

# ANNUAL REPORT 2012-13

*Developing Safe, Reliable and Quality Roads*



*An Executive Agency of the  
Ministry of Transport, Works and Housing*

# STATEMENT OF COMPLIANCE


To: The Most Hon. Andrew Holness, ON, MP  
Prime Minister,  
Minister of Economic Growth and Job Creation

Dear Prime Minister,

In accordance with the requirements of the Executive Agencies Act, S.15 (3), the Executive Agencies (General) Regulations, 2010, S.15, and the Financial Instructions to Executive Agencies (April, 1999), S.13(1), I am pleased to submit the Annual Report and Financial Statements for the National Works Agency for the period ended 31st March, 2013.

I certify that this report substantively complies with the prescribed reporting requirements, and that the facts and figures contained herein are materially accurate as at the time of reporting.

I am  
Yours Respectfully,



E.G. Hunter  
CHIEF EXECUTIVE OFFICER,  
NATIONAL WORKS AGENCY





# esri®

## Esri User Conference 2012 *Special Achievement in GIS*



We won the **2012 ESRI Award for Special Achievement in GIS** for the creation of our innovative Land Acquisition Management Application. Collecting the award, in California, on behalf of the Agency is GIS Manager, **Alicia Edwards** and GIS Programmer, **Houdini Sutherland**.

# TABLE OF CONTENTS

STATEMENT OF COMPLIANCE	2
ABOUT THIS REPORT	6-7
DIRECTORS SENIOR BODY	8
ABOUT US	9-10
BUSINESS AND PERFORMANCE HIGHLIGHTS	11-13
KEY PERFORMANCE INDICATORS	14-18
CHIEF EXECUTIVE OFFICER'S REPORT	19-20
MAKING OUR NETWORK SAFER	21-23
Targeted Interventions	24
Enhancing Traveller Safety	25
Making Worker Safety a Priority	26-27
Pioneering the IATOCN	28-30
Targeted Safety Interventions	31-32
FLOOD SAFETY	33-38
Palisadoes Shoreline Protection and Road Rehabilitation	33-34
Hurricane Sandy	34
Palisadoes Shoreline Protection and Road Rehabilitation	35-36
Sandy Gully Improvements	37-38
GREATER URBAN MOBILITY	39-43
Intelligent Transport System	41
Traffic Incident Management	41
Traffic Signal Interconnection	42
Influencing Road users to drive safely	42
ITS: Fibre Optics Communications Network	43
BEING MORE EFFICIENT	44-49
Quality Assurance	44
Post Project Evaluation	46
Internal Control Systems	46
Development Applications	46
Leveraging GIS to Improve Our Business Processes	48
Notable GIS Events	49
MAINTAINING OUR ROADS	50-57



Preserving	50
RMF Routine Maintenance Programmes	50
North Coast Performance Based Road Maintenance	50
Transportation Infrastructure Rehabilitation Programme (TIRP)	51
Jamaica Emergency Employment Programme	52
Kuwait Phase 2 Rehabilitation Programme	52
OPEC Phase 2 Rehabilitation Programme (Loan #1052P)	53
Bridge Works Programme	53
Rio Grande Bridge	54
Westmoreland Bridge	54
Vehicle Weight Enforcement	54-55
 LISTENING TO OUR CUSTOMERS	 56-57
Engaging Our Clients, Stakeholders and Partners	56
Customer Satisfaction Survey	56-57
 HUMAN RESOURCES	 58-64
Effective Employee Relations	58
Staff Training & Development	59
Work-life balance	60
Workforce Planning	60
Business ethics	60
Building Technical Capability	60-61
Staff Welfare and Morale	62
Giving Back to the Community	62
Health and Lifestyle Program	62
Health and Wellness Fair	63
Blood Drive	64
 CORPORATE GOVERNANCE	 65-69
The Advisory Board	65
Key Performance Indicators	65
Procurement Committee	66
Director's Standing Meetings	66
Project Managers Standing Meetings	66
Parish and Regional Managers' Meetings	67
Quarterly External Reporting	67
Open Communication	67
Review of Internal System of Control	67
 SENIOR MANAGEMENT COMPENSATION	 68
SENIOR BOARD MEMBERS AND THEIR POSITIONS	69
 AUDITED FINANCIAL STATEMENTS	 70-90
Analysis of our Audited Financial Statement for the year ended March 2013	71-72

## TABLES

Table 1: Progress of IATOCN PHASE I and II	29
Table 2: Petro Caribe Funded Contracts under the TS Nicole Drainage Network Construction & Rehabilitation Project	37
Table 3: CDB Funded Contracts under the TS Nicole Drainage Network Construction & Rehabilitation Project Phase 2	38
Table 4: CDB Funded Contracts under the TS Nicole Drainage Network Construction & Rehabilitation Project Phase 3	38
Table 5: Traffic Signals Installed over the Period	40
Table 6: Progress of Road works being conducted or completed over the period	51
Table 7: Summary of Bridge status to date	53
Table 8: Senior Management Compensation	68
Table 9: Board Members and their positions	69
Table 10: Changes in Total Earnings on Year-over-Year (YOY) and Month-over-Month (MOM) bases	71
Table 12: Changes in Operating Expenses on Year-Over-Year (YOY) and Month-Over-Month (MOM) bases	72

# ABOUT THIS REPORT

Welcome to our Annual Report for fiscal year 2012-2013. Section 15 of the Executive Agencies (General) Regulations, 2010 require that the CEO submit to the responsible Minister, through the Permanent Secretary, an Annual Report on the activities and performance of the Agency during the preceding financial year, to be subsequently tabled in the Houses of Parliament. This report fulfils this requirement.

## REPORTING PERIOD AND BOUNDARY

This report covers the Agency's operations for the fiscal year ending 31 March 2013. It provides information about the performance of the National Works Agency, our achievements, initiatives and challenges. The report also provides some information on our upcoming work programme for the next fiscal year and beyond. The prominent programmes being implemented by the Agency during the review period were namely: the Jamaica Development Infrastructural Programme (JDIP); the Transportation Infrastructure Rehabilitation Programme (TIRP); the Road Improvement Programme, the Road Maintenance Fund Routine Maintenance Programmes; and other Client Projects.

## FORWARD STATEMENTS

This report utilizes "forward-looking" statements such as "expects," "intends," "plans," "projects," "believes," "estimates," and similar expressions to make assessments of full year projections measured against our respective targets. These statements are not guarantees of future performance but are based on the qualified expectations of our project managers and technical personnel, and thus involve risks, uncertainties and assumptions that are difficult to predict. Actual outcomes and results may differ materially from what is expressed or forecasted in these forward-looking statements. Our actual results and future trends may also differ materially depending on a variety of factors, including, but are not limited to: fiscal space restrictions; inadequate, inconsistent or untimely fund disbursements; natural hazards (including adverse weather events). As a result, these statements speak only as of the date they were made.

## AUDIENCE

We have identified a wide range of stakeholders whom we hold regular dialogue with that may have an interest in this report. They include policymakers, elected representatives, community-based groups, foreign development partners, industry and civil society, other government departments, our contractors and clients. The aim of this report is to build a shared understanding of our work, capabilities, and challenges with our various stakeholders. What's new about this report is that we endeavour to:

- Link discussion of our performance with our resource level;
- Align our performance achievements with national outcomes;



- Highlight the impact of policy on our operational outcomes;
- Highlight the impact of organizational capacity on desired results; and
- Highlight our business strategies and efforts to streamline our internal business processes and systems.

## ASSURANCE

This report is subject to independent assurance by our Internal Audit Unit, which certifies our key performance indicators. The aim of this process is to provide reassurance to our stakeholders of the accuracy, reliability and objectivity of the reported information, and that it covers the issues material to the business. In addition, the Agency is audited by other state entities, such as the Office of the Contractor General, the Auditor General's Department, and our Parent Ministry, which provide external oversight.

## CONTACT US

We hope you find this report both engaging and informative. It's our intention to continue improving this report to make it more friendly and meaningful to our audience. We invite your input and suggestions on how we can improve. Comments can be emailed to: [ccs@nwa.gov.jm](mailto:ccs@nwa.gov.jm)

# DIRECTORS/ SENIOR MANAGEMENT BODY



MR. E.G. HUNTER  
Chief Executive Officer



EARL PATTERSON  
Deputy CEO/Senior Director  
Project Implementation



DR. JENNIFER HENRY  
Director, Human Resource  
Management & Administration



PAULINE DUNSTAN  
Director, Finance  
and Accounts



GEORGE KNIGHT  
Director, Regional Implementation &  
Special Projects



JOHN WRIGHT  
Director, Major Projects



SHARON MORGAN-GRINDLEY  
Director,  
Corporate Services



ORLENE NEMBHARD ROWE  
Director, Quality Assurance



PATRICK ROSE  
Director, Planning and  
Research



MAXINE CREARY  
Chief Internal Auditor



ROGER SMITH  
Director, Technical Services



STEPHEN SHAW  
Manager, Communication and Customer  
Services



# ABOUT US

The National Works Agency (NWA) is an Executive Agency that operates under the auspices of the Ministry of Transport, Works and Housing. The role of the organization is articulated in our Framework Document, which is updated every three years. Principally, the Agency is charged with the responsibility to operate, maintain and improve the country's main road network (MRN) and flood control systems. The country's main road network consists of approximately 5,000 km of class A, B, and C roads. We also maintain some 740 bridges and structures on our road network.

There are also parochial roads (14,895 km), farm roads (1,500 km) and community roads (4,200 km) that fall outside of our direct remit but for which we are directed to provide some level of support from time to time. In addition, we set and maintain road safety and structural standards used by many local authorities for the other roads classes that they manage. We also discharge statutory obligations under various statutes, including the Main Roads Act, the Road Traffic Act, and the Flood Water Control Act.

Being an Executive Agency, we are required by law to focus primarily on the delivery of our services in an efficient and effective manner with a community-oriented approach to governance. The Agency is headed by a Chief Executive Officer (CEO) who is assisted by an Advisory Board appointed by the responsible Minister, on the recommendation of the CEO, and an able Executive Management Team, as shown in our Organizational Chart.

Although we manage a high-value infrastructure portfolio, we are not a self-financing entity. As a Class B Executive Agency, we are funded on a net basis by the Government of Jamaica (GOJ) while retaining 100 percent of our earnings. Traditionally, the projects that we implement are financed by the GOJ, by means of yearly appropriations voted by the Parliament, proceeds from the Road Maintenance Fund (RMF), and Client Deposits.

However, these funds are not placed under our direct management, but rather are made available upon

## Our Core Business

We have defined four (4) core business lines:

### **Road Asset Maintenance and Development:**

We build, manage and maintain roadways including bridges and other structures in order to support Jamaica's development needs to efficiently move people, goods and services.

### **Road Asset Optimisation and Congestion Improvement:**

We optimize the existing road network through strategies (including traffic lights coordination, intersection improvements and elimination of high risk spots) to improve traffic movement and reduce congestion.

**Road Use Safety Management:** We implement an infrastructure safety program to address issues of geometric design, roadway lighting, signage and road marking.

**Flood/Sea Damage Control:** We have responsibility for implementing and maintaining river training and sea defence structures. Additionally, we provide assistance in disaster preparedness and response.

the submission of an approved claim for services delivered. Accordingly, our remit is largely limited to proposing worthwhile infrastructure projects based on their technical merit to the GOJ, RMF, and other development partners for funding, and to implement those approved projects for which funding has been provided.

## OUR VISION

Create a world class, safe, quality main road network meeting the needs of our clients in the towns, communities and districts where they vacation, work and live.

## OUR MISSION

To plan, build and maintain a reliable, safe and efficient main road network with flood control systems which: protects life and property; supports the movement of people, goods and services; reduces the cost of transport; promotes economic growth and quality of life; and protects the environment.

## OUR VALUES

Our values inform all aspects of our corporate consciousness. They represent our culture and guide our deliberations and actions. Our values also strongly influence our relationships with our stakeholders, and partners. The Agency has articulated five (5) core values to be exemplified in its interactions with others:

**People:** We believe that our principal strength is our people and that our success will depend on our ability to provide them with the tools and environment to allow them to excel.

**Integrity:** We demonstrate trust, and respect for each other, our partners and stakeholders, through open, honest communication.

**Partnership:** We respect the values, principles and opinions of the public, as they help define our goals and evaluate our performance.

**Excellence:** We continually strive for excellence, quality service, value for money, fiscal prudence, flexibility, creativity and innovation.

**Impartiality:** We commit to treating all persons with whom we come in contact, fairly, and without regards to sex, race, religion, political affiliation or the community to which they belong.



# BUSINESS AND PERFORMANCE HIGHLIGHTS



Minister Omar Davies, (3rd from left), cuts the ribbon to signal the opening of the bridge. With him from left to right are Mrs. Audrey Sewell, Permanent Secretary; Dr. Lynvale Bloomfield, MP East Portland; Mr. Daryl Vaz, M.P West Portland; Mrs. Ann-Marie Vaz, wife of MP Vaz; and HE Mr. Zhen Qingdian, Chinese Ambassador to Jamaica



Portia Simpson Miller cuts the ribbon to signify the opening of the Kintyre Bridge in St. Andrew recently. Others in the pic are from l-r: Hon. Damion Crawford, MP, East Rural St. Andrew; Dr. Paris Lyew-Ayee, Chairman, NWA; Mr. E.G Hunter, CEO, NWA; Hon. Richard Azan, Minister of State, Ministry of Transport, Works & Housing; Minister Morais Guy; Dr. Horace Chang, Opposition spokesman on Transport & Works and Mr. Andre Hylton, MP, Eastern St. Andrew.



Contract signing ceremony for the Ferris Cross to Belmont Road rehabilitation works in Westmoreland



Prime Minister Simpson-Miller announcing the official launch of the Jamaica Emergency Employment Programme in March 2012



# BUSINESS AND PERFORMANCE HIGHLIGHTS



CEO EG Hunter addressing delegates at the URISA Sixth Caribbean GIS Conference held in November 2012 at the Hilton Rose Hall, St. James



Minister Azan, Deputy CEO Earl Patterson, and Human Resources Director Jennifer Henry examines booth at our Kulcha Yaad event held in August 2012 in celebration of Jamaica 50th anniversary



Corporate Planner Monique Gibbs and Manager Planning and Research Directorate Stephen Shaw, enjoying festivities at our Kulcha Yaad event held in August 2012 in celebration of Jamaica 50th anniversary



CEO EG Hunter and Permanent Secretary Audrey Sewell having a laugh at our Kulcha Yaad event held in August 2012 in celebration of Jamaica 50th anniversary



CEO EG Hunter addressing members of staff and guests at the our Kulcha Yaad event held in August 2012 in celebration of Jamaica 50th anniversary



CEO EG Hunter, alongside Kenute Hare, Director of the Road Safety Unit, in the Ministry of Transport, Works and Housing attending a session of the 1st International Road Fund Caribbean Regional Congress held May 2012 at the Hilton Rose Hall Hotel in St. James



# BUSINESS AND PERFORMANCE HIGHLIGHTS



CEO EG Hunter, alongside Finance Director, Pauline Dunstan greeting a member of our Financial Management Directorate on assuming duties as CEO



CEO EG Hunter, alongside Human Resources Director, Jennifer Henry greeting a member of staff on assuming duties as CEO



CEO EG Hunter, alongside Technical Services Director, Roger Smith greeting a member of staff on assuming duties as CEO



Jamaica Day event at the NWA Child Care Facility in February 2012 in celebration of Jamaica 50th anniversary



Chief Internal Auditor, Maxine Creary and NWA team members help host Jamaica Day at the NWA Child Care Facility in February 2012 in celebration of Jamaica 50th anniversary



Director of Training & Development, Michelle Nesbeth gives special attention to one child during Jamaica Day event at the NWA Child Care Facility in February 2012 in celebration of Jamaica 50th anniversary

# KEY PERFORMANCE INDICATORS

No.	Strategic Objective	Indicators	Targets	Weight/ Points	Points Achieved	Actual Performance
1	<b>Safety:</b> Improved Road Safety	Traffic Management and Control	120 km lines (Road Marking includes 40 Nos. Pedestrian Crossings) installed by the end of 2012/13.	2	2	Target achieved.
			500 Nos. Traffic signs installed islandwide by the end of 2012/13.	2	2	Target achieved:
			500 Nos. Raised Pavement Markers installed islandwide by the end of 2012/13.	0.5	0.5	Target achieved: .
			8 Nos. Traffic Intersections signalized by the end of 2012/13.	2	2	Target achieved
			1 No. High Risk Spot Report (for 2 locations) completed by the end of 2012/13.	0.5	0.5	Target achieved
		Flood Control, Mitigation and Damage Rehabilitation	10 Nos. Waterway improved via gabion works; bunding and desilting works by the end of 2012/13 (may include JDIP and IDB 2276 TIRP).	4	4	Target achieved
			210,000 m <sup>3</sup> Retaining Wall constructed by the end of 2012/13. (may include JDIP and OFID Walls).	4	0	Target not achieved. Significant error noted in targeted amount. <b>Refer to adjustment below.</b>
			CHEC Palisadoes Shoreline & Road Project - Phase 3 Revetment Works substantially completed by the end of 2012/13.	3	3	Target achieved
			Caribbean Development Bank (CDB) TS Nicole Drainage Network Construction and Rehabilitation Project: 40 Nos. Gullies rehabilitated by the end of 2012/13.	3	0	Target not achieved. Significant programme disruptions occurred due to budgetary constraints. <b>Refer to adjustment below.</b>
	<b>Total Targets for Safety (21)</b>			<b>21</b>	<b>14</b>	
2	<b>Reliability and Availability:</b> Improved maintenance of road infrastructure	Disaster response and emergency repairs to roads	Clear 75% of blocked roads islandwide to single lane within 7 days after the occurrence of an emergency such as hurricane, floods, public inconvenience, etc	2	0	Target not achieved.
		Routine Maintenance	30,000 m <sup>2</sup> of patching (Hot Mix & Spray) completed by the end of 2012/13.	2	2	Target achieved.
			75 Nos. Gullies and drains cleaned islandwide by the end of 2012/13.	2	2	Target achieved.
			450 km Bushing activities conducted by the end of 2012/13 (may include: IDB 2276).	2	2	Target achieved.

