



2nd REPORT OF THE

JOINT SELECT COMMITTEE ON

STATE ENTERPRISES

on

**An inquiry into the operations of the National
Infrastructure Development Company Limited
(NIDCO) including its compulsory land acquisition in
relation to major projects.**

July, 2021

An electronic copy of this report can be found on the Parliament website:
www.ttparliament.org

The Joint Select Committee on State Enterprises

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Joint Select Committee on State Enterprises

An inquiry into the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects.

2nd Report 2020/2021 Session, Twelfth Parliament

Report, together with Minutes

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The Joint Select Committee on State Enterprises

Establishment

1. The Joint Select Committee on State Enterprises was appointed pursuant to the directive encapsulated at section 66A of the Constitution of the Republic of Trinidad and Tobago. The House of Representatives and the Senate on Friday November 13, 2015 and Tuesday November 17, 2015, respectively agreed to a motion, which among other things, established this Committee to inquire into and report to Parliament on State Enterprises falling under its purview with regard to:

- their administration;
- the manner of exercise of their powers;
- their methods of functioning; and
- any criteria adopted by them in the exercise of their powers and functions.

Current Membership

2. The following Members were appointed to serve on the Committee:

Mr. Anthony Vieira

Mr. Foster Cummings, MP

Mr. Adrian Leonce, MP

Mr. David Lee, MP

Mr. Stephen Mc Clashie, MP

Ms. Paula Gopee-Scoon

Ms. Laurel Lezama-Lee Sing

Mr. Wade Mark

Powers

3. The Committee is one of the Departmental Select Committees, the powers of which are set out principally in Senate Standing Orders 91 and 101, and HOR Standing Orders 101 and 111. These are available on the Internet via www.ttparliament.org.

Secretarial Support

4. Secretarial support was provided by Mr. Brian Caesar, Clerk of the Senate, who served as Secretary to the Committee, Mr. Johnson Greenidge, Assistant Secretary, Mrs. Krystle Gittens, Graduate Research Assistant, and Mrs. Safiyah Shah, Graduate Research Assistant.

Contacts

5. All correspondence should be addressed to the Secretary to the Joint Select Committee on State Enterprises, Parliamentary Complex Cabildo Building, St. Vincent Street, Port of Spain. The telephone number for general enquiries is 624-7275; the Committee's email address is jscse@ttparliament.org.

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General Findings

During the inquiry, the Committee made the following findings:

1. NIDCO has displayed strong intent to subscribe to the framework set out in the State Enterprises Performance Monitoring Manual (SEPMM);
2. At the time of this Report, the primary aspect of the SEPMM framework that NIDCO was yet to fully adhere to was timely submission of Annual Audited Financials, the last submission being 2017, and Annual Administrative Reports, which are reliant on audited financials;
3. Additionally, NIDCO is developing its own e-Tenders system instead of implementing the e-Auction Portal mandated in the SEPMM;
4. According to the Ministry of Finance, the e-Auction rollout to all State Enterprises was never completed. Implementation of the e-Auction initiative was ongoing when, due to the “natural attrition of key project champions”, it stalled;
5. As relates to cost cutting strategies, one of the primary measures implemented by NIDCO was a rightsizing exercise in 2016 which brought the staffing numbers down to the appropriate level to carry out the activities of the enterprise;
6. NIDCO’s maritime services are fully subsidized by the Government and therefore, have no impact on NIDCO’s financial stability;
7. The decision to introduce additional routes for the Water Taxi Service would be a policy decision by the Government;
8. NIDCO’s primary challenges in the land acquisition process include:
 - i. Resistance from ‘persons interested’ to relinquish ownership of property to the State;
 - ii. Resistance to allow agents of the State to enter properties earmarked for acquisition, despite following procedures as set out in the law;
 - iii. Unreasonable demands for values of property despite valuer’s estimates;
 - iv. Absence of suitable relocation sites, especially where squatter settlements are encountered; and

- v. Insufficient number of qualified valuers, which occasionally delays large scale acquisitions

Summary of Recommendations

The following is a summary of the recommendations proposed by the Committee:

1. Overall, the Committee is encouraged by the strategies being implemented by NIDCO to manage costs and realise long-term sustainability;
2. While NIDCO has to a great extent adhered to the framework for State Enterprise operations, as defined in the SEPMM, the Committee encourages timely completion of necessary activities to bring the audited accounts up to date and submit outstanding administrative reports;
3. Additionally, the Committee encourages NIDCO to continue to engage the BIR in the appeal process for the penalties and interests accrued during the period of nonpayment of statutory commitments during the period 2016 to 2018 and submit a status update to Parliament by September 30, 2021;
4. The Committee is concerned that despite the noted advantages of the e-Auction Portal, the Ministry of Finance has failed to achieve greater uptake by State Enterprises. The Ministry of Finance is encouraged to develop a strategy for relaunch of the Portal in a manner that will achieve greater commitment to utilize by entities and submit a status update to Parliament by September 30, 2021;
5. A status report on the completion of necessary activities related to NIDCO's priority projects should be submitted to Parliament by September 30, 2021;
6. The Committee understands that NIDCO operates primarily as an agent of the Government and therefore functions within set policy objectives. However, the Committee recommends that NIDCO provide a report on:
 - i. The optimal management fee structure based on types of projects; and

- ii. Strategies for bringing the Water Taxi operations to a state of profitability, including addition of routes and tours.

Report Summary

This report examines the operations of the National Infrastructure Development Company Limited (NIDCO) including its compulsory land acquisition in relation to major projects. During the inquiry, the Committee focused on following objectives:

- i. To determine whether NIDCO is adhering to the framework for operations as outlined in the State Enterprises Performance Monitoring Manual;
- ii. To determine whether NIDCO has implemented all recommendations proffered during the 11th Parliament; and
- iii. To determine how the Committee may assist NIDCO in better achieving its mandate as a State Enterprise.

In summary, the Committee considers NIDCO to be conscientiously working at addressing the major threats to its future viability. This is very encouraging.

In the course of the Committee's interrogation of the pertinent issues surrounding its defined objectives, an additional concern arose, pertaining to the utilization of the SEPMM mandated e-Auction Portal by State Enterprises.

Recommendations proposed by the Joint Select Committee on State Enterprises are intended to improve the efficiency and effectiveness of the operations of NIDCO as well as underscore the need for the Ministry of Finance to address the issues related to implementation of the e-Auction Portal by State Enterprises.

1. Introduction

Background

- 1.1. The National Infrastructure Development Company Limited (NIDCO) is a special purpose State Enterprise, which was established by the Government of the Republic of Trinidad and Tobago in 2005.

- 1.2. NIDCO develops and implements large-scale physical infrastructure projects in the transportation, water management, land and environmental protection sub-sectors. The primary services provided by the Company are procurement management, project management and management of marine transportation services.

- 1.3. According to the Public Sector Investment Programme 2021 publication, the following are NIDCO's priority projects for fiscal 2021:
 - i. The Churchill Roosevelt Highway Extension to Manzanilla
 - This project is being undertaken on a phased basis (9 Phases), and is currently in Phase 1.
 - Work will continue in fiscal 2021 with an allocation of \$75 million.
 - ii. Construction of the Valencia to Toco Road (in collaboration with the Programme of Upgrading Road Efficiency (PURE))
 - In fiscal 2020, the sum of \$37.4 million was utilised for construction works.
 - Work will continue in fiscal 2021 with an allocation of \$55 million.
 - iii. The Construction the Solomon Hochoy Highway Extension to Point Fortin
 - This project comprises of 9 ongoing work packages.
 - In fiscal 2020, the sum of \$123.2 million was expended.
 - Work will continue in fiscal 2021 with an allocation of \$65 million.
 - iv. Fleet upgrades and expansion of the Water Taxi Service
 - A fiscal 2021 allocation of \$25.6 million has been made for fleet upgrades and expansion of the Water Taxi Service.

- NIDCO will also complete payments and take delivery of two (2) catamaran interisland fast ferries from Incat and Austal Pty Limited of Australia in fiscal 2021.
- v. The Construction of a Terminal and Associated Facilities of the ANR Robinson International Airport
 - This project will commence in fiscal 2021, with an allocation of \$70 million.

For full details of projects listed, click the following link to access the [Public-Sector-Investment-Programme](#).

1.4. Additionally, the following issues were brought to the public domain via articles in the media:

- i. [NIDCO chairman says contractors' issues will be addressed](#)
NIDCO Chairman responded to a report by the Construction Management Institute of T&T (COMITT) which identified three major problems that have plagued the industry i.e. delayed payments, working in high-risk areas and the lack of the implementation of the procurement legislation.
- ii. [Govt pays out \\$104m on Crown Point land acquisition](#)
The state has settled with 65 homeowners whose properties are being acquired for the construction of a new airport terminal and associated works at the ANR Robinson International Airport in Crown Point, at a cost of \$104 million.
- iii. [Land owners worry as airport land clearing starts](#)
Residents in the path of the Tobago Airport Terminal Expansion project said they were given notice by NIDCO, that the company would be undertaking pre-construction condition surveys in the area from September 21- October 12. However, they said it was only when they observed roofs being taken off, lots being cleared and a house being demolished that the seriousness of their current situation sank in.
- iv. [Highway construction making Pepper Village residents sick](#)
Residents of Pepper Village claim that most of the residents did property valuations but these were rejected by the National Infrastructure Development Company Limited.

Previous Inquires into NIDCO

1.5. First Report of the Public Accounts (Enterprise) Committee for the 1st Session, 11th Parliament: <http://www.ttparliament.org/reports/p11-s1-j-20160913-paec-r1.pdf>

1.6. Recommendations of the Committee directed at NIDCO included:

- i. Develop a cost cutting strategic plan;
- ii. NIDCO should continue to liaise with the Ministry of Works and Transport and pursue the initiatives in the proposal to achieve financial stability as soon as possible;
- iii. NIDCO should make every effort to tender and source a capable firm to complete the San Fernando to Point Fortin Highway as soon as possible;
- iv. NIDCO should make greater efforts to avoid a high sum of money paid for claims;
- v. NIDCO should take the required steps to complete the land acquisition process so that further delays or issues arising from this would cease to exist; and
- vi. In the future, the NIDCO should make every effort to complete the land acquisition process before commencing construction.

Literature Review and Background

1.7. The State Enterprises Performance Monitoring Manual outlines the framework within which State Enterprises and the Minister of Finance (Corporation Sole) interact. It defines:

- i. the roles of the major interacting agencies involved in monitoring the State Enterprise Sector;
- ii. the Monitoring Mechanism;
- iii. the Performance Monitoring Indicators applicable to the Sector; and
- iv. Compliance as well as the inputs for generating synergies within the Sector.

1.8. The rationale for this document is to facilitate the Government of the Republic of Trinidad and Tobago's (GORTT's) thrust to enhance efficiency and effectiveness in the State Enterprise sector.

1.9. This five-part manual is the result of extensive consultation with stakeholders and the collaborative effort of officials of the State Enterprises and the Ministries.

1.10. See **Appendix II** for the Framework for State Enterprise Operations

Objectives of the Inquiry

- i. To determine whether NIDCO is adhering to the framework for operations as outlined in the State Enterprises Performance Monitoring Manual;
- ii. To determine whether NIDCO has implemented all recommendations proffered during the 11th Parliament; and
- iii. To determine how the Committee may assist NIDCO in better achieving its mandate as a State Enterprise.

2. Conduct of the Inquiry

- 2.1 At its second (2nd) meeting held on November 30, 2020, the Committee agreed to conduct an inquiry into the operations at NIDCO.
- 2.2 Prior to the public hearing, a request for information on the general objectives of the inquiry was sent to NIDCO on January 21, 2021, and in response, written submissions were received dated February 03, 2021. These responses provided a frame of reference for the questions posed during the hearing.
- 2.3 The public interaction took place on February 15, 2021 with entities listed in **Table 1** below.
- 2.4 During the public hearing the Committee proffered supplementary questions for written response. Responses were received by NIDCO dated March 12, 2021, the Ministry of Works and Transport dated March 08, 2021 and the Ministry of Finance, Investments Division dated March 22, 2021.
- 2.5 The Minutes of the Meeting during which the public hearing was held are attached as **Appendix III** and the Verbatim Notes as **Appendix IV**.

Table 1

Persons who appeared and provided oral evidence

Name of Official	Portfolio	Organization
Public Hearing Held on February 15, 2021		
Mr. Herbert George	Chairman	NIDCO
Mr. Stephen Gardiner	Deputy Chairman	NIDCO

Ms. Vernie Shield	Chairman of Audit Committee	NIDCO
Ms Esther Farmer	President	NIDCO
Mr. Steve Garibsingh	VP Engineering and Programme Management	NIDCO
Ms. Roma Suratsingh	Manager Finance and Corporate Planning	NIDCO
Mrs. Sonia Francis Yearwood	Permanent Secretary (Ag.)	Ministry of Works and Transport
Mrs. Candida Hart	Senior Planning Officer	Ministry of Works and Transport
Mr. Ryan Maharaj	Director (Ag.), Agro-based, Manufacturing Services Sector	Ministry of Finance, Investments Division
Ms. Nadira Lyder	Project Implementation Advisor	Ministry of Finance, Investments Division

3. Key Issues, Findings and Recommendations

Objective 1. To determine whether NIDCO is adhering to the framework for operations as outlined in the State Enterprises Performance Monitoring Manual;

- 2.1 Based on the Committee’s findings, NIDCO has displayed strong intent to subscribe to the framework set out in the State Enterprises Performance Monitoring Manual (SEPMM);
- 2.2 At the time of this Report, the primary aspect of the SEPMM framework that NIDCO was yet to fully adhere to was timely submission of Annual Audited Financials, the last submission being 2017, and Annual Administrative Reports, which are reliant on audited financials;
- 2.3 The Committee was informed that the 2018 audit would be completed within a month of the February hearing. However, the 2019 audit process will require reengagement of an external auditor, with the consent of the Minister;
- 2.4 In the absence of audited accounts, the Committee was informed that as a monitoring mechanism, every month, management accounts are submitted to the Board of Directors; and
- 2.5 The Committee also learned that though NIDCO had accumulated arrears related to statutory commitments during the period 2016 to 2018, all related principal payments were brought up to date as at March, 2019 and NIDCO is currently making payments on an instalment basis to cover penalties and interest.

Development of an e-Tenders System instead of implementation of the SEPMM mandated e-Auction Portal

- 2.6 The Committee noted with some concern that NIDCO is developing its own e-Tenders system instead of implementing the e-Auction Portal mandated in the SEPMM;
- 2.7 The Committee had observed over several inquiries that the e-Auction system is not generally used by State Enterprises and therefore requested that the Ministry of Finance provide some insight into the uptake experienced;

- 2.8 The Ministry indicated that during the period 2008 to 2012, the e-Auction initiative was rolled out across thirty-two State Agencies. These agencies benefitted from savings in total expenditure of over one hundred and nineteen million dollars (\$119,000,000) and a reduction in the time taken to invite and receive bids by sixty percent (60%). The Agencies participating also realized economies of scale through collaborative events held for common items such as paper and computers;
- 2.9 According to the Ministry, implementation of the initiative was ongoing when, due to the “natural attrition of key project champions”, implementation stalled; and
- 2.10 Nonetheless, whilst the e-Auction Portal is not presently being utilized as the preferred procurement mechanism by all State Enterprises, all enterprises are expected to undertake procurement based upon Appendix B, Section IV of the SEPMM.

Recommendations

- 2.11 While NIDCO has to a great extent adhered to the framework for State Enterprise operations, as defined in the SEPMM, the Committee encourages timely completion of necessary activities to bring the audited accounts up to date.
- 2.12 Additionally, the Committee encourages NIDCO to continue to engage the BIR in the appeal process for the penalties and interests accrued during the period of nonpayment of statutory commitments.
- 2.13 The Committee is concerned that despite the noted advantages of the e-Auction Portal, the Ministry of Finance has failed to achieve greater buy-in. The Ministry of Finance is encouraged to develop a strategy for relaunch of the Portal in a manner that will achieve greater commitment to utilize by entities.

Objective 2. To determine whether NIDCO has implemented all recommendations proffered during the 11th Parliament

- 2.14 As relates to cost cutting strategies, one of the primary measures implemented by NIDCO was a rightsizing exercise in 2016 which brought the staffing numbers down to the appropriate level to carry out the activities of the enterprise;

- 2.15 The Committee learned that in instances when NIDCO may not have in-house competence to carry out all aspects of a particular job, external expertise is procured;
- 2.16 NIDCO also submitted that following a SWOT analysis of the organisation's internal environment, several changes were made, including greater delegation of authority from the Office of the President and competence building of the Management Team through an upgrade in organization training;
- 2.17 While NIDCO's measures have been successful as relates to moving the organization towards a position of financial stability in its core functions, the Committee recognised that the NIDCO's maritime services operate at a significant loss;
- 2.18 NIDCO assured the Committee that the maritime services are fully subsidized by the Government and therefore, have no impact on NIDCO's financial stability;
- 2.19 Despite the full subsidization, NIDCO assured the Committee that all efforts are made to contain the costs of operating all ferry services;
- 2.20 With respect to introducing additional routes for the Water Taxi Service, NIDCO clarified that they execute the policies of the Government and therefore, while advice may be offered, the decision on additional routes is not one for NIDCO to make;
- 2.21 NIDCO's major projects for which significant land acquisition was required, in chronological order, are:
- i. Churchill Roosevelt Highway/Uriah Butler Highway Interchange (Aranguuez Flyover)
 - ii. Solomon Hochoy Highway Extension to Point Fortin
 - iii. Churchill Roosevelt Highway/Uriah Butler Highway Interchange (Package 'C')
 - iv. CRH/SMR Curepe Flyover and Ancillary Works
 - v. Churchill Roosevelt Highway Extension to Manzanilla
 - vi. Construction of the New Terminal Building and Associated Works at the ANR Robinson International Airport, Tobago.
- 2.22 NIDCO's primary challenges in the land acquisition process include:

- i. Resistance from ‘persons interested’ to relinquish ownership of property to the State;
- ii. Resistance to allow agents of the State to enter properties earmarked for acquisition, despite following procedures as set out in the law;
- iii. Unreasonable demands for values of property despite valuer’s estimates;
- iv. Absence of suitable relocation sites, especially where squatter settlements are encountered;
- v. Insufficient number of qualified valuers, which occasionally delays large scale acquisitions

2.23 NIDCO does the following to mitigate against these challenges:

- i. **Repudiation of the Land Acquisitions Act:** Public consultations are held at the inception of projects to apprise ‘persons interested’ of the project and the anticipated land acquisition. Advice is given as to the options and rights available to persons interested and other stakeholders.

