



ADMINISTRATIVE REPORT 2012



National Infrastructure Development
Company Limited

"Partnering to Build Modern Infrastructure"

**National Infrastructure
Development Company Limited
3 Melbourne Street
Port-of -Spain
Trinidad and Tobago, WI**

www.nidco.co.tt

Foreword

This Administrative Report is prepared in accordance with Section 66D of the Constitution of the Republic of Trinidad and Tobago as amended by the Constitutional Amendment Act No. 29 of 1999, whereby Special Purpose State Enterprises are required to submit to their respective Line Ministries, a report on the exercise of their functions and powers. In this regard, the National Infrastructure Development Company Limited is pleased to submit a report detailing its activities and achievements for the year 2012.



VISION

To create a premier project management organisation with competencies responsive to the delivery of strategic infrastructure projects, always mindful of our stakeholders' best interest and the impact of our work on the environment.

MISSION

To fulfill our role as the leading project executing agency, through a philosophy of managing our business with the highest ethical standards providing optimal quality and value, while acting in a responsible manner with our employees, our stakeholders and environmental policies.



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Message from the President

**DR. CARSON
CHARLES**



I am pleased to present the Administrative Report of the National Infrastructure Development Company Limited (NIDCO) for the year January to December 2012. This Report outlines NIDCO's business performance and operational highlights, and includes the Company's policies and procedures and financial operations.

NIDCO has had another successful year in managing the infrastructure development and transportation management programmes entrusted to us by the government of Trinidad and Tobago. The accomplishments we recorded can be attributed to the fact that we had envisioned 2012 to be a year of growth and expansion. Having embraced the challenge in 2011 of undertaking the design and construction of the Solomon Hochoy Highway Extension to Point Fortin Project, the largest highway construction project in the country's history, and committing to complete the final phase of the Churchill Roosevelt Highway-Uriah Butler Highway Interchange (Package 'C'), our management priorities were decidedly inwardly focussed. Decisive steps were taken to build up our human resources to ensure that we had the technical capacity to meet the increased demands of an expanded work programme. Focus was also placed on improving our technological capabilities, enlarging our pool of registered and pre-qualified consultants and contractors and strengthening our procurement and project management capabilities.

I am happy to report that our strategic decisions resulted in a financial year that closed with a positive income growth in management fees of just over TT\$6.4M and a year-end Profit before Tax of \$TT5.03M. Our major infrastructure programme, the expansion and modernisation of the nation's highway network, advanced steadily and contributed significantly to the total management fees earned for the year. We also made significant progress towards alleviating the perennial flooding and soil erosion problems in communities throughout the country, with the completion of 36 small drainage projects and another 15 in progress at the close of the reporting period. NIDCO further completed design reviews for some 24 landslips

repair projects and invited tenders on 16 such projects. Under our transportation management programme, the Water Taxi Service continues to be a preferred mode of travel between San Fernando and Port-of-Spain. This year saw a total of 651,348 seats being sold on the Water Taxi Service.

NIDCO has remained true to its commitment to improve the quality of lives in communities impacted by our projects. Through our Community Outreach Programme, several small infrastructure projects were completed in 2012 in communities along the alignment of the Solomon Hochoy Highway Extension to Point Fortin Project. We also started our Play Park Programme with a pilot project in Debe.

The year was also marked by our continued strong partnership with the Ministry of Works and Infrastructure, which is vested with portfolio responsibility for NIDCO. This assisted us to effectively respond to the challenging operational environment and fulfill our mandate of service to our stakeholders.

I would like to extend my sincere gratitude to each member of NIDCO's Board of Directors for their contribution to the accomplishments we recorded for the year.

Our achievements were augmented by the commitment, diligence and unwavering support of our employees. They were relentless in pursuit of innovative solutions to ensure that NIDCO attained its goals. Our management team continues to demonstrate a high-level of expertise and team work for which I congratulate them.

As we look forward to 2013, our plans will be aimed at positioning NIDCO as the government's partner of choice in establishing a modern infrastructure platform as one of the contributing pillars for propelling national economic growth and socio-economic equilibrium.