# KEY PERFORMANCE INDICATORS

No.	Strategic Objective	Indicators	Targets	Weight/ Points	Points Achieved	Actual Performance
			220,000 m <sup>2</sup> road rehabilitation (asphaltic concrete, double surface dressing) by end of 2012/13 (may include: Fern Gully, St. Ann, etc.)	4	4	Target achieved.
		Periodic Maintenance/Road Rehabilitation	10 km of road rehabilitation conducted by the end of 2012/13.	3	3	Target achieved.
		Traffic Management Planning	3 Nos. Network Analysis studies completed by the end of 2012/13. Locations TBD.	1	1	Target achieved.
		Bridge Development & Construction	75 Nos. Bridge Inspections conducted by the end of 2012/13	1	1	Target achieved
			11 Nos. Bridge/Structures substantially completed by the end of 2012/13.(may include: Rio Grande, Portland/Cassia Park, Kingston/Johns Hall, St. James/Queensborough, Kingston/Crooked River, Clarendon/Eden River	20	0	Target not achieved. Substantially completed work for the following bridges/structures:Kingston.
			2 Nos. Bridges/Structures Rehabilitated by end of 2012/13: Locations TBD	1	0	Target not achieved. Rehabilitation was accomplished for Constant Spring Bridge only. No other funding was provided for rehabilitation by the end of 2012/13. Refer to adjustment below.
			4 Nos. Bridges/Structures maintenance completed by end of 2012/13: Locations TBD	1	1	Target achieved.
	<b>Total Targets for Reliability &amp; Availability (17)</b>			<b>39</b>	<b>16</b>	
3	<b>Efficiency:</b> Improved efficiency and best value practices in roadwork investments.	Regulatory Reports, Corporate Planning & Performance Monitoring	Final 2012/13 Budget and Draft 2013/14 budget submitted.	0.5	0.5	Target achieved. Submissions made.
			Monthly Unaudited Financial Statements submitted.	1	1	Target achieved. Submissions made.
			Monthly Recurrent Financial Expenditure submitted.	1	1	Target achieved. Submissions made.
			Monthly Budgeted Cash Flow submitted as required.	1	1	Target achieved
			Monthly Capital A & B Statement of Expenditure submitted.	1	1	Target achieved



# KEY PERFORMANCE INDICATORS

No.	Strategic Objective	Indicators	Targets	Weight/ Points	Points Achieved	Actual Performance
			Final 2012-2015 Corporate Plan; Final 2012/13 Operational Plan; Final 2012/13 KPIs; Final 2012-2015 Framework Document; Draft 2013-2016 Corporate Plan; Draft 2013/14 Operational Plan; Draft 2013/14 KPIs produced and submitted.	1	0	Target not achieved. Previous Corporate Planner resigned September 2012. Final Framework Document 2012-15 and Draft Corporate Plan 2013-16 were not completed prior to March 2013. Refer to adjustment below.
			Final 2007/08, 2008/09, 2009/10, 2010/11, 2011/12 Annual Reports published (contingent on audited financial statements from the Auditor General's Office).	0.5	0.5	Target achieved. Annual reports up to 2010/11 done. 2011/12 awaiting audited Financial Statements from Auditor General's office.
			4 <sup>th</sup> Quarterly 2011/12; 1 <sup>st</sup> , 2 <sup>nd</sup> and 3 <sup>rd</sup> Quarterly 2012/13 Quarterly Performance Review Reports prepared and presentations conducted.	1.5	1.5	Target achieved.
			Quarterly Internal Audit Reports submitted.	1	1	Target achieved.
			Monthly & Quarterly Contract Award Reports submitted.	1	0	Target not achieved.
			Monthly Project Reports (JDIP, IDB/GoJ 2026 TIRP, IDB/GoJ 2276 RIP, etc.) submitted.	2	2	Target achieved.
		Financial Management	Targeted revenue(J\$ 500 million) to be earned from Agency fees achieved by end of 2012/2013.	2	2	Target achieved
		Information Resource Management	Active/Inactive Records Classification Project completed for 2 Nos. Departments/Units by the end of 2012/13	1	1	Target achieved.
		Internal Control Systems	14 Nos. Risk Assessment/Internal Audits conducted by the end 2012/13.	2	0	Target not achieved. Thirteen (13) audits were completed for the financial year.
		Quality Management	1 No. Post Project Evaluation conducted for contract over J\$15 million by the end 2012/13.	0.5	0.5	Target achieved
			16 Nos. Project Quality/Follow Up Action Audits conducted by the end of 2012/13.	2	2	Target achieved.
			90% of Take-Over Certificates reviewed and processed within 7 work days after request receipt.	1	0	Target not achieved. 88% of take over certificates were processed within the targeted time.
		Geographic Information Systems	80% of Maps & Digital Information produced for internal customers within 10 work days and external customers within 5 work days after request receipt.	1	0	Unable to make proper assessment.

# KEY PERFORMANCE INDICATORS

No.	Strategic Objective	Indicators	Targets	Weight/ Points	Points Achieved	Actual Performance
			2 No. Applications improved by the end of 2012/13 (may include: Land Acquisition Management System LAMS; National Disaster Management).	0.5	0.5	Target achieved.
		Technical Studies & Design	IDB/GOJ 2026 TIRP Master Drainage Plan substantially completed by the end of 2012/13	1	0	Target not achieved. June 2013 report date.
		Institutional Strengthening	Corporate Retreat 2012/13 convened by the end of 1 <sup>st</sup> Quarter 2012/13.	1	0	Target not achieved.
			2 Nos. Information Technology Business Processes improved by the end of 2012/13	1	0	Target not achieved. There were delays noted in the implementation of the projects due to lack of funding and availability of staff. <b>Refer to adjustment below.</b>
<b>Total Targets for Efficiency (24.5)</b>				<b>24.5</b>	<b>15.5</b>	
4	<b>Development and Growth:</b> Enhanced physical planning mechanisms and movement of the Jamaican populace via the road network.	Road Infrastructural Development	<b>China Ex-Im JDIP :</b> (a) Christiana Development Road, Manchester: Construction substantially completed by the end of 2012/13.	1	1	Target achieved.
			<b>China Ex-Im JDIP :</b> (b) Johns Hall, St. James: Construction substantially completed by the end of 2012/13.	2	0	Target not achieved.
		Development Control & Physical Planning	70 % of Applications (Advertisements, Outline, Building, Restrictive Covenants and Subdivisions) processed within 21 calendar days of receipt.	2	0	Target not achieved.
		Project Profile	1 No. Project Profile prepared and submitted by the end of 2011/12.	0.5	0.5	Target achieved.
<b>Total targets for Development and Growth (5.5)</b>				<b>5.5</b>	<b>1.5</b>	
5	<b>Environment:</b> Controlled impact of road infrastructure activities on the environment.	Environmental Standards Maintained	Quarterly Environmental Reports prepared for major Projects: (may include: IDB/GoJ 2026 TIRP; Palisadoes; JDIP major projects).	1	1	Target achieved.
<b>Total targets for Environment (1)</b>				<b>1</b>	<b>1</b>	
6	<b>Communication and Customer Services :</b> Improved customer service delivery.	Public Awareness & Customer Satisfaction Enhanced	Audio: 96 Nos. "On Our Roads" Radio Broadcasts conducted by the end of 2012/13. Interviews, etc. conducted as required.	1	0	Target not achieved. Eighty nine (89) radio broadcasts were conducted for 2012/13.
			Print: News releases, etc. conducted as required.	1	1	Target achieved.
			Visual: Interviews, etc. conducted as required.	0.5	0.5	Target achieved.

# KEY PERFORMANCE INDICATORS

No.	Strategic Objective	Indicators	Targets	Weight/ Points	Points Achieved	Actual Performance
			2012 Customer Satisfaction Survey completed by the end of 2012/13	0.5	0	Target not achieved.
		Technical, Engineering & Mechanical Services	Engineering and Technical Support provided to various Public and Private Sector Organizations for 5 Nos. project by the end of 2012/13.	2	2	Target achieved
	<b>Total targets for Communication and Customer Services (5)</b>			<b>5</b>	<b>3.5</b>	
7	<b>Cadre of High Quality and Committed People:</b> Improved staff development and growth.	Personnel & Industrial Relations	Performance Evaluations processed as required.	1	1	Target achieved
		Training & Development	Initiated Training Plan (2012/13) implemented by the end of 2012/13.	2	2	Target achieved.
		Staff Morale Enhanced	4 Nos. Rewards and Recognition Ceremonies held for each quarter and 1 No. End of year with tokens being received on a timely basis.	1	1	Target achieved.
	<b>Total targets for Cadre of High Quality &amp; Committed People</b>			<b>4</b>	<b>4</b>	

## SUMMARY RESULTS

	No. of Targets	Actual Targets Achieved	Weight % Attainable
TOTAL	55	37	100
ADJUSTMENT	(5)	-	(10)
ADJUSTED TOTAL	50	37	90

**PERCENTAGE ACHIEVEMENT OF KPI: 61.67%**

## ADJUSTMENTS:

Safety : 210,000m<sup>3</sup> retaining walls.

Safety : CDB TS Nicole Drainage Network - 40 Nos. gullies rehabilitated by end of 2012/2013.

Reliability : 2 nos. bridges/structures rehabilitated

Efficiency : Final Framework Document 2012-15 and Draft Corporate Plan 2013-16

Efficiency : 2 nos. Information Technology Business Processes

**Total**

# CHIEF EXECUTIVE OFFICER'S REPORT

Fiscal year 2012-2013 was a challenging one for the Agency. In May 2012, I was proud to be appointed Chief Executive Officer of the National Works Agency, an organization with a distinguished service record that spans over a decade, delivering infrastructure works to improve the lives of every Jamaican. While my entry to office comes in the midst of a major transition, I am embolden by the professionalism and dedication demonstrated by staff throughout the Agency.

Currently, we are delivering the largest infrastructure works programme in Jamaica's 50-year history. Under the Jamaica Infrastructure Development Programme, US\$400 million is being spent to improve the condition of our roads and bridges, and delivering other minor community-based infrastructure works. Already, a number of critical breakaways and retaining walls have been repaired, while we have traffic mobility in Crossroads. While JDIP will not address all our infrastructure deficits, the programme represents a significant step forward in transforming our nation's roadways for the better.



**EVERTON G. HUNTER**  
**CHIEF EXECUTIVE OFFICER**

While we celebrate the positives, we do not discount the negatives. There has been much controversy about the implementation of the JDIP. Some of these criticisms are warranted, others less so. Regardless, the present state of affairs has shaken the public's confidence in our management. It's my pledge to lead the organization in mending this fundamental breach. We have already commenced needed reforms to improve transparency, accountability and efficiency in its operations. Changes to our procurement process will see increased focus on competitive tendering, and the introduction of Framework Agreements for repeat purchases, where applicable. A new internal review system has been put in place to ensure transparency and equity in our review of development applications. We have also instituted improvements in our project management approach to enhance service delivery and demonstrate value for money.

Unfortunately, our performance outturn for fiscal year 2012-2013 was less than favourable. This was due largely to our increased concentration on the JDIP. Nevertheless, we made many notable achievements. I



am proud to say we completed the Palisadoes Shoreline Protection and Road Rehabilitation project, as well as the Rio Grande Bridge. We also won the prestigious 2012 ESRI Award for Special Achievement in GIS, with our innovative Land Acquisition Management System (LAMS). We established the vehicle weight enforcement station in Harbour View, St. Andrew. We also restored access to the road network after the passage of Hurricane Sandy in record time. I am confident that this year's performance reflects an outlier.

Flooding represents a serious threat to life and property. I am glad to say that work on the Fern Gully road and drainage improvement, and the Sandy Gully Restoration projects are progressing steadily. These projects represent a huge investment by the Government of Jamaica to improve flood control within the Corporate Area and reduce storm water runoff in the resort town of Ocho Rio. As with the Palisadoes Project we have made design changes to better handle increased flows in the future.

I believe in the transformational power of infrastructure to drive economic growth and make Jamaica a better place to live. However, challenges with respect to funding uncertainty; inadequate budgets; fiscal space limitations; outmoded governance frameworks; and variability in the performance of some contractors in delivering on their contractual obligations have adversely impacted our forward planning, and will continue to reduce the scope and reach of our programmes unless addressed at the policy level. To my best efforts, I have and will continue to contribute to ongoing policy debate on these and other matters.

On assuming the helm of the NWA, I have garnered a greater appreciation for the work that the men and women of the Agency perform, and how dangerous this work can be. I am saddened by the tragic passing of Mr. Dave Douglas, our Electrical and Mechanical Supervisor at the hands of criminal elements. During my short time at the Agency, I got to know Dave, his work ethic and devotion inspired many of us, and his loss is deeply felt throughout the organization and beyond.

Once again, I thank everyone in the Agency warmly for their dedication in all that they have achieved over the last year. Over the coming year the Agency will continue to build on its successes, as well as rectify our faults. We will continue to institute meaningful changes in our project management approach to deliver successful performance results not only for JDIP, but all our projects. This is work we can all be proud of.

EG Hunter

# MAKING OUR NETWORK SAFER

The safety of our road users is extremely important to us, and remains our top priority. During fiscal year 2012-2013, we exceeded all our business plan targets for road safety improvements, and made notable gains in making our road network safer. We believe our efforts, along with those of our road safety partners, are reflected in the 15.3 percent decline in road fatalities in 2012, compared to the previous year. While this is a significant achievement the number of people killed or seriously injured on our roads remain unacceptably high.

In 2010, the United Nations General Assembly proclaimed 2011-2020 as the UN Decade of Action for Road Safety, and declared global road death and injury a “major public health problem with a broad range of social and economic consequence”. According to UN statistics, nearly 1.3 million people are killed on the world’s roads each year. 90% of casualties from road deaths occur in developing countries. Road traffic injuries are the number one cause of death for young people worldwide. By 2015 road traffic injuries will be the leading health burden for children over the age of five years in developing countries. Road traffic injuries place an immense burden on hospitals and health systems generally. The economic cost to developing countries is at least \$100 billion a year. Regrettably, annual road traffic deaths are forecast to rise to 1.9 million people by 2020, without sustainable corrective action.



**WEAR. BELIEVE. ACT.**  
**DECADE OF ACTION FOR ROAD SAFETY 2011-2020**

## CREATING A SAFE ROAD ENVIRONMENT

We believe that all road users are entitled to a safe road environment. Jamaica’s main road network is an indispensable strategic resource. Our roads get users to their work; gives them access to the goods and services they need; and connects them to family and friends. As a small island state, Jamaica is heavily dependent on its road network to move freight, which supports its economic vitality. Over the years, Jamaica has made progress in improving road safety through various strategies, including the promulgation of a seat belt law, various education campaigns, stricter enforcement, and the adoption of more modern road standards.

Our strategy to keep users safe on our roads is encapsulated in our Safe Roads Programme. This programme focuses on the provision of critical infrastructure-based solutions, such as street lighting; traffic signals; shoulder widening; protective barriers; sidewalks; traffic calming measures; and other geometric safety

improvements. However, our infrastructure solutions can only do so much to lower the country's traffic mortality and trauma statistics. Human behaviour, vehicle safety, and laws enforcement also play a significant role in making our roads safer, and require the adoption of a much wider policy approach.

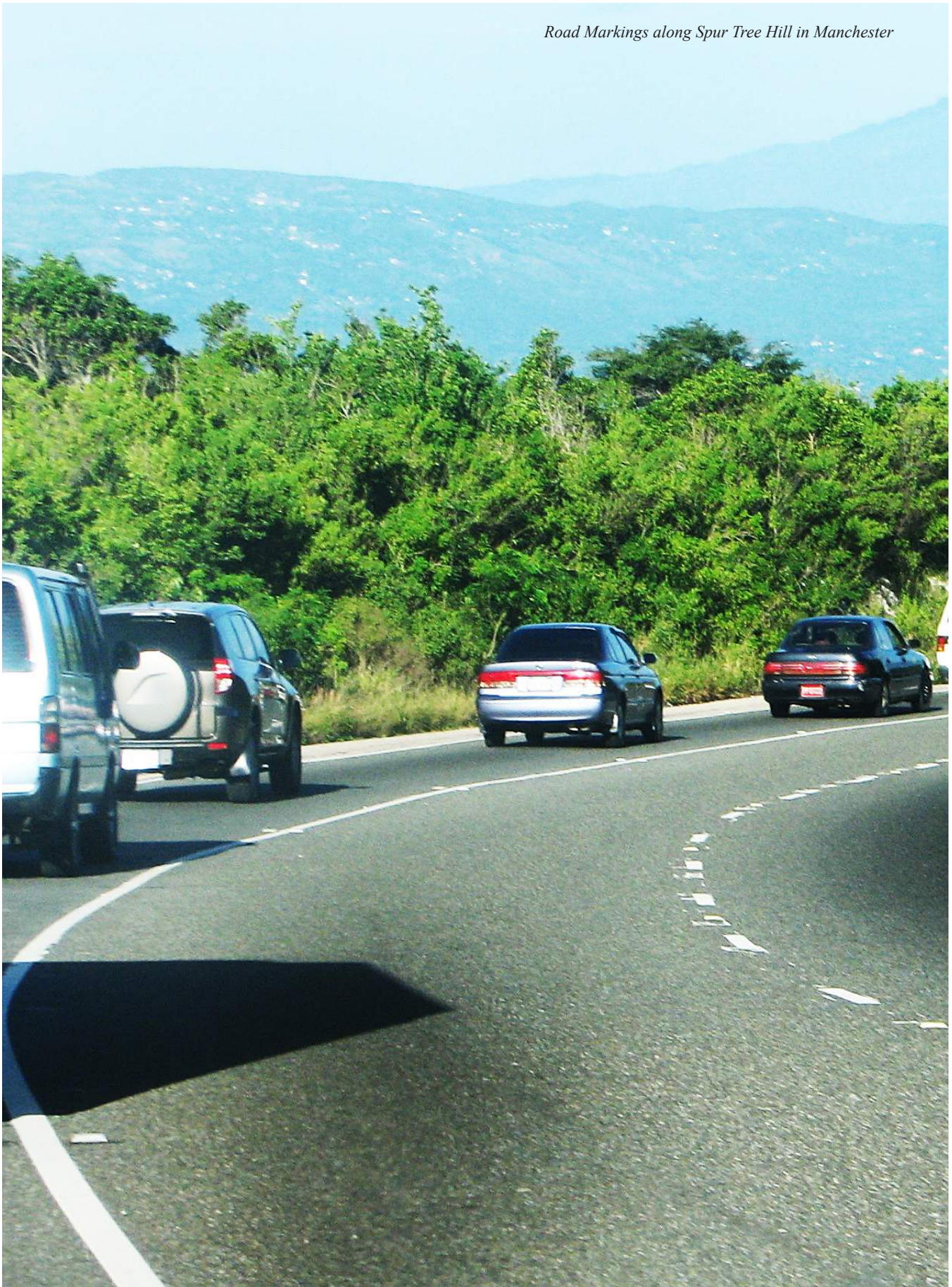
By working closely with other road safety partners, we aim to better target priority road safety interventions, and contribute in addressing those road safety concerns that falls outside our immediate mandate. Ensuring safety requires vigilance and ample funding. One of our road safety challenges is the lack of dedicated safety funding to make more timely targeted safety interventions. Often times we are only able to respond until a major road scheme is being implemented. Nevertheless, we will continue to seek every opportunity to incorporate meaningful safety improvements in all our major road schemes, as funding permits, to reduce risks to all road users in particular the most vulnerable.

