

Millennium Challenge Account Vanuatu
Constitution Building
Lini Highway
PO Box 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419
Email: mcavanuatu@vanuatu.gov.vu



Compte du Défi du Millénaire Vanuatu
Bâtiment de Constitution
Lini Route
BP 192
Port Vila, Vanuatu
Tel: (678) 26918 / 26415
Fax: (678) 26419
Email: mcavanuatu@vanuatu.gov.vu

Reducing Poverty through Improved Infrastructure

MCA-Vanuatu Steering Committee Meeting No. 03 of 2011

Type of Meeting: Steering Committee Meeting

2:00pm 7th April 2011

MCA-V Conference Room

Board Members:

Present: Chairman and Director General, PMO, Simeon Malachi Athy
Director General, MFEM, George Maniuri
Director of DSPPAC, Gregoire Nimbtik
Alternate Director of Finance, Primrose Toro

MCC Representative
Chris Cookson, MCC Resident Country Manager

NZ Aid Representative
John Claasen, New Zealand Aid Program Manager

MCA-Vanuatu Program Management
Johnson Wabaiat, Director MCA
Hans Euscher, Program Manager/Advisor
Serah Toara, Financial Management Officer

Apology: Chairman, DG PMO, Simeon Malachi Athy

Absent: DG, Lands, Russel Nari

Welcome by chairman

Introduction made by the Chairman of the Steering Committee. Chairman thanked everyone for the extra special effort made to attending the meeting.

Adoption of Agenda

Chairman requested if amendments to the agenda could be made in the order of the most urgent and pressing matters arising. Amendment moved by Director DSPPAC, seconded by Alternate Director MIPU. Agenda was amended and approved.

1. Minutes of Last Meetings

Minutes given to all members and comments will be made and sent back to minute taker. This was agreed to save time for members to look at the more pressing issues.

2. Matters arising from Minutes

No matters arising from the minutes.

3. Chairman's Response to Francis Reid's Letter

PD briefed SC Members that concerns in the letter are currently addressed. All issues have been addressed. PD advice that he will be meeting the SLO on 8th April 2011 to establish the Trust Account for disputed quarries.

MCC queried on the status of outstanding deeds yet to be signed. PD responded that the Deeds have gone to the minister. The Nangus Deed will be signed on the 8th of April 2011. Santo Quarry will all be cleared also by the 8th of April 2011.

PD confirmed that the Letter should be completed after this SC Meeting to ensure that Frances Reid gets the letter before coming to Vila for the Handing-Over ceremony.

With the relocation of Poles the quotation was received by the Unelco and the DCO paper should be presented within the next week. MCC however, stressed that since there are a lot of other activities going on, it would be wise to formulate another strategy.

Recommendations

DG MFEM proposed that Director DSPPAC to draft a letter on Friday 8th April 2011 for the two ministers to sign off on the use of the Royalty funds to relocate the poles.

4. Official Handing over ceremonies.

PD briefed members on the Program of Santo East Coast Road. A charter was arranged and funded by the Government for officials to travel to Santo. Officials will depart Vila at around 7:30pm. The card will be sent out to officials with the flight details and the program.

PD also briefed on the preparation of Efate. FMO queried the financing arrangements of the celebrations. DG MFEM confirmed to liaise directly with the Director of Fiscal Agent and Development Accountant to be imprest holder for the Government of Vanuatu.

Shefa Province has requested if the day could be declared a day off to be able to move the children to the road. Chairman has offered to take up with the Shefa Education Department to make the announcement.

Chairman requested if the list of VIPs could be presented out clearly for those who be presenting speeches to address them correctly.

5. Contract Issues: creation of VPMU, novation of contracts

MCC shared some comments on these items. With this the PA gave a progress report updating on the financial status of works completed. An accumulated savings of about 3million was identified from foreign exchange gains. Variations presented were able to be covered from these savings. As of date, the whole of the D&B budget has been spent and if there are any further variations need to be done by COB 8th April 2011. The first half of the retention monies have been released to the Contractor. The second half is still on hold until the DNP over.