Dr. Carson Charles
President, NIDCO

— Mission, Policy and Strategic Plan





1.1 NIDCO's Mandate

The National Infrastructure Development Company (NIDCO) was established in 2005 by the Government of Trinidad and Tobago (GORTT), as a Special Purpose State Enterprise. It was created to increase the rate of implementation of the Government's expanded Public Sector Investment Programme, and to undertake projects in areas critical to overall national development. More specifically, NIDCO has been charged with the responsibility for providing project management and construction management services, ensuring that the execution of Government's policy initiatives is done in a manner that is timely, transparent, efficient and effective.

NIDCO, therefore, was mandated to build an organizational structure and operations framework with appropriate facilities, systems and resources (human, financial and material) so as to be able to respond effectively and positively to the expectations of Government and to the achievement of its own corporate goals and objectives. From its inception in 2005 the Government assigned responsibility to NIDCO for the development and implementation of project management services for several major infrastructure development projects.

In carrying out this mandate, consideration has been given to the objectives of improving quality standards and equity of access to facilities and services throughout the country and to fashion and sustain a culture of continuous human and national development.

1.2 Priority Projects

The GORTT, through the Ministry of Works and Infrastructure (MOWI), has assigned responsibility to NIDCO to provide

procurement, project and construction management services and general oversight for the infrastructure development programmes identified in Table 1. An overview of these projects and their expected results are set out in *Box 1*.

Table 1: List of national infrastructure development projects assigned to NIDCO

1. ROADS AND BRIDGES PROGRAMME	2. DRAINAGE & LANDSLIPS REPAIR PROGRAMME	3. TRANSPORTATION PROGRAMME
San Fernando to Point Fortin Highway	Port of Spain Flood Alleviation Project	Water Taxi Service
Churchill Roosevelt Highways Interchange Upgrade Programme	Mamoral Dam & Reservoir	East West Corridor Mass Transit System
Diego Martin Highway Expansion	Comprehensive National Drainage Development Study	National Traffic Management System (NTMS) Project
San Fernando to Princes Town to Mayaro Highway	Flood Mitigation and Coastal Erosion Programme	
Claude Noel Highway & Store Bay Local Road	Major Landslip Repair	
Community Outreach Programmes	Major Bridges Reconstruction Programme	

1. The Churchill Roosevelt Highway Interchange Upgrade Programme:

Due to significant traffic congestion along the Churchill Roosevelt Highway, it was necessary to eliminate traffic signals and upgrade the intersections using a phased approach. The first of these Interchange Projects comprises three (3) packages at the intersection with the Uriah Butler Highway.

Package A - the construction of the South to West Ramp which was completed in September 2006, brought relief to the nation's commuters travelling from South and Central Trinidad to Port of Spain.

Package B - the construction of the West to South Overpass and the Bamboo Bridge with associated ramps were completed in May 2009.

Package C - the construction of the remaining portions of the Interchange, including the realignment of the Uriah Butler Highway to the West through the Interchange with an Overpass over the Churchill Roosevelt Highway. The project budget is US\$80 Million.

Package D - the construction of an Interchange at the intersection of the Churchill Roosevelt Highway and the Southern Main Road, Curepe. This would involve grade separation and the use of appropriate loops and ramps, along with associated road works. Traffic signals would also be removed at Valsayn and Curepe.

Other Interchanges are also to be constructed at Morvant and east of Curepe, as the East-West Corridor improvement works continue to be implemented.

2. The National Traffic Management System (NTMS)

This project was conceptualized as a means of improving traffic management in Trinidad and Tobago. The NTMS comprised the following major components:

1. A National Traffic Management Centre (NTMC)
2. A Centralized Traffic Signal Control System
3. A Central Corridor Traffic Management System
4. A Closed Circuit Television Subsystem (CCTV)
5. A Variable Message Sign Subsystem (VMS)

6. A Vehicle Detection Subsystem (VDS)

7. A Communication Subsystem

The first phase of this project was completed in June 2011 and the second phase, red light enforcement operations, is currently being assessed.