## **INCREASING SAFETY AWARENESS**

We believe that road crashes are preventable. Oftentimes traffic accidents occur because users fail to maintain proper road awareness. Pedestrians especially are prone to walking in traffic and fail to make use of designated crossings. One way we are creating a safe road environment is present road users with the tools needed to enhance their personal responsibility in preserving their lives, and the lives of others. To accomplish this, we primarily rely on signage and road delineations to provide cues of how to properly utilize and share the roadway. While protective devices are used to create more forgiving road systems that take into account reasonable cases of human error. We also target specific road sections for one-off safety improvements in order to make them friendlier to non-motorized transport.



*Road Markings along Spur Tree Hill in Manchester*





## TARGETED INTERVENTIONS

During the year, we received funding support for several safety interventions primarily under the IDB/GOJ Road Improvement Programme, and the Road Maintenance Fund. The scope of the works carried-out included: (1) road markings; (2) improvement of pedestrian crossings; (3) the deployment of mandatory, warning, informational, and directional signs, (4) the installation of protective devices, and (5) grating and sidewalk maintenance.

For fiscal year 2012-2013, we installed 1,083 new signs, 1,007 raised pavement markers, 167 linear km of road markings, and 67 pedestrian crossings. While seemingly inconsequential, these safety improvements provide indispensable guidance to road users, in a manner not easily replicated by other traffic control devices, allowing them to safely navigating our roadways. Studies have found that 'average standard' road marking treatments have the potential to reduce the percentage of overtaking and head on collisions by up to 40%. The raised pavement markers continue to be extremely useful as their retro reflectivity provides increased visibility at night, especially during heavy rainfall, where pavement markings alone prove insufficient to provide adequate roadside delineation.

As part of our Hot Spot Elimination Programme, we completed safety improvements along the Industrial Terrace - Spanish Town intersection and Denham Town High School locale. Working in collaboration with the TEF and the Tourism Production Development Company (TPDCo), we completed installation of pedestrian actuated traffic signals, warning signs and crossings facilities at Kuyaba Resort, Rondel's Village, and Couple's Swept Away Negril as part of our traffic calming plan for the Norman Manley Boulevard in Negril, Westmoreland. Construction of center island narrowings - raised islands are installed along the center of the street designed to address speeding and pedestrian safety by effectively narrow the travel lanes in each direction -were reported to be 70% completion. The islands, also called median chokers, are being constructed in proximity to the: Traveller's Beach Resort, Grand Pineapple Negril, Beachcomber Hotel and Sea Wind Resort. In addition, procurement was underway for the construction of 5.75km of 3-meter sidewalks to complete the project. The main goal of the project is to reduce fatalities along the Norman Manley Boulevard, in particular fatalities caused by pedestrian-vehicle conflicts.

A major thoroughfare in the tourist resort town of Negril, the Norman Manley Boulevard has featured strongly in our crash statistics. Crash data between 2007 and 2009 ranked the segment of the boulevard from the Negril Roundabout to Parish Border within the top 10 for serious injury and fatal crashes in Jamaica. This corridor is also the top crash location in Westmoreland. At least one pedestrian fatality occurs per year along the Norman Manley Boulevard. Due to the significant pedestrian fatalities recorded, the corridor was included under our Hot Spot Elimination Programme to improve pedestrian safety via traffic calming measures. Some 10,500 vehicles per day traverse the Norman Manley Boulevard in both directions.

Traffic Calming strategies aim to reduce the speed and volume of traffic to improve safety for pedestrians and cyclists, as well as improve the environment. This involves more than just physical changes; it represents a process of social change requiring extensive community participation. Traffic calming measures comprise volume control measures (that reduce through traffic by blocking certain movements and diverting traffic to other streets).and speed control measures (that slow down traffic by changing vertical or horizontal alignment, or narrowing the roadway). Although largely beneficial, traffic calming measures can have drawbacks. This is especially the case in less-motorized countries, where traffic calming designs need to take account of the needs of large volumes of non-motorized vehicles, such as cycle rickshaws and handcarts.

In January 2013, we introduced major changes to traffic movement in Half Way Tree, St. Andrew, at the Constant Spring Road/South Odeon Avenue and Constant Spring Road/ Hope Road intersections, in collaboration with the Jamaica Urban Transit Company Limited (JUTC), Ministry of Transport, Works and Housing's Road Safety Unit and the National Road Safety Council. Under the project countdown pedestrian signals were installed to inform pedestrians of available time to cross safely at each intersection. Pedestrian crossings were also remarked and "Do Not Block Intersection Yellow Boxes" were installed at the center of each intersection in addition to lane usage signs on Constant Spring Road and Hope Road. The traffic signal timing at both intersections was adjusted to accommodate increased walk time for pedestrians. In addition, audible pedestrian signals were installed at pedestrian crossings to assist the visually impaired. To eliminate conflicting vehicular movement changes were made to restrict entry and exit from the Half Way Tree Transportation Centre.

## ENHANCING TRAVELLER SAFETY

We continue to give special consideration to make sure that visitors to our island are able to navigate our network in safety. Travel and Tourism income accounts for some 25% of our national Gross Domestic Product, and is vital to Jamaica's national interests. To improve the safety of our international travellers we have partnered with the Tourism Enhancement Fund to implement various safety improvements along our road network. This includes increasing signage along our roads to inform travellers of important



directions and attractions. During fiscal year 2012-2013, we commenced work on a J\$19 million general signage programme to install some 200 signs. We also commenced installation work on a 5km guardrails rehabilitation project along strategic sections of the network. These works are intended to complement other safety initiatives being undertaken by the Agency under various other projects and programmes.

Through funding provided under the IDB Road Improvement Programme we finalized design work on the construction of a J\$27 million shared use path between the Negril Roundabout and the Grand Pineapple Beach hotel in Westmoreland. Shared use paths are facilities for non-motorized users that are independently aligned and not necessarily associated with parallel roadways. Shared use paths are designed to accommodate a variety of users, including walkers, bicyclists, joggers, people with disabilities, skaters, pets and sometimes equestrians. These users can be on the facility for a variety of purposes including recreation, commuting, and local travel. As an added safety feature bollards will be erected to notify pedestrians and pedal cyclists that they are crossing a conflict area and will proceed with caution. Bollards will also be used to prevent motor vehicles from parking on the shared path. The project is slated to commence in the upcoming fiscal year, and will complement ongoing traffic calming measures being implemented along the Norman Manley Boulevard in Negril, Westmoreland.

As part of the Greater Falmouth Redevelopment Plan being executed by the Urban Development Corporation, we implemented road rehabilitation works and safety improvements in Falmouth at a cost of J\$85.9 million, through funding provided from the PetroCaribe Fund. The works comprise the rehabilitation of Cornwall Street, the provision of directional signs and traffic control systems in the town, and the establishment of a link road between Cornwall and Duke Streets. Some 70 directional and regulatory signs were installed, as well, the Agency installed delineators in and around the painted islands at the intersection of Cornwall and Rodney Streets and Duke and Rodney Streets for added safety.

## MAKING WORKER SAFETY A PRIORITY

We continue to make safety an essential component of our workplace routine. Our employees, especially those working near moving traffic or in volatile communities, are provided with safety training to reduce accidents and conflicts that can lead to loss of life. For fiscal year 2012-2013, we were able to end the year with zero work-related casualties. As well no member of the public was killed or seriously wounded on any of our project sites. Nevertheless, sadly, we did suffer an off-the-job fatality

In December 2012, we lost 10-year veteran, Electrical and Mechanical Supervisor Dave Douglas, who was



*A moment of silence at staff memorial service held to honour the memory of our departed colleague Dave Douglas*



based at our Corporate Office. Dave was killed by gunmen on returning to his home after performing his daily duties. His sudden and untimely passing shocked many, attracting tributes from colleagues, our partners in the wider public service, and members of the public. Dave was well liked across the Agency having gained minor celebrity for braving storm winds to repair a standby generator so that our Emergency Operations Centre remained online. His death highlights the intolerably high levels of criminality in our society, and reinforces the dangers our employees face in performing their duties, often in communities marred by gang violence, and other anti-social behaviour.

Over the year, we continued to make strides in improving safety in the workplace. While we continue struggle to enforce full compliance with safety policies, such as the wearing of safety vests and hard hats of sites, we believe the measures that we have put in place to protect our workers and contractors are working. While we continue to secure safety equipment that our workers need to stay safe in the workplace, we reinforce safety instruction through regular refresher training, drills and safety inspections. To assist in the protection of our workers, we have issued all relevant personnel credentials identifying them as employees of the organization.

We are equally concerned about the safety of workers contracted to our projects. Our Contractors are contractually obligated to prepare and submit for approval traffic and safety plans that articulate how they intend to keep the public, and their workers safe throughout the project duration. We undertook routine monitoring to ensure satisfactory safety compliance on all our project sites. While we still meet with some resistance, we continue to encourage all workers to prioritize personal responsibility for their safety. To cover unforeseen circumstance, we continue to maintain General Insurance coverage for our workers. As well, our Contractors, where applicable, are also required to put in place insurance to protect their employees, and third parties from bodily harm, injury, or property damage.



*Training sessions on worker safety at Corporate Office*

## PIONEERING THE IATOCN

To increase safety on our roads, we are also working to strengthen inter-agency coordination through real-time data management systems. Currently, the lack of real-time data exchange between traffic enforcement, traffic management and road safety entities has led to poor coordination and sub-optimal resource allocation between state agents, enabling motorists to outwardly 'game the system'. It is estimated that there is over \$3 billion dollars in outstanding traffic fines largely due to information gaps between the Traffic Court, Inland Revenue Department and the Police Ticketing System. The issue of fraudulent documents cuts across multiple government agencies which affects their ability to achieve greater efficiencies.



*Operations Manager Mr. Michael Saunderson (2nd Left) and IATOCN Project Staff (from left): Zodi-Ann Clachar, Judy-Ann Watson, Georgia Henry, Michael Smith, Seanovan Haynes, Melton Noyan, Christopher Wong, Dalton Brown, and Peter McDonald*

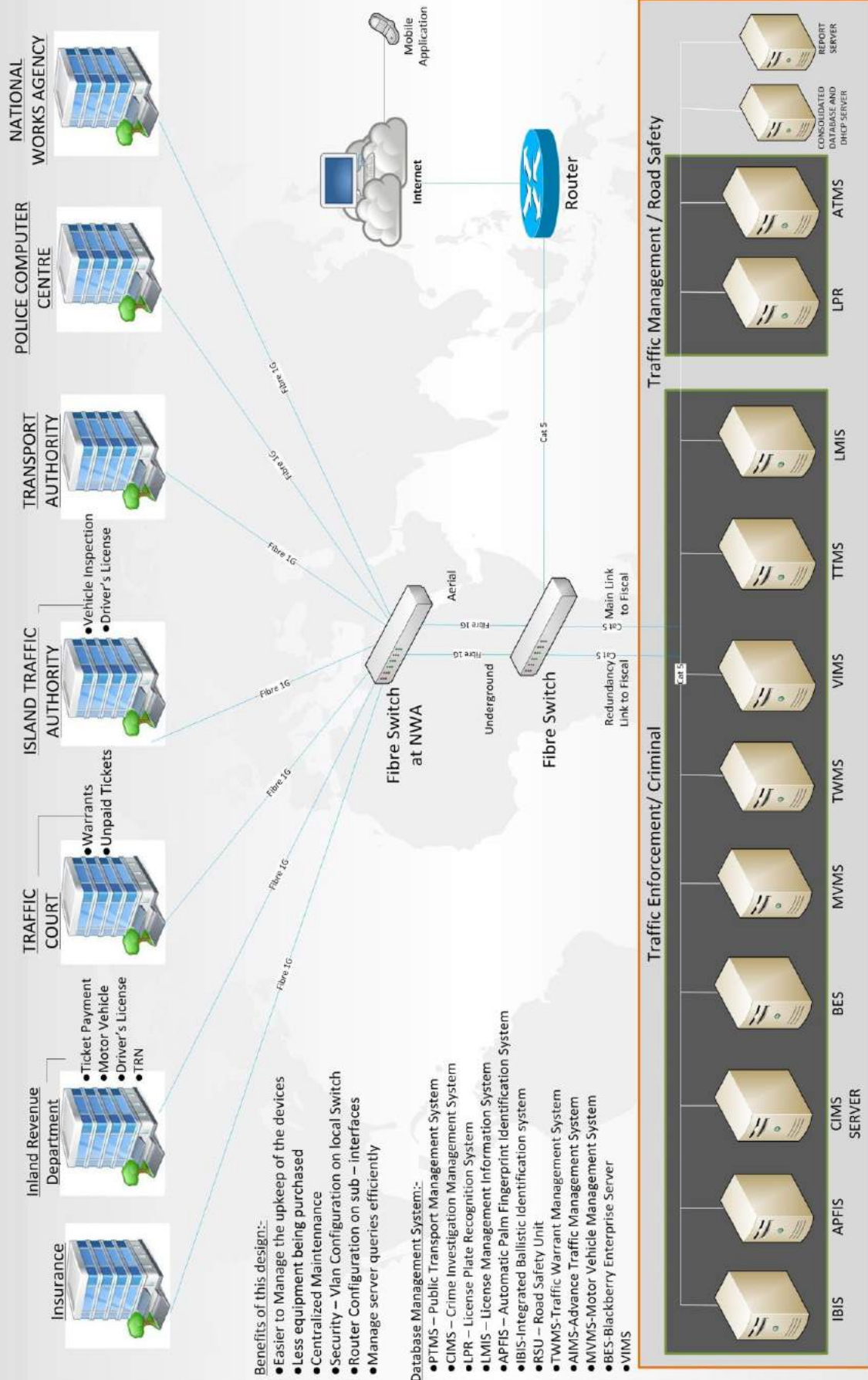
In addition, falsified road documents and backlogged traffic fines and traffic warrants seriously compromise road safety, law enforcement activities, and represent significant revenue loss to government. The Inter-Agency Traffic Offence Communication Network Project (IATOCN) project was conceptualized by the Agency and commenced in November of 2012 to address these deficiencies. The project is being funded through the Road Maintenance Fund, with some support from the Inter-Development Bank under the safety component of the Road Improvement Programme. The Project aims to create a modern information matrix where information can be warehoused and retrieved by each stakeholder for various road safety applications. The IATOCN project is divided into three phases. Phase 1 and 2 are currently underway, however we have made a number of notable achievements, which are summarized in the table on the following page.

*Table 1: Progress of IATOCN PHASE I and II*

Agency	Component	% Status	Benefit
Police Traffic Division	Traffic Warrant Records Management System	100%	Made manual warrant verification obsolete.
National Works Agency	e-surveillance - License Plate Recognition System	100%	Automatically collects and store vehicle information, which enriched the resources used for traffic enforcement.
Inter-Agency	Bus Adherence Monitoring System Application	100%	Track and evaluate bus service Performance
Inter-Agency	Fibre Optic Communication Link	80%	Promotes secure high speed and accurate data transmission.
Inter-Agency	Mobile Application	80%	Facilitate remote access and cross checking of databases while in the field.
Inter-Agency	Consolidated Database System	50%	Store the information for multiple agencies.
Inter-Agency	Centralized Reporting Service Application	50%	Common Reporting Database.
Inter-Agency	Automated Warrant Alert Application	2%	Automatically checks TRN against outstanding traffic warrant or police wanted list and sends instant notice where necessary.
Transport Authority	Traffic Summon Database	80%	Store Records of Traffic Summons Issued to public Transport Operators



# Network Layout for Agency's Centralized Server Hosting



## Fiscal Services

# TARGETED SAFETY INTERVENTIONS



Newly installed pedestrian actuated traffic signals and crossings along the Norman Manley Boulevard in Negril, Westmoreland as part of a wider traffic calming effort



Newly installed pedestrian actuated traffic signals and crossings along the Norman Manley Boulevard in Negril, Westmoreland



One of several traffic signs installed along the Norman Manley Boulevard in Negril, Westmoreland as part of a wider traffic calming effort



One of several traffic signs installed along the Norman Manley Boulevard in Negril, Westmoreland as part of a wider traffic calming effort



Center island narrowings under construction along the Norman Manley Boulevard in Negril, Westmoreland as part of wider traffic calming measure



Center island narrowings nearing completion along the Norman Manley Boulevard in Negril, Westmoreland as part of wider traffic calming measure



# BUSINESS AND PERFORMANCE HIGHLIGHTS



Newly installed pedestrian crossings and traffic signals in the vicinity of the Denham Town High School as part of our 2012 Hot Spot Elimination Programme



Newly installed pedestrian actuated traffic signals installed in the vicinity of the Denham Town High School as part of our 2012 Hot Spot Elimination Programme



Pedestrian crossing and traffic signals installed across from Transportation Centre along Half-Way Tree Road



Newly installed pedestrian crossings and traffic signals along the Industrial Terrace - Spanish Town intersection as part of our 2012 Hot Spot Elimination Programme



Hatched road markings are used to separate traffic lanes and to make it safer for the vehicles turning right.



Pedestrian Guardrails installed along Half-Way Tree Road part of Pedestrian Safety Improvements

## FLOOD SAFETY

Flooding represents a serious challenge to the resiliency of our road network. Globally, floods kill scores of people yearly. We are especially apprehensive about flooding as approximately 80 percent of Jamaica's settlements and our roads that connect them reside along the coast and are at risk from increasing rise in sea level.

Flooding, from extreme rainfall events, represent perhaps the single greatest threat to the country's land transport infrastructure. Jamaica's vulnerability to flooding stems from a number of factors, including: (1) Heavy rainfall resulting from tropical weather disturbances; (2) Deforestation; (3) Improper agricultural practices; (4) Inadequate design of drainage channels and structures; (5) Inadequate maintenance of drainage facilities, blockage by debris brought by flood waters; (6) Construction of settlements in flood plains. In addition, the high proportion of land space covered by hard non-absorbent materials have been cited as a contributory factor in urban flooding.

On average, Jamaica has experienced a destructive flood event once every four years. In the last decade floods have resulted in over J\$60 billion in damage to our main roads as well as supporting infrastructure such as: bridges, retaining walls, and drainage structures. Our aim in maintaining effective flood control is to reduce the severity and frequency of flood damage.

Flood control refers to all methods used to reduce or prevent the detrimental effects of flood waters. We employ several strategies to enact proper flood control, including river training, sea defence, drain cleaning, and drainage construction activities. We also execute slope stabilisation works and build retaining walls to protect road users and communities from landslides.

We routinely time our islandwide flood mitigation efforts prior to the start of the Atlantic Hurricane Season to maximize their effectiveness. Our flood control achievements are discussed below and continued in the Routine Maintenance section of the report.

## PALISADOES SHORELINE PROTECTION AND ROAD REHABILITATION

During the year, we completed our rehabilitation and revetment works on the Palisadoes road corridor at a cost of some US\$65 million. These works, which started in fiscal year 2010, were executed by the China Harbour Engineering Company (CHEC) under a loan facility extended by the China Export-Import Bank.