Community Outreach offices are established in the vicinity of the project sites to facilitate visits and requests for information from affected residents/ stakeholders with a view to managing the impact of the land acquisition. This aids with stakeholder management throughout the term of the project.
- ii. **Non-Cooperation of Persons Interested:** NIDCO seeks to act humanely with Persons Interested, allowing them time to absorb and accept the changes in their circumstances that will result in their having to surrender their land to the State for the intended public purpose.

In most cases, persons relent. Initial assertions of not moving give way to wrangling for greater compensation for their property, even if the amount sought is unreasonably high.
- iii. **Unreasonable Demands from Claimants:** Where it is unlikely for NIDCO to reach a settlement with the Person Interested on the estimated compensation payable under the Act, NIDCO will advise the Parson Interested on:

- a) his available legal option to seek for the matter to be determined by a Judge of the High Court;
 - b) the facility where he might apply for a down payment, which could be given up to a maximum of 80% of the Commissioner's evaluation, before a final determination is made;
 - c) NIDCO's authorisation under the Act to take possession before expiration of the Section 4 notice period.
- iv. **Relocation Sites:** NIDCO has encountered situations where Persons Interested are tardy in giving up possession, even after agreement has been reached and compensation is paid. The reason given is usually their not having found a suitable place to relocate.
- Squatters, who fall under the State Land (Regularisation of Tenure) Act Chap 57:05 and not under the Land Acquisition Act Removal are also encountered. Treating with them is usually more intractable and time consuming. NIDCO may need to work with the Land Settlement Agency and/or the Commissioner of State lands to assist in relocating the squatters to a suitable squatter settlement, after they would have been compensated for their goods and chattels.
- v. **Paucity of Valuers:** Under the Act, the Commissioner of Valuations (COV) is responsible for conducting all valuations and for negotiating the settlement of compensation. Where large acquisitions are being done the COV has given approval for NIDCO to retain qualified Valuers to assist with the field work, surveys, preparation of valuations and negotiating with Persons Interested. The work done by the specially retained Valuers is subject to supervision and approval of the COV.

2.24 The following are NIDCO's priority projects for fiscal 2021,

- i. Churchill Roosevelt Highway Extension to Manzanilla – allocation of \$75 million has been made

- ii. Construction of the Valencia to Toco Road - allocation of \$55 million has been made
- iii. Construction the Solomon Hochoy Highway Extension to Point Fortin - allocation of \$65 million has been made
- iv. Fleet upgrades and expansion of the Water Taxi Service - allocation of \$25.6 million has been made
- v. The Construction of a Terminal and Associated Facilities of the ANR Robinson International Airport - allocation of \$70 million has been made.

2.25 NIDCO has instituted several measures to ensure that projects are completed on time and within budget. These measures include the following:

- i. A detailed scope of works/services is developed in consultation with key stakeholders (both internal and external).
- ii. A Project Management Plan for each project is prepared and maintained, which includes the project scope, defines timelines and budgets, and identifies major risks to be monitored over the project lifecycle, communications plan, quality plan, etc.
- iii. Engagement of reputable and experienced consultants for provision of design and supervision services where these activities are not undertaken directly by NIDCO or the MOWT. NIDCO closely monitors all consultants using its experienced in-house project managers, engineers, attorneys and procurement specialists, and takes an active role to ensure that negative variances are mitigated/eliminated and positive variations are exploited (time, cost, quality).
- iv. Utilization of established and transparent procedures for tendering and contract award. The capabilities of vendors to successfully execute projects are assessed at the tender stage to mitigate/eliminate award of contracts to unsuitable vendors. These include background checks (legal and financial), financial capability, and so on.

- v. NIDCO utilizes the FIDIC (the International Federation of Consulting Engineers) Conditions of Contract, and its Project Managers and attorneys have developed considerable expertise in administering contracts using these Conditions, which supports the Company's efforts in meeting project objectives.
- vi. Risk Management and Health, Safety, Security & Environment (HSSE) are emphasized.
- vii. Regular site visits are conducted to confirm project status to compare planned versus actual, and to confirm adherence to quality standards, safety, etc.
- viii. Regular meetings are held with consultants and contractors (fortnightly, monthly as appropriate) to discuss project progress, issues, challenges, recovery plans, technical matters, etc. Project management issues are also discussed and plans for resolution are devised. Minutes of Meeting are generated from these meetings and are distributed to relevant parties.
- ix. Regular project status reports (weekly, fortnightly, monthly as appropriate) are prepared to inform NIDCO's Management and Clients. This ensures that clients are fully informed of how their project is progressing.
- x. In addition, meetings are also held with Clients to discuss any project issues that require their intervention/assistance to ensure that objectives are met.
- xi. Regular communications (both oral and written) are made with client Ministries to ensure adequate and timely funding is provided to avoid late payments, which could result in reduced rates of work and suspension of works – these impacts result in extensions of time and cost so must be carefully managed.
- xii. Project Managers are required to escalate issues to their superior officer including up to the level of the President so that these matters could be addressed in the shortest time to minimize/eliminate time and cost impacts.
- xiii. Regular internal progress meetings (weekly, fortnightly) are held with NIDCO's President to discuss critical projects.

- xiv. Project changes and variations are tracked and flagged to management for review and approval. All variations (time, cost, quality) must be justified in writing, and approved by the President. Funds for variations must be available within the contract to proceed with works/services.
 - xv. A weekly online meeting is held with all Engineering and Programme Management personnel to highlight and discuss project issues, including lessons learnt.
 - xvi. NIDCO recently started to use Procore Construction Management Software to assist the Company in managing its larger projects. Procore makes for quicker decision-making, document control, record-keeping, etc.
 - xvii. NIDCO places particular emphasis on quality assurance practices to encourage vendors to get deliverables right the first time, which directly mitigates re-work and time slippage on projects.
 - xviii. Close monitoring of the financial status of projects via regularly updated S-curves and cash flow projections (for the life of the project), to identify shortfalls in progress, determine project health and monitor expenditure.
- 2.26 Full details on how NIDCO intends to spend the allocations for each project listed at 2.24 may be found at **Appendix I**.

Recommendations

- 2.27 The Committee understands that NIDCO operates primarily as an agent of the Government and therefore functions within set policy objectives.
- 2.28 Overall, the Committee is encouraged by the strategies being implemented by NIDCO to manage costs and realise long-term sustainability.
- 2.29 A status report on the completion of necessary activities related to NIDCO's priority projects should be submitted to Parliament by September 30, 2021.

Objective 3. To determine how the Committee may assist NIDCO in better achieving its mandate as a State Enterprise

- 2.30 The Committee understands that NIDCO operates primarily as an agent of the Government and therefore functions within set policy objectives, which at times may not be the most suitable for NIDCO's operational efficiency and sustainability.
- 2.31 The Committee also understands that there are instances when NIDCO may request a review of the management fees offered, based on a particular project.

Recommendations

- 2.32 The Committee recommends that NIDCO provide a report on:
- i. The optimal management fee structure based on types of projects; and
 - ii. Strategies for bringing the Water Taxi operations to a state of profitability, including addition of additional routes and tours.

4. Conclusion

In light of the above, the Committee notes that NIDCO has displayed strong intent to subscribe to the framework set out in the State Enterprises Performance Monitoring Manual and is optimistic that the organisation is strategically moving towards a sustainably viable state.

The Committee is concerned by the low level of implementation of the e-Auction Portal despite the advantages outlined in the Ministry of Finance, Investment Division's submission.

Your Committee therefore awaits the response of the Minister of Works and Transport and the Ministry of Finance to the recommendations listed on **page 7**, in accordance with Standing Orders 100(6) and 110(6) of the Senate and the House of Representatives respectively which states inter alia that –

“The Minister responsible for the Ministry or Body under review shall, not later than sixty (60) days after a report from a Standing Committee relating to the Ministry or Body, has been laid upon the Table, present a paper to the House responding to any recommendations or comments contained in the report which are addressed to it...”

Your Committee therefore respectfully submits this Report for the consideration of the Houses.

Mr. Anthony Vieira
Chairman

Mr. Foster Cummings, MP
Vice-Chairman

Mr. Wade Mark
Member

Mr. Adrian Leonce, MP
Member

Mr. David Lee, MP
Member

Mr. Stephen McClaishe, MP
Member

Ms. Paula Gopee-Scoon
Member

Mrs. Laurel Lezama Lee-Sing
Member

APPENDICES

STATUS UPDATE AND FUNDING OF 2021 PRIORITY PROJECTS



APPENDIX 6: STATUS UPDATE AND FUNDING OF 2021 PRIORITY PROJECTS

ITEM	PROJECT NAME	STATUS	ALLOCATION	COMMENTS
ANR ROBINSON INTERNATIONAL AIRPORT NEW TERMINAL BUILDING AND ASSOCIATED WORKS (ANRRIA)				
1	Construction of a Terminal and Associated facilities of the ANR Robinson International Airport	<ul style="list-style-type: none"> Land Acquisition - 79% Construction Package (Main Works) - 20% Construction Package (Upgrade Works) - 63% 	\$70 Million	Allocation will be used to complete the construction of upgrade works as well as to facilitate the partial completion of the main works
CHURCHILL ROOSEVELT HIGHWAY EXTENSION TO MANZANILLA (CIIREM)				
2	Construction of ongoing 5 KM from Cumuto Road going East	60% Completed	\$75 Million	Funds will be used towards the partial completion of construction works, which is estimated at \$252 Million for this fiscal year
3	Detailed Design	Connector road to EMR (Guaico) - completed CRH to Toco main Road - completed		
4	CEC (CRH to Toco Main Road inclusive of Connector Road)	EIA Submitted EMA responded with two (2) Review and Assessment Reports to which NIDCO has replied. EMA to provide feedback by 9th March, 2020		
5	Land Acquisition	Compulsory acquisition being pursued as follows: <ul style="list-style-type: none"> Connector Road to EMR (Guaico) – Section 3 & 4 notices served Cumuto Road to EMR (Guaico) – Section 3 & 4 notices served CRH to Cumuto Road - Section 3 notices served 		
SOLOMON HOCHOY HIGHWAY EXTENSION TO POINT FORTIN (SHHEPF)				
6	Completion of ongoing nine(9) work package	<ul style="list-style-type: none"> Package 1B - Mon Desir Interchange, Dropouche River Bridge - 89.0% Package 1C - St. Mary's I/C, Grants Rd Underpass, Delhi Rd Overpass - 77.5% Package 1D - No. 8 Road Overpass, Guapo River Bridge - 97.0% Package 2C - (Mon Desir to Eccles Trace, St. Mary's to Mon Desir) - 40.0% Package 3A - Southern Main Road Overpass, La Brea - 50.0% Package 5A Ground Improvement + Foreshore - 66.0% Package 5B - Eccles trace to La Brea - 69.0% Package 5D - B44 to Dunlop - 65.0% Package 6C - La Brea to B44 (Southern Main Road) and Fyzabad to Mon Desir - 46.8% 	\$65 Million	All packages are anticipated to be completed by year ending 2021. The allocation of TT\$65. M has been exhausted and funding for the balance of the project is (approximately \$900 Million) is to be sourced
VALENCIA TO TOCO ROADWAY (VTD)				



APPENDIX 6: STATUS UPDATE AND FUNDING OF 2021 PRIORITY PROJECTS

ITEM	PROJECT NAME	STATUS	ALLOCATION	COMMENTS
7	Construction of Valencia to Toco Road	<ul style="list-style-type: none"> • Environmental Impact Assessment - 95% • Detailed Designs - 85% 	\$55 Million	\$15 Million of the allocation will be used towards the completion of designs and EIA
MARINE SERVICES				
8	(a) Major Asset Renewal of the Water Taxi and Fleet of Vessels - \$5Mn	Installation of one (1) reman engine: 100% Upgrade to Marinelink System - 10% Replacement of four (4) life rafts and three (3) slides on 41M vessel Paria Bullet - 50%	\$25.6 MILLION	Allocation to be used to: <ul style="list-style-type: none"> • Pay off debts previously incurred re: engine • Complete upgrade to Marinelink System and replacement of life rafts / slides • Fund the delivery and commissioning of Buccoo Reef
	(b) Purchase of Two (2) Inter-Island Ferry - \$20.6Mn	Commissioning of APT James - 100%		

FRAMEWORK FOR STATE ENTERPRISE OPERATIONS¹

¹ State Enterprises Performance Monitoring Manual, 2011: <http://www.finance.gov.tt/wp-content/uploads/2013/11/State-Enterprise-Performance-Monitoring-Manual-2011.pdf>

The following framework provides the guidelines for the effective operations of a State Enterprise as outlined in the State Enterprises Performance Monitoring Manual. These guidelines were used as a benchmark against which the JSC on State Enterprises conducted exploratory assessments of State Enterprises operations.

Criteria	Policy	Compliance Requirements
Appointment, Removal And Resignation Of Board Directors	Strong Boards are vital for the effective governance of State Enterprises. GoRTT appoints and removes Directors of Boards of State Agencies which must be done via the respective Line Ministers of State Agencies incorporated under the Companies Act, Chap 81:01 and by statute. The statutes specify the composition and required skills/experience of Directors. Letters of resignation of Directors of State Enterprises incorporated under the Companies Act, Chap. 81:01 must be forwarded to the Minister of Finance (Corporation Sole) under whose responsibility this lies	The Investments Division maintains a register of Boards of Directors of State Agencies.
Annual Meetings		<p>The Agenda of Annual Meetings (AM) should include the following:</p> <ol style="list-style-type: none"> 1. Confirmation of minutes of the previous AM 2. The consideration of the financial statements 3. The directors' report 4. The auditors' report, if any 5. The sanction of dividends

		<p>6. The election of directors</p> <p>7. The election of auditors</p>
Appointment And Removal Of An Auditor	<p>State Enterprises are no longer required to appoint the Auditor General as their Auditor unless required under the relevant statute of incorporation or if so desired. Auditors are appointed at an AGM with prior approval of the Corporation Sole.</p>	
By-Laws	<p>Special provisions are included in the Model By-Laws of State Enterprises to govern the interaction between the Minister and Companies. Changes to the By-Laws of Companies are to be approved by the Minister of Legal Affairs then accepted by the Corporation Sole and presented at an Annual or Special Meeting</p>	
Procurement Procedures	<p>GoRTT has agreed that the Minister of Finance review and audit contracts awarded by State Enterprises as considered necessary and appropriate.</p>	<p>State Enterprises are required to submit to the Minister of Finance within fourteen (14) days following the end of each month, lists of all contracts which were awarded during the month, together with the value of each contract. Tender rules and any amendments must also be submitted to the Minister of Finance for approval. Details on the Standard Procurement Procedures for the Acquisition of Goods, Provision of Services, Undertaking Works and Disposals of Unserviceable Items in State Enterprises/Statutory Bodies (State</p>

		Agencies) are given at Appendix B of the SEPMM.
E-Auction	All State Enterprises have been mandated to use e-Auctions to procure items of large spend.	The Ministry of Finance, in keeping with its initiative to reform Public Sector Procurement, is facilitating the implementation of e-auctions among State Enterprises. The e-Auction system is a procurement tool using web-based software that allows suppliers to bid online for a contract to supply goods and services. The e-Auction or online/electronic reverse auction (e-RA) is a bidding event sponsored by a buying organisation and forms a single part of the greater e-Procurement strategy. It is an online dynamic negotiation or bidding process between suppliers who compete to supply products by successively bidding prices downward.
Dividend Policy	GoRTT has agreed that the profitability of the Enterprise, its liquidity, legal restrictions/loan covenants and the replacement cost of essential capital goods are considered in determining the quantum of dividends that a Company would be required to pay. State Enterprises are also required to pay interim dividends based on semi-annual financial results. Actual distributions of profit are to be agreed with the Minister of Finance and appropriately disclosed in the financial statements. State Enterprises with Retained Earnings in excess	

	of Working Capital requirements may be required to pay a Special Dividend.	
Approval For Overseas Business Travel	Managers (include Managing Directors and Executive Directors) and other senior personnel of State Enterprises who are required to travel obtain the approval of the Board of Directors of their Companies, who may delegate this authority. Chairmen and Non-Executive Directors who are required to travel obtain the approval of the Line Ministers responsible for their respective Companies.	The Company is required to meet only the expenditure related to official business. The costs associated with foreign travel should comply with the guidelines published by the Comptroller of Accounts or the Company’s Business Travel policy approved by the Minister.
Board Fees And Allowances	Board Fees and Allowances for State Enterprises are determined by GoRTT.	
Use Of Cellular Phones And Laptop Computers	State Enterprises may wish to utilise wireless portable communication devices at the level of the Board of Directors to enhance the efficiency of their operations. State Enterprises may therefore adopt the policy approved by GoRTT on the use of Cellular Phones and Laptop Computers for the members as outlined at Appendix C of the SEPMM.	
Appointment Of Executive Directors And Consultancy Contracts	Boards of Directors are required to obtain the written non-objection of the Minister of Finance (Corporation Sole) to authorise the following: (i) appointment of Directors to be the holder of any executive position;	