Further Variations:

The following variations were presented again to the SC for consideration:

VI No. 37: (Special Driveways at Tanoliu Village ERR)

A claim for payment for this work was included with the Contractor's Statement at Completion. However as the Engineer did not have the approval from MCA-V to issue a Variation Instruction for this work, he was not able to certify payment for the work in his Completion Certificate. The Variation relates to additional work required to be completed by the Contractor to two driveways in the Tanoliu Village as a result of complaints received from the lot occupants that their existing driveways were too steep and could not be used safely. The work has the support of MCC and further details are included in the attached NTE 397. The Engineer has recommended that MCA-V accept the proposal contained in NTE 397 and allow the issue of VI No. 37 in the amount of \$ 1,735.00 to cover this work.

VI No. 38: (Additional Speed Calming SECR)

Following a visit to the SECR by Engineering and Environment officials of the MCC Washington office, concern was expressed, at the Monthly Management Meeting, that the Mavutor and LobeLobe Creeks were popular bathing spots on weekends and that additional speed calming should be provided at the approaches to both of those bridges. In response the Contractor has submitted a proposal, with a description of works to be undertaken and an estimate of cost for this work. As this proposal was only received on 30th March 2011, it has not yet been reviewed by the Engineer, however MCC has indicated strong support for the work to be done. A copy of the proposal is attached as NTE 400 and the price is \$ 10,785.52.

VI No. 39: (Provision of "No Rubbish" signs)

Similar to VI No. 38 above, the MCC mission also expressed concern that the old stockpile area, near the Turn-out to Champagne Beach, had the potential to encourage people to dump rubbish in this location. As a result the Contractor was requested to submit a proposal to erect "No Rubbish" signs. The proposal was submitted on 30th March 2011, and has not yet been reviewed by the Engineer, however MCC has indicated strong support for the work to be done. A copy of the proposal is attached as NTE 401 and the price is \$ 850.52.

VI No. 40: (Services to collate, scan and file Records for MCA-V Archive)

It is a requirement of MCA-V to establish an electronic Archive and to make this Archive available to MCC on completion of the Compact. As the final recipient for the originals for most of the communication was the Contractor, MCA-V has requested a proposal from them for the scanning of documents and presentation of electronic Archive. The Contractor's proposal was submitted on 1st April 2011 and has not yet been reviewed by the Engineer. A copy of the proposal is attached as NTE 404 and the price is \$ 3,738.00.

Recommendations:

It is recommended that the Steering Committee give their consent, to allow the Director MCA-V to instruct the Engineer to issue Variation Instructions No.'s 37, 38, 39 and 40, in the amounts of US\$ 1,735.00, US\$ 10,785.52, US\$ 850.52.00 and US\$ 3,738.00 respectively.

Moved by Director DSPPAC seconded by DG MFEM.

a) QCPP/Roughton Joint Venture Extension

PMA briefed the SC members on the changes with the company Joint Venture with Roughton International. MCA-V is currently waiting on SLO advice relating to the situation of the MCA-V ceasing to function after 26th August 2011 and implications of this on the ongoing contracts, plus whether MCA-V should sign a variation to extend the services of the Engineer, when the cost of those services is dependent on the availability of Ambatha Paraliu to continue as the delegated Engineer until the 26th November 2011.

MCA-V currently is seeking SLO's advice on the obligations of the new commitments with the joint venture. SLO's written advice is not yet received. However, the current arrangements for the Engineer's Representative, Ambatha Paraliu will continue to be engaged. Engaging a new engineer from this joint venture could have financial implications. An understanding has been reached with the joint venture to continue their services as the engineer until the situation is resolved with the State Law Office. The joint venture have confirmed their acceptance to continue with the services.