The Palisadoes Shoreline Protection Works Project represents a major flood control and damage rehabilitation initiative the Agency has implemented in recent years. The 6.6km Palisadoes corridor, styled the "Airport road", was extensively inundated during the passing of Hurricane Ivan in 2004. Hurricane Dean (2007) and Tropical Storm Gustav in 2008 also severely damaged this critical corridor. The Palisadoes Peninsular is significant as it's the only roadway access to Port Royal, and the Norman Manley International Airport. It also provides critical protection for the Kingston Harbour from storm surges.

Under a Caribbean Development Bank (CDB) funded initiative in fiscal year 2008-09 we implemented approximately 646m of revetment work to rehabilitate the corridor. With the objective of providing a more extensive solution, a Phase 3 of the Palisadoes project was conceptualized. This latest Phase was implemented via the China Exim Bank initiative. The China Harbour Engineering Company Limited (CHEC) was contracted in fiscal year 2012-2013 to implement these works in the amount of some US\$65



million. The revetment design is for a 100-year return period, and provides for the underground installation of utilities cables along the corridor.

Completed on schedule and within cost, the Palisadoes Project is anticipated to produce notable social benefits for road users, as the completed works will now provide a reliable roadway to the Norman Manley International Airport and Port Royal.

## HURRICANE SANDY

In October 2012, Hurricane Sandy impacted the island causing millions of dollars in damage and immense dislocation in the eastern parishes. The storm made landfall not from the traditional, south-easterly direction but from the south during what can be considered as the latter part of the North Atlantic Hurricane season. Hurricane Sandy would later morphed into a Superstorm leaving widespread damage and hundreds homeless as far north as New Jersey and New York in the USA. In preparation for the storm we activated our Emergency Operations Centre (EOC) which coordinated our response, and collected, analysed and disseminated critical information to field personnel and stakeholders, including the National EOC maintained by ODPEM.

The total cost of direct and indirect damage associated with the passage of Hurricane Sandy was estimated at \$9.7 billion (US \$107.14 million<sup>2</sup>), of which \$9.4 billion was damage and \$0.3 billion loss. However, unlike previous years, the country's physical infrastructure did not bear the brunt of the damage caused by the extreme weather event. Damage and losses to the country's road transport infrastructure was estimated at \$1.74 billion. Damage to road infrastructure was worst in the parishes of St. Thomas, Portland, St. Mary and St. Ann fared the worse. Damage was due to a combination of factors, including blockage caused by landslides, fallen trees, light poles and power lines; blocked drains and culverts, flooded rivers and storm surges. Nearly, 98% of all roads reported blocked were cleared to single lane access within 24 hours. The preliminary estimates of the total cost to reopen blocked roads amounted to \$710.16 million. The bulk of this amount (\$695.66 million) represents the estimated cost to clear blocked roads, effect temporary road repairs and to clean critical drains.

# PALISADOES SHORELINE PROTECTION AND ROAD REHABILITATION



2010: Palisadoes Roadway before improvement works



2011: Roadway under construction



2012: Completion of base course placement



2010: Palisadoes Roadway before improvement works



2011: Harbour Side revetment works



2012: Placement of asphaltic concrete and complete asphaltic concrete installation



2011: During construction



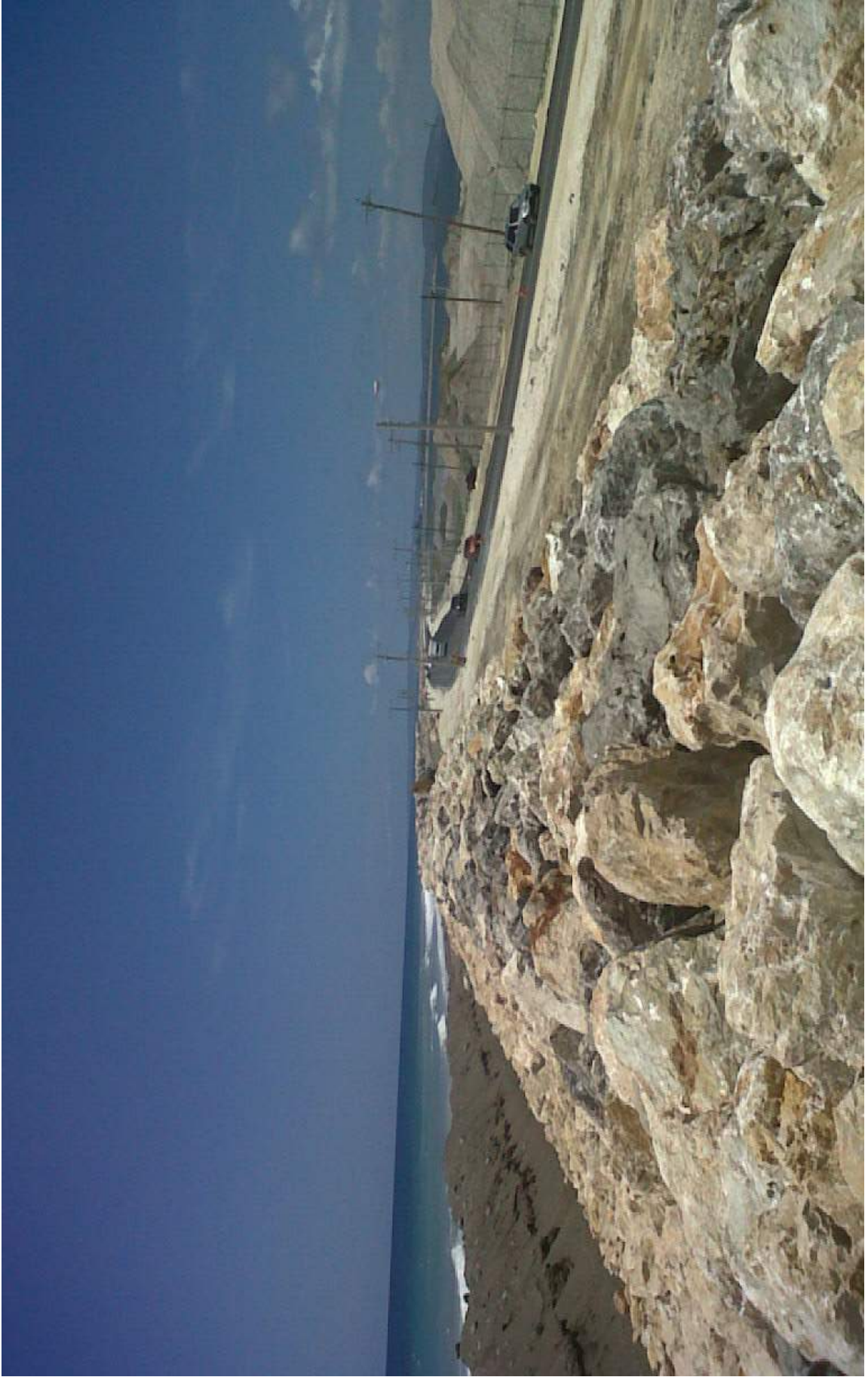
2011: Revetment and retaining wall constructed on Harbour side



2012: Completed Boardwalk



# PALISADOES SHORELINE PROTECTION AND ROAD REHABILITATION





## SANDY GULLY IMPROVEMENTS

During the year, we continued major repair and reconstruction works with some 30 sections being worked. In this venture the Agency remains grateful to the multi-lateral and bi-lateral development partners, in particular, the Caribbean Development Bank for their kind assistance. We were allocated some J\$1.29 billion to complete rehabilitation works to restore sections of the Sandy Gully drainage network.

The 50-year old, 75 km long Sandy Gully network forms the overall backbone of the surface-water drainage system for the removal of storm waters within the Corporate Area, which covers approximately 21 square miles (5400 Ha). This and other associated floodwater control schemes drains the Corporate Area, especially in times of excessive flooding. Over the years, the Sandy Gully suffered from neglect, severe weather conditions and indiscriminate dumping, which has resulted in a number of clogged inverts and channels, damaged channel surfaces, and failed and damaged channel walls.

The CDB-funded Sandy Gully project comprises twenty (20) work packages listing over 40 Gullies. The scope of works involves the construction of 2m to 5m high retaining walls, with average contract duration of six (6) months.

Progress on Phases 2 and 3 were reported at 60% and 50%, respectively. Rehabilitation works under Phase 1 were completed earlier in fiscal year 2011. As was the case with the first phase of contracts, we experienced significant delays due to difficulties securing access to the gullies, and the indiscriminate use of the gullies, including garbage disposal, sewer water discharge, and other breaches. Some works proved extremely hazardous due to local poor social conditions, incidences of violence, and intimidation were temporarily halted.

We are working with our partners and community interests groups to have these projects restarted. As well, we have held meetings with our security partners to ensure the provision of adequate force protection to safely complete the works. Nonetheless, the project remains on track for substantive completion by the end of fiscal year 2013-14. Please see tables presented below

*Table 2: Petro Caribe Funded Contracts under the TS Nicole Drainage Network Construction & Rehabilitation Project*

Location	Contractor	Contract Sum (J\$)	Progress (%)
Jones Town Gully, St. Andrew Lime Tree Lane - Olympic Way	Chin's Construction	28,978,070.55	100
Benson Ford - Norbrook, St. Andrew	Chin's Construction	130,967,753.34	100
Charlton Avenue - Olivier, St. Andrew	Chin's Construction	226,526,634.51	94
Shoemaker Gully (Rome), St. Andrew	Dwight's Construction	19,562,844.40	100

**Table 3: CDB Funded Contracts under the TS Nicole Drainage Network Construction & Rehabilitation Project Phase 2**

<b>Location</b>	<b>Contractor</b>	<b>Contract Sum (J\$)</b>	<b>Progress (%)</b>
Dupoint Primary School Lime Tree Lane - Olympic Way	General Paving Company Limited	55,940,807.52	80
Grove Dale, Drumbair Crescent - Washington Close (Liguagea Prep. - Waterloo Bridge)	Rogers Land Development	195,021,817.63	100
Cassia Park Fording – Trade Centre (Wall Construction)	Dwight's Construction Company Limited	58,498,388.79	100
Cassia Park Fording - Trade Centre (Invert Construction)	Dwight's Construction Company Limited	161,081,431.83	100
Dunbarton Bridge- Molynes Road Jew Gully (Molynes Road-Waltham Park Road) Shoe Marker Gully (Holborn Rd. South Ave)	Surrey Paving and Aggregate Company Limited	157,665,405.96	95
Halifax Avenue Lewis Ville Close	Rogers Land Development	99,903,671.99	95
	<b>GRAND TOTAL</b>	<b>728,111,523.72</b>	

**Table 4: CDB Funded Contracts under the TS Nicole Drainage Network Construction & Rehabilitation Project Phase 3**

<b>Location</b>	<b>Contractor</b>	<b>Contract Sum (J\$)</b>	<b>Progress (%)</b>
May Pen Cemetery Gully, Studley Park Road – Spanish Town Road	Dwight's Construction Company Limited	210,012,020.00	85
Grants Pen Ford - Mega Mart Waterway via Gore Terrace, Grants Pen Rd - Cruiser Gully - Church - Washington Close & Wiggan Loop Barbican	Y.P. Seaton and Associates Company Limited	79,567,364.00	95
Sandy Park Gully Upper Norway terrace - Norbrook Crescent	Y.P. Seaton and Associates Company Limited	137,339,485.00	75
Dames Rd. Bridge (Barnes Gully), Deanery Drive & Glendale Road	Surrey Paving and Aggregate Company Limited	328,011,972.00	55
Lexington Avenue, Lilford - Lady Musgrave, McGregor Gully (1st Avenue) & Mtn. View -Byron Road	Dwight's Construction Company Limited	189,869,132.00	85
Gold Smith Villa	Build Rite	141,829,060.00	95
	<b>GRAND TOTAL</b>	<b>1,086,629,033.00</b>	

# GREATER URBAN MOBILITY

## IMPROVING TRAFFIC MANAGEMENT

Jamaica is fast becoming an urbanized society. Approximately 52 percent of the Jamaican population lives within an urban area. As our population grows, more and more people are migrating to parish capitals and other urban centers to secure greater prosperity and improved services. This has placed increased stress on available infrastructure and localized resources, including our roads. In many urban areas, increasing demand for urban mobility has created a situation that is not sustainable, namely: congestion, reduced air quality, noise emissions and increasing levels of motor vehicle emissions.

Mobility in urban areas is an essential facilitator for growth, employment and for sustainable development. Maximizing urban mobility requires efficient and effective traffic Management. This means making the most productive use of our existing road transport system by adjusting, adapting, managing and improving the overall system. When appropriately designed traffic management measures have been shown to improve traffic conditions and reduce emissions significantly by reducing the number and duration of stops and permitting higher travel speeds. However, while important traffic management is only one element of an integrated transport strategy.

Part of our national traffic management challenge is the failure over the years to make the necessary investment to modernize our traffic management apparatus. This includes proper integrated and forward planning, updating our traffic laws, and strengthening our enforcement capacity. Our strategy to improve urban traffic management strategy involves a multi-faceted approach, starting with the rehabilitation of our traffic signal plant; improved traffic signal synchronization; establishing an incident management system; using technology to make our roads smarter; and form strategic collaborations to deliver on cross-agency mandates.

For fiscal year 2012-2013, we were allocated J\$20.5 million for traffic management and control activities. While nowhere near the amount needed to realise transformational changes in our traffic management system, we were nevertheless able to make continuous improvements by incorporating several traffic management upgrades under various other funded projects.

## TRAFFIC SIGNAL MAINTENANCE

Traffic signal control systems are the most common traffic management instruments to secure traffic flow and safety objectives. However, many of our traffic signals are in a state of disrepair or have reach a state of obsolescence. Of the more than 270 traffic signals across the island, over 75% of these signals could be improved by either replacing antiquated equipment or by simply adjusting and updating the timing plans. The upgrading of our traffic signal plant not only ensures a safer road environment for all users, but also enables us to make modern improvements to increase their usefulness.



During fiscal year 2012-2013, we continued to undertake significant upgrades and rehabilitation works to improve the efficiency of our traffic signal plant. Ten (10) new intersections were signalized two (2) more than we had planned for the year. Signalizations of eight (8) other intersections were at various stages of completion. Progress on these projects remained slow owing to outstanding road and civil works. While, traffic signals have been installed at Mandela Highway / Caymanas, Old Hope Road / Golden Avenue (UTECH Entrance / Papine Terminal), MegaMart, Mandeville, and Lady Musgrave / Seaview Avenue they will not be commissioned into service until the completion of outstanding road works.

The table below shows the Traffic Signals installed during the year.

*Table 5: Traffic Signals Installed over the Period*

No	Locations	Funding	Progress
1	Montego Bay Convention Center	UDC	Completed
2	Linstead Bypass/Highway 2000 Link Road	NROCC	Completed
3	Negril Pedestrian Signals	IDB 2276	Completed
4	Bay Farm Road / Olympic Way	JDIP	Completed
5	Ocho Rios Bypass / Da Costa Avenue	Private Developer	Completed
6	Richmond Estate Entrance / North Coast Highway	Private Developer	Completed
7	North Coast Highway/Holiday Inn, St. James	Private Developer	Completed
8	Christiana Bypass / South End	JDIP	Completed
9	Christiana Bypass / North End	JDIP	Completed
10	Linstead Bypass / Thread Ways	NROCC	Completed
11	Mandela Highway/Caymanas	UDC	Traffic signals installed but not yet operational
12	Industrial Terrace / Spanish Town Road	IDB 2276	Traffic signals installed but not yet operational
13	Hope Road / US Embassy	IDB 2276	Traffic signals installed but not yet operational
14	UTECH Entrance / Papine Terminal	IDB 2276	Ongoing
15	Mega Mart, Mandeville	Private Developer	Ongoing
16	Wellington, Mona	IDB 2276	Ongoing
17	Lady Musgrave / Fairway	IDB 2276	Ongoing
18	Lady Musgrave / Seaview Avenue	IDB 2276	Ongoing

We also responded to 70 reports of traffic signal failures at various intersections across the island. These signal failures were in the parishes of Kingston; Westmoreland; Manchester; St. Catherine; St. Ann and St. James. Most of these reports (85%) were in relation to traffic signals being inoperative due to power surges.

## INTELLIGENT TRANSPORT SYSTEM

We are implementing new technologies to better manage traffic flow with greater intelligent capability. As part of our long-term strategic plans to address the issue of congestion, reduce transport costs, and enhance the road transport experience of road users we are moving to establish a modern Intelligent Transportation System (ITS). Once fully deployed the new system is expected to enable real-time traffic monitoring, incident management, traveller information, and congestion management on our network through a centralized Traffic Management Centre (TMC). The term ITS encompasses many systems with different objectives and applications that can be found everywhere.

According to the United Nations report on Intelligent Transport Systems for Sustainable Mobility...“the deployment of Intelligent Transport System must be considered as the sole tool able to maximize the chances of making the best use of investments, planning and resources, and create a visible profitable outcome.” The beauty about Intelligent Transport Systems is its ability to contribute to all major transport policy objectives. Through the application of ITS, road networks can be operated and utilized more efficiently. As with road safety, there is no one single way ITS contributes to the improved sustainability of roads. There are many ITS applications either aimed at optimizing the available supply of road infrastructure, or reducing demand for it; thereby helping to make road transport more efficient and stabilizing and even reducing its share in causing climate change. With ITS our road managers have a very strong and cost-efficient tool at hand for saving lives, reducing emissions and increasing the reliability of our road journeys.

At our present focus is on creating a publicly owned broadband communications infrastructure backbone to support the deployment of our ITS field equipment. During the year, we secured partial funding from the IDB Road Improvement Programme and the RMF to commence installation of underground duct cables to house fibre optic cables.

### TRAFFIC INCIDENT MANAGEMENT

Incidents on our network can result in reduced public safety, congestion and delays which lowers user's journey experience. Since accident on average account between 20% and 30% of all the causes of congestion, this strategy is particularly important. Our objective is to monitor and react to incident on our roads in real-time. This will require unprecedented levels of cooperation between various Local Councils, law enforcement, and fire and emergency services, as well as new technologies to tie everything together.

However, this level of collaboration will require appropriate support systems to enable seamless operation. Accordingly, we have begun installing CCTV cameras at strategic locations and intersections. Already, we have installed 10 IP-based CCTV traffic monitoring cameras along the Dunrobin to Crossroads road corridor, as part of an early ITS incident management component. The aim of the incident management system is to enable real-time traffic monitoring and video detection along the roadways in the Kingston Metropolitan Area to assist with traffic management operations and incident response management.



*Cameras in the Corporate area connected to the Traffic Management Centre*

## TRAFFIC SIGNAL INTERCONNECTION

One way of improving the effectiveness of our traffic management operations is to tune our traffic signals to the time and direction of traffic flows. By linking uncoordinated signals to create “green waves” it is estimated we can reduce travel times by 10 percent in the controlled area. This is particularly effective where the signals can be further adjusted on an hourly basis to reflect changes in commuting patterns.