	<p>(ii) entry of Directors into consultancy contracts with their companies.</p> <p>In each case, the detailed rationale for the proposal must be provided.</p>	
<p>Procedures Regarding Negotiation Of Pay And Other Terms And Conditions Of Employment</p>	<p>GoRTT has agreed that:</p> <ul style="list-style-type: none"> • the monitoring of wage and salary negotiations, the establishment and/or revision of pay and other terms and conditions of employment of employees of State Enterprises, including managerial staff and persons employed on contract should fall under the purview of Ministerial Committee for monitoring remuneration arrangements, a sub-committee of Cabinet. • terminal benefits such as separation packages and gratuities, other than those already specified in Collective Agreements, which State Enterprises propose to pay to employees be also subject to the approval of the Ministerial Committee for monitoring remuneration arrangements. 	
<p>Payment Of Bonuses</p>	<p>Bonuses are payable on the attainment of a minimum of eighty percent (80%) of the approved performance targets, after approval by the Line Minister. The bonus to be paid to each employee is limited to one (1) month’s salary annually.</p> <p>Payments which do not conform to the policy require specific approval of the Ministerial</p>	<p>At the beginning of the fiscal year, each State Enterprise is required to provide the respective Line Minister with identified performance targets, which could include, but not necessarily be limited to:</p> <ul style="list-style-type: none"> • Profits

	<p>Committee for monitoring remuneration arrangements.</p>	<ul style="list-style-type: none"> • Quality of product and service delivery • Productivity <p>The targets to be used in the evaluation of progress in achieving objectives should be verifiable, feasible, measurable and consistent with the Business Plan of the State Enterprise. These targets must be agreed upon with the Minister to whom the State Enterprise is required to report on its performance. The Annual Performance Review and Appraisal Reports (Appendix K) certify the Company’s performance. Requests for approval of the payment of bonuses should be made within four (4) months of the end of the Company’s financial year and the response time from Line Ministries is within six (6) weeks after receipt of requests.</p>
<p>Approval Of New Assets/ Investments, Debt And Contracts</p>	<p>State Enterprises or their subsidiaries are required to obtain prior approval of the Minister of Finance for the acquisition of significant assets, new investments in non-government securities, the incurrence of new/additional longterm debt and entering into significant contracts (relative to the Company).</p> <p>In addition, all GoRTT guaranteed borrowings of State Enterprises under the Guarantee of Loans</p>	

	(Companies) Act, Chap 71:82 are to be negotiated by the Ministry of Finance on behalf of the enterprises.	
Inter - Agency Debt		State Enterprises are to inform the Ministry of Finance on matters related to Inter-Agency Accounts Receivables and Payables that are unmanageable as detailed in the Quarterly Returns Report
Litigation Proceedings	State Enterprises are to utilise avenues other than the courts for resolution of disputes. Under no circumstances should legal action be initiated by one State Enterprise against another without prior approval of the Minister of Finance.	State Enterprises are to inform the Ministry of Finance on matters related to litigation proceedings as detailed in the Quarterly Status Report
Publishing Of Financial Statements	State Enterprises are required to publish in at least one (1) major daily newspaper a summary of its audited financial statements within four (4) months following the completion of the financial year and a summary of the un-audited half-yearly statements within two (2) months of the mid-year date subject to the approval of the Minister of Finance. These summary statements should contain the disclosures required by the Securities Industry Act, 1995.	
Shares And Transfers	State Enterprises are required to submit to the Investments Division original Share Certificates in the name of Corporation Sole and the Government Nominee Shareholders within five (5) weeks after	

	<p>the allotment of these shares and within two months after the date on which a transfer of any of these shares is presented to the Company for registration. The issuance of Government Shares must be with the approval of the Minister.</p>	
<p>Statutory Compliance</p>	<ul style="list-style-type: none"> • Payment of Royalties and Taxes • Integrity in Public Life • Occupational Safety and Health • Environmental Management 	<p>Occupational Safety and Health</p> <p>State Enterprises are required to comply with the Act (as amended), which came into force in February 2006.</p> <p>Environmental Management</p> <p>In accordance with the Environmental Management Act, Chapter 35: 05, State Enterprises are required to collaborate with the Environmental Management Authority to facilitate the proper management of the environment and to achieve the goal and objectives of the National Environmental Policy</p>
<p>Performance Monitoring</p>		<p>Strategic Plans</p> <ul style="list-style-type: none"> • Companies are required to submit their Strategic Plans to both the Investments Division and the respective Line Ministry at least six (6) months prior to the start of the implementation period of the plan, for those receiving subventions to allow for National Budgetary Preparation activities and one (1) month for others.

		<p>Annual Operating Budgets</p> <ul style="list-style-type: none">• Companies that require subventions from GoRTT are required to submit their annual Budgets to the Investments Division and respective Line Ministry for assessment at least six (6) months prior to commencement of the Fiscal year. The Investments Division and Line Ministry will review the Budget and respond within one (1) month prior to the start of the Fiscal Year. <p>Project Management Protocol</p> <ul style="list-style-type: none">• GoRTT has agreed that a Project Management Protocol be adopted as part of the governance framework for the management of some of the State Enterprises with specific mandates. <p>Risk Management</p> <ul style="list-style-type: none">• The success of risk management will depend on the effectiveness of the management framework providing the foundations and arrangements that will embed it throughout the organisation at all levels. <p>Audited Financial Statements</p> <ul style="list-style-type: none">• State Enterprises are required to submit the following:
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		<p>a) Audited Financial Statements (2 originals and 120 copies) to the Minister of Finance within four (4) months of their financial year end. These reports are to be laid in Parliament and subsequently submitted to the Public Accounts and Enterprises Committee for consideration;</p> <p>b) Copies of their Management letters issued by Statutory Auditors.</p> <p>Administrative Reports</p> <ul style="list-style-type: none">• Under Section 66D of the Constitution of the Republic of Trinidad and Tobago, Act No 29 of 1999, State Agencies are required to report to the public on their performance annually. <p>Board Minutes</p> <ul style="list-style-type: none">• Board Minutes should be made available to the Investments Division and respective Line Ministries to ensure that the Board is proceeding within the framework of the Strategic Plan and GoRTT policy decisions.
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MINUTES OF PROCEEDINGS

MINUTES OF THE 4th MEETING

**JOINT SELECT COMMITTEE
STATE ENTERPRISES
HELD ON
FEBRUARY 15, 2021 AT 9:30 A.M.**

PRESENT

Committee Members

Mr. Anthony Vieira	Chairman
Mr. Foster Cummings, MP	Vice-Chairman
Ms. Paula Gopee-Scoon	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mr. Wade Mark	Member
Mr. David Lee, MP	Member
Mr. Adrian Leonce, MP	Member

Secretariat

Mr. Brian Caesar	Secretary
Mr. Johnson Greenidge	Assistant Secretary
Mr. Jean-Marc Morris	Assistant Secretary/Legal Officer
Mrs. Krystle Gittens	Graduate Research Assistant

ABSENT / EXCUSED

Mr. Stephen McClashie, MP	Member
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The Meeting was held virtually via Zoom Video Conference

ALSO PRESENT:

National Development Company Limited (NIDCO)

Mr. Herbert George	Chairman
Mr. Stephen Gardiner	Deputy Chairman
Ms. Vernie Shield	Chairman of Audit Committee
Ms. Esther Farmer	President
Mr. Steve Garibsingh	VP Engineering & Programme Management
Ms. Roma Suratsingh	Manager Finance and Corporate Planning

Ministry of Works and Transport (MoW&T)

Mrs. Sonia Francis-Yearwood	Permanent Secretary (Ag.)
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Mrs. Candida Hart

Senior Planning Officer

Ministry of Finance – Investments Division (MoF)

Mr. Ryan Maharaj

Director (Ag.), Agro-based, Manufacturing Services
Sector

Ms. Nadira Lyder

Project Implementation Advisor

CALL TO ORDER

1.1 The Chairman called the meeting to order at 9:30 a.m. and welcomed Members present.

ANNOUNCEMENTS

2.1 The Chairman indicated that Mr. Stephen McClashie, MP indicated that he would join the meeting late due to a scheduling conflict.

CONFIRMATION OF MINUTES OF THE THIRD MEETING

3.1 The Chairman invited Members to consider the Minutes of the Third Meeting held on Monday February 08, 2021, and inquired whether there were any amendments.

3.2 There being no amendments, the motion for the confirmation of the Minutes was moved by Mrs. Laurel Lezama-Lee Sing and seconded by Ms. Paula Gopee-Scoon.

MATTERS ARISING FROM THE MINUTES

4.1 **Paragraph 4.4, page 2:** The Chairman informed Members that a letter was sent to the Chairman of the Joint Select Committee on Energy Affairs on February 12, 2021, and that he has since been contacted by said Chairman and advised that an official response will be forthcoming soonest.

4.2 **Paragraph 5.2, page 3:** The Chairman informed Members that pursuant to the conduct of the day's hearing, NIDCO, MoW&T and the MoF - Investments Division have all confirmed their attendance.

4.3 **Paragraph 5.5, page 3:** The Chairman informed Members that given that all Members of Parliament are asked to attend the Commonwealth Parliamentary Association Post Election Seminar on March 1st, 2021 it would be most appropriate for the Committee to

reschedule its follow-up inquiry with the Community-Based Environmental Protection and Enhancement Programme's (CEPEP) to another date.

- 4.4 **Paragraph 6.1, page 3:** the Chairman advised Members that by email dated February 14, 2021, the Secretariat circulated Guidelines for Virtual Meetings to Members and he requested that Members adhere to said guidelines.

PRE-HEARING DISCUSSION: NIDCO INQUIRY

- 5.1 The Chairman informed Members that an *Issues Paper* was prepared by the Secretariat based on the written submission received from NIDCO. The *Issues Paper* was uploaded to Rotunda and circulated to Members via email dated February 12, 2021.
- 5.2 The Chairman informed Members that officials of the following entities will join the virtual meeting to participate in the public inquiry:
- i. National Infrastructure Development Company Limited (NIDCO);
 - ii. Ministry of Works and Transport (MoW&T); and
 - iii. Ministry of Finance(MoF), Investments Division.
- 5.3 Members discussed the approach to be adopted with respect to questioning during the inquiry. Members took note of their preferred areas of focus for the interaction with NIDCO, per Item 5.3 of the Minutes of the 3rd Meeting of February 08, 2021.

OTHER BUSINESS

- 6.1 The Committee agreed that its next meeting date will be determined via round robin.

SUSPENSION

- 7.1 The Chairman suspended the meeting at 9.55 a.m.

PUBLIC HEARING: NIDCO INQUIRY

- 8.1 The meeting resumed at 10:13 am in public.
- 8.2 The Chairman welcomed officials and introductions were exchanged.
- 8.3 The Chairman outlined the objectives of the inquiry.
- 8.4 Hereunder is a summary of the issues/concerns raised and the responses provided during the hearing with the officials of NIDCO, MoW&T and MoF:

- (i) NIDCO's significant fluctuations in staff numbers, particularly from the years 2016 to 2018;
- (ii) The fluctuation in staff numbers was due to:
 - (a) a rightsizing exercise conducted in 2016, which considered the level of staffing required to fulfil the functions at the company; and
 - (b) the recruiting of staff for various vessels;
- (iii) Composition of staff, i.e. permanent, contract or temporary;

All staff of NIDCO is employed on contract;
- (iv) The policy for and cost of the rightsizing exercise in 2016;
- (v) Money expended by NIDCO on external council and other expenses related to litigation proceedings over the past five years;
- (vi) The procurement of external expertise by NIDCO on a job-by-job basis to boost its competences;

Examples of instances when outsourced expertise would have been required and the cost of externally procured expertise over the past five (5) years;
- (vii) Instances of Non-Payment of statutory payments – PAYE and NIS;
 - (a) NIDCO is up to date with payments which were made on an instalment basis to cover penalties and interest relating to NIS.
 - (b) NIDCO is awaiting a BIR decision in relation to any outstanding penalties and interest that may have been accrued as a result of late payment;
- (viii) Whether penalties and interest from late statutory payments affected NIDCO economically;

Commitment was given to make sure that these payments are made on time going forward;
- (ix) The status of the audited accounts and reason for the delay in having the accounts of NIDCO audited;
 - (a) NIDCO is in the process of finalising the auditing of the 2018 accounts;
 - (b) Tentatively, the 2018 accounts will be ready within one month;
 - (c) The 2019 audit process will require reengagement of an external auditor, with the consent of the Minister;
- (x) Mechanisms implemented by NIDCO to ensure transparency and accountability;

Internal audit function governed by the Audit Committee;

- (xi) Mechanism implemented by the MoW&T to monitor and evaluate NIDCO's performance;
- (xii) The MoW&T monitors NIDCO in accordance with the SPEMM:
 - (a) Quarterly returns are submitted by NIDCO;
 - (b) Contract approval and implementation follows a process and the Ministry is involved in the approval stage;
 - (c) Expenditure is via allocations under the Public Sector Investment Program;
 - (d) Each payment is monitored by a payment certification governed by the Ministry once NIDCO submits the necessary documentation;
 - (e) Minutes of the Board are provided on a timely basis;
 - (f) Unaudited accounts are shared with the MoW&T;
- (xiii) NIDCO'S Maritime services:
 - (a) NIDCO's maritime services are financed through Government subventions and therefore do no impact NIDCO's profitability;
 - (b) Nonetheless, NIDCO is aggressively looking at cost containment;
- (xiv) The possibility of expansion of the water taxi service to connect other parts of Trinidad and Tobago;
- (xv) The highway extension to Manzanilla:
 - (a) Phase 1 – Cumuto to the Eastern Main Road is in progress;
 - (b) The designs for connections between the Churchill Roosevelt Highway to Cumuto have been completed and the procurement of a contractor is the next stage. Land acquisition outstanding;
 - (c) Awaiting the Environmental Management Authority's (EMA) Certificate of Environmental Clearance for continuation of construction work beyond the Guaico road.
- (xvi) Operations of the new fast ferries:
 - (a) The APT James ferry is in daily service (except for Wednesdays);
 - (b) The Buccoo Reef ferry developed an engine problem and it was discovered that there was a problem with the cooling water pump. MAN, the manufacturer of the engine, has replaced the pumps;
- (xvii) Land acquisition for the Curepe interchange, particularly relating to the Kay Donna complex;

- (xviii) Lands to be acquired for the airport expansion in Tobago, specifically lands for the access road;
- (xix) Lessons learnt from the land acquisition in Tobago:
 - (a) Home owners usually resist;
 - (b) State valuations usually not accepted initially;
- (xx) The main objectives of NIDCO's corporate strategic plan;
- (xxi) The status of NIDCO's update of organisational policies;
- (xxii) NIDCO strategies to monitor cost, quality and sustainability:
 - (a) Cost - the tendering process if guarded carefully;
 - (b) Quality - specifications are monitored prudently - performance or conformance based;
 - (c) Sustainability - ensures protection of local ecosystem.
- (xxiii) The total cost of the Environmental Impact Assessment (EIA) for the Toco Port Facility;
- (xxiv) The cost of the new terminal building at the Tobago airport;
- (xxv) The MoF's satisfaction with NIDCO's performance and adherence to the SPEMM;
- (xxvi) The MoW&T's views on mass transit as a critical element in the transportation sector of Trinidad and Tobago;
- (xxvii) The MoW&T's opinion on NIDCO's performance.

8.5 The Chairman thanked the officials of NIDCO, MoW&T and MoF - Investments Division for attending and they were excused. The Chairman also thanked the viewing and listening audience for tuning in.

(Please see Verbatim Notes for detailed oral submissions)

SUSPENSION

9.1 The Chairman suspended the meeting at 12:49 p.m.

POST-HEARING DISCUSSION

10.1 The Chairman reconvened the meeting at 12:50 p.m.

- 10.2 Members agreed that additional information, discussed during proceedings, be requested of the entities that appeared. The Chairman requested that Members forward to the Secretariat any questions to be posed to entities.

ADJOURNMENT

- 11.1 There being no other business, the Chairman thanked Members for their attendance and the meeting was adjourned.
- 11.2 The adjournment was taken at 12:52 p.m.

I certify that these Minutes are true and correct.

Chairman

Secretary

February 22, 2021

VERBATIM NOTES

VERBATIM NOTES OF THE FOURTH VIRTUAL MEETING OF THE JOINT SELECT COMMITTEE ON STATE ENTERPRISES HELD ON MONDAY, FEBRUARY 15, 2021, AT 10.13 A.M.