6. Audit findings for Jan – June 2010

2010 Minutes is the only outstanding issue. This was followed up in the Jul to Dec 2010 findings and is now being addressed.

All SC Minutes will be posted to website before Compact end Date.

7. Budget for final handover celebration 2011.

Paper completed and will go to next CoM meeting next week. Steering Committee gave in principle approval to the budget that was presented.

8. Bridges:

PMA gave a brief overview on the Bridge report made by US Army Engineer. Vanuatu may need to adopt this report in the near future. The report is now ready to be released to interested parties. The recommendations of the bridges was shared with the SC Members.

Recommendations

Matevulu Bridge SECR:

The bridge is in **poor** condition. The C-channel members reinforcing the top and bottom chords exhibit complete section loss and the wide flange chord members are at a moderate stage of corrosion. The top and bottom chord members should be closely monitored for signs of additional deterioration while a decision is made to either repair or replace the bridge.

The recommended option is to **repair** the bridge, as it will significantly extend the useful life of the structure. The repairs shall be designed and approved by a Registered Structural Engineer from the USA, New Zealand or Australia and the Contractor performing the repairs shall have previous structural repair experience.

Repairs should take about **4 months** to carry out after completion of designs.

LobeLobe Bridge SECR:

The assessment is that this bridge is in a **serious** condition. The structural steel wide flange floor beams have experienced complete section loss at their cantilevered ends, a clear indication that their structural load carrying capacity has been compromised. Immediate action for this bridge is required.

As for the Matevulu Bridge, the recommended option is to **repair** this bridge, as it will significantly extend the useful life of the structure. However, these repairs must be performed **immediately** to prevent continued deterioration.

The repairs shall be designed and approved by a registered Structural Engineer from the USA, Australia or New Zealand and constructed by a Contractor with previous structural repair experience. Repairs should take about **1 month** to complete after finalization of designs.

Epule Bridge ERR:

Inspection revealed that while the Bailey Bridge appears to be in moderate to good condition, the foundations are in a **serious** condition. The rock fill behind each of the existing girder bridge abutment walls is in an advanced stage of erosion and further deterioration may undermine the Bailey Bridge foundation support, (causing collapse).

As the foundations are the main supports for the bridge, the Bailey Bridge concrete bearing pads must be closely monitored for signs of movement and undermining, while a decision for replacement or repair is being reached.

The best long term solution is to **replace** the temporary Bailey Bridge with a new and more permanent structure.

NZ Aid Program Manager confirmed that a request was received from the Prime Minister to fund the Bridge. NZ Aid Program Manager would like more clarity on the budget of the request and the partners contributing to the construction of the bridge. A few questions were raised regarding various bridges.

MCC commend efforts with the development of the Infrastructure Master Plan to allow Donor coordination efforts.

Steering Committee gratefully acknowledges receipt of the Vanuatu Bridge Inspection and Condition Assessment Report, prepared by the US Army Corps of Engineers, and noted the contents and recommendations contained therein.

9. Paper for Minister/CoM on road safety campaign and any other issues.

Not completed yet, but has been discussed with DSPPAC

10. CoM Paper to allocate GoV's royalties to road safety/ maintenance.

CoM submission has been developed for next DCO Meeting on 13th April 2011

11. Amend IEA PWD. Requires meeting with PWD, MIPU etc.

No discussion around this item.

12. Settlement of salary of ESU officers in Santo

PD briefed SC members on the payments of the above two staff who have served the compact from the beginning. The differences of the salaries have now been sorted out.

AOB

Compact Completion Report – Consultants Selection Process

Steering Committee members reviewed and approved the report and was signed off by the Chairman of the Steering Committee.

Road Side Enterprise Report

Steering Committee reviewed and approved the report and agreed with the extension of the TRIP contract.

Forward Agenda items for April 2011

None

Date of next SC Meeting.

Not set

Certified by:

...../S/.....
Secretary, MCA-Vanuatu

Acknowledged by:

...../S/.....
Chairman, Steering Committee