Currently, our traffic signals operate independently of each other, on a single timing plan for each day regardless of fluctuation in traffic demand at different times of day, seasons, inclement weather conditions and emergency conditions. Consequently, the inflexibility of the traffic signals to respond to changing traffic demand situations, combined with increased demand during peak periods, often result in recurring congestion during both peak and non-peak periods.

With our traffic signal interconnection project we aim to provide connectivity between our TMC and individual traffic signals and cameras along the major urban corridors, starting in the Kingston metropolitan area, using fibre optic cables via aerial (on existing utility poles) and underground ducts. As well, the project includes the installation of cabinet foundations, manholes, fibre optic cables and accessories, traffic vehicle sensors, camera pole foundations and cameras. Under the project we carried out minor excavation work, for some 8,000 m to install ducts and manholes within the roadway and sidewalks to provide connectivity between existing aerial and underground fibre optic cables. To reduce the likelihood of vandalism fibre optic communications equipment will be installed within specialized cabinets on GOJ owned properties.

We plan to connect over 80% of traffic signals within the Corporate Area to our TMC. The remaining signals will be operated as free standing signals that are not in immediate need of synchronization. Once completed, we will be able to synchronize and coordinate the signalized intersections in the KMR to enable reduced congestion and vehicle operating costs, and facilitate emergency vehicle preemption.

We anticipate substantial completion of phase 1 ducts and cabinet installations to be completed in fiscal 2013. Thereafter, additional underground ducts are to be installed to extend the reach of the fibre network to the Papine, Manor Park and Crossroads areas. We are in discussion with Customs House, NHT, JDF and Courts Management Services for permission to establish an easement to install fibre optic distribution cabinets and ducts on their premises.

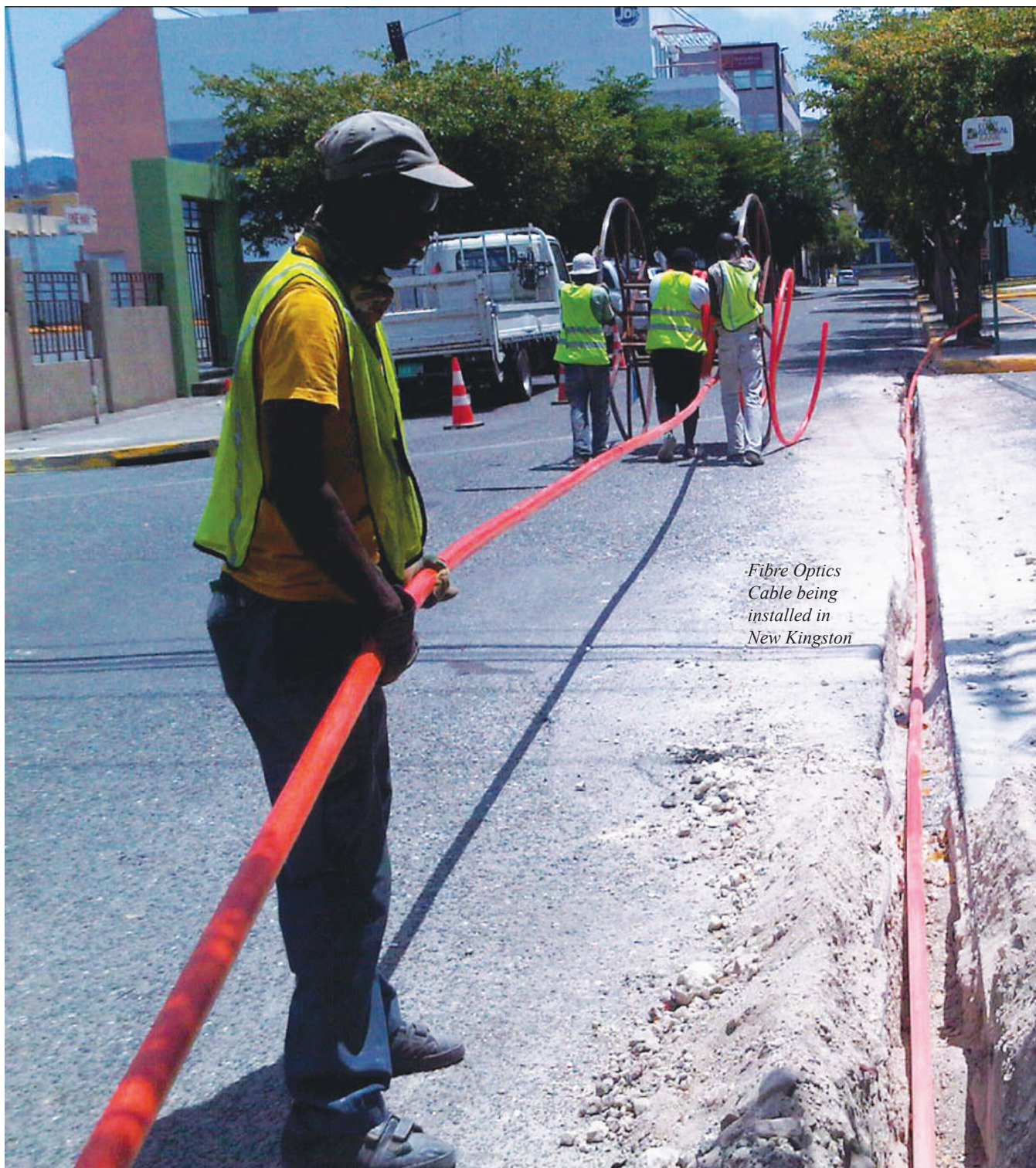
We have already secured permission from Jamaica House, and Kings House, Island Traffic Authority and the Police Headquarters. Notably, authorization to utilize Police communications towers in establishing the National Broadband Communications has also been granted. In addition, we are also in discussion with telecoms firms and various Public Entities to extend the duct and fibre cable to the Norman Manley Airport area.

## INFLUENCING ROAD USERS TO DRIVE SAFELY

One of the challenges we have in making our roads safer is our inability to directly influence driving behaviour. However, with the rapid development of Intelligent Transport System, emerging technologies such as Advanced Vehicle Driving Assist Systems, Connected Vehicles, Intelligent Vehicles and etc. makes it possible for road managers. Through various technologies ITS provides road managers with greater control and coverage of the road space. The technology will assist with threat detection to help prevent accidents and mitigate their impacts. ITS helps to support and deliver the ambitious policy objectives as set by national governments and supra-national bodies.



# ITS: FIBRE OPTICS COMMUNICATIONS NETWORK



*Fibre Optics  
Cable being  
installed in  
New Kingston*

# BEING MORE EFFICIENT

Improved business efficiency is an important element in adding value to our service delivery. We provide a wide range of services to our customers from a number of regional and parish locations islandwide. Our customers expect that we will execute our duties and responsibilities consistently, efficiently and effectively. To meet their expectations, it's important that we continuously evaluate our business systems and processes and create innovative solutions to bridge the gap between our service delivery and funding level. As well, it's essential that we get things right the first time. Our quality management and internal control systems helps us to do this.

## IMPROVING CUSTOMER SERVICE

Our success is dependent on public support, which is highly influenced by how our customers perceive us and our actions. If left unchecked sustained negative public perception can threaten our mission and viability. To become more efficient our strategy calls for us to: transform our costs; invest for growth; and deliver superior customer service. In July 2012, we mandated compulsory customer service training for all employees, in particular front line staff. To implement these special training the services of Captivating Solutions Consultancy were engaged. The workshops were held over a two day period, with 58 members of staff being training in advance customer service techniques.

In recognition of the critical role that personnel stationed at our satellite offices play in representing the organization, CEO EG Hunter led a session to emphasize best practices and the need for outstation personnel to be responsive to the needs our customers, and demonstrate our values by treating all customers, with respect and without regards to gender, ancestry, religion, political or community affiliation.

## QUALITY ASSURANCE

Our Total Quality Management (TQM) system seeks to improve the quality of products and services through ongoing refinements in response to continuous feedback. TQM processes are divided into four sequential categories: plan, do, check, and act (the PDCA cycle). In the planning phase, people define the problem to be addressed, collect relevant data, and ascertain the problem's root cause; in the doing phase, people develop and implement a solution, and decide upon a measurement to gauge its effectiveness; in the checking phase, people confirm the results through before-and-after data comparison; in the acting phase, people document their results, inform others about process changes, and make recommendations for the problem to be addressed in the next PDCA cycle. In support of the above we have:

- Documented operating procedures to facilitate awareness and thus consistency in activities and output
- Audit project activities against contractual requirement
- Monitored and reported on routine activities



- Verification of compliance of works to Technical Specification
- Facilitate awareness of QA/QC principles of project management through training of staff

Quality Assurance is essential to our efficiency. As such, projects are monitored prior to, during and after implementation to ensure that “value for money” and “right fit” are attained. Our Quality Assurance Directorate (DQA) is mandated to conduct project audits to ensure that appropriate standards are maintained thus cutting down on rework costs or earlier than programmed interventions.

During the review period the DQA monitored 405 roads and conducted three (3) full project audits, including: the Yallahs Bridge Project. Ten (10) project surveillance audits were also conducted in during the year. With two (2) surveillance audits equating to one (1) project audit, the cumulative annual performance is 29 project audits completed relative to our target of 16 project audits completed, exceeding our target by 81.25%. On average, the audits revealed that while there is still room for improvement our works projects were generally satisfactory executed.

To ensure a high quality national road infrastructure, our Materials Testing and Evaluation Lab (MTEL), conducts routine analysis of soils, asphaltic components and concrete mixtures used in the construction process. These tests are conducted in accordance with British Standards and the AASH-TO (American Association of State Highway and Transportation Officials) specifications. For fiscal year 2012-2013, over one hundred and sixty (160) test reports were issued with the average turnaround time being 19 days. These tests included: Gradation; Atterberg Limits; Nuclear Density; Proctor; Compressive Strength; Bitumen Extraction and Stability Flow.

To ensure the highest quality standards and effective quality controls, we continually undertake reviews of our business processes with the aim to identify and address any weaknesses or inefficiencies. While, no business process improvements were targeted for fiscal year 2012-2013, a review of MTEL's Quality Assurance Procedures Manual was completed and the manual reissued during the year.

## POST PROJECT EVALUATIONS

One important approach in which the Agency seeks to improve its efficiency is by conducting impartial reviews of select major projects upon their completion. The overall aim of the Post Project Evaluation (PPE) exercise is not to assign blame, but rather to review the completed project, and capture and document any lessons on what went well and what could be done better. Moreover, the PPE is intended to promote collaboration and agreement on what and why there were advantages and disadvantages to doing things a certain way, and to reveal opportunities for increasing the project's yield of benefits and make recommendations on actions required for these to be achieved.

For fiscal year 2012-2013, we targeted the completion of one (1) post project evaluation for a contract over J\$15 million. Accordingly, the Christiana Development Road Project was selected. Areas highlighted for improvement in the PPE Report include: (1) the need to improve design (mainly the need for greater: sub-soil investigation; alignment of design requirements with Bill of Quantities; and adherence to international best practices); and (2) the need to complete (or bring to an advance stage) land acquisition activities prior to project commencement.



## INTERNAL CONTROL SYSTEMS

As an Executive Agency we are charged with ensuring that its financial systems are operated with the utmost integrity, and transparency; and that its internal control systems adhere to the applicable laws and regulations, and GOJ's policy guidelines and instructions. The Agency's internal control systems mandate is articulated in the Executive Agencies Act (S.14); the Financial Administration and Audit Act (S.34); the Public Bodies Management and Accountability Act (S.8,9,10,11,13,and 14); and the Financial Instructions to Executive Agencies (S.14). The organization's internal control system is administered by the Internal Audit Department, which measures compliance with established policies and procedures and is supervised by an independent Audit Commission empaneled pursuant to the Financial Administration and Audit Act.

During the review period our Internal Audit Department only completed thirteen (13) of sixteen (16) audits due to a shortage of audit staff. Major audits completed to date include: the Cassia Park and Queensborough Bridge Projects; the Christiana Development Road Project; and the Cassia Park Bridge project. Four (4) audits are expected to be carried-over into fiscal year 2013-2014 due to vacancies in the audit staff complement, which is expected to be filled during the year and the inclusion of unplanned work activities associated with, inter alia, the Department's involvement in Hurricane Sandy verification exercises.

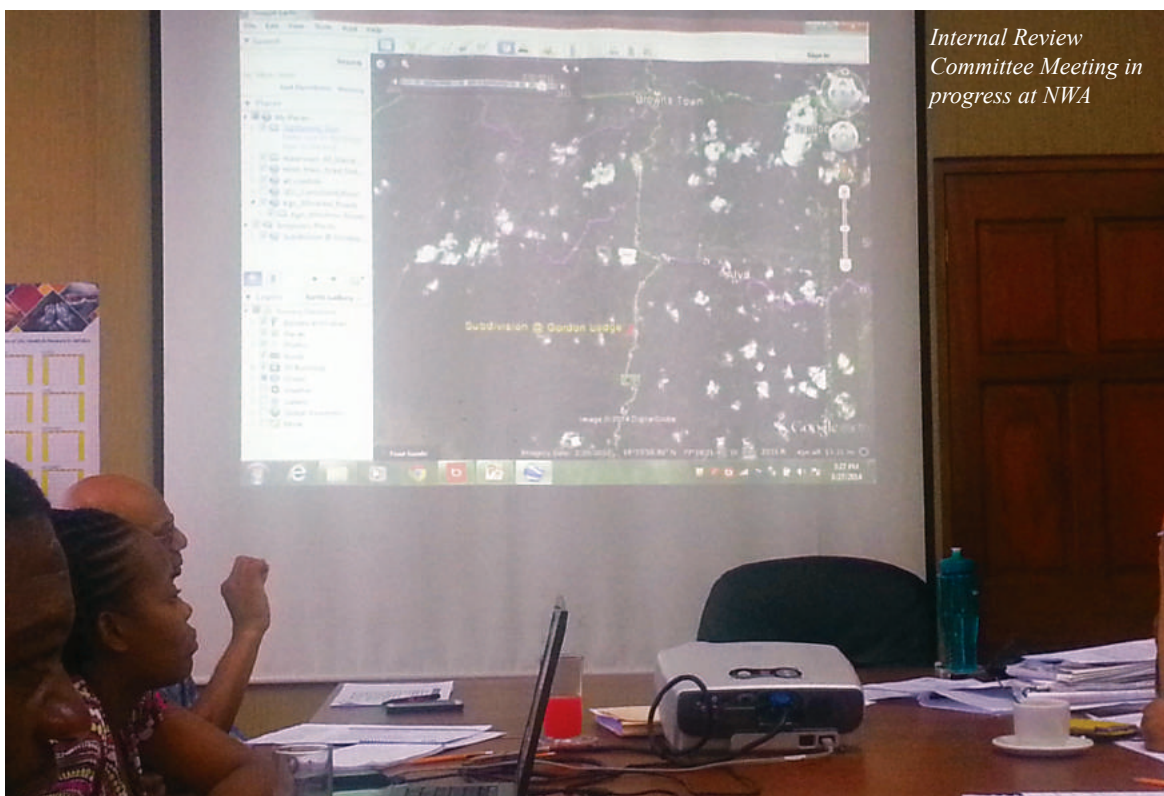
## DEVELOPMENT APPLICATIONS

Unfortunately, we still maintained a sizeable backlog of 1004 applications during the fiscal year. At the end of March, 2013, there was a marginal (0.3%) increase the size of our applications backlog relative to the prior year. Approximately, 75.1% (245) of the total applications received up to March 2013 were awaiting payment of administrative cost and/or additional information requested.

An analysis of our backlog applications found that sub-division applications accounted for the lion share (77.5% at the end of March 2013). This figure was 81.2% at the end of March 2012. Applications for sub-divisions were followed distantly by building applications at 8.3% and 6.4%, respectively. In particular, the processing of 2-9 lots sub-division applications contributed significantly to our backlog. At the end of the review period, applications for 2-9 lots subdivisions constituted 68.6% of all backlog applications, and 88.6% of all sub-division applications. This observation was consistent throughout prior periods with subdivision applications for 2-9 lots similarly accounting for 72.3% of total backlog applications, and 89.1% of sub-division applications at the end of March 2013.

In order to address our applications backlog the CEO has commissioned the establishment of a new Internal Review Committee with the priority to significantly reduce our backlog. We have agreed 3 key strategies: (1) increase the frequency of our Internal Reviews Committee meetings to, among other aims; accelerate the development applications approval process; (2) simplify the process for the payment of administration costs; and (3) review our Applications Backlog with a view towards identifying those application files that can be closed.

We will also be collaborating with our partners in local Government to eliminate from our reporting those applications, which for one reason or another may have already received a final determination. We are also exploring the establishment a bank account to facilitate direct bank and electronic payments of administrative fees. We are also developing a review checklist to guide applicants towards ensuring minimum information requirements for the consideration of their applications.



## LEVERAGING GIS TO IMPROVE OUR BUSINESS PROCESSES

One of our goals is to make doing business with us easier through continuous business improvement and innovation. In this regard our Geographic Information Systems (GIS) is increasingly becoming an essential tool to drive improvements in our operations. To meet the high demand by our internal and external customers for spatial data our GIS team has created a number of Development Applications, including the much touted eMap. During the year we won the 2012 ESRI Special Achievement in GIS for Land Acquisition Management System (LAMS) that has revolutionized the way in which the organization captures, processes, and utilizes land parcel information. We collected our award at the 2012 ESRI convention in California, In-house use of the new application commenced in July 2012, after a period of extensive beta testing and training. We intend to add additional functionality as user needs evolves over time.

During the period, our GIS team also continued to advanced work on our Disaster Management Application, which is intended to significantly enhance our informational awareness of real-time conditions and response during emergency situations. When fully equipped the DMA will enable disaster management reporting via crowdsourcing, which is the process of obtaining needed services, ideas, or content by soliciting contributions from a large group of people, and especially from an online community, rather than from traditional employees or suppliers.

Our long-term GIS plans call for the creation of other efficiency-boosting applications that can support our infrastructure management systems that inform our forward planning and decision making processes. To accomplish this objective, we continue maintained our routine database updates. We also work to continually expand of our GIS datasets through the cooperation of our GIS partners, and active involvement in stakeholder committees such as the Land Information Council of Jamaica.