PRESENT

Mr. Anthony Vieira	Chairman
Mr. Foster Cummings	Vice-Chairman
Mrs. Paula Gopee-Scoon	Member
Mrs. Laurel Lezama-Lee Sing	Member
Mr. David Lee	Member
Mr. Wade Mark	Member
Mr. Brian Caesar	Secretary
Mr. Johnson Greenidge	Assistant Secretary
Mr. Jean-Marc Morris	Assistant Secretary
Mrs. Krystle Gittens	Graduate Research Assistant

ABSENT

Mr. Adrian Leonce	Member
Mr. Stephen Mc Clashie	Member [<i>Excused</i>]

NATIONAL DEVELOPMENT COMPANY LIMITED (NIDCO)

Mr. Herbert George	Chairman
Mr. Stephen Gardiner	Deputy Chairman
Ms. Vernie Shield	Director, Chairman of Audit Committee
Ms. Esther Farmer	President, NIDCO
Mr. Steve Garibsingh	VP, Engineering & Programme Management
Ms. Roma Suratsingh	Manager, Finance & Corporate Planning

MINISTRY OF WORKS AND TRANSPORT

Mrs. Sonia Francis-Yearwood Permanent Secretary (Ag.)

Mrs. Candida Hart Senior Planning Officer

Mr. Wesley Gajadhar Legal Officer

MINISTRY OF FINANCE – INVESTMENTS DIVISION

Ms. Nadira Lyder Project Implementation Advisor

Mr. Ryan Maharaj Director, Agro-based Manufacturing Services Sector (Ag.)

Mr. Chairman: Good morning. The time is now 10.13 and I would like to call this meeting of the Joint Select Committee on State Enterprises to order. I will just remind everyone that this is our enquiry into the operations of the National Infrastructure Development Company Limited, NIDCO, including its compulsory land acquisition in relation to major projects.

I would also like to say welcome to what is really a historic meeting. Not only is this the first virtual meeting of our Joint Select Committee, today is also Carnival Monday. I am not sure if there has ever been a parliamentary sitting on Carnival Monday. Under normal circumstances, most of us would be heading home after Sunday night festivities and J'ouvert but here we are today. So thank you for all being with us under these unique circumstances.

Ladies and gentlemen, my name is Anthony Vieira and I would like to extend a very cordial welcome. We appreciate your attendance here today. Before I ask committee members to introduce themselves formally for the record, may I just indicate that member Mc Clashie has asked to be excused. I would now ask committee members to kindly introduce yourselves.

[Introductions made]

Mr. Chairman: Thank you. Now may I ask those who will be giving evidence today to please introduce yourselves, starting with NIDCO and then the Ministry of Works and Transport and then the Ministry of Finance? NIDCO.

[Introductions made]

Mr. Chairman: Thank you. Well, before we start the official proceedings, just a couple of housekeeping matters. Please remember that we are participating in a public hearing which involves a video link. Hearings by electronic means are conducted as though you are physically present. So when speaking, please do so clearly and directly but not too quickly in case there is a time lag. You should look directly into the camera and not move out of range while the hearing is in progress. Also be mindful of rustling papers and try to avoid multi-tasking and background noises such as cell phones ringing while the session is in progress. Time is limited and we hope to conclude by 12.30 so I will be trying to keep us on time as there is a lot to cover.

I want to remind participants that we proceed by question and answer. We want to find out information and views from the witnesses, not take up time telling our own views. I encourage everyone to keep questions and answers as brief and as focused as possible so that we can maximize the number of persons who have an opportunity to contribute. Let us talk one at a time, stay on point, try not to interrupt when someone is speaking, raise your hand if you want to speak. You can also move the discussion forward by emailing questions and comments.

I would also want to remind members that we are live on the Parliament Channel, Parliament Radio and Parliament YouTube, and viewers and listeners can participate by sending comments relating to today's engagement via email at parl101@tpparliament.org or on our Facebook page at [facebook.com\tpparliament](https://www.facebook.com/tpparliament) or on Twitter @TTParliament.

Remember the purpose of this enquiry is into the operations of NIDCO including its compulsory land acquisition in relation to major projects. I would also remind participants that this session offers a forum for you to share your challenges, your disappointments and your achievements. A forum to voice concerns, to make recommendations. It is a unique opportunity to increase public awareness, understanding and support in respect of your operations.

So I am going to open the floor now and I will invite the Chairman of NIDCO to make some brief opening remarks and to provide us with some salient information about NIDCO. Thank you. Chairman.

Mr. George: Mr. Chairman and members of the Committee, we welcome the opportunity afforded to us to appear before your august committee to participate in this enquiry and to provide evidence as you may require. At NIDCO, as Government's executing arm of its major infrastructure development projects, we are mindful of the public's high expectation for the services that we must deliver. That expectation is undiminished even in lean economic times.

Only a few days ago on February 10th at a press conference, the Minister of Finance and Corporation Sole apprised the nation of the parlous state of our economy, but gave assurances that construction would continue to be an important tool in terms of stimulating the economy and also employing people. As such, he promised to keep construction projects going and that happens to be our core activity at NIDCO. So NIDCO's response must be to do well and deliver the goods and services for which it was set up. We agree that there is no substitute for efficient and comprehensive infrastructure in opening a country to development and greater economic activity for its people, a truism that is not lost on the Corporation Sole and indeed, by extension, the Government.

In this regard, we are seized of the fact that when resources are scarce, we need to operate at optimum levels and utilize the little that is available in a manner that will minimize waste, breakage and poor returns. This we have accepted as our irrevocable mission in striving to fulfil our purpose. We therefore look forward to answering your queries and to receiving any guidance that you may wish to offer. Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Mr. George. I am opening the floor now to members. Member Mark.

Mr. Mark: Let me join the Chairman in welcoming all officials from NIDCO, the

Ministry of Works and Transport as well as Ministry of Finance. May I direct this question at Mr. Gardiner or whoever he deems necessary or fit to respond? In your submission, Mr. Herbert George, page 16, question 33, you provided, that is NIDCO, a table entitled “staff allocation and cost” for the period 2016 to 2020. I would like to ask on behalf of the Committee what is the reason or reasons for the significant fluctuations in your staff numbers, particularly from 2016 to 2018, and as you are responding, may you also advise us the composition of your staff in terms of those who are permanent, those who are on contract, those who are temporary and/or casual. That is my question to Mr. Herbert George.

Mr. George: Okay, all our staff is employed via contracts so all our members are on contracts. What caused the fluctuation? Well, in 2016, we did a rightsizing exercise and considered what level of staffing was required to carry out the activities of the enterprise. So in going from 2016 to 2017, one will see the results of the rightsizing. But as we went along and the vessels came on stream, so there was *Galleon’s Passage* first and now we have the two new belles, we had to recruit staff to man those vessels. So that would have resulted in a fluctuation that member Mark refers to. So basically, that is what has caused the fluctuation and secondly—

Mr. Mark: All right.

Mr. George: Pardon me?

Mr. Mark: Go ahead, Mr. George.

Mr. George: Oh, sorry, and secondly—

Mr. Mark: Proceed, Mr. George. Thank you.

Mr. George: Okay. Thank you, member Mark. So that is the reason for the fluctuation that you see in that table. Thank you.

Mr. Mark: All right. Mr. George, you must have had a policy position as it relates to your rightsizing. Would you be kind enough to supply to the Chairman or the Secretary of our committee in writing the policy position adopted in your rightsizing exercise and what

was the cost associated with that exercise in terms of relieving or reducing your staff? So you could put that in writing and make that available to our Secretariat.

Let me go on briefly to my second question and that has to do with, you also stated on page 19, question 41, that NIDCO usually retains appropriate external counsel for litigation proceedings and I would like to ask, over the last five years, could you share with this Committee how much has NIDCO expended on external counsel and other expenses related to litigation proceedings. Can you share that information with our Committee?

Mr. George: Mr. Chairman, if I may, I should like to have those submitted in writing, please.

Mr. Mark: Okay. In your submission, Mr. George, on page 4, question 6, you indicated that on a job-by-job basis, there were some gaps in what is called your required skill set. NIDCO, therefore, had to procure the services of external expertise to boost its competencies. Could you provide this Committee with examples of instances when outsourced expertise would have been required and also the cost of externally procured expertise over the past five years?

Mr. George: Can we have that treated the same way, Mr. Chairman?

Mr. Mark: As you are treating with that the same way, Mr. Herbert George, this is a public hearing and I want to advise and maybe the Chairman could advise, while we welcome things in writing, we would like to get answers as well to our questions, even if you have to give us a tight summary and then you will then proceed to put it in writing. But I do not believe it would be appropriate for us to be accepting everything being put in writing because you see, we would not really be able to achieve our objective as a committee.

So would you be kind enough to also put in writing your—when you said that when you did a job-by-job analysis, you discovered what is called gaps in your required skill set. You would have had a policy document driving this process, would you not?

Mr. George: Well, all right. Let me attempt to throw some light on this. Depending on the jobs that we are required to do, our first approach is to see whether we have the in-house competence to carry out all aspects of the job. So for example, when we were given the assignment to purchase the vessel, we recognized that we did not have all the expertise available at NIDCO so we would have sourced the expertise from the port and they kindly consented to work with us and— [*Technical difficulties*] a certain way of handling it. If we are required to do the design of a facility, we usually outsource that to competent designers. So that is what we are referring to when we said that, you know, where there are gaps in our skill set, we will go and outsource those technical competencies to carry out the activities that we are assigned to.

Mr. Mark: Mr. George, could you share with this Committee how many persons or personnel or experts you would have been able to source from the Port Authority as well as the cost associated with the procurement of those services?

Mr. George: Well, those are not secured on a cost basis. The request is made and the port will work together with us as required. So it is not a case of secondment or our going out there and procuring their services in the sense that they come and provide their expertise for a fee. It is done as an attempt to assist as required.

Mr. Chairman: Thank you. Member Mark, could we pass—

Mr. Mark: I am sorry. I will pause at this time, Chairman. Thank you.

Mr. Chairman: Thank you. Member Lee, you had some questions?

Mr. Lee: Sure. Thank you, Chair. Just a follow-up on the HR aspect, question on the NIDCO's brief, question number 46 on page 20, in respect to the NIDCO's NIS and PAYE commitments. I noticed at question 46 that they said NIDCO's monthly NIS and PAYE commitments are up to date, but when I looked at table 3, there were some issues in 2016, 2017, and 2018 as far as non-payment of the statutory payments to PAYE, NIS, et cetera. Could the Chairman inform this Committee what is the situation with those arrears and is NIDCO currently up to date as far as meeting all their statutory requirements as we speak

today?

Mr. George: Mr. Chairman, yes, I can do that and I will say yes, we are up to date and I will, you know, with your permission, defer to our Financial Manager to give us the details of what I have said.

Mr. Chairman: Thank you.

Ms. Suratsingh: Good morning members. With regard to the monthly commitments that are derived from the usual payroll processing, we are up to date. However, what the member is referring to are payments related to 2016 to 2018 where we would not have been making those payments on time. However, as at 2019 March, we were able to bring all those principal payments up to date and we have been making payments on an instalment basis to cover penalties and interest as it relates to the NIS and we are waiting BIR's decision in relation to any outstanding penalties and interest that we would have, I guess, attracted during the period of non-payment. So we have asked for an appeal on their decision.

Mr. Lee: Just a follow-up question, Chair, to the Finance Manager. Those penalties that you would have paid in respect to those three years to NIS, how would that have impacted on your cash flow situation or even your bottom line because you would have had to utilize funding to pay these penalties that could have been avoided if, I guess, allocations were being sent from the Ministry of Finance on a timely basis. So it would have impacted your bottom line and we are hoping as a committee that these things do not continue going forward because it would affect the employees at your company in respect of their NIS payments, et cetera.

Ms. Suratsingh: Okay. Thank you, member. In relation to the affecting of the bottom line, you would recognize that up to 2018, we will be showing a loss position in our performance assessment that we would have sent to you all. The reason for that would have been that we would have been making significant accruals for these penalties and interests. So it did affect the bottom line.

In terms of how we were able to make the payments, in 2019, you would have realized that that is when the majority of the settlement would have taken place. What we would have attempted to do is as the management fees and payments started to come in, we would have started to make those allocations back then. 2016 to 2018, the allocations were much less in coming in and as a result, that is why we had to have the non-payments and incur the penalties and interest.

And going forward, it is our commitment to ensure that these payments are made on time and that we will be having enough of the management fees and the payment of same so that we could continue to make it on time.

Mr. Lee: Thank you. That is it for me at this point in time, Chairman.

Mr. Chairman: Thank you, member Lee. Member Gopee-Scoon

Mrs. Gopee-Scoon: Thank you, Chairman. And NIDCO has huge responsibilities in terms of the substantial contracts which they carry out on behalf of the State of Trinidad and Tobago. What is status of the audited accounts? Our understanding is that it is completed up to fiscal 2017. I ask the status in terms of what is the reason for the delay. Is it because of internal accounting and auditing procedures that are not up to date? And in the absence of the audited accounts, what monitoring mechanisms with regard to your financial operations and how are these being measured in terms of accountability both internally and externally?

Mr. George: Once again, Mr. Chairman, with your permission, I would like to defer to the Finance Manager. [*Interruption*] Pardon me? Oh.

10.40 a.m.

Mrs. Gopee-Scoon: Thank you, Chairman. And NIDCO has huge responsibilities in terms of the substantial contracts which they carry out on behalf of the State of Trinidad and Tobago. What is the status of the audited accounts? Our understanding is that it is completed up to fiscal 2017. I ask the status in terms of what is the reason for the delay? Is it because of internal accounting—internal accounting and auditing procedures that are

not up to date? And in the absence of the audited accounts, what monitoring mechanisms, with regard to your financial operations—and how are these being measured in terms of accountability both internally and externally?

Mr. George: Once again, Mr. Chairman, with your permission, I would like to defer to the Financial Manager. [*Interruption*] Pardon me?

Ms. Suratsingh: Good morning again. Thank you, member. In relation to the audited financial statements, you are correct, we have up to 2017 completed. We are in the process of finalizing 2018. Some of our delay would have been—well, our delay would have been a combination of factors. The most important one and glaring one would have been the impact of COVID-19 on wrapping up the audit because there would have been a suspension and a reengagement period that would have been pushed us back further than we would have liked to have been. But we do expect to have the audited financial statements ready in short order. Within a month I would tentatively offer to the Committee.

With regard to monitoring mechanisms outside of the audited financial statements, every month we are required to report to the Board on the performance of the company via management accounts and analysis of same. That activity looks at our performance year to date and monthly, and provide explanations for any variances that require detail.

Mrs. Gopee-Scoon: Thank you. Is it that you are going to have both 2018 and 2019 within a month?

Ms. Suratsingh: No, member, just the 2018; 2019 would require re-engagement of an external auditor and we would have to go through the process of getting approval from the Ministry of Finance, et cetera, before the commencement of the 2019 audit process.

Mrs. Gopee-Scoon: We talked about the question of how accountability is demonstrated internally and you spoke about the management accounts that are produced. Are there any other measures by which you measure internal accountability?

Ms. Suratsingh: Could the member be more specific in terms of financial reporting?

Mrs. Gopee-Scoon: In terms of your internal audit processes and so on, and policies?

Ms. Suratsingh: Okay. Well, we do have an internal audit function and I am not completely privy to all of the reporting requirements in that function because that goes straight through the Audit Committee to the Board. So I would defer to Chairman and we will take it from there?

Mr. Chairman: Member Gopee-Scoon, may I just ask a question? You are four years behind with your audited accounts. Is that a satisfactory state of affairs? I mean, should NIDCO not be aiming to be more current with its audited accounts? You are one of the major spenders of taxpayers' dollars, you supervise and are responsible for major infrastructure development. Are you aspiring to be more up to date? Can you please explain?

Ms. Suratsingh: Thank you, Chairman. Yes, we are. I mean, it is a focus for us to have all of our financial statements up to date. However, there is a process involved in each auditing period. So, the reason why I am hesitant to give a deadline with the 2019 is because we were instructed to go out and engage a new audit—or seek—go out to tender for the new auditing period. So that in and of itself and the appointment of the auditors are things that we also work with the Ministry of Finance to do. So it is not strictly within NIDCO's control. As soon as we are able to have that process started, we will be ready to go with the 2019 audit and similarly, in 2020 as well.

Mr. Chairman: Member Gopee-Scoon, please continue.

Mrs. Gopee-Scoon: Yeah. My question is to the Permanent Secretary of the Ministry of Works and Transport. In the absence of the audited accounts, how do you monitor and ensure that there is accountability in terms of contracts, in terms of its financial position, et cetera?

Mrs. Francis-Yearwood: Yes. Good day, member Gopee-Scoon and committee members. So the Ministry seeks to monitor NIDCO in keeping with the State Enterprises Performance Monitoring Manual and there are documents that are submitted by NIDCO in terms of their quarterly returns to the Ministry and to the Ministry of Finance. There is

also, in terms of contracts, the undertaking of contracts, entering in approvals, entering into a contract and implementation of contract does follow a process. And the Ministry is involved in terms of—at the project definition and approval stage, it passes through the Ministry to the Cabinet for approval.

Subsequent to that, in terms of expenditure, the expenditure is via allocations under the Public Sector Investment Programme in the main and there is a process, in terms of each payment, via payment certificate that is undertaken by the Ministry once the documentation is submitted by NIDCO. So there is a review by the Ministry in terms of the expenditure based on the project. I hope I have answered your question Member. If not, please let me know what area you may need further information.

