,00
1.3	Verification specialists	12	75	420.000	378.000.000	20,00	18.000,00
2	Allowances by wages (Social, health and unemployment insurances: 21%)				338.688.000		16.128,00
3	Administrative costs				806.400.000		38.400,00
4	Others				355.455.000		16.926,43
4.1	Site accommodation	Day	765	147.000	112.455.000	7,00	5.355,00
4.2	Site transportation	Month	3	40.500.000	121.500.000	1.928,57	5.785,71
4.3	Site information and communication,	Month	3	40.500.000	121.500.000	1.928,57	5.785,71



Detailed Design for Da Nang – Quang Ngai Expressway Development Project  
Appendix E: Priced Bill of Quantities

	<i>etc</i>						
<b>II</b>	<b>OTHER SERVICE COSTS</b>				<b>459.900.000</b>		<b>21.900,00</b>
1	Payment for interviewees (affected and non-affected land lords, construction contractors, construction material store and agricultural products owners, agricultural workers in the area, etc.)	Lump-sum	1.140	147.000	167.580.000	7,00	7.980,00
2	Allowances for local officers organizing the interviews	Person	66	420.000	27.720.000	20,00	1.320,00
3	Collection of materials, method for calcuting the compensation price of the locality, maps and others.	Lump-sum	38	4.200.000	159.600.000	200,00	7.600,00
4	Contingency			105.000.000	105.000.000	5.000,00	5.000,00
<b>III</b>	<b>Preparation of report (English and Vietnamese) and presentation</b>	Lump-sum		210.000.000	210.000.000	10.000,00	10.000,00
<b>IV</b>	<b>Overall management cost and ration profit</b>				<b>416.156.730</b>		<b>19.816,99</b>
<b>A</b>	<b>Sub Total (A=I+II+III+IV)</b>				<b>4.199.399.730</b>		<b>199.971,42</b>
<b>B</b>	<b>VAT (10%) x A</b>				<b>419.939.973</b>		<b>19.997,14</b>
<b>V</b>	<b>TOTAL (A+B)</b>				<b>4.619.339.703</b>		<b>219.968,56</b>
	<b>Round</b>				<b>4.620.000.000</b>		<b>220.000,00</b>