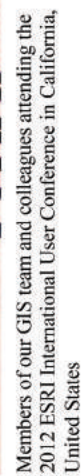
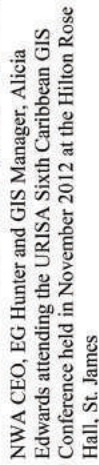


# NOTABLE GIS EVENTS





## National Works Agency Annual Report and Accounts 2012-13 49



# MAINTAINING OUR ROADS

## PRESERVING OUR ROADS AND INFRASTRUCTURE

During the review period, we continued to conduct various periodic and routine maintenance activities under the following programmes:

- RMF Routine Maintenance Projects
- Jamaica Development Improvement Programme
- Jamaica Emergency Employment Programme (Phase 1)
- Transportation Infrastructure Rehabilitation Programme
- Road Improvement Programme

## RMF ROUTINE MAINTENANCE PROGRAMMES

We continue to emphasize the importance of Routine Maintenance programmes, which are now traditionally funded through the Road Maintenance Fund, to ensure the sustainability of the main road network. For fiscal 2012-2013, some J\$1.25billion was allocated for routine maintenance activities, of this total J\$950M will be financed from the RMF and J\$300M from the GOJ. These funds will finance eight (8) general categories of works. These include: Road Rehabilitation, Patching, Drainage Improvement, Guardrails and Signs, Special Routine Maintenance, Traffic Lights, Retaining Walls, and Emergency Response. We are also working with the Fund and the Ministry to streamline funding of our maintenance needs.

During the year, we achieved some 300,000 square meters of patching works islandwide. Patching, including both spray and hot mix were implemented primarily under the RMF and JDIP financed Islandwide Patching Programmes. Under these programmes the worst affected sections of our roadways were targeted to be patched. Road sections patched include: Adelphi to Hampden in St. James; the Wakefield to Friendship main road in Trelawny and the Seaford Town to Marchmont corridor in Westmoreland.

## NORTH COAST PERFORMANCE BASED ROAD MAINTENANCE

Under IDB Loan 2276-OC/JA, we conducted bushing, drain cleaning and removal of debris along some 260 km of the Northern Coastal Highway spanning Negril, Westmoreland to Port Antonio, Portland. Since programme inception, sixteen (16) cycles have been completed at a combined work value of J\$280 million. Based on the success of the initiative we were able to secure Cabinet's approval to extend the contract for three (3) additional cycles to fully expend the balance. The project is expected to continue in place until September 2014.

## TRANSPORTATION INFRASTRUCTURE REHABILITATION PROGRAMME (TIRP)

In addition to our other programmes, a number of our major road rehabilitation initiatives are being implemented under the IDB/GOJ (Loan 2026) Transportation Infrastructure Rehabilitation Programme. During the review period, we substantially completed road rehabilitation works on Phase 1 Red Hills to Santa Maria. Phase 2 Santa Maria to Sligoville and Phase 3, Sligoville to Bog Walk, are expected to commence in fiscal year 2013-14. The Red Hills to Bog Walk project when completed will serve as a viable detour route to the Bog Walk Gorge.

*Table 6: Progress of Road works being conducted or completed over the period*

Project	Description	Project Cost (J\$)	Contractor	Start Date	End Date	Progress	Comments
Scott's Cove to Belmont (Phase 1)	13.7km	J\$279M	Asphalt Enterprise Limited	Nov. 2011	Mar. 2014 (revised)	30%	Work on the Gillings Gully has been substantially (95%) completed. Work continues to be delayed due to the replacement of NWC pipeline throughout the project site
Ferris Cross to Belmont	8.5km	J\$497M	Asphalt Enterprise Limited	Sept. 2012	Sept. 2013	85%	The work is progressing steadily and is scheduled to be complete in September 2013.
Roselle Revetment Works & Random Rubble (RR) Wall	700m	\$229M	NWA by Force Account	Nov. 2011 (RR wall) Sept. 2012 (Revetment)	Feb. 2012 (wall) Mar. 2013 (Revetment)	100% (RR wall) 98% (Revetment)	The project was substantially completed (99%) in April 2013.
North Coast Repair Works (Rio Bueno & Discovery Bay, St. Ann)	3 locations	\$28M	Surrey Paving	Dec. 2012	Jan. 2013	100%	Completed within cost. Road marking lines have been installed



## JAMAICA EMERGENCY EMPLOYMENT PROGRAMME

Officially launched in during the last month of fiscal year 2011-2012, the Jamaica Emergency Employment Programme (JEEP) was instituted as a temporary measure to respond to years of chronic unemployment, which became exacerbated in the wake of the 2008 global financial crisis. The programme targets persons in low income groups, those with special needs, low skills levels, as well as those from under-served communities. Designed as a multi-sectoral and multi-disciplinary Scheme, JEEP spans several Ministries, Departments and Agencies, namely: the Ministry of Transport, Works and Housing (NWA), the Ministry of Education (HEART Trust/NTA), the Ministry of Youth & Culture (NYS), the Ministry of Labour & Social Security, Ministry of Agriculture, and the Ministry of Tourism & Entertainment.

The newly elected Administration on its entry to Office directed that US\$50 million of JDIP funds be made available to finance the JEEP. Consequently, the NWA is only responsible for administering JEEP works implemented under the JDIP. As special routine maintenance component to the JDIP, JEEP is comprised of activities, such as: pothole patching, bushing, installation of traffic signs, sidewalk repairs, kerb painting, and river training works. A breakdown of Phase 1 of the Programme is outlined in the table below. The inclusion of JEEP works expanded the geographical reach of the larger JDIP, impacting on a number of communities that would otherwise not have been directly impacted. JEEP activities are labour intensive and can be easily performed under supervision, utilizing the skills of currently unemployed but experience and trained construction workers.

While there was some disquiet about the exact nature of this programme, we are pleased that the majority of elected representatives have embraced this programme and submitted projects proposals, which are being costed and evaluated for implementation. The first phase of the JEEP got underway in the last month of the financial year, with only a few projects. More complete details of the projects and their progress are presented in our monthly reporting on the progress of the JDIP.

## KUWAIT PHASE 2 REHABILITATION PROGRAMME

The aim of this project is to realign and rehabilitate failed road sections; improve drainage and construct protective works for approximately 47 km of rural roadway along three control sections, namely:

- Tom's River to Agualta Vale, St. Mary – 18 km
- Ferris Cross to Mackfield, Westmoreland – 13.6 km
- Alexandria to Browns Town, St. Ann – 15.4 km

Currently, the focus of the project is on the 18 km of rural roadway from Tom's River to Agualta Vale in St. Mary. During the review period, we completed the redesign for Package 1 - Agualta Vale to Broadgate, which represents the starter leg of the programme. The engineer's estimate for these works is approximately J\$596M. Funding is being provided by the Kuwaiti Fund for Arabic Economic Development (KFAED) and the Government of Jamaica.

During the review period, we worked to complete outstanding surveying details towards establishing the final land take for the project and road dimension for improvement. In addition, the Terms of Reference (TOR) for the procurement of consultancy services as required under the Loan Agreement (vide Side Letter No. 1) has been drafted and is being review by the Legal Services Unit. Once completed, the TOR will be presented to the Loan Fund for its non-objection. Civil works are planned to commence in fiscal year 2015.

## OPEC PHASE 2 REHABILITATION PROGRAMME (LOAN #1052P)

A collaborative effort between the GOJ and the OPEC Fund for International Development (OFID), this project aims to rehabilitate approximately 22.7 km of main road. The scope of works include realignment, rehabilitation of failed road sections and the improvement of drainage and protective works at an estimated cost of J\$1.7 billion. The project will be executed under two (2) packages: Package 1, roughly 10.5Km, begins from Sour Sop Turn to Chapleton; and Package 2, which starts from Chapleton to Trout Hall, is about 12.2Km.

## BRIDGE WORKS PROGRAMME

Our major bridge works programme is proceeding at pace, with some minor delays. We have completed the Rio Grande Bridge, and the Kintyre Bridge, while various others are scheduled for completion in fiscal year 2013-14.

*Table 7: Summary of Bridge status to date*

Project	Location	Contractor (Sub-Contractor)	Financing	Contract Sum	Progress (%)	Comments
Crooked River	Clarendon	Build-Rite Construction Company Limited	JDIP	J\$39.1 M	100%	Project Completed
Eden River,	St. Mary	Dwight's Construction Company Limited Limited	JDIP	J\$17M	100%	Project Completed
Dawkins Pen (Three Sisters)	Clarendon	Dwight's Construction Company Limited Limited	JDIP	J\$83.1 M	100%	Project Completed
Fontabelle Modular Bridge		Dwight's Construction Company Limited Limited	JDIP	J\$15.2 M	100%	Project Completed
Dover Castle Bridge		Aegisco Limited	Capital A	J\$23.4M	100%	Project Completed
Kintyre Modular Bridge		Dwight's Construction Co. Limited	JDIP	\$100M	100%	Project Completed
Rio Grande Bridge		CHEC	JDIP	US\$28 M	100%	Project Completed
Southwood Bridge		Tankweld Construction Company Limited	KSAC	J\$24.3 M	30%	Work in progress
Craigmill Modular Bridge		Dwight's Construction Company Limited Limited	JDIP	J\$26.6 M	50%	Work in progress
John's Hall Bridge		CHEC (Y.P. Seaton and Associates Company Limited)	JDIP	J\$384 M	62%	Work in progress
Cassia Park Bridge		CHEC (Y.P. Seaton and Associates Company Limited)	JDIP	J\$183 M	99%	Substantially complete
Queensborough Bridge		CHEC (Y.P. Seaton and Associates Company Limited)	JDIP	J\$154 M	99%	Substantially complete
Westmoreland Bridge	St. Mary	CHEC	JDIP	US\$13.5M	88%	Work in progress

## RIO GRANDE BRIDGE

In October 2012, we opened the Rio Grande Bridge in Portland. Construction of the bridge was made necessary consequent on the destruction of the previous structure in July, 2005 by Hurricane Dennis. Its destruction left residents on both sides of the bridge stranded. Later that year, in October 2005, the Government of Jamaica signed a contract with the European Commission to finance the construction and rehabilitation of Segment three of the North Coast Highway Improvement Project (NCHIP) which includes the corridor where the Rio Grande Bridge is located. The re-construction of the bridge was however not included in this Project at the time. In 2007, though, designs were completed for supply of the structural steel beams and were delivered to Jamaica under the Priority Bridge Programme. In October, 2010, a contract in the amount of US\$23.8M was awarded to CHEC; it was funded by GOJ and implemented under the Jamaica Development Infrastructure Programme (JDIP). The new bridge is expected to assist in the agricultural and tourism efforts in the parish.

## WESTMORELAND BRIDGE

During the year, we continued our work on the construction of the new Westmoreland Bridge situated in Chovey, St. Mary. The bridge which measures some 180 metres long is being built by CHEC at a cost of US\$18M and is expected to serve several communities in that section of St. Mary. The previous structure was destroyed seven years ago by Hurricane Gustav and has been a major inconvenience to schoolchildren, the sick and elderly, taxi operators, small farmers ever since. People have had to on occasions, wade waist deep in water in order to get to the other side of their own community, or travel great distances via Bellfield or Esher to get across.

## VEHICLE WEIGHT ENFORCEMENT

Vehicle overloading has been identified as one of the major contributors to premature pavement failure. Heavy trucks also contribute to steel bridge fatigue damage reducing their service life. To combat this problem we worked with the Transport Ministry and the Island Traffic Authority (ITA) to establish a J\$100 million Weigh Scale Station facility situated at Harbour View in St. Andrew, as part of the Ministry's wider Vehicle Weight Enforcement Strategy to regulate vehicle laden weights to ensure better quality road condition and safer freight vehicles as articulated in the National Transport Policy.

The facility which will be operated by the Island Traffic Authority on behalf of the Ministry operates a Weight-In-



*Minister Azan and team officially opening the Vehicle Weight Station at Harbour View, St. Andrew*



Motion (WIM) System, which properly managed, is expected to off-set the current road maintenance budget that comes from tax payers money. If there is substantial reduction in overloaded vehicles, the public will still gain through reduction in road maintenance budget, less accident risks involving heavy trucks, and lesser greenhouse gases (GHGs) emissions. At the station, laden vehicles will be weighed and depending on the nature of the infraction, they will be ticketed. The ITA reserves the right to detain vehicles which in their estimation has excess weight which is divisible. In such cases, the truck might be detained while the operator finds another unit to which the excess weight might be transferred.



*Overloaded truck on the road network causes significant damages on road surfaces*

# LISTENING TO OUR CUSTOMERS

## ENGAGING OUR CLIENTS, STAKEHOLDERS AND PARTNERS

One of our key obligations is to provide road users with meaningful and time-sensitive information about our activities that may impact their communities, lives and commute. This includes notifications such as temporary road closures, and traffic changes, and general update on road works.

During the year, we conducted 94 “On Our Roads Broadcasts” and published 94 news releases. As in other years, our radio broadcast continues to prove extremely popular channel for disseminating information on our current and planned activities. The public is also able to square off directly with us to have their specific concerns heard. In addition, to our media campaign, we also organize/attend Town/Community Meetings, conducts tours, and road openings to both edify and sensitize the public as to its work projects and expected social benefits. Some of the locations toured during review period include: the Palisadoes Shoreline Project; the Cassia Park and Queensborough Bridges; various River Training Works and JDIP project sites across the island.

We participated in and/or organized 410 visits/tours and 134 Town/Community Meetings for the year. These included regular attendance meetings at: various Parish Infrastructure Development and Maintenance meetings; Parish Disaster meetings; and Community meetings.

The majority of complaints (34.9%) received in fiscal year 2012-2013 were in relation to Drains, Gullies and Culverts, followed closely by Deplorable Roads (33.8%). Most complaints (41.9%) were received in the Kingston Metropolitan Region (Kingston, St. Andrew, and St. Catherine). Of the 29 complaints received from this region 13 were related to Drains, Gullies and Culverts, 10 designated as other, 3 related to deplorable roads and 3 related to Breakaway/Landslide.

The low response rate is attributed primarily to the nature of programming customer complaints into the upcoming work flow of the Agency, and the availability of funds to address the complaint. Consequently, customer complaints may not be immediately addressed as soon as they were received. Notwithstanding, we make every effort to acknowledge, and respond to customer complaints in a timely manner, especially in emergency and public safety situations.

## CUSTOMER SATISFACTION SURVEY

Executive Agencies are mandated to promote and



*Communications Officer, Havenol Douglas addressing a meeting in the Lawrence Tavern community in St. Andrew*

maintain Customer Service standards. In this vein, we conduct annual Customer Satisfaction Surveys. This technique generates feedback on “what our customers think of us”. While we were not able to conduct a survey in fiscal year 2012-2013 due to the staffing shortage, the findings of our 2011-2012 report revealed a slight uptick in the percentage of travellers that are satisfied with state of our road network. This is attributed to works being implemented under JDIP that are being felt on the ground. Some 41% believe the roads are congested, while 24% feel unsafe traversing our roads. However, 40% have noted a favourable improvement in our activities to arrest bad road conditions. Like previous survey’s, the survey found strong support (53%) for our response in emergency situations. This may suggest a greater appreciation for our efforts in one-on-one interactions.



# HUMAN RESOURCES

Our focus is on creating an environment that will attract, develop and retain key talent. This involves making our people feel valued, and providing them the tools and training necessary to enable them to complete their duties in an efficient and effective manner. Our work towards attaining organizational excellence is grounded in three (3) central programmes: (1) Performance Management and Evaluation; (2) Training and Development Opportunities; and (3) Performance Recognition and Reward. The ultimate aim of these programmes being to enhance staff morale and realize outstanding performance results at the organizational level.

We believe that our people are our strength. As such, we are committed to ensuring that our employees are provided with the appropriate tools and training necessary to enable them to complete their duties in an efficient and effective manner that enhances overall institutional capacity.

## EFFECTIVE EMPLOYEE RELATIONS

We work hard to maintain a harmonious, productive industrial climate. A major part of that is empowering our employees to make personal and professional decisions, based on facts and sound judgements, knowing that the organisation will support them. It also involves establishing mutual trust between management and staff, and demonstrating a deeper level of appreciation that goes beyond work. We cannot guarantee lifetime employment. However, we can and do encourage our staff to adopt positive life planning and financial management decisions through various forums and consultations.



*Mr. Earl Patterson, Senior Director of major Projects and Ms. Ashely, Administrative Assistant celebrating Administrative Professionals week in fine style*

# STAFF TRAINING & DEVELOPMENT



Team members Justin Naylor and Kurt-Vaughn Clarke attending a session of the 1<sup>st</sup> International Road Fund Caribbean Regional Congress held May 2012 at the Hilton Rose Hall Hotel in St. James



GIS Programmer Houdini Sutherland in discussion with delegate at the 2012 ESRI International User Conference in California, United States



CEO, EG Hunter attending the Maintenance of Infrastructure Workshop in India in September 2012



Training Manager, Michelle Nesbeth conducting Life Planning training seminars to equip employees with the necessary life management skills

## WORK-LIFE BALANCE

It's important to us that our employees maintain a proper work-life balance. We also recognise the important contribution of family to sustain the welfare and productivity of our employees. Although granted some autonomy, we still operate within the precincts of the central government human resource management system. This limits our flexibility where employees can apply to vary their working patterns. The flexi-work policy being developed by the Labour Ministry should address this concern going forward. We, nevertheless, operate support mechanisms, such as an after school child care facility and apply management discretion to enable staff to better regulate their family and work life commitments.

## WORKFORCE PLANNING

Workforce planning forms a significant component of our human resources management. In order to successfully deliver on our work commitments we have to ensure we have the right people, with the right skills and tools, to get the job done right the first time. This requires constant evaluation of our strategic objectives, current and future business needs, and Government priorities. An analysis of the ageing profile of our employees reveals a good mix in terms of distribution. However, our high technical staffs tend to be closer to retirement. This will require that we take appropriate measures to retain critical organizational knowledge, and effect orderly successions plans.

At the close of fiscal year 2012-2013, there were 13 promotions, 1 resignation, 2 retirements, 27 end of contract separations, and 2 terminations. No material disciplinary issues were identified to be addressed. We undertook some 17 recruitment actions in 2012-2013, and these were comprised of 49% internal appointments and 51% external appointments. Its target was 85% success in appointments for advertised positions and it achieved 92%. We experienced an increase in applications received, which can be attributed to the effectiveness of our branding plus creative attraction and retention initiatives such as its presence at universities, high schools, career fairs, internal career events and a number of career promotions. We continue to work towards a competency-based classification structure which will afford increased flexibility in the classification of jobs and, most importantly, the progression and development of employees.

Our headcount stood at 450 employees, 5% fewer than at the end of March 2011. Of this number 365 were employed on a permanent basis, and 85 on a contractual or temporary basis. This decline was due largely to a 28.6% reduction in our temporary/contractual staffing levels related to the winding down of the JDIP; and is consistent with our ongoing efforts to balance our workforce level with the demands dictated by available project funding.

## BUSINESS ETHICS

Ensuring that we maintain an ethical workforce that reflects our values is important to us. During the year, we held seminars of the pitfalls of corruption and its consequences. We were also able to have Professor Trevor Munroe of the National Integrity Action address members of staff on the need to maintain integrity in our business decisions and actions to restore public trust.