Mrs. Gopee-Scoon: Just a further question, are you up to date in terms of minutes from the Board? Do you, in the absence of the audited accounts, do you look at the management accounts?

Mrs. Francis-Yearwood: Yes, member. The Board does provide the minutes of their meetings on a timely basis and we get, if not the audited documentation, we will get the unaudited documentation.

Mrs. Gopee-Scoon: Monthly? Monthly?

Mrs. Francis-Yearwood: We will not get the management accounts monthly, member. No, we would not.

Mrs. Gopee-Scoon: Sorry—

Mrs. Francis-Yearwood: But we would get—the Board minutes, yes, we would get them on a monthly basis.

Mrs. Gopee-Scoon: Good. Thank you. If I am allowed to do a second question, Chairman, it would be concerning NIDCO's operations, in that NIDCO's revenues are dependent on its fee structure, in that there are fees attached to every contract that is awarded, if I am putting it right. And now, looking at your maritime services operations, you are operating in the red and the numbers are quite huge. When I look at the audited financial statements

for 2016, it is 54 million in the red. When I look at 2017, it is another 54 million and when I look at the unaudited financial statements, 46 million and this is at September 2018. How does this affect your normal operations? Are you given any fees for management of the maritime services operations— [Inaudible]—see you as organization curing this situation which is detrimental, of course, to your cash flow? And what do you have to say on this?

Mr. Chairman: We are not hearing. You might be on mute.

Mr. George: Okay. Mr. Chairman, I will just briefly say that the maritime operations are financed through government subvention, but we were in arrears in those years stated because we might have done some purchasing so that might have been the reason for those arrears. But I can, with your permission, defer to the Financial Manager for some more details.

Ms. Suratsingh: Thank you, Chairman. So, the Chairman is correct in saying that the management operations benefit from subvention from the Government. Our offset to that is that we manage cost very tightly with those operations to ensure that any shortfall that the Government has to supply us is as minimal as possible. Because the only offset, in terms of our revenue for maritime operations, would be the ticketing income per largely the water taxis and that is also subsidized by Government in terms of—it is meant to be at a relatively low amount.

So, I hear the member's concern. Having said that, however, in terms of NIDCO's overall performance and operations, because the maritime operations benefit from the subvention, we normally—it is fully offset by the subvention so the performance of NIDCO is really the net of NIDCO's revenue and its operating cost. So it does not roll up into the net profit and loss of the operations of NIDCO itself. I hope that answers the member's question.

Mrs. Gopee-Scoon: Yes, it does. So I understand clearly the separation with the maritime services operation and the NIDCO's operation. But even so, NIDCO itself, it is an improved position but I am seeing that the loss carried forward is a smaller amount. What

are you doing to ensure that you control expenses and that you operate profitably?

Ms. Suratsingh: Okay. So I would ask the member to also refer to—thank you for the question—to refer to 2019 and 2020 performances for NIDCO where we are looking, unaudited, at a profitable position. One has to keep in mind that back in 2016—late '15 into '16, there would have been a slowing down of the projects with the transition of governments and those things would have also impacted the net position of the company in those years, and they would have had an impact even going into 2017.

So we do understand and hear the concern in terms of the performance of NIDCO, but we have to take into consideration the variables that would have impacted the operation and the finances back then.

In terms of how we manage now, we are aggressively looking at cost containment, that is something we push. It is part of our organizational philosophy. And with regard to the revenue aspect of it, as the projects come along, we do from time to time ask for review of the management fees offered, within reason, understanding that everything is coming from the public purse.

Mrs. Gopee-Scoon: Chairman, I am not sure whether I should go on to value for money or whether you will want to allow another member?

Mr. Chairman: Thank you, member Gopee-Scoon. I think at this point I would like member Cummings to have a chance to ask his questions. Thank you.

Mr. Cummings: [*Inaudible*] Are you hearing me now, Chairman?

Mr. Chairman: Yes, thank you.

Mr. Cummings: Yes, thank you. I want to deal specifically with some of the PSIP priority projects and it is specifically to the Chairman to get an update from him in terms of the project that involves the highway extension to Manzanilla. I see in the response that it is at phase one but if the Chairman can give us some details on that, please? And then I have a follow up question based on his response.

Mr. George: Okay. So the highway extension to Manzanilla, there are many items of

work being done on that highway. Our first phase had to do with the five kilometres from Cumuto to the Eastern Main Road; that work is in progress. While that was being done, we sought to complete the design for the connection between the Churchill-Roosevelt and Cumuto. The designs have been done and the procurement of a contractor is the next stage. But before that is done, we have some land acquisition to take place on that leg of the highway, so that is being addressed as well.

We had to do a continuation of the designs from the Eastern Main Road on the east onto Toco Road, I think—just after Sangre Grande; that design has been completed. Then we have to pursue the CEC. The CEC required an EIA. The EIA has been done, submitted to the EMA, and they sent out their review and appraisal report which we have addressed and sent back to them. So we are awaiting their further rulings or granting of the CEC for the continuation of the actual construction work beyond the Eastern Main Road—not the Eastern Main Road, sorry. Just beyond the five km section, what is the name of that road again?

Hon. Member: Guaico.

Mr. George: Guaico, sorry, Guaico. Okay? So that is where we are with that highway.

Mr. Cummings: Chairman, if you can just speak little bit about the land acquisition issues? Are you speaking about the Wallerfield area? And if so, can you give us an update on how that is advancing?

Mr. George: All right. Mr. Chairman, with your permission, I want to defer to the President to give us an update on that item, please.

Ms. Farmer: Thank you. Thank you, Mr. Chairman. There are several land acquisition processes going on because there are several links. So, if we take the section from where the five km ends and we are going to Eastern Main Road, we have section 3 and section 4 notices. We have placed that in the public domain already, so we are in the process of acquiring those lands. We are also in the process of acquiring lands from the end of the construction to Eastern Main Road, what we call our connector road. So we have placed

section 3, we have not done the section 4 as yet because we are waiting on the CEC.

In terms of the western side, where we are coming from CR Highway to Cumuto Road, we have also served section 3 notices. Our policy is that we will not move forward until the CEC is granted. So while we are setting the stage for the land acquisition, we are actually awaiting the CEC. Thank you.

Mr. Cummings: Thank you very much, President. And Chairman, in relation to the Toco—the Valencia to Toco Road, can you give us an update on that, please?

Mr. George: Okay. So the Valencia to Toco Road, it will be a hybrid, a hybrid of greenfield construction, new construction altogether and upgrading of certain sections of the existing road. So we had that designs. The designs were completed and the CEC application has been submitted. So we are awaiting—well—and the EIA that was required has also been completed. So, we are awaiting the deliberations of the EMA on that score. But the designs have been completed. Once we get that CEC and with government's approval, we can go out to tender for sections of that road as far as the construction works are concerned.

Mr. Cummings: And just to shift off the highways a bit to the fast ferries. Could you give us an update on how things have been going with the *APT James* and any update on the *Buccoo Reef*?

Mr. George: Well, the *APT James* is in service. It is doing a daily service except on Wednesdays, complementing the service of the *TT Spirit*. So we have both the *TT Spirit* and the *APT James* conducting or performing that sea bridge service now. And so far, we have not had any major problems with the performance of the *APT James*.

As far as the *Buccoo Reef* is concerned, the *Buccoo Reef* set out on its journey, delivery journey or voyage on the 21st. Shortly after doing so, it developed a problem and the problem was one of the main engines was overheating. So the master decided to turn back, although he was told, well, he can go ahead and, you know, that could be attended to subsequently. But anyhow, he turned back to have it sorted out and we were in

agreement with that. Upon its return to Hobart, that is where the shipbuilder's yard was in Australia, they did a troubleshooting and found that there is a problem with the cooling water pump. Actually, there was a leak on it and they set about checking out that pump and I might add that all those works are being done under guarantee.

So they got in touch with the original equipment manufacturer, that is MAN, because MAN is the manufacture of the main engine. MAN attended and they removed that pump, replaced certain parts of the pump and reinstalled the pump. Upon sea trial, they found that another pump had sprung a leak so they did a similar service on that second pump. And what they found out was that the filter on those pumps were being clogged with foreign matter. And the thing about it is those foreign items, sludge, or whatever it is, in that environment there, high pressure, high temperature, they are very abrasive so that is what was causing the seals of the pumps to be damaged.

They then decided to replace all those pumps, so all four pumps were being replaced and they had to be shipped from Germany and that took a while because of the restrictions caused by COVID. So the new pumps arrived last Thursday, those pumps are being installed now. But before they are installed, the technicians were instructed to flush all the engines, just to make sure that there are no other foreign items or foreign—yeah, in the cooling system.

So the engines have been flushed, the new pumps have to be installed and then they will do a sea trial to see how well that worked, and it is then and only then we will be able to resume the delivery journey. That should be some time towards the end of this month and of course, subject to the repairs being successful.

Mr. Chairman: I have a couple questions from member Mark and member Lee. Member Lee.

Mr. Lee: Thank you. Chairman, you want me to go first?

Mr. Chairman: Yes, please.

Mr. Lee: Okay, thank you. Just two follow up questions, Chairman George, as far as land

acquisition in respect to the Curepe flyover interchange and ancillary work, could you give us an update of where we are at—NIDCO is at with land acquisitions in respect to that Curepe flyover interchange? Anything is outstanding? And I want to be specific in respect to the—what I would call the Kay Donna movie area—cinema, that land acquisition? And I have another follow up question with respect to the fast ferries.

Mr. George: Well, the land acquisition as far as Curepe overpass is concerned, that was handled by the Ministry because, you know, those works started many years ago. So the Ministry was responsible for that land acquisition. My understanding is—well, the flyover has been built. So in cases where offers were made to persons interested and where they were not satisfied, well, the Land Acquisition Act allows them to take the matter to the High Court. In cases where that existed, they are probably doing that but they would have requested the 80 per cent payment—80 per cent of what was offered by the State. Well, in that case, the Commissioner of Valuation, you know, whatever he offered, they are entitled to 80 per cent of that as a down payment. So they would have requested that. We would have taken possession, we would have done the works and the final value is being, you know—in those cases where there was not agreement, the final is being sorted out in, you know, in the court.

Mr. Chairman: Member Lee.

Mr. Lee: Yeah, can I have a follow up, Chairman George? If you are aware, as you have just mentioned, that those land acquisition in respect to the Curepe might have started prior to you and it might have fall under the Ministry of—I will assume the Ministry of Works and Transport—we have a representative in the Ministry of Works and Transport, maybe they can add some clarity to what is the status and the value of those lands?

Mr. Chairman: We have lost member Lee but I expect what he was going to ask is whether he could get some elucidation from Ministry of Works and Transport on the point?

Mr. Lee: That is correct, Chairman.

Mrs. Francis-Yearwood: Yes, Chairman. Member Lee?

Mr. Lee: Yes.

Mrs. Francis-Yearwood: If you could repeat the question it would be appreciated?

Mr. Lee: What is the status of those the land acquisition value? As what Chairman George had just mentioned, it would have fallen under the Ministry of Works and Transport, and if you had come up with a value, especially with that Kay Donna area—movie area specifically? Are there any other lands that are outstanding? And what is really the status of those values of the land outstanding as we speak?

Mrs. Francis-Yearwood: Right, as member George indicated it was handled by the Ministry's legal department. We did serve section 3 notices, they were published and the Ministry was allowed, and NIDCO, to enter in terms of undertaking construction. We are at various stages in terms of actual compensation. There are individuals who would have accepted the value as given by the Commissioner of Valuations, and there were some that we are still in negotiations with.

In terms of actual values, we can submit that to you in writing, where possible. In relation to the Kay Donna issue, those lands were leased lands, and that is being handled by the Commissioner of State Lands and the Commissioner of Valuations.

Mr. Lee: Okay, thank you. Just another follow up, Chairman Vieira, with respect to member Foster. As far as the fast ferries, new fast ferries, the *APT James* and the *Buccoo Reef*, I just want to ask Chairman George if those two vessels are identical? I do not know if they are and I have a follow up question on that. I just want to find out if the *Buccoo Reef* and the *APT James* are identical fast ferries?

Mr. George: No, they are not identical. The *APT James*, the length of the *APT James* is 94 meters. The length of the *Buccoo Reef* is 100 metres. The carrying capacity, the *Buccoo Reef* carries 1,000 people; the *APT James* is at 926. The speed however, very close, 38/39 knots, you know, so there are aspects that are very close. I mean, the engines, for example, are identical. The main engines are identical; the generator, identical.

Mr. Lee: All right, and that is the follow up question I wanted to ask, Chairman George, that the engines—the problems with the overheating and the cooling pump situation that we are having with the *Buccoo Reef* and if it is identical more or less to the *APT James*, why did we not have those issues with the *APT James* as compared to what we are having now with the *Buccoo Reef*? That is my question.

11.10 a.m.

Mr. George: If I might be permitted to use an engineering assessment, I would say the workmanship on one might have been different. So, those people who did the *APT James*, they might have been more thorough in the flushing out of their engines before they installed the pump, those four pumps. But in the second case, things fell through the crack and maybe the pumps were installed on engines that were not properly flushed. That is my best assessment of what has happened with the *Buccoo Reef* and not really an indictment on the engines per se, but it would probably have to do with the workmanship.

Mr. Lee: Okay. A follow up and last question, Chairman George. Given that—and that is a valid assessment in my view also, given that now that you feel that the workmanship of the vessels might be different, I am hoping that the NIDCO, through you, would ensure that when the *Buccoo Reef* sets out that a thorough inspection is done for the taxpayers of this country. That is just a statement and I am looking for some guarantee from NIDCO that they would ensure that the proper checks and balances were done. I think the master is correct in taking back the vessel to the manufacturer, could you—if he had continued the voyage it could have been worse and so a good decision on his part. But I just want to follow up to ensure that NIDCO follows up and ensures that the taxpayers get value for their money with the *Buccoo Reef*. Thank you.

Mr. George: Well, I do not know if that is a statement or just a question, Mr. Chairman, but if it were a question, I would confirm that NIDCO is indeed following up. In fact, we have a consultant in on the ground in Australia looking at our interest, he is a marine engineer that we used previously, so he is there looking at the interest and I might also add

that the manufacturers or the manufacturer of the engine, MAN. MAN has been very cooperative so they have not been—as I said before though they are all works done under the guarantee period and they have not been too problematic in sort of supplying the parts, deciding to change parts and all those things are happening sometimes based on our request and we have also requested that at the end of the day, we want a sea trial and that sea trial would be witnessed by our man on the ground and of course we would be furnished with the records of that sea trial and those must be to everyone’s satisfaction before the *Buccoo Reef* sets sail again. So yes we are taking those steps.

Mr. Chairman: Thank you. Before I go to member Leonce, I know member Mark had two quick questions to just pose.

Mr. Mark: Yes, Mr. Chairman, are you hearing me?

Mr. Chairman: We are hearing you.

Mr. Mark: Just wanted to ask Mr. Herbert George if he can share with us, what is the current cost of this first phase of the Churchill-Roosevelt to Manzanilla Highway, that is the one, between Cumuto and Guaico, if he could quickly tell us what is the current cost, and how soon it would be completed, and how soon the public would have access to use of that particular road?

Mr. George: Okay, Mr. Chairman, I have to refer to the document that we submitted to get that information because it is there and unfortunately I did not retain it, so I—

Mr. Mark: Okay, well no, no if it is there I will, I am sorry I will get it. Alright, may I go on quickly to another question, Mr. Chairman? Mr. Herbert George coming now to the fast ferries, can you indicate to this Committee what is the total payment of taxpayers’ dollars that we have made as a down payment for the acquisition of these two vessels in total, as well as, what is the precise amount of moneys that we have borrowed from the Export Insurance and Finance Corporation of Australia, to deal with the balance that we would not have been able to meet as a country given as you said our parlous economic and financial circumstances. Could you share with us quickly?

Mr. George: Okay, Mr. Chairman, I cannot speak to what the Government of Trinidad and Tobago borrowed from the Australian Government, that was not done through NIDCO per say, what NIDCO would have done, would have met with those builders, ensured that they got our spec sheet and the builders would have addressed this spec sheet, given us—submitted tenders and we would have advised the Government on what those persons tendered through draft Cabinet Notes and they would have approached the Government to get the loans required to build those vessels, so I do not have that information. What—the other information.

Mr. Mark: [*Inaudible*]

Mr. George: Sorry? The other information—

Mr. Mark: No, you go ahead Sir. You can proceed Mr. George. You can proceed Mr. George.

Mr. George: Oh okay yes, yes I will. The other information that the member is seeking, Mr. Chairman, it is given in Appendix 3 A, page 4 of 4 and it would be under item 19.

Mr. Mark: All right, well Mr. George, I know that the Chairman has to proceed to someone else but may I ask, did NIDCO, through the Ministry of Finance, provide advance payments to both Austal and Incat, for the construction, design and procurement of engines of these two vessels. And I am asking what would have been the total amount of moneys issued by NIDCO to these two shipbuilders at the time of the Government's intervention to approach FFIEC, to get the remaining amount, which as you said is not your business, that is the Minister of Finance, but your business would have been submitting advance payments. Could you tell us what is the total amount of moneys that the taxpayers paid through NIDCO to these two shipbuilders for those two catamaran fast ferries?

Mr. George: Okay, the advance payment, member, was not separate from the overall cost of the vessel, so if an advance payment was given, that payment would have been rolled into the cost or rolled into the price that was eventually sort of agreed, so when we say—

Mr. Mark: I do not think you, Mr. George, you are not understanding my question.