3. San Fernando to Point Fortin Highway

This signature project involves the design and construction of a new highway to International Freeway Standards. It comprises 47km of 4-lane dual carriageway and 2.5 km of a 2-lane roadway (excluding ramps but including connector roads) to be built over a 4-year period. The Highway will require the construction of several interchanges, cross roads that traverse under the Highway, cross roads that cross over the highway, utility corridors and river bridges. This Highway will connect the City of San Fernando and the Southern towns of Debe, Penal, Siparia, Fyzabad, La Brea and Point Fortin and would create new economic space in the South-West Trinidad Peninsular, one of the new growth poles identified by Government. This project has a budget of US\$1.2 Billion, of which US\$820 Million represents the design/build contract price with Construtora OAS Ltda of Brazil. Land Acquisition costs are expected to approximate US\$130 Million and Consultancy Fees, Management Fees and Contingencies are projected to total US\$230 Million.

4. Diego Martin Highway Extension Project

This project involves the expansion of the Diego Martin Highway, from the Western Main Road to Morne Coco Road. The project is to be carried out in four (4) phases, with the first phase being previously completed by the Ministry of Works and Infrastructure. The project will realise (1) the widening of the south-bound lanes from Morne Coco Road to Western Main Road and (2) the dualling of the northbound lanes from Acton Court to Victoria Gardens. The budget for this project has been set at TTS67M.

5. Licensing Transformation Project

The establishment of a modernized Motor Vehicle Authority (MVA) in Trinidad and Tobago is intended to improve the way the Government delivers services to its citizens by utilizing state-of-the-art technology

and by providing significant developments to accessibility and service delivery standards. MVA Centres are to be established at several locations throughout the country. Construction of the MVA Centres will be undertaken using the Design-Build Model.

6. Major Bridges Reconstruction Programme

This programme involves the reconstruction of dilapidated or dysfunctional bridges on the existing highway network. It comprises 62 bridges to be rebuilt in three phases over a period of six (6) years. In 2012, two (2) Design and Supervision services consultants were contracted for the design of 26 bridges. The complete programme has been budgeted at US\$64M.

7. Major Landslip Repair Programme

This programme will be executed throughout the country over a period of five (5) years, beginning in 2012. The budget has been set at US\$65M.

8. Drainage and Erosion Control

The National Programme for Upgrade of Drainage Channels and the Flood Mitigation and Erosion Control Programme are currently on-going. Over 50 projects were executed in 2012. In addition, several Comprehensive Drainage National Development Studies are now being conducted by consultants seeking to identify the solutions to several drainage and erosion problems in the country. Following this, projects will be identified to implement the solutions.

9. Mamoral Dam & Reservoir Project

The Mamoral and Caparo Rivers drain into a basin originating in the Central Range of Trinidad. On an annual basis, there is severe flooding in this basin, which results in damage to homes and agriculture and the cutting off of access for several communities, including Mamoral and Caparo Villages.

The construction of the Mamoral Dam will not only address the concerns of flood relief, but the design of the dam will also allow for winning of water by the Water and Sewerage Authority for injection into the potable water supply system. This project is considered to be of high priority for the country at this time. It will be the first comprehensive water management project, comprising the related elements of drainage, domestic water supply, agriculture water supply and recreation and overall infrastructure improvement in the Central area. The estimated budget is US\$150M. Pre-feasibility Studies have already been conducted on this project. A contract was awarded in October 2012 for the Feasibility Study and Conceptual Design.

10. A Highway from San Fernando to Princes Town to Mayaro

The 56km-long San Fernando to Mayaro Highway is a new Highway to be constructed from San Fernando to Princes Town in the first phase, followed by extension to the town of Mayaro. The Highway will comprise a 4-lane divided carriageway to International Freeway Standards commencing in the West at the Tarouba Intersection with the Solomon Hochoy Highway and continuing to a point east of Princes Town. Traffic Studies will determine the requirements and timing for the extension of the Highway to Mayaro.

11. The Claude Noel Highway and Store Bay Local Road

The National Infrastructure Development Company proposes to pursue to implementation stage a Memorandum of Understanding (MOU), which was executed with the Tobago House of Assembly. The extension of the Claude Noel Highway and the Store Bay Local Road are the two (2) keys projects identified under this MOU, both of which will provide important socio-economic benefits to Tobago. The critical traffic and demographic studies for these projects are now required.