## BUILDING TECHNICAL CAPABILITY



We believe in continuous learning. In order to ensure that the NWA remains an effective organization committed to excellence in the execution of its mission, we continued to execute our Human Resource Strategy. Our approach to corporate knowledge management and retention has been developed with the following objectives in mind:

- a. Create a knowledge sharing culture which values knowledge management, and supports and encourages knowledge sharing at all levels of the organisation
- b. Provide modern and efficient tools and technology to support knowledge management and knowledge sharing so the accumulated knowledge and experience is captured and made readily accessible to other employees
- c. Facilitate the retention of corporate technical and professional knowledge before the ageing workforce retires, and give younger employees the opportunity to learn from the “Masters” and gain insight into the lessons learned over the years
- d. Encourage and reward employees for sharing their knowledge, valuing and appreciating their contribution in building a sustainable future
- e. Secure intellectual assets and establish a firm knowledge-based foundation for a strong and sustainable workforce and our future.



*Business Ethics Seminar at NWA Training Room*

This strategy calls for the building of institutional capability by providing employees with the tools and training necessary to enable them to complete their duties in an efficient and effective manner. Investment in our team members continued throughout the period through various seminars, conferences, workshops and training courses delivered both in-house and externally. Since April 2012, we have expended some 5276 man-hours on the delivery of training solutions. This exceeded our target of 4784 training man-hours by 10%.

Our growth and transformation agenda requires that our employees are able to adapt and excel in rapidly evolving business conditions. To enrich our employees' sense of personal achievement and offer other opportunities to build sales and service skills, we encouraged and facilitated certification to several related courses contained in our open learning catalogue through paid study leave, day releases and time off for study, which were in compliance with GOJ regulations. Some 21 employees benefited from such offers while J\$1,835,594 was approved for the reimbursement of tuition to staff for the year. While restrained by available funding, we continue to work towards our long-term goal of establishing an online Learning Portal to further entrench the philosophy within the enterprise and build organizational capability.

## STAFF WELFARE AND MORALE

As always, staff welfare and morale remained an important item on management's agenda. Since the start of fiscal year 2012, J\$160,000.00 has been made available to members via staff loans for emergency purposes. We continued to recognize the talent and commitment of our people via our Rewards and Recognition Ceremony held quarterly to honour awardees that excelled in meeting their performance targets. As is our tradition, we continue to monitor the welfare and morale of our employees and seek out interventions where possible to improve their general conditions. We also noted the passing of our present and former colleagues, or their loved ones, and supported our staff in their time of bereavement.

## GIVING BACK TO THE COMMUNITY

We believe in corporate social responsibility. As a public entity our work is concentrated on improving the quality of life of our fellow citizens. We encourage our staff members to take an active role in all aspects of community life. We supported a number of community/civic events including the road safety rallies, small improvement works, and the annual blood drive donations to name a few.

## HEALTH AND LIFESTYLE PROGRAM

We take the health and safety of our staff seriously. Health journals and medical personnel posit that health and lifestyle have a significant impact on 'on the job' productivity and motivation. We maintain a proactive approach to improving health and lifestyle. In July 2012 we held our annual Information and health fair, under the theme Creating a Healthier You, which offered free blood pressure checks, HIV testing, eye examinations, skin care and hygiene maintenance. We also hosted our Safer Sex Week in August 2012, to raise awareness of STD prevention. As well, we host smaller initiatives, email health tips, and coordinate sporting functions with the objective of promoting greater understanding and awareness of personal health and fitness.



*Training Officer demonstrates how to properly apply a condom*



# HEALTH AND WELLNESS FAIR





# BLOOD DRIVE



# CORPORATE GOVERNANCE

We are committed to effective corporate governance, underpinned by principles of openness, integrity and accountability and which enhances goodwill among stakeholders which are considered to be customers, both internal and external; clients and other publics. In this regard, the Agency continuously strives for excellence and thereby seeks to maintain:

- Quality service and products;
- Value for money
- Fiscal prudence; flexibility;
- Creativity, innovation, timeliness
- Transparency; and
- Open communication

We believe that corporate governance is vital to facilitating an advance towards excellence in its business and internal operations. We are therefore committed to maintaining and managing a system of internal control, established within the framework of the Executive Agency's Act of 2002. This system is executed by our Management Body and designed to provide reasonable assurance regarding the achievement of objectives, relating to: effectiveness and efficiency of operations; reliability of financial reporting; and compliance with applicable laws and regulations. The following are the media through which the Agency's system of governance is effected, and which are actively employed during the fiscal year 2012-2013.

## THE ADVISORY BOARD

Our Advisory Board was empaneled in July 2012, and worked over the year in review to represent the interest of the Government of Jamaica (GOJ) in order to promote and maintain prudent, effective and efficient planning, management and accountability of our business operations. This, in accordance with the Executive Agency's Act of 2002 and the Terms of Reference established by the Ministry of Transport, Works and Housing. The Board is comprised of seven (7) members who provide advice to the Chief Executive Officer (CEO) in the strategic and business planning responsibilities of the Agency. During the fiscal year 2012-2013, the Advisory Board members only met once for the year.

## KEY PERFORMANCE INDICATORS

The KPI system is to be used to measure our annual performance against Targets agreed upon by our parent Ministry. Performance below an eighty-five per cent (85%) is considered to be an unsatisfactory level, and against which our ability to make certain monetary negotiations may be seriously hampered. The Key Performance targets agreed between us and our parent Ministry each year are apportioned as targets among each directorate and within that, each department and each individual, so that at every level of the Agency, our performance may be monitored and measured for consistency with our Corporate Plans.

Ministry rewards are not accorded to the NWA for performance below 85%. Additionally, individuals' goods performance is generally rewarded in order to encourage sustained high performance. A ranking of 80%-100% is used to reward individuals' high-level performance.

## **PROCUREMENT COMMITTEE**

Over the year in review, the Procurement Committee, an internal system, consisting of the NWA's Senior Management Body continued to monitor and assess applications for the award of contracts, in that the Committee:-

- a) Ensure compliance with relevant policies, guidelines and procedures;
- b) Conducts objective evaluation processes regarding quotations, tenders and request for proposals;
- c) Facilitates response to contractor enquires.
- d) Maintains proper record of the committee meetings, including records of the procurement;
- e) Ensures compliance with reporting obligations; and
- f) Reports to the Chief Executive officer, recommending the acceptance, or not of one or more quotations, tenders or request for proposals received.

## **DIRECTOR'S STANDINGS MEETINGS**

Director's Meetings represent an established medium by which the Agency, through its Chief Executive Officer, manages and controls the operations of the Agency's directorates and departments. The progress and challenges of each department and of each directorate as a whole are brought to the attention of the CEO, through this forum. These meetings also facilitate open discussions on new ideas/innovations, plans, policies, procedures and activities. In this forum, directions are also passed from the CEO to the Senior Management Body.

Over the fiscal year 2012-2013, these meetings were held twice per month. Standing Members of the Agency's Director's Meetings over the period consisted of:

- The Chief Executive Officer;
- Deputy CEO, and Senior Director, Project Implementation
- Director, Regional Implementation & Special Projects;
- Director of Planning and Research;
- Director of Quality Assurance;
- Chief Internal Auditor;
- Director of Technical Services;
- Director of Finance and Accounts;
- Director of Asset Management;
- Manager of Communication and Customer Services; and
- Director of Human Resource Management and Administration

## **PROJECT MANAGERS STANDING MEETINGS**

Over the period, the Senior Director, Project Implementation held regular monthly meetings with all project managers. This provided another medium through which the Agency's activities relating to various projects being undertaken were managed and controlled. The progress of each project (physical and financial) would be reported to the Deputy CEO, and would then be brought to the attention of the CEO, for review and guidance.



## **PARISH AND REGIONAL MANAGERS' MEETINGS**

During the year in review, this meeting was held once per month with the CEO and all Regional and Parish Managers. Through this forum the CEO was able to keep abreast of the activities, progress and challenges within each parish and within each of the Agency's four (4) administrative regions as a whole. This provided a medium through which the CEO was able to monitor and direct more intensively, the activities within every parish.

## **QUARTERLY EXTERNAL REPORTING**

Each quarter, the NWA, through the Corporate Planning component of its Planning and Research Directorate, makes presentations on the operations/activities, progress and challenges within the Agency, during the relevant quarter, to the relevant oversight authorities. These presentations continued over the year in review, to provide a further opportunity for the Ministry of Transport and works to more effectively monitor the performance of the National Works Agency.

## **OPEN COMMUNICATION**

The NWA ratified the Access to Information Act in June 2002. This Act governs the manner in which the Agency disseminates information to its various customers/publics. Over the fiscal year 2012-2013, the Agency continued to be transparent and frank in communicating with its various publics.

## **REVIEW OF INTERNAL SYSTEM OF CONTROL**

The effectiveness of our internal system of control was regularly reviewed during FY 2012-2013, by the senior management body, for effectiveness.

**Table 8: Senior Management Compensation**

SENIOR MANAGEMENT COMPENSATION							
Position of Senior Executive	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non- Cash Benefits (\$)	Total (\$)
Chief Executive Officer Everton Hunter	6,491,881.53		487,860.00		N/A	N/A	6,979,741.53
Senior Director - Project Implementation Earl Patterson	6,131,950.65		Fully Maintained		N/A	N/A	6,131,950.65
Director - Finance & Accounts Pauline Dunstan	4,282,530.00		975,720.00		N/A	N/A	5,258,250.00
Director - Human Resource Management & Administration Jennifer Henry	4,282,530.00		975,720.00		685,204.00	N/A	5,943,454.00
Sharon Grindley Director of Corporate Services	3,597,326.00		975,720.00		275,781.00	N/A	4,848,827.00
Director - Major Projects John Wright	3,597,326.00		975,720.00		N/A	N/A	4,573,046.00
Director - Quality Assurance Orlene Nembhard Rowe	3,939,928.00		975,720.00		N/A	N/A	4,915,648.00
Director-Regional Implementation George Knight	3,939,928.00		975,720.00		N/A	N/A	4,915,648.00
Director - Technical Services Roger Smith	4,282,530.00		975,720.00		N/A	N/A	5,258,250.00
Dwight Wilson Project Director - JDIP/Jamaica Development Infrastructure Project	3,939,928.00		975,720.00		N/A	N/A	4,915,648.00
Director-Planning & Research Patrick Rose	3,768,627.00		975,720.00		N/A	N/A	4,744,347.00
Maxine Creary Chief Internal Auditor	2,653,764.80		975,720.00		N/A	N/A	3,629,484.80
Camaika Facey Manager Legal Services	2,780,134.60		975,720.00		295,781.00	N/A	4,051,635.60
Stephen Shaw Manager Communication & Customer Services	3,159,244.00		975,720.00		252,738.00		4,387,702.00
<b>Total</b>	<b>56,847,628.58</b>		<b>12,196,500.00</b>		<b>1,509,504.00</b>		<b>70,553,632.58</b>

**Table 9: Board Members and their positions**

SENIOR BOARD MEMBERS AND THEIR POSITIONS				
Board Members	Fees (J\$)	Motor Vehicle Upkeep/ Travelling or Value of Assignment of Motor Vehicle (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
<b>Chairman</b>				
Dr. Parris Lyew-Ayee, Jnr.	16,000.00	N/A	N/A	16,000.00
<b>Board Members</b>				
Ms. Yvonne McCormack	8,500.00	N/A	N/A	8,500.00
Ms. Rochelle Dacres	8,500.00	N/A	N/A	8,500.00
Mr. George Nicholson	8,500.00	N/A	N/A	8,500.00
Mr. O. D. Ramtallie	8,500.00	N/A	N/A	8,500.00
<b>Secretary</b>				
Mrs. Annette Hinds	2,500.00	N/A	N/A	2,500.00
<b>TOTAL</b>				<b>52,500.00</b>

**Note: Advisory Board only meet once for the year and not all members were in attendance.  
Missing were Messers Ian Kerr and Alston Esmie**



# AUDITED FINANCIAL STATEMENTS

Analysis of our Audited Financial Statement for the year ended March 2013	70-71
Independent Auditor's Report Financial Statements	72-73
Statement of Financial Position	74
Statement of Financial Performance	75
Statement of Changes in Equity	75
Statement of Cash Flows	76
Notes to the Financial Statements	77-86
Statement of Internal Control	87-88



## ANALYSIS OF OUR AUDITED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 2013

For the year 2012-2013 we realized stronger than forecasted total earnings from our business activities. At the end of year our total income stood at approximately J\$1,1 Billion. As in prior year of fiscal year 2011/2012, the bulk of our earnings continue to be derived from our management fees, which totaled some \$1billion, or 93% of total income for both years. Other Income, which includes income from Material Testing, represented our second highest income stream at J\$29M, also for both years.

*Table 10: Changes in Total Earnings on Year-over-Year (YOY) and Month-over-Month (MOM) bases*

Income	March 2013 (J\$ '000)	March 2012 (J\$ '000)	YOY (J\$ '000)	%
Management Fees	1,048,337	1,115,691	(67,354)	6%
Motor Vehicles & Equipment Hireage	23,427	13,396	10,031	74%
Inspection of Petroleum Service Stations	1,530	1,500	(30)	2%
Subdivision & Building Applications Services	5,661	6,306	(645)	10%
Other Revenue	23,154	28,236	(4,809)	17%
TOTAL INCOME	1,102,109	1,165,129	(67,244)	26%

Total income up to the close of March, 2013 represents a decrease of some J \$67M (or 26% YOY). This slight fall in total income relative to fiscal year 2012-2013 is attributed to a 6% decrease in management fees, which is attributed to the increase in work activity associated with the advancement of the MIDP. All the income categories increased in the current fiscal year with the exception of Other Income, which saw a 26% decline over the corresponding period. Noteworthy is the significant amount of revenue generated from the Technical Services Unit which consisted of designs and renovations conducted on Public Buildings. There is a steady increase in revenue collection from Subdivision & Building Applications Services which saw moderate increase of 6% is associated with the construction boom in the Society.

*Table 11: Changes in Operating Expenses on Year-Over-Year (YOY) and Month-Over-Month (MOM) bases*

Expenses	March 2013 (J\$ '000)	March 2012 (J\$ '000)	YOY (J\$ '000)	%
Staff Costs	1,026,362	988,696	37,666	4%
Goods and Services	135,404	127,290	8,114	22%
Premises related expenses	58,928	67,330	8,402	12%
Depreciation & Amortization expense	43,241	45,706	(2,465)	5%
Other Expenses	0	24,518	24,518	100
Bad Debt	0	191,197	191,197	100
Interest and Charges	1,224	883	341	38%
TOTAL OPERATING EXPENSES	1,265,159	1,445,621	(180,462)	12%

At the close of March, 2013, total operating expenses amounted to some J\$1.44 billion, which represents a decrease of 12% (or J\$180 million) YOY (see Table above). This decrease in expenses is primarily attributable to decreases in four out seven expenses category. Although there were increases in other categories these were largely marginal increases. There was a 100% decrease YOY in bad debt expense by J\$24 million, depreciation decreased by J\$2.4M or 61% YOY while Premises related expenses decreased by 12%. Noteworthy is that Staff Costs which accounts for the lion share of Expenses only increased by 4% moving from \$988,696M to \$1,026,362B.





AUDITOR GENERAL'S DEPARTMENT  
40 Knutsford Boulevard  
P.O. BOX 455  
KINGSTON 5  
JAMAICA

ANY REPLY OR SUBSEQUENT REFERENCE  
TO THIS COMMUNICATION SHOULD BE  
ADDRESSED TO THE AUDITOR GENERAL  
AND NOT TO ANY OFFICER BY NAME  
AND THE FOLLOWING REFERENCE  
QUOTED:-

Tel. No.: 926-8309/926-5963/926-5846  
Fax Number: 968-4690  
Email: [audgen@auditorgeneral.gov.jm](mailto:audgen@auditorgeneral.gov.jm)

## **INDEPENDENT AUDITOR'S REPORT**

**To the Chief Executive Officer  
National Works Agency**

### **Report on the Financial Statements**

I have audited the accompanying Financial Statements of the National Works Agency, set out on pages 1 to 15, which comprise the Statement of Financial Position as at March 31, 2013, Statement of Financial Performance, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Public Sector Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

My responsibility is to express an opinion on these Financial Statements based on my audit. I conducted my audit in accordance with the auditing standards issued by the International Organization of Supreme Audit Institutions. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the

financial statements in order to design audit procedures that are appropriate in the circumstances.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

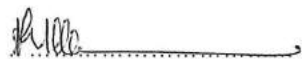
In my opinion the Financial Statements give a true and fair view of the financial position of the National Works Agency as at March 31, 2013, and of its Statement of Financial Performance, and its cash flows for the year then ended in accordance with International Public Sector Accounting Standards.

### **Emphasis of Matter**

I draw your attention to the Statement of Financial Position and notes 6, 16 & 19 where it is disclosed that the National Works Agency refurbished its Corporate Office for \$103.20 million. The cost for the refurbishing was expensed in FY 2010/2011. However, the National Works Agency has reclassified the expenses to accounts receivable for further assessment by its engineering unit and clarification from the contractor and the Ministry of Finance on the nature of work done. My opinion is not qualified in respect of this matter.

### **Report on Additional Requirements of the Executive Agencies Act**

I have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit. In my opinion, proper accounting records have been maintained and the Financial Statements are in agreement therewith and give the information required in the manner so required. Except that, the Agency failed to obtain approval from the Cabinet for the refurbishing of its Corporate Office for \$103.20 million as required by Appendix 6 of the Handbook of Public Sector Procurement Guidelines Vol. 2 for Procurement of General Services and Works, dated October 2010 (revised), which states that contracts valued at amounts greater than \$30 million should be submitted to Cabinet for approval. My opinion is not qualified in respect of this matter.



**Auditor General**

2013/12/15....