Mr. George: Oh sorry.

Mr. Mark: My question is a simple one, my question is very simple and straightforward. NIDCO would have advanced certain moneys to both shipbuilders during the course of the construction. You have documentations and records of what you would have advanced to those shipbuilders. All I am asking on behalf of the Committee is, how much moneys would NIDCO have advanced, would have advanced to these shipbuilders for the construction of these vessels? That is all that I am asking.

Mr. George: Okay. Well, Mr. Chairman, I—

Mr. Mark: Can you put that in writing for us, Sir, can you put that in writing for us?

Mr. George: Yes, yes that is better, because I am not understanding the question so we are going to seek clarification and we would put it in writing.

Mr. Chairman: Okay, thank you.

Mr. Mark: Go ahead, Mr. Chairman, thank you very much.

Mr. Chairman: Before we move on to member Lezama-Lee Sing, I just had a question from another Senator, she would like to know, are there any other lands to be acquired for the airport expansion in Tobago, specifically lands for the access road. If yes, have persons already been given notice? If no, how much notice would these clients be given?

Mr. George: Okay, there will be lands to be acquired for the access road. At present though, the land acquisition that is being pursued has to do with the construction of the terminal building and even there, we have I think 22 properties there to complete the acquisition but there is also another part of the area to be acquired. That was, I think it was a 12-acre block, that was already vested in the State but the State did not take possession. And in 1996 I think it was, the State did not take possession. So what is happening there now is our people on the ground have been authorized to conduct negotiations with the persons interested there on that block to arrive at a cost, or value for their chattels and those would be—well that is ongoing now so, we have two sets of land issues taking place

on that project now.

One has to do with 22 persons or 24 I said, 24 persons, where we are working through the process to settle with them and to take possession of their land and the other is with that 12-acre block where the private treaty negotiations are going on now for those people to reach an agreement for their chattel and then they can move out and we can take possession of that 12-acre block as well.

Mr. Chairman: Thank you and the Senator also wants to know what lessons if any were learnt from the land acquisition for Tobago?

Mr. George: Land acquisition for—well, land acquisition seems to bringing up some standard lessons repeatedly. One, people usually resist, they usually stonewall, they usually push back, that is their first mode of response but we have been—so that kind of reinforces the process we use, where we will set up a satellite office in the area that people can come in, we can talk with them, we can advise them as to what they can do, what their rights are and how we will be proceeding with the work. So that is firmly entrenched.

The other lesson that we keep getting over and over is where the state value might give a certain value for a property and persons interested they seem to be very reluctant to accept initially because maybe that is a bargaining position that they take to extract or to get as much for their property as necessary.

So then there is a—the time it takes to acquire properties that could be long and even though the law allows, because when a section 4 is given, section 4 really allows the acquiring authority to take possession but then we have not been pursuing the letter of the law as such, we have been using the spirit, where we intend to want to negotiate with the persons interested, get to some agreement and then take possession. And even where we do not get to the agreement, they would move on and use the other options of going to the court and we would make it known to them that they are entitled to if they would so apply, to 80 per cent of the offer that the COV would have made to them. So those are standard things that we are seeing with it. Almost wherever we have gone to acquire property and—

Mr. Chairman: So you use a—

Mr. George: Sorry.

Mr. Chairman: Sorry to interrupt you. So you prefer to use a soft approach rather than a hard-nosed approach.

Mr. George: Yes, that is what we have been pursuing, for the most part.

Mr. Chairman: But that soft approach could cause delay in the completion of projects.

Mr. George: Yes, it can, so we do have that option because after a section 3 and a section 4 are given, now section 4 has currency for six months, so within that period if one wants to use the hard-nosed approach one can use it. And maybe what it tells us is that acquisition can probably be scheduled for a little earlier than the start of construction.

So give it some—treat it as a long lead item that we will have to start early or much earlier than the actual planned construction start date.

Mr. Chairman: Thank you, and thank you member Lezama-Lee Sing for your patience. You may now ask your questions.

Mrs. Lezama-Lee Sing: Thank you very much, Chairman, thank you for the opportunity, members good morning again. I want to take us back to the report, thank you NIDCO for this wonderful document, it is very detailed and very intense but I have some questions that I would like to ask please. And these questions are based around your organizational structure, your corporate strategic plan, et cetera. I have noted that you had a corporate strategic plan that was for the period 2016 to 2020. Have you achieved what you have set out in that corporate strategic plan, and how do you plan to move forward? Are there plans on the way for a new strategic plan or are there outstanding elements from the strategic plan that you would need to revisit and to build upon? And probably I would stop there because on the other things are otherwise, so that Chairman, that is to the Chairman of NIDCO, Mr. George.

Mr. George: Thank you, member. With the Chairman's permission I should like to defer to the President.

Mrs. Lezama-Lee Sing: President? Sure.

Ms. Farmer: Thank you, member. No, we have not achieved everything we expected to achieve in our strategic plan, partly because we were idealistic and we really thought we could move mountains quickly. We have learnt we cannot, but our core requirements remain and that would be taken over into the next strategic plan. We have basically four, what I would like to call objectives. We want to improve our viability, our financial viability. That is going to be with us as long as NIDCO is in existence. So we would continually work on that. We did not quite make the target that we wanted, because we moved from a position of loss into a position of gain now. So we are getting there, we are definitely succeeded in our \$40 million, we have got that and you can see that in our revised and improved financial statements where we are making a profit of 60 million. So we are moving forward in that.

In terms of our processes, COVID has taught us a lot of lessons and we are going to be integrating those processes and the things that we have learnt in improving how we approach projects and what we demand of ourselves and what we demand of our contractors and our consultants.

The third one is our approach to corporate—our corporate compliance issues as the FC would have said we have our financial statements in which we are trying to make sure that we are up to date in that. That is the biggest bulk we have there. And in terms of our human resource productivity, we are working, we are changing our performance appraisal system, we have started to do our business continuity planning, so that we can get the human resource to understand that their survival is tied in to NIDCO's survival. So in terms of our new strategic plan, yes, we would start that by March this year. But it will follow along the same lines that with the lessons that we have learnt from the past strategic plan.

Mr. Chairman: Member Lezama, you are on mute.

Mrs. Lezama-Lee Sing: Sorry, so sorry. Sorry about that. Thank you very much, Madam

President; thank you, Chairman. So now that I have the President's attention I would also like to ask her please, when I was looking through your SWOT analysis of your internal environment, one of the weaknesses identified would have been authority is heavily concentrated in the Office of the President and there is undue pressure. Could you expand on that and just let me know what has been done to rectify that? Because that would obviously cause a severe level of sluggishness in the organization and beyond that I also noted that while technically competent, some managers require additional training in organizational and people structure. I know you touched—people management, sorry—on that just now, but have steps been taken to ensure that your managers have received sufficient training to bring them up to scratch, so that the organization can function as effectively as possible?

11.30 a.m.

Ms. Farmer: I smile, because you have given me a perfect opportunity here to plead my case. The office of the President, yes, there is a lot of control exercised in the office of the President, but we have a lot of delegation of authority also. Our managers are expected to manage and, therefore, they are required to do what is necessary to keep their decisions in keeping with the corporate plan for NIDCO. So it is not an arduous task for the President, because the President demands what is required of the management team.

In terms of organization training, yes we have started to do our upgrade of our organization training. In fact, quite recently, I sent a—we bought a specific book which I find quite interesting, *Execution: The Discipline of Getting Things Done* and, in fact, all my managers are actually reading that now and we will be coming to the table to—I mean, that is kind of informal, but we are also doing formal training. We have sent our folks on enterprise risk training. So, yes, we are taking this quite seriously in training our managers. Thank you.

Mrs. Lezama-Lee Sing: Thank you, Madam President. And now I move to the Chairman of the Board of Directors, please. In this submission from NIDCO, on page A76, there

was a special assessment undertaken by the Board of Directors and I must say I was quite flabbergasted by some of the findings coming out of this special assessment which would have been done in October 2015. And for those of you who do not have the document, permit me please to just mention some of the things here: Minimal funds available in the company's bank account, NIDCO moved from 266 million in 2013 to 103 million in September of 2015; escalating operation costs, from 25.3 million in 2010 to 66.1million in 2015, mainly due to personnel costs. And I have a very sincere concern about that, about the fact that the increase in expenditure has to do with "personnel" as opposed to what your core competency is.

We talked about—in this special assessment, I noted a net loss of 28 million for the financial year ending 2015, which eliminated the limited reserves accumulated in the past years. You have debts of 313 million—of course, this is dated October 2015—irregular payments on contracts, poor HR practices, non-adherence to policies and procedures and non-adherence to rules and regulations as outlined in the State Enterprises Performance Monitoring Manual. Now, this is very critical and we must pay attention to this, because this is not a position we must ever expect to find NIDCO in again.

And so, can I ask you, Chairman of the Board of Directors, what remedies have been done to make sure that NIDCO will never find itself—I suspect you would not have been the Chairman at that point in time during that period prior to October 2015. NIDCO had found itself in a really, really bad place, which I suspect is what ties into why you are little behind in some of your audited statements, et cetera, and I would really like to get an explanation from you as to where NIDCO is going now and how you have pulled yourself out of this situation, because this was not acceptable.

Mr. George: Okay. Mr. President—Mr. Chairman, sorry. Well, it is a lot of things that we have to be looking at at the same time. In fact, that report helped to inform our decision when we did, to do that rightsizing operation. What we were trying to ascertain then was whether the high cost, the recurrent cost on personnel, whether that was justifiable, and

we felt that it might not have been. But before we could make that decision, we thought that we wanted hard information, so we embarked on the rightsizing exercise.

Having completed the rightsizing exercise, and we are now thinking, okay, so we have a structure that is lean and that can engage the activities that we have before us. We tried to instil on our project managers that they need to own the process, own the jobs that they have assigned to them. They must not just be satisfied in being the monitor, passing—acting as a conduit of information, let us say, from site to some other place, you know. But they have to really take ownership of the job. So they have to be equally concerned, maybe more concerned with outcome rather than just process, and that is creeping in.

We also looked at the policies and we decided that policies must be written so that people must know what is expected, so that they can act appropriately. So, I mean, and we also found that out too, the need for that, by looking at the enterprise risk management policies that we are trying to adopt. And I know the VP Engineering, he has been, you know, working because, you know, engineering is our core activity. He has been working assiduously on getting that policy document together so that all members of his department will be apprised, they will know exactly what is expected of them. So it is that.

We have also looked at the whole thing about enterprise risk and, you know, we are really trying to have it as part of our decision-making in the organization. I will give you an example. We had said earlier that we wanted to increase our offerings, so we thought of doing some designs. And when that was looked at from the enterprise risk management lens, we felt, listen, you are exposing yourself to a design risk that, you know, and that is real. So one of the mitigating measures we said, okay, if we do designs at all, let us limit the quantum or the value of the projects, so we should not go beyond let us say about \$5 million. So we will start there and, you know, we can grow that facility, you know, as things take root. So, yes, we are using many approaches to address those difficulties.

The one that we have not been able to successfully address, because it is not totally in our power to sort of address, is the rate of payments. Payments can be sluggish at times.

And when I say payments, not just to us, but to contractors, and that we have been working along with our clients, trying to give clients the information required, give them reminders and, in some cases, they do respond but, you know, the receipt of payments at times could be, you know, it is a bit sluggish. So, basically, that is where we are and working down those issues that you referred to in that document that you read.

Mrs. Lezama-Lee Sing: Thank you very much. And Chairman, if I can just ask one more question? Chairman Vieira, I just have one final question to ask please and it just ties into policy. I noted that you developed a whistle-blower protection policy and I just wanted to know how has that been used and what have been the effects, if any. And you said that your VP Engineering is also developing a policy and any other policies that are in train. Do you have a time frame within which we can expect those policies to be developed, adopted and implemented?

Mr. George: Okay. The whistle-blower policy has been developed, has been implemented and it is in place. And well, what I could say is—

Mrs. Lezama-Lee Sing: Has it been used as yet? Sorry to interrupt you. Has it been used? Has anyone come forward using it?

Mr. George: I do not recall, no. Apparently, those who are engaged here are probably well-behaved, so there has not been a need to use it yet. But they all know that it is there, and it is a case of big brother is watching you. So people probably are being constrained by the fact that, you know, if they misbehave, it will be stove piped up to the board and others to, you know, sort of take action. So that is as far as the whistle-blower is concerned.

The policy, the other policies, we have recently looked at—not recently—over the time, we have looked at several policies, some of which we have included here, but the procurement policy is one that is engaging our attention now. We have done the policy to bring it in alignment with the law whenever it is finally and totally proclaimed, and what we are working on now is the handbook to go with the, you know, the policy. So that is one. There is also the thought to relook at the financial policy to see where there might be

areas of weaknesses that we need to strengthen. So, yes, we are looking at policies across the board. I cannot remember all those that we have sort of developed, but we are doing quite a number of them.

Mrs. Lezama-Lee Sing: So, can I just ask you if you could submit that to us as well? If you can give us a status update on your policies when you are sending your written documents, please.

Mr. George: We shall so do, yes.

Mrs. Lezama-Lee Sing: Thank you very kindly. Thank you, Chairman.

Mr. Chairman: Member—if I could take my turn of questions before he comes. So I have about three different areas that I would like to question. One is to do with policy about your infrastructure, another one is about the water taxi and then a third area will be regarding dispute handling. You mentioned in your documents that your role in national development and as a priority is a modern and efficient physical infrastructure. Is that right? Chairman?

Mr. George: Yes, that is correct. Yes, I have seen that.

Mr. Chairman: Right. So one of the troubling aspects of the Andrea Bharatt tragedy was the use of a decoy taxi to lure her unsuspectedly, and I think this highlights a very real concern on the part of many women in our society about uncertain and unsafe transport. Would a safe, secure and reliable mass transit system, for example, a rapid rail, be a safeguard for the thousands of our women commuters? And besides the—if de facto, you spoke about the need to stimulate the economy and to employ people, would that not be one of the ways to generating jobs and providing this employment not for a cosmetic or a handout project, but for a project that would yield real long-term benefits for the country? So, I am posing it as a question for thought, but would the construction and development of, for example, a magna track running from Sangre Grande to Chaguaramas, from San Juan to Point Fortin not provide a readymade solution, a useful solution to some of these challenges?

Mr. George: Mr. Chairman, if I might be permitted to just give some of what I feel, talk about some of what I feel, and although you warned earlier that we should not, but I am totally in favour of a mass system like the rapid rail, and I basically think that we have not heard the last of it. It will come back again as long as there is, you know, advocacy and, of course, and there are funds to sort of carry out the project. Because the last time it was attempted, the cost was what was maybe the bugbear in the whole thing. But I feel that that is a way that we will have to go rather than just via these road networks. So, yes, I am saying yes, and I am saying so because of maybe my personal view of what we have here as mass transport.

Mr. Chairman: Yes. And Chairman, well, it seems we are on the same page, because you now have very clean electronic railway systems, so it is less pollution. It would relieve congestion on our roads. It would be high speed, it would be safer for women. So it is certainly something that I think I would ask NIDCO to consider since you are one of the advisors to Government on infrastructural development.

Now, the other thing I wanted to ask about—oh, and talking about rapid rail, sorry, what about subways? Why could we not be ambitious and not imagine a subway from Haleland Park in Maraval exiting in the Savannah or a subway from Cascade and St. Ann's exiting in Independence Square? What about a Chunnel, Toco to Scarborough?

Mr. George: Various possibilities, Mr. Chairman, and we just, as I said, the advocacy must continue, and if we advocate the need for those things long enough, one day we will have the will, if not the will, and maybe the funding to attempt those projects. But, yes, all those, you know, are viable considerations that we can make to address this whole mass transit situation.

Mr. Chairman: Thank you. Now, I also wanted to ask about the water taxi, because I think that that is a real success story. I know a lot of people use the water taxis from south to Port of Spain and I expect that when the Civil Courts move to the Waterfront, it is going to become even more attractive. My question is whether we are underutilizing the water

taxi and whether we could be increasing some of the routes? So, for example, whether we could not use the water taxi as was in the 19th Century to connect coastal villages on the north coast and on the east of Trinidad? Could we not for example, connect central, south and Port of Spain to Chaguaramas? So, for example, on weekends and on public holidays so families could take outings to the Chaguaramas Recreational Centre and avoid all that traffic bottlenecking in Carenage. What about using the water taxi to bring families and tourists from Port of Spain, from the cruise ship centre to say, La Brea and then have the Pitch Lake as a tourist destination and develop La Brea as a corollary? What are your thoughts about the possibilities for water taxi?

Mr. George: I mean, Mr. Chairman, those are not new. During the time that we have been here, I have known about maybe two or three occasions we have gone to—I have heard thinking of extending the service to Point Fortin and to La Brea. At least those two stops and there was one at, is it Waterloo as well? We have looked at all those areas to see how very possible it will be to do that. You know, I can remember going down to Point Fortin looking at that area I think by Clifton Hill there and, you know, we looked at the difficulties of berthing there and what was—it is not insurmountable, but it was an issue that one had to contend with. There is a gas line running along the beachfront, and if we were to berth where we are thinking about, we will have to find some safe way of straddling that line. But, as I said, it is not insurmountable. But the point I am making is, we have been looking at those possibilities to extend the service, and I think it will move from just looking at, to doing something, you know, as time goes on.