12. Port of Spain Flood Alleviation Project

The main objective of the project is the timely alleviation of flooding in Port-of-Spain such that pedestrians and vehicles can safely use the roads despite heavy rainfall events. An engineering firm, Genivar, has already been engaged to undertake designs for improvement to infrastructure in the Central Business District (CBD), downtown Port-of-Spain. The project will comprise nine (9) packages and is part of the Flood Mitigation and Erosion Control Programme. In 2012 soil investigation for all packages were completed! Contract was awarded for Package 1; South Quay, Independence Square and Broadway, for the design and construction of concrete drains. RFP's were drafted for the other packages.

13. Community Outreach Programme

The Community Outreach Programme is a new initiative comprising several strategic infrastructure projects aimed at improving infrastructure support to citizens at the community level. This comprehensive programme will significantly enhance the social quality of life of the people in locations where NIDCO's major projects and programmes are being implemented. There are three (3) major components of the

Community Outreach Programme, as follows:

i. **Highway Connectivity Improvement Programme.** This will ensure effective connections to the major new highways being undertaken by NIDCO. This aspect of the programme will involve the rehabilitation of access roads of the existing network.

ii. **Community Business Support Programme.** This specific programme is geared towards stimulating business activity in the communities. NIDCO will provide the necessary infrastructure to support community-based business activity in the manufacturing and services sectors.

iii. **Community Infrastructure Enhancement Programme.** As a good corporate citizen, NIDCO's social responsibility is to positively impact the lives of all citizens through our work. In this regard, our aim is to implement specific projects in communities in order to foster the spirit of community development and social cohesion.

In addition to the above projects, NIDCO will also establish Community Outreach Centres that will support the land acquisition process for several of its major projects and also bridge the gap between NIDCO and the communities.