Date

**NATIONAL WORKS AGENCY  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2013**

	Note	2013 \$'000	2012 \$'000
<b>Non-current assets</b>			
Property, plant and equipment	5	118,974	118,492
		<u>118,974</u>	<u>118,492</u>
Construction in progress		<u>11,421</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	6	1,482,272	1,279,724
Investment	7	937,184	416,216
Client deposits	8 (a)	1,209,360	379,283
Cash at bank & in hand	9	72,359	40,968
		<u>3,701,175</u>	<u>2,116,191</u>
<b>Current liabilities</b>			
Client's deposit	8 (b)	1,894,360	660,283
Payables and accruals	10	335,927	425,291
Amounts payable to Accountant General**	11	426,635	223,583
Employee benefits	12	287,868	238,190
		<u>2,944,790</u>	<u>1,547,347</u>
<b>Net current assets</b>		<u>756,385</u>	<u>568,844</u>
<b>Total Assets</b>		<u>886,780</u>	<u>687,336</u>
<b>Equity</b>			
Capital (GOJ Investment)	13	166,940	166,940
General reserve		639,325	425,272
Donated assets reserve	14	80,515	95,124
		<u>886,780</u>	<u>687,336</u>

Approved for issue on behalf of the National Works Agency on December 11, 2014 and signed on its behalf by:

  
Mr. Everton Hunter  
Chief Executive Officer

  
Mrs. Pauline Dunstan  
Director of Finance and Accounts

The accompanying notes on pages 5 -15 form an integral part of these financial statements



NATIONAL WORKS AGENCY  
STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED MARCH 31, 2013

	Note	2013 <u>\$'000</u>	2012 <u>\$'000</u>
<b>INCOME</b>			
Management fees		1,048,337	1,115,691
Motor vehicle and equipment hireage		23,427	13,396
Inspection petroleum station		1,530	1,500
Subdivision and building application services		5,661	6,306
Other income	15	23,154	28,236
<b>Total Income</b>		<b>1,102,109</b>	<b>1,165,129</b>
<b>EXPENDITURE</b>			
Staff costs	17	1,026,362	988,696
Goods and services		135,404	127,290
Premises related services		58,928	67,330
Depreciation		43,241	45,706
Interest and charges		1,224	883
Bad Debts		-	191,197
Other costs	20	-	24,518
<b>Total Operating Expenses</b>		<b>1,265,159</b>	<b>1,445,621</b>
<b>Operating Surplus/(Deficit)</b>		<b>(163,050)</b>	<b>(280,492)</b>
Profit on disposal of fixed assets		878	3,724
Interest income		18,189	14,558
Amortisation of donated assets		19,386	21,107
<b>Net (deficit) before GOJ Financing</b>		<b>(124,597)</b>	<b>(241,102)</b>
GOJ financing from Consolidated Fund		552,702	510,771
<b>Net (deficit)/surplus after GOJ financing</b>		<b>428,105</b>	<b>269,668</b>
50% Net surplus to Consolidated Fund		(214,052)	(134,834)
<b>Net surplus/(deficit)</b>		<b>214,053</b>	<b>134,834</b>

The accompanying notes on pages 5 - 15 form an integral part of these financial statements

**NATIONAL WORKS AGENCY  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED MARCH 31, 2013**

	Contributed capital \$'000	Donated assets reserve \$'000	General reserve \$'000	Total \$'000
Balance as at March 31, 2011	166,940	42,694	290,438	500,072
Net Surplus for the year being recognised as income	-	-	134,834	134,834
Additions	-	73,537	-	73,537
Transfer to General Reserve	-	(21,107)	-	(21,107)
Balance as at March 31, 2012	<b>166,940</b>	<b>95,124</b>	<b>425,272</b>	<b>687,336</b>
Net Surplus for the year being recognised as income	-	-	214,053	214,053
Additions	-	4,777	-	4,777
Transfer to General Reserve	-	(19,386)	-	(19,386)
Balance as at March 31, 2013	<b>166,940</b>	<b>80,515</b>	<b>639,325</b>	<b>886,780</b>

The accompanying notes on pages 5 - 15 form an integral part of these financial statements

**NATIONAL WORKS AGENCY  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2013**

	<b>2013</b>	<b>2012</b>
	<b><u>\$'000</u></b>	<b><u>\$'000</u></b>
<b>Cash flows from operating activities</b>		
Surplus/(Deficit) for the year	(124,597)	(241,101)
Recurrent financing from Consolidated Fund	<u>552,702</u>	<u>510,771</u>
	<b>428,105</b>	<b>269,669</b>
50% Net surplus to Consolidated Fund	<u>(214,052)</u>	<u>(134,835)</u>
<b>Net (deficit)/surplus</b>	<b>214,053</b>	<b>134,835</b>
<b>Adjustments:</b>		
Depreciation	43,241	45,706
(Profit)/Loss on sale of fixed assets	(878)	(3,724)
(Increase)/decrease in receivables	(723,516)	(66,785)
(decrease)/Increase in payables	1,397,444	(112,097)
Transfer from donated asset reserves	<u>(19,386)</u>	<u>(21,107)</u>
<b>Net cash provided from operating activities</b>	<u>910,958</u>	<u>(23,172)</u>
<b>Cash flows from investing activities</b>		
Capital expenditure	(38,946)	(5,284)
Capital expenditure - Grant	(4,777)	(73,537)
Construction in progress	(11,421)	-
Proceeds from sale of fixed assets	878	3,835
(Acquisition)/divestment of investment	<u>(830,078)</u>	<u>(14,463)</u>
<b>Net cash used in investing activities</b>	<u>(884,344)</u>	<u>(89,448)</u>
<b>Cash flows from financing activities</b>		
Capital grant received	4,777	73,537
<b>Net cash flows from financing activities</b>	<u>4,777</u>	<u>73,537</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	<u>31,391</u>	<u>(39,084)</u>
Cash and cash equivalents at beginning of year	40,968	80,052
<b>Cash and cash equivalents at end of year</b>	<b><u>72,359</u></b>	<b><u>40,968</u></b>

The accompanying notes on pages 5 - 15 form an integral part of these financial statements



**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

---

**1. Identification**

The National Works Agency (NWA) was created as an Executive Agency under the Ministry of Transport and Works with effect from April 1, 2001. It took over the functions of the former Public Works Department. The principal activities of the NWA are to plan, build and maintain a reliable, safe and efficient main road network and flood control system. The NWA is regulated by the dictates of government policy and is mandated to achieve strict performance objectives as an Executive Agency.

**2. Statement of compliance**

- i. These financial statements have been prepared in accordance with the requirements of the Financial Instructions to Executive Agencies. These instructions require the application of Generally Accepted Accounting Principles which is based on International Public Sector Accounting Standards (IPSAS). IPSAS's are developed by the International Public Sector Accounting Standards Board. The IPSAS Board is an independent board of the International Federation of the Accountants. IPSAS's are based on International Financial Reporting Standards (IFRSs).
- ii. IPSAS deals with public sector reporting issues that are not addressed by IFRSs. The preparation of the financial statements to conform to IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the balance sheet date and the revenue and expenses during the reporting period. Actual results could differ from those estimates. The estimates and the underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known.

**3. Significant accounting policies**

**i. Basis of preparation**

The financial statements have been prepared under the historical cost convention and are presented in Jamaica dollars (\$), which is the reporting currency of the Agency.

**ii. Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash at bank, in hand, and investments.

**iii. Receivables**

Trade receivables are carried at original invoice amounts less provision made for impairment losses. A provision for impairment is established when there is evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

**iv. Accounts payable and accrued charges**

Accounts payables are carried at cost for the supply of goods and services and accruals is based on a fair estimate of liability at the end of the financial year. The amounts are payable within one year.

**v. Property, plant and equipment**

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment reviews.

Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Agency and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to other operating expenses during the financial period in which they are incurred.

**3. Significant accounting policies (cont'd)**

**v. Property, plant and equipment (cont'd)**

Depreciation on assets is calculated on the straight-line basis at annual rates that will write off the carrying value of each asset over the period of its expected useful life. Annual depreciation rates or periods over which depreciation is charged are as follows:

Plant, machinery and equipment	10 years
Furniture fixtures and fittings	10 years
Computers and office equipment	5 years
Motor vehicles	5 years
Specialist assets	20 years

Property, plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

**vi. Amortisation of donated assets reserve**

The reserve is written off on a straight line basis over the life of the assets.

**vii. Provisions**

Provisions are recognised when the entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**viii. Financial Instruments**

A financial instrument is any contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity. The Agency's financial instruments at March 31, 2013 were receivables and payables.



**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

---

**3. Significant accounting policies (cont'd)**

**ix. Revenue recognition**

Revenue is fees earned and is measured at the fair value of the consideration received or receivable and represents amount recoverable for services provided in the normal course of business.

Subvention is recognized when it is received.

Interest revenue is recognised in the statement of financial performance for all interest bearing instruments on an accrual basis.

**x. Repairs to Government building**

Expense to repairs the Corporate office and other NWA's offices are recognise in the statement of financial performance on the basis that these building are owned by the Government of Jamaica via National Land Agency.

**4. Financial Risk Management**

The Agency's activities expose it to a variety of financial risks: market risks (including currency risk and price risk), credit risk, liquidity risk, interest rate risk and operational risk. The Agency's overall risk management policies are established to identify and analyse risk exposure and to set appropriate risk limits and controls and to monitor risk. The risk management framework is based on guidelines set by management and seeks to minimize potential adverse effects on the Agency's financial performance.

**a. Market risk**

The Agency takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk exposures are measured using sensitivity analysis. There has been no change to the Agency's exposure to market risks or the manner in which it manages and measures the risk.

**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

---

**4. Financial Risk Management (cont'd)**

**a. Market risk (cont'd)**

**i. Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

**ii. Interest rate risk**

Interest rate risk is the risk that the interest earned on interest bearing bank account balances will fluctuate due to changes in market interest rate. The Agency's interest rate risk arises from deposits as follows:

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Cash resources (excluding cash in hand)	72,111	40,641
Investments in fixed deposits	937,184	416,216
	<u>1,009,295</u>	<u>456,857</u>

**b. Liquidity risk**

Liquidity risk is the risk that an Agency will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The risk is managed by maintaining sufficient cash and cash equivalents balances.

**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

**4. Financial Risk Management (cont'd)**

**b. Liquidity risk (cont'd)**

Financial Liabilities	<u>Carrying amount</u>	<u>Contract amount</u>	<u>Due within 3 months</u>	<u>Due within 1 year</u>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Payables and accruals	335,927	335,927	39,432	296,495
Client's deposits	1,894,360	1,894,360	-	1,894,360
Accountant General	426,635	426,635	-	426,635
Employee benefits	287,868	287,868	-	287,868
<b>At March 31, 2013</b>	<u>2,944,790</u>	<u>2,944,790</u>	<u>39,432</u>	<u>2,905,358</u>

Financial Liabilities	<u>Carrying amount</u>	<u>Contract amount</u>	<u>Due within 3 months</u>	<u>Due within 1 year</u>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Payables and accruals	425,291	425,291	37,188	388,103
Client's deposits	660,283	660,283	-	660,283
Accountant General	223,583	223,583	-	223,583
Employee benefits	238,190	238,190	-	238,190
<b>At March 31, 2012</b>	<u>1,547,347</u>	<u>1,547,347</u>	<u>37,188</u>	<u>1,510,159</u>

**c. Credit risk**

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Agency has the following cash resources:

	<b><u>2013</u></b>	<b><u>2012</u></b>
	<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	72,359	40,968
Investments	937,184	416,216
Client's deposits	1,209,360	379,283
Accounts receivable and advances	1,482,272	1,279,724
	<u><b>3,701,175</b></u>	<u><b>2,116,191</b></u>



**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

**5. Property, plant and equipment**

	<b>Plant, machinery and equipment</b>	<b>Computers and office equipment</b>	<b>Furniture, fixtures and fittings</b>	<b>Motor vehicles</b>	<b>Specialist assets</b>	<b>Total</b>
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)
<b>Cost</b>						
April 1, 2012	191,023	131,729	33,826	54,565	31,270	442,413
Additions	-	31,309	2,359	4,278	-	38,946
Donated	-	651	-	4,126	-	4,777
Disposals	-	-	-	(2,242)	-	(2,242)
<b>March 31, 2013</b>	<b>191,023</b>	<b>163,689</b>	<b>36,185</b>	<b>61,727</b>	<b>31,270</b>	<b>483,894</b>
<b>Depreciation</b>						
April 1, 2012	156,071	82,206	23,345	44,075	18,224	323,921
Depreciation charges	16,850	13,334	3,463	7,602	1,993	43,241
Disposal	-	-	-	(2,242)	-	(2,242)
<b>March 31, 2013</b>	<b>172,921</b>	<b>95,539</b>	<b>26,808</b>	<b>49,435</b>	<b>20,217</b>	<b>364,920</b>
<b>Net book value:</b>						
<b>March 31, 2013</b>	<b>18,102</b>	<b>68,150</b>	<b>9,377</b>	<b>12,292</b>	<b>11,053</b>	<b>118,974</b>
<b>March 31, 2012</b>	<b>34,952</b>	<b>49,523</b>	<b>10,481</b>	<b>10,490</b>	<b>13,046</b>	<b>118,492</b>

**6. Trade and other receivables**

	<b>2013</b>	<b>2012</b>
	\$'000	\$'000
Accounts receivable	1,478,570	1,322,317
Contracts receivables	262,802	219,075
Northern Jamaica Development Project	-	148
Refurbishing of Corporate Office (Note 19)	103,200	103,200
Prepayment and other current assets	7,443	7,030
Provision for doubtful debts	(369,743)	(369,743)
	<b>1,482,272</b>	<b>1,279,724</b>

**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

---

**11. Accountant General payable**

- a. This represents the 50% of net surplus earned by the Agency to be paid into the Consolidated Fund in accordance with the Financial Instructions to Executive Agencies.

**12. Employee benefits**

	<u>2013</u>	<u>2012</u>
	\$000	\$000
Provision for increments	13,260	5,634
Provision for salary arrears	69,869	84,894
Provision for vacation leave	40,378	47,620
Provision for gratuity	30,075	-
Provision for incentive	134,286	100,042
	<u>287,868</u>	<u>238,190</u>

**13. GOJ equity**

The initial capital investment from Government of Jamaica is represented by the value of the fixed assets transferred from the Ministry of Transport and Works and are deemed to be the Capital assets retained by the Agency at April 1, 2001. This has now been converted to equity.

**14. Donated assets reserve**

This represents the residual value of the assets donated to the Agency by the Government of Jamaica and other multinationals.

**15. Other income**

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Material Evaluation Testing	11,868	18,267
Planning and research services	4,490	4,547
Tender documents	1,034	444
Administrative services	4	66
Mechanical services	5,027	4,912
others	731	-
	<u>23,154</u>	<u>28,236</u>

**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

---

**16. Sale of designs**

During the financial year ended March 31, 2011 the Agency signed a professional services agreement with China Harbour Engineering Company for the sale of project designs valued at US\$ 3Million. The terms of the agreement were to receive a cash payment of US\$1.8Million and US\$1.2Million was earmarked for the refurbishing of the Corporate Office at 140 Maxfield Avenue.

**17. Staff costs**

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Salaries and wages	709,061	722,803
Travelling allowance and subsistence	231,352	193,354
Employee benefits	46,111	30,941
Statutory and other contributions	39,838	41,598
	<u>1,026,362</u>	<u>988,696</u>

**18. Staff emoluments**

- a. The required disclosure of employees in receipt of emoluments of over J\$2 Million per annum (FIEA Sec. 13.3.1) is stated hereunder as at financial year ended March 31, 2013.

NUMBER OF EMPLOYEES	SALARY RANGE (\$Million)
7	2.00 – 2.25
7	2.26 – 2.50
6	2.51 – 2.75
7	2.76 – 3.00
16	3.01 – 3.25
1	3.26 – 3.50
1	3.51 – 3.75
6	3.76 – 4.00
1	4.01 – 4.25
1	4.26 – 4.50
Nil	4.51 – 4.75
Nil	4.76 – 6.00
1	6.01 – 6.25
1	6.26 – 6.50
<b>Total</b>	<b>56 employees</b>



**NATIONAL WORKS AGENCY**  
**Notes to the Financial Statements**  
**Year ended March 31, 2013**

---

**18. Staff emoluments (cont'd)**  
**b. Key Management Compensation:**

	<u>2013</u>	<u>2012</u>
	\$'000	\$'000
Salaries and travelling	69,144	64,624
Gratuity	1,488	3,100
Pension	2,456	1,779
	<u>73,088</u>	<u>69,503</u>

**19. Refurbishing of corporate office**

This represents the amount that was earmarked under the professional services agreement with China Harbour Engineering Company (CHEC) for the refurbishing of the Agency's Corporate Office. The Agency reclassified the refurbishing expenses to accounts receivable for further assessment by the engineering unit to determine whether the expenses should be recognized as capital expenditure or recurrent expenses.

**20. Other costs**

This represents cost to maintain traffic lights for the financial year.

## NATIONAL WORKS AGENCY

### Statement of Internal Control

March 31, 2013

---

In accordance with the Financial Instructions to Executive Agencies, the National Works Agency has adopted a system of internal control to embrace:

- **Financial and Operational Control Systems and Procedures.** This includes the physical safeguard of assets, segregation of duties, restricted access, certification, authorization and approval, adherence to policies and procedures and information systems controls.

The Agency acquired a Financial Management System in 2001 and commenced the preparation of its accounts using accrual based accounting on April 1, 2001. The staff members in the Finance and Accounts Department are very proficient. It is continuously emphasized that each staff member must adhere to the policies and procedures in place, as any deviation will result in disciplinary actions being taken. All systems require a password to access and there exists restricted access to pertinent data. Additionally, physical access by staff is restricted in areas such as the Cashier's enclosure, records and cheque storage vaults, computer server and cheque printing room.

- **The Existence of Management Controls.** This is done through the setting of objectives, effective monitoring of financial and non-financial performance indicators, the assessment of changing circumstances for those that impact on the Agency and the application of measures to correct circumstances that prevent targets from being achieved.

The Agency's Corporate Planning exercise commences with a set of strategic directions issued by the Chief Executive Officer, usually in the month of January. During the exercise the previous year's performance is assessed, the strategic plans and justification for budgetary requirements are presented by the relevant Directors. These are evaluated and where applicable approved.

There exists timely management accounting reports in respect of costs and variances; comprehensive reporting on all Key Performance Indicators and targets. The monitoring of all contracts to ensure that value for money is achieved is an ongoing exercise.

## NATIONAL WORKS AGENCY

### Statement of Internal Control - continued

March 31, 2013

---

The Agency's Human Resource function is audited by the Office of the Services Commission which conducts review of the Agency's establishment, organization chart, job selection procedures, training and development and also provides human resource advice.

The Executive Agency Monitoring Unit of the Ministry of Finance ensures that proper standards and procedures are followed by the Agency. It supports and ensures that the Agency's financial framework is in place with respect to accountability, transparency, control and improved performance.

The Agency convenes quarterly review meetings with the Ministry of Transport and Works to facilitate the appraisal of the Agency's performance in regard to the progress and implementation of the Ministry's projects. The Ministry also provides feedback on policy issues that may arise.

The Agency's Advisory Board is chaired by an external person and includes other external persons who are appointed based on their professional expertise. Meetings are convened monthly to review the Agency's performance and the board provides advice to the Chief Executive Officer.

▪ **Internal Audit Review** - The Internal Audit function is an integral part of the management of the Agency that reviews and makes recommendations for implementation. The Chief Internal Auditor at all times remains independent. All internal weaknesses and discrepancies identified are reported and the necessary measures put in place to correct each. Quarterly reports are prepared and submitted to the Chief Executive Officer and the Audit Committee.

▪ **Audit Committee Review** - The Audit Committee which includes independent members reviews the report submitted by the Internal Auditor and provides independent advice to the Management of the Agency on internal control issues.



[illegible]

# NOTES

[illegible]