I can also remember the Ministry of Tourism, I think, they had a system in the past where they used the water taxis for excursions I think, down the islands, you know, and that went for a while and, you know—the national heritage people I think it was. So they were using the water taxis to shuttle people to these sites down the island and that was well supported. We probably need to reintroduce that as well. So that you can find profitable use for those resources, you know, certainly on weekends when they are not

heavily used, so you get better returns on your asset. So those are possibilities that are worth considering. And well, Mr. Chairman, you did say that we are advisors, but I just want to correct that we execute the policies. But yes we can certainly give advice as concerned people who have the interest of the State at heart.

Mr. Chairman: Thank you. And my final question really had to deal with the matter of dispute handling. In your reply you had said that litigation is usually contract related. But you also said that your contracts are FIDIC. Now, I know that in FIDIC there is use of the DAB, the Dispute Adjudication Board. Can you tell me whether that does obtain in practice and, if so, how does it operate? How do you find it?

Mr. George: Yes, Mr. Chairman, it does operate. In fact, just about two years ago, it was the year before, we had a matter that was decided using the DAB. It is, you know, long and drawn out. But I think at the end of the day one gets a resolution even much sooner than one would have had one gone to court. So yes, it is used. And, in fact, with the OAS project, we are now in front of the LCIA, the London Code of International Arbitration and that, again, is an application of the DAB that was present in the contract that we had with OAS who were the original contractors on the extension of the Solomon Hochoy Highway to Point Fortin. So it is being used. And maybe to our credit, we sort of work with our contractors and not many of them see the need to have recourse to the DAB.

Mr. Chairman: And the real advantage I believe with the DAB is that in the traditional situation, when you go to court for a breach of contract, the project stops, but with the DAB you are able to continue the project whilst effectively dealing with the dispute. So that is an advantage there. Would it not be?

Mr. George: That is quite true. In fact, the one that I spoke about that we had about two years ago, the project was actually completed and handed over and, you know, before the DAB, you know, before the contractor referred the matter to DAB, because he felt that he was entitled to more money in terms of extra work done than we were offering. So, yes, you know, it is an advantage. The work is allowed to continue, the work continues and

one can then have that recourse to the DAB. Well, in the case of the OAS job, well, they were terminated. But, generally, what you have said, Mr. Chairman, is correct.

Mr. Chairman: So I am going to go to a second round of questions now. Member Leonce is not available at the moment. But what I am going to do, I will ask member Gopee-Scoon to go first, then member Foster, then member Mark and member Lee. Okay? Member Gopee-Scoon.

Mrs. Gopee-Scoon: Thank you, Chairman. When we were discussing the question of accountability, I mentioned that I wanted to move on to value for money and in a sense some of the questions have been asked surrounding value for money with regard to personnel in making sure that you have the best personnel, the most experienced and so on. But it is a very—I want to go a lil wider in terms of giving us some assurances in terms of cost effectiveness, in terms of your operations in the procurement of goods and services, in your tendering practices—and I know I am going a lil wide—but in ensuring too that there is quality in the work that you do.

Mr. George: Okay. We at NIDCO, we embrace that wider concept of value for money. So, yes, we look at cost, we look at quality and we look at sustainability as well. So, as far as cost is concerned, not only do we have that tendering process that we guard zealously, but we also are very mindful that we need to maintain the integrity of the process. So at the end of the day, whenever we tender for any item of work, we get the best, the right bidders bidding for the job and, so far, we have had no shortage of vendors bidding for our jobs whenever we go out to tender. So we have that competition there.

As far as quality is concerned, we are very careful with the sort of specifications that we produce, whether it is performance based or conformance based, you know, we are very careful. So that, well, usually, you know, our highway projects, it might be more conformance based. But in the areas like, let us say, when we were purchasing the new built, a lot of it was performance based. So that we were saying, listen, we want a vessel that can go 39 knots or whatever, 39 knots. So that is our performance criteria and

everybody had that. They were quite clear on that and, as a result, they were able to sort of tender on providing us with a vessel to give us that speed. So I am saying, yes, we are very concerned about the quality, and the way we handle that is by, you know, giving the sort of specification to vendors, you know, and tenderers that will really guide them in the preparation of their bids. And sustainability is also quite important, you know, because we are also concerned about protecting our local eco system.

Just that Tobago job, the Tobago job is being done, and we are seeking LEED certification for that job and LEED is the acronym for Leadership in Energy and Environmental Design, and they are very—well, of course, it was developed by the USGBC, that is the United States Green Building Council, and they are very concerned about areas like design, construction, operation and maintenance of the facility. So that is being pursued in this new project in Tobago. So we are also concerned about sustainability in our construction jobs that might not readily lend themselves to the use of LEED, per se. We take concepts from there to guide our activities, you know, on our projects. So dust control, sedimentation control and erosion, all those areas are areas that we give active consideration to in terms of sustainability. So yes, under value for money we sort of attend to all those aspects that are usually considered as part of value for money.

Mrs. Gopee-Scoon: Thank you very much. In terms of the quality of our road works, because you are responsible for many highways and so on, how do we measure to international standards?

Mr. George: Mr. Chairman, if I might be permitted, I want to defer to Mr. Garib Singh who is the VP of Engineering so he can enlighten us there.

Mr. Garib Singh: Mr. Chairman, thanks for the question. NIDCO follows the international standards for highway construction. Our designs are done to the US standard and geometric design standards are, of course, followed. In terms of construction, our specification also meets the US standard. We again follow, the document, in terms of specifications, our materials are expected to meet or exceed those specifications. In many

instances, they are in excess of these specifications. We look at the process of producing and placing those materials very carefully. For example, if we are utilizing aggregates, we look at the production of those aggregates from the quarry, stage of the quarry, the way they are transported, the way they are stored on site and the way they are laid down.

12.00 noon

We have a quality assurance process in place, the contractors themselves have a quality control responsibility. We at NIDCO have a quality assurance responsibility. We, in many instances, would hire a competent—well, in all instances, competent engineers, independent engineers to oversee—or ensure, rather, that the quality standards are met where we are supervising directly. We also hold ourselves to the same standard as if we were hiring, as if we were an international consultant. So at all levels, at every step of the way in every activity NIDCO meets and exceeds the standards set out in the international documents. Thank you.

Mrs. Gopee-Scoon: May I just ask a quick follow-up? Concrete versus asphalt, is that black and white or are those—I am sure you consider those, could you just give a little response to that?

Mr. Garib Singh: Yes. We have in the past looked at utilizing concrete as a replacement for asphalt in road construction, but in terms of the cost of the pavement, the initial cost is certainly more expensive, although there may be a case for a life-cycle cost in the longer term. The second issue that we were considering is also the availability of materials. Before in Trinidad we have our own bitumen, we have our own pitch lake, we have our own quarries, so in terms of cost it is also—it is cheaper for us as well.

The industry is extremely familiar with the utilization of bitumen as pavements and we would have to actually retrain our contractors and retool in terms of equipment as well if we were to go to concrete-type pavements. So both can work in Trinidad, there is no dispute about that, however the industry is very experienced in the production and the construction of flexible asphalt pavements.

Mrs. Gopee-Scoon: Thank you. And of course cost is a big, a major concern. Thanks a lot. Chairman, I would pass over.

Mr. Chairman: Thank you. Member Cummings.

Mr. Cummings: Thank you, Chairman. I know, Chairman, that you indicated earlier that you were going to ask a question concerning the water taxi, I do not want to repeat that. I do not know if you asked the question but I wanted to get an update in terms of the upgrade and expansion of the water taxi. Was that question posed before? Did I miss it?

Mr. Chairman: It was from a different direction about the policy directions of water taxi, but please follow up, member Cummings.

Mr. Cummings: Yes. To the Chairman, could you please give us some information regarding the water taxis and what is the plan, the upgrade and expansion of that service? I have another question in another matter afterwards.

Mr. George: Well, as far as the water taxi is concerned, as I indicated earlier, there are good reasons why we should look at extending the services in the first instance to places as Point and maybe La Brea so that you could really cover a wider part of the country, but that decision has not been placed before us yet as a job, you know. So we are just maybe thinking through things and suggesting that that is a good way to go with the water taxi.

Mr. Cummings: In your response there is a fleet upgrade mentioned, is that on the cards?

Mr. George: I do not know whether the fleet upgrade referred to may be maintaining the four water taxis that we do have because we have spent a lot of time and resources on those vessels to the point where we now have three vessels seaworthy and operational, and there is one on which we are still doing some work. And the water taxi was victim of that all-pervasive tendency for us to get an item, use it when it is new and do not think of maintaining at all and at the end of the day it is of no use to anybody. So the water taxis once had that problem where even if they were being maintained, the maintenance was not as enlightened as it should have been. All right? You know, they basically wait for breakdowns and then try to fix breakdown, but we have taken on a different approach. We

have recruited personnel so that we can conduct a more preventive maintenance programme on those vessels to the extent where we now have three vessels functioning and that last vessel will be brought back on stream presently.

Mr. Cummings: Chairman, I must say that I am quite pleased that NIDCO has been able to utilize a lot of local contractors. I am referring particularly here to the completion of the Point Fortin Highway and all those packages went to local contractors which I think, you know, augurs well for the development of our local skills and contractors. But tell me, how are the smaller or the medium contractors at all involved in benefiting from work coming out of NIDCO? Is it just focused on the large contractors or is there some way or mechanism that the smaller contractors get opportunities through?

Mr. George: Mr. Chairman, with regard to the use of the contractors, you know, the work packages down at the extension of the Solomon Hochoy to Point, I might just say that NIDCO is very faithful in carrying out the undertaking given to it by the Government. You know, the Government wanted those works to be done using the local talent that we had. As a result, those work packages were done so that they do not become too large in terms of value so as to frighten away our local people because that was the trend, you know, or that would have been the result if we had gone for just larger packages. So, yes, that is a policy that has worked and it really came from the Government.

Now, how do we intentionally engage the smaller contractors? Unfortunately, outside of just these work packages there is nothing that we as the executing arm can really do on some of our packages. There are smaller things like bridges, like—well, you have bridges, you have landslips, you have drainage so, you know, some of these projects they are of smaller value, so smaller contractors may get involved there or could get involved there. So that when we go out to tender we might have to place limits and I am not sure that we are at the point yet where we will want to do that having regard to the fact that in a climate of scarce resources, so we want to sort of use it to the best possible advantage.

What we have been doing though is that as we go out to tender we have been using

a system of open tendering for most of our projects, not debarring anybody who feel they have the competency and the ability to engage the projects that we tender. But even that might be a problem because, you see, we will use all sorts of—what?—financial metrics, acid ratio, return on investment, all those kinds of things, you know, in our assessment of the tenders that come before us because we do ask for financial statements, three years audited financial statement. You might find some of the smaller contractors may not—or even medium-sized contractors may not have that to submit. And then when those things come in we start looking at return on assets, net profit margin, current ratio, debt-to—you know. So all those things, you know, could probably work against the smaller and the medium-sized contractors. So we might have to intentionally not just—this is an area that we have to tread cautiously because, you know, but we would have to, you know, intentionally do things to give them an advantage in our tendering. But as it is now, no, we do not have that facility to really allow them. If they tender, they might be scuttled by the larger and more established contractors.

Mr. Chairman: May I ask member Mark if he has any questions?

Mr. Mark: Mr. Chairman, I have a host of questions. I may even ask you to bring back NIDCO. But let me deal with what I can because I know you have given us a time limitation to deal with some of these issues. First of all, may I ask NIDCO to provide to this Committee in writing, copies of the two shipbuilding contracts involving Austal and Incat in respect of the *APT James* and the *Buccoo Reef*, respectively; that is the first area? The second area I would like to ask NIDCO is, I would like them to refer to appendix 3B of the current—[*Audio malfunction*—]—our various capital projects, I think on page 4 of 3B. Now, Mr. Chairman, if you go to that Appendix yourself you will see under Tobago Mariner Facility, Toco Port Facility, and of course the Valencia to Toco roadway, I would like to ask Mr. Herbert George whether he can confirm that the total cost for the preparation of the EIA for the Toco Port Facility is what is stated here as \$12,078,394? Can you confirm with this Committee that this is in fact the final cost of that particular

EIA, apart from the additional costs that you have just mentioned amounting to \$8million?

Mr. George: Mr. Chairman, if I may, I want to defer to the President and she is going to tell us about the cost of the EIA.

Ms. Farmer: I am not sure if I heard member Mark, but on page 5, under number 22 that speaks to the contract cost for the conceptual design and EIA, there is a figure of \$12,078,394, and that is made up of different elements. That is the payment, the contracts in respect of ERM, Arun Buch and ESL Consultants Limited. And the—

Mr. Mark: Can you give us a breakdown, Ms. Farmer, for the ERM-West along with the other one that you just mentioned so we will know ERM-West got so much for the EIA for the Tobago facility as well as the others?

Ms. Farmer: It is of the order of \$10 million. The ERM and ASL contracts combined were of the order of \$10 million. And I am almost certain ERM would have been in the order of \$8 million, but I can confirm those because, as I said, that is a combination of three contracts there. I can get you the actual details of all, of each of them.

Mr. Mark: Now, this EIA would have been conducting solely by the ERM-West of the United States or they have local participants?

Ms. Farmer: ESL is a local participant that would have assisted the ERM, the EIA consultant, and the conceptual design of record would have also assisted in creating the document, the EIA document. So all three would have worked together in creating that EIA document.

Mr. Mark: Could you advise this Committee who were the persons that set up the terms of reference or formulated the terms of reference for the EIA consultancy?

Ms. Farmer: The terms of reference would have come to the TOR that EMA would have given us. So we would have gone to EMA, they would have given us a TOR in which the EIA had to be developed and we would have used that to create our document for the ERM consultant.

Mr. Mark: Now, could you tell us who did—

Mr. Chairman: Member Mark, if I could, because just for the record, I think many people may not understand what an EIA is, so if I could just—

Mr. Mark: It is an Environmental Impact—

Mr. Chairman: No, no, no, if I could just interject. So when one is applying to do a development or a project development and you are applying for what they call the CEC, the Certificate of Environmental Clearance, the EMA could ask for an Environmental Impact Assessment to be prepared; that is the EIA. That Environmental Impact Assessment is usually a very detailed scientific document that would treat with things like in, I suppose, with the port, water flows, soil, how it would impact fishing and other things of that nature. So this would be detailed, it would be scientific and it would have to meet the expectations and requirements of the Environmental Management Authority. Is that right, Mr. Chairman and Madam President?

Ms. Farmer: That is correct.

Mr. Mark: Could I proceed, Mr. Chairman?

Mr. Chairman: Please do, member Mark.

Mr. Mark: Yeah. I would like to ask Ms. Farmer, President, how did we go about the selection process or the recruitment process for this particular EIA consultancy? Can you advise us?

Ms. Farmer: At the point in time we were about to do this all our local consultants were engaged in doing the EIA for the CR Highway, CRH Extension, Toco port—not Toco port, BTT. So we looked in the international arena to see what we could establish and our research found ERM who had done considerable work in Trinidad and Tobago for the various oil industries and we engaged conversation with them and then presented them with a tender for them to bid on.

Mr. Mark: Are you advising this Committee that we did not have competitive bidding in this procurement of this particular company called ERM-West?

Ms. Farmer: We did a sole select. We did a sole select.

Mr. Mark: What unique skills, and let us say talents that this company would have brought that a local company could not have brought to the table? Could you advise this Committee?

Ms. Farmer: All the local companies were engaged so it was not a matter of we chose someone foreign over someone local, we had no local. We had basically two local companies that are involved in EIA, both were engaged in other projects. In terms of competencies of ERM, their track record speaks for them. I do not have their data in front of me here but I know they are well established, other companies in Trinidad have used them and they came well—let us say, well-appointed.

Mr. Mark: Well-appointed or well recommended?

Ms. Farmer: Highly recommended to the table.

Mr. Mark: Who are the people who highly recommended this company to the NIDCO?

Ms. Farmer: We did our research, Sir, so when we looked at the track record that they had and what they had done in Trinidad and Tobago, we thought—we as NIDCO, the big boys in the room, we thought they were quite well placed to do our EIA.

Mr. Mark: Madam Farmer, President, how was the payment made, was it made in full or was it made partially or at the end of the EIA as submitted by this company to the EMA which apparently turned out to be extremely deficient? Can you advise us?

Ms. Farmer: All payments are paid by IPCs. Any—

Mr. Mark: When you say “IPCs”, could you tell us what “IPCs” mean?

Ms. Farmer: Interim payment certificates, sorry.

Mr. Mark: Okay.

Ms. Farmer: So as the progress goes along contractors or consultants are paid based on progress. In terms of EIA submission, it is never a one-off document. We did BTT; we have got two RARs, that is a local consultant, and sometimes the requirements from EMA are more detailed than we think or they may shift their requirements. So what the EIA does is that we present what we feel the TOR is asking us for. The EMA will go through

it; they will say, “Well, no, you did not do that or maybe you ought to have done that”, we take it back; we go in terms of the EIA for CREM. They wanted some more hydrological testing, we went out, we did that. We created some changes in design, so it is something like an evolution process, it is never a one-off.

So, yes, ERM, the EIA for Toco would have got some RARs. You are talking about a very expensive port and with very challenging conditions that need to be met, so the EMA will have to be very detailed on what they want. And we will take each consideration, we will address it, and we will send it back to EMA and the process will continue. So it is not as [*Inaudible*] per se—

Mr. Mark: Could you tell us, Madam Farmer, President, whether the payment was made in US and whether the complete payment has been satisfied?