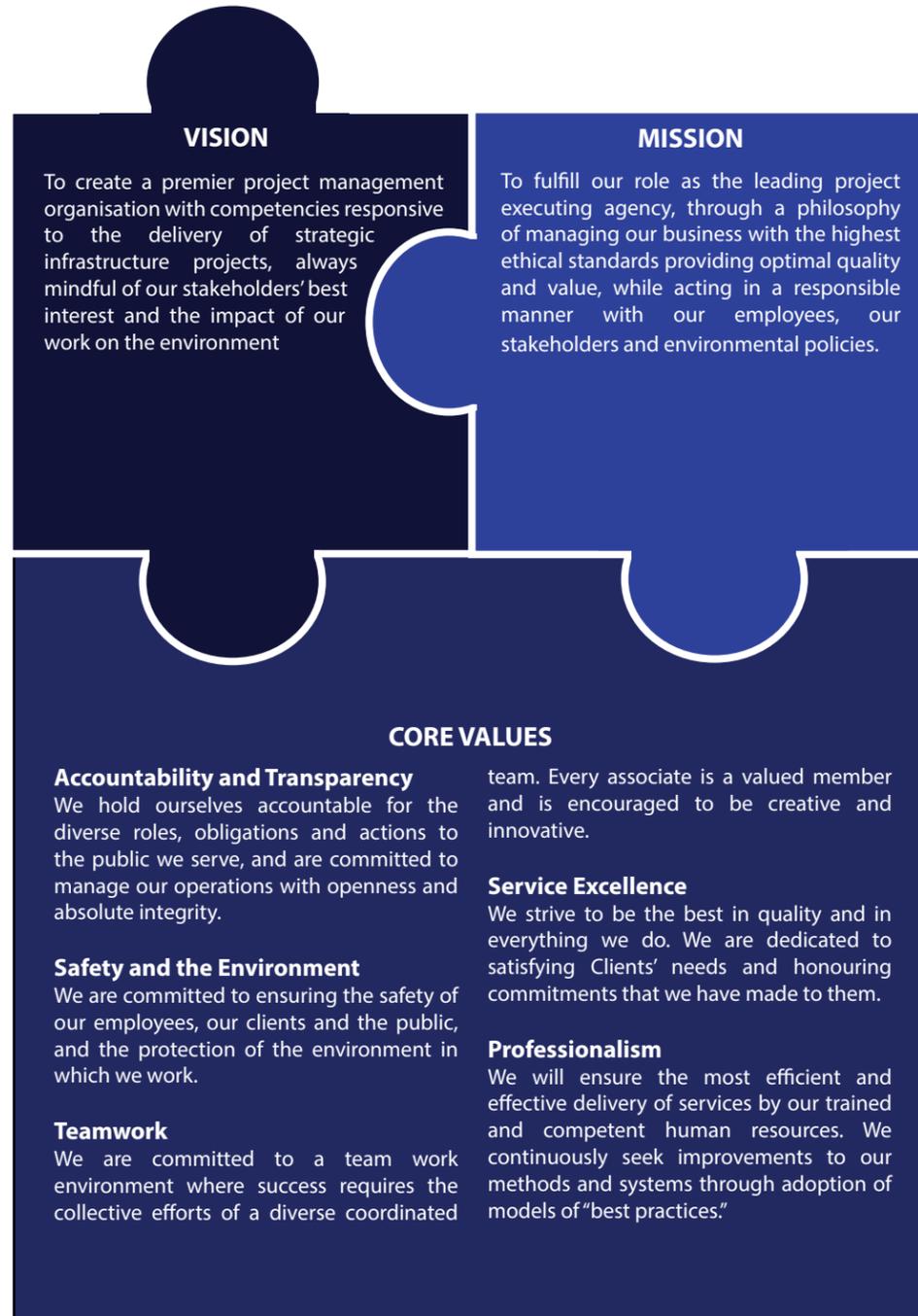
14. Water Taxi Service

NIDCO was given the responsibility in 2007 for the establishment and operation of a Water Taxi Service between Point Fortin and Diego Martin. The first phase of the project was launched in December 2008 with the introduction of a San Fernando/Port of Spain service utilizing a fleet of three second-hand 27m high speed ferries each with a capacity of 149 passengers. The operation was upgraded in 2010 with the introduction of a new fleet of four newly-constructed 41m vessel each with a passenger capacity of 405. Expansion of the service to new ports at Point Fortin, Chaguanas and Diego Martin has been planned for under the next phase of development.

It must be stated, however, that meeting the needs and satisfying the many demands for service and facilities by an expectant population is dynamic, such that, the portfolio of project responsibilities and priorities can change at any time.



1.3 Vision, Mission and Core Values



1.4 NIDCO's Strategic Plan

In formulating its Corporate Strategic Plan for the period 2011 - 2015, NIDCO sought to align its key activities with the goals set for national human development and to enhance the quality of life for all residents.

NIDCO conducted an organisational assessment to determine its capacities to be leveraged and its vulnerability to both the external and internal environmental conditions.

The 2011-2015 Corporate Strategic Plan was designed out of this process. The Plan sets out the Company's new vision, mission, and strategic goals for the period. The Plan also identified the initiatives that would be undertaken to achieve NIDCO'S goals, the expected performance outcomes, and possible measures that might be used to monitor performance toward achieving those goals.

The Corporate Strategic Plan, therefore, sets a path for the future that has at its centre integrity, initiatives that would deliver value for money, transparency and cohesiveness. It defines NIDCO's purpose and sets out a vision and strategic aims that reflect its distinctive mission, recognises its core competencies and strengths while supporting a unitary approach.

Accordingly, NIDCO identified four (4) major strategic objectives to be pursued over the Plan period. These are detailed at Section 1.5. The main focus of the strategic thrust resides with the commitment of NIDCO to provide procurement, project and construction management services whilst adhering to and in compliance with sound business principles that are anchored to a policy of best practices, integrity at all stages of business development, and systems designed to achieve best value for money.

Therefore, NIDCO, by necessity, adopted a corporate governance framework that integrates systems of best practice, quality management, procurement policy and a management structure that encourages performance excellence of its staff.

This governance framework will enable the development and strategic management of targeted programmes that support the delivery of infrastructure development projects and services requested by the Government of Trinidad and Tobago