Ms. Farmer: Yes, the payment was made in US and, yes, it has been satisfied.

Mr. Mark: Could you—

Mr. Chairman: Member Mark, I just wanted to just—arising from what you were saying just to add for the public’s edification that EIAs are ultimately driven by the Environmental Management Authority and as information comes in they say whether this is suitable or not. The other thing is that there is a public interest component in these EIAs so they are published for public comment and they are also scrutinized internationally. And when the EMA assesses all the information and feedback it is at that point that they will decide whether they will grant a CEC or not. Is that right, President Farmer?

Ms. Farmer: That is correct. That is correct. It is ongoing process.

Mr. Mark: Mr. Chairman—yes, thank you. Mr. Chairman, as I said, I have a series of questions still, if you would allow me a few moments. Could the President of NIDCO indicate to this Committee, why was this EIA continued if the project was shelved in May of 2020?

Ms. Farmer: I am not aware the project has been shelved, Sir.

Mr. Mark: You have not read in the newspapers from the quote Mr. Herbert Gorge has

said in public, as well as the Minister of Works and Transport that due to COVID-19 the Toco Port Facility project has been shelved and that was in the *Trinidad Guardian* in May, 2020—sometime in May of 2020? Mr. Herbert George is on record as saying this.

Mr. George: Mr. Chairman, if you might allow me because I gather that the shelving of the project is being ascribed to Herbert George? If the word “shelving” were used at the time, “shelving” might have meant that progress on the job has been held up. It did not mean that the job will, you know, “That is it, we are not doing any more work on the job.” And so, you know, I just want to put that, you know, clarify that.

Mr. Mark: Well, I think, Mr. George, you need—Mr. George, with the greatest respect, you need to contact the *Guardian* of May 2020. I have the exact date in my system but I do not have it in writing; I can give you that off the record and correct that.

Mr. Chairman: Okay. Now, I know this is a very interesting point—

Mr. Mark: Can I continue, Mr. Chairman? Mr. Chairman—

Mr. Chairman: Member Mark, member Mark—

Mr. Mark: Mr. Chairman, I have one more area I would like to clarify if you would allow me.

Mr. Chairman: Okay, please, because we have others waiting to join and we do have a time limit. So please, if you can.

Mr. Mark: Yes. Mr. Chairman, through you, can I ask through you for the NIDCO to provide to this Committee via our Secretary a detailed breakdown of the cost that was in fact paid to this company called ERM-West? We would like a detailed breakdown because what I am—I raise this question, Mr. Chairman, and Ms. Farmer ought to know since she is the President, as to how much money was paid to ERM-West. I have a document before me which was circulated publicly, issued by the NIDCO signed by, I think, Ms. Farmer indicating that the total amount of money that was paid to this company was \$10,997,000. So what I am asking—

Mr. Chairman: Okay, member Mark, so—

Ms. Farmer: May I interject, please?

Mr. Mark:—what I am asking, Mr. Chairman, is if the distinguished President can provide this Committee with a breakdown of—

Mr. Chairman: Yes.

Mr. Mark:—how this money was arrived at? That is what I am saying. Mr. Chairman, I want to pause here but I want to let you know I have several other questions for NIDCO.

Ms. Farmer: Mr. Chairman—

Mr. Chairman: I know, member Mark, but you have raised your question. May I ask President Farmer that member Mark's questions be answered in writing if you can?—if you could provide that information to us, how much was paid to ERM, and also about the—if you could clarify the comment about whether the project had been shelved. If you could provide those details for us in writing I would be grateful. Member Mark, member Lezama-Lee Sing has been waiting, I am going to ask if she be allowed to put in her second round of questions now. Thank you.

Mrs. Lezama-Lee Sing: Thank you very much, Chairman. Thank you for this opportunity. Chairman, I am referring to appendix 3A, Historical Review of Major Capital Projects which were greater than \$25 million over the past 10 years. And I now turn to page 3 and at the last item there, item number 14, it speaks to the construction of the Solomon Hochoy Highway Extension to Point Fortin, and the project cost at inception was projected at \$5,213,893,000 with an expectation of a duration of 48 months. Under the remarks, Chairman, I noted here the design-build contractor, OAS, completed approximately 54 per cent of the works under its contract during the period 2011 to 2015. In 2016 NIDCO terminated the contract and the matter is before the London court of arbitrators. This comes up for hearing in May 2021, I want to know how prepared is NIDCO for this matter when it comes up in May, which is in just about three months or so having seen the—well, the country having come out of this situation of a \$5 billion cost project and we all know what happened beyond that. So I would just like to know

NIDCO's preparedness for this matter.

Mr. George: Okay. NIDCO is very prepared. We have been working along with, you know, our attorneys, both locally and internationally, all along the period over which this has been before the LCIA. It has been a very drawn-out process because, you know, the claimant had lots of issues to get to respond to, you know, the schedules and so set by the LCIA. So while we were putting forward, whatever, whether it is a statement or, you know, our statements in defence, our values from our exports and thing, you know, they were not because they were having some issues. But they are better organized now and it seems as though the hearing will take place as we have indicated there. But, yes, we are prepared for that hearing.

12.30 p.m.

Mrs. Lezama-Lee Sing: Chairman, sorry, I just wanted to ask Chairman George to keep this JSC updated as the hearing proceeds, please. If he would provide us with a report coming out of that eventually, please? Thank you. Because this is of great national interest.

Mr. George: Yes. Do you want to have it after the judgment or as it proceeds?

Mr. Chairman: May I just interject here. I think the rules regarding sub judice would require that we would get it after the decision has been granted.

Mr. George: Thank you, Mr. Chairman.

Mr. Chairman: Anything else, Mrs. Lezama-Lee Sing?

Mrs. Lezama-Lee Sing: Thank you, Chairman. That is my last matter for the moment.

Mr. Chairman: Thank you. Member Lee?

Mr. Lee: Chairman, nothing at this point in time. I could give my minutes to Mr. Mark.

Mr. Chairman: Thank you. Member Mark. [*Silence*] I think you are on mute, Member Mark.

Mr. Mark: Are you hearing me, Mr. Chairman? Mr. Chairman? Mr. Chairman, are you hearing me?

Mr. Chairman: Yes, we are hearing you.

Mr. Mark: Mr. Chairman, through you, I would like to ask Mr. Herbert George if he could provide this Committee with a detailed breakdown of the Tobago marina facility development, which was given by a company whose name is Arun Buch and Associates Limited? I would like to ask, first of all, Mr. Herbert George or Ms. Esther Farmer, whether this facility that is costing the taxpayers 55—is it 55? It is about \$55 million, right, Mr. Chairman? It is costing us about \$55 million. I wanted to ask the distinguished President whether we could get information as to the selection process or the tendering process. Was it the same approach that was taken in the case of the Toco facility? Was it sole select or was it competitive bidding?

Mr. George: Mr. Chairman, no, it was not sole select. It was selective tendering because we have practitioners in this country who have done port structures. And since what we were doing in Tobago, it is the conceptual design of the other facility, we had competent people available to sort of carry out those services for us, and since there were more than one, we went selective tendering.

Mr. Mark: When you say you went selective tendering, are you saying, Mr. George, it was sole selective or competitive bidding for this particular procurement service?

Mr. George: What I mean by that is that we are practitioners in the industry, so we know which consultant in Trinidad, for example, who have done port facility work before. So we will communicate with them, tell them that we have this tender and whether they are interested in sort of submitting a bid. Invariably, they would say yes and we would send off the documents to them. So at the end of the day, we would get submissions from more than one bidder, and we will do an assessment and we would make an award after.

Mr. Mark: Mr. Herbert George, can you tell me if this particular project was publicly advertised for personnel who are skilled in this marine area to bid for this \$55 million contract, or was it you getting on the phone and talking to people who you know are competent, and they in turn would apply? Can you clear or clarify for this Committee what is the process that was used to select this particular body?

Mr. Chairman: Yes, and we will strike out about whether you were calling people personally. Can you just describe for us the process that was used please, Chairman?

Mr. George: So this job came up and we had to find a designer to do the preliminary design for us. Well, prior to that, we did the Toco port and we had—it was two practitioners responding to the Toco port job, so we know who those persons are. Incidentally, I have been in the industry from 1975 and I happen to be an engineer, so I know. It is not that, you know, a port designer coming up overnight and just saying, “Okay, I could design a port facility, therefore, I want to be considered,” that is not how it is done, with due respect.

We know—we know who those persons are who will do port design facilities and on the basis of that, we would send out an enquiry to those persons, and those persons will indicate whether they are interested, whether they want to send in a bid. To the extent that they are interested, we will send documents to them and send them instructions, and we receive bids from those persons.

Mr. Mark: Mr. Herbert George, you know under the procurement law of this country, that is an infraction, you would be aware of that?

Mr. George: No, it is not.

Mr. Mark: You know you cannot do things on a personal basis. When you are dealing with public moneys, as you would know as the Chairman, you put out what is called tenders—tenders that are advertised, so that those persons that you are making reference to can then publicly apply via the tendering process, and then you have a tenders committee within your board subcommittee that would look into that. It is not the reverse that you are giving us here. I think that is extremely unhealthy—

Mr. Chairman: Member Mark, it is not a question, but you have raised a point. So may I ask the Chairman to just indicate the various forms of the processes used by your procurement department?

Mr. George: Mr. Chairman, with due respect, I know that all tendering is not open

tendering. Even in the law, the new law, it makes allowances for selective tendering. However, those persons who you will use for selective tendering will be in a register kept by that body. So they will have a listing and you can go with that. If you want a civil works contractor, you will have the civil work contractors listed there and you can go and issue your call to tender to those persons. So it is not that the new law will debar us, will prevent us from using that method of tender. They have, like I said, a registry there of those persons who are competent to do the various types of works, so you can use that.

So, as I said, it is not just something that we did willy-nilly, and it is just my say so and everything just went on. We worked on the basis of knowledge in the industry. We worked on the basis of the experience that we have had when we went out in the past for bids and we also worked on the basis of the experience that we have. So that I think was not a reckless use of, let us say, selective tendering.

Mr. Chairman: It is not you making the decision personally, Chairman. Is it that you have a procurement department that handles this?

Mr. George: Oh, yes we do. We have a tenders committee as we outlined in the documents. So it is not Herbert George says so. We have a tenders committee that—and Herbert George is not even on the tenders committee.

Mr. Chairman: Member Mark, we have got some time constraints. May I ask you to just raise your questions. We will ask them to answer them in writing and then I have some questions of the Ministry of Finance that I would like to ask. Member Mark?

Mr. Mark: Mr. Chairman, I would like to get from the NIDCO officials, what is the actual cost of the new terminal building in Tobago. I have a document before me, Appendix 3B—

Mr. Chairman: Member Mark, what we will do is we will write our questions to NIDCO and ask that they answer us, because we do have to stay on track with time now. So, Chairman, we will be sending some further questions for you to respond to. If I may, I just want to ask a couple questions to the Ministry of Finance. Is the Ministry satisfied with

NIDCO's performance and its adherence to the manual and the SEPMM?

Mr. Maharaj: Chairman, if I may, in terms of the manual, the financial statements—the last audited financial statements were for 2017. I do not think it is acceptable. I think that the board and management should at least put their heads together and try to address this. In the other reports, the board se—the last board minutes submitted were for August 2020, so it could be a little better there but for the other reports they are basically—[*Inaudible*]

Mr. Chairman: Does the Ministry agree with NIDCO's decision to implement an e-tenders system rather than the mandated e-auction portal?

Mr. Maharaj: With respect to that question, I think I prefer if you can put that one in writing.

Mr. Chairman: Thank you. We note as a Committee that the state enterprises do not generally use the e-auction portal, and so when you do your answer: Is the e-auction portal operational? What are the shortcomings identified with the e-auction portal, and what is being done to encourage use of the e-auction portal in compliance with the SEPMM?

A couple questions of the Ministry of Works and Transport. PS, you heard the Chairman's remarks about the mass transit system. Does the Ministry of Works and Transport have a view on mass transit?

Mrs. Francis-Yearwood: Yes, Chairman. The Ministry of Works and Transport sees that the issue of mass transit is one that has to be undertaken. We note that we have attempted this in the past and we were not successful with that particular method. There were a number of issues that came about, not the least being cost. It does not mean that the Ministry has ceased in its endeavours to introduce a form of mass transit in Trinidad and Tobago. At present, we are in discussions with the IDB on a pilot project, which we had scheduled to be implemented last year. However, that was affected based on COVID and we are working on this year.

We are also undertaking projects under the PTSC in terms of the increase of our bus fleet to work along with what we are doing with the IDB, and also with the PTSC's

increase in its overall services to be provided.

So the short answer was yes, we do see mass transit as being a critical element for the future of the transportation system in Trinidad and Tobago, and we are working on the mechanisms to bring it about.

Mr. Chairman: Thank you. One final question. What is the Ministry doing to assist NIDCO with the following challenge: The untimely receipt of payment for disbursement to contractors which results in delayed payment to contractors?

Mrs. Francis-Yearwood: So the Ministry would get allocations for the project under NIDCO and as NIDCO presents the interim payment certificates, we would do our necessary due diligence and submit to the Ministry of Finance. In the instances where allocations in one project may not be sufficient to continue, we seek to review the allocations across all of our projects to reallocate, where we can, to ensure that there is allocation.

So there are three things actually that we are trying to do to assist NIDCO. One, we make representation to the Ministry of Finance in the budget exercise. Secondly, in the instances where allocations fall short, we try to reprioritize internally to try to increase allocation, and then as well, we seek to ensure that all the documentation that is provided by NIDCO that we will process in a timely manner to go through them, and we make constant representation to the Ministry of Finance on their behalf.

Mr. Chairman: Now, the Ministry of Works and Transport is, I would think the primary client for NIDCO. How does the Ministry view NIDCO's performance? Are you satisfied with their performance? How would you rate on a scale from zero to 10?

Mrs. Francis-Yearwood: In terms of NIDCO's performance, in the commission that was done by NIDCO, there is a submission there from the Ministry in terms of the last performance appraisal for the Board which was satisfied. We do see NIDCO as an integral partner of the Ministry of Works and Transport, and their performance to date is seen as quite good.

Mr. Chairman: Thank you. Thank you. I am going to now invite closing comments from the Chairman and then from the Ministry officials. Chairman.

Mr. George: Well, Mr. Chairman and members, we really thank you for the opportunity to have come here and answer to those questions. We accept that we do spend public funds, and we need to have the checks and balances in place to satisfy or to give the assurance that those funds are well spent. So we welcome the enquiry that we have just had into the operation. We will undertake to treat with the written questions that come to us, and to return them to you in short order when they do come. We will continue to do our best to be the executing arm of the Government and execute the jobs that are referred to us. We will seek all times to do so, in a way that one will get value for money. We will seek to do so in a transparent manner and in cost effective manner. This is the commitment that we give to this Committee, and by extension to the nation, as we strive and go forward to do our work. So once again we thank you for having us come before you at this time.

Mr. Chairman: Thank you, Chairman. Mr. Maharaj, from the Ministry of Finance, closing comments.

Mr. Maharaj: Thank you, Chairman. Thanks for the invitation. The meeting was productive. There were a lot of takeaways and I think it will inform how we interact with the state enterprise going forward. I know there are lapses in their compliance, and we will work towards that end. Thank you.

Mr. Chairman: Thank you. Mrs. Francis-Yearwood from the Ministry of Works and Transport.

Mrs. Francis-Yearwood: Chairman, once again, thank you for having us today. The Ministry of Works and Transport is the line Ministry for the National Insurance Development Company, and we can attest that that company has been working with us on a number of projects. We have a number of mechanisms by which we review the work of the company, and the company meets with us on a regular basis in terms of giving updates on projects, and seeing how we can move forward in a productive manner.

In that regard, we also know that there are challenges the company would have from time to time, but we see evidence that the company seeks to put the necessary mechanisms in place to get the compliant document done on time and in a proper manner.

So we want to thank you, Chairman, for having us today, and for the manner in which you conducted the meeting today.

Mr. Chairman: Thank you. Thank you everyone. So ladies and gentlemen, this concludes our business today, and this meeting is now suspended.

In closing, I wish to thank NIDCO, the Ministries, the media and the viewing and listening audience. Good day.

12.49 p.m.: *Meeting adjourned.*

ATTENDANCE REGISTER

ATTENDANCE REGISTER

1st Session, 12th Parliament

Name	1 st Meeting 18.11.20	2 nd Meeting 30.11.20	3 rd Meeting 08.02.21	4 th Meeting 15.02.21	5 th Meeting 08.03.21	6 th Meeting 22.03.21	7 th Meeting 29.03.21	8 th Meeting 12.04.21
Mr. Anthony Vieira	√	√	√	√	√	Exc.	√	√
Mr. Foster Cummings	√	√	√	√	√	√	√	√
Mrs. Laurel Lezama-Lee-Sing	√	√	√	√	√	√	√	√
Ms. Paul Gopee-Scoon	√	√	√	√	√	Exc.	Exc.	Exc.
Mr. Adrian Leonce	√	√	√	√	√	Exc.	Exc.	Exc.
Mr. David Lee	√	√	Exc.	√	√	√	√	√
Mr. Wade Mark	√	√	√	√	√	Exc.	√	√
Mr. Stephen McClashie	√	√	√	Exc.	√	√	√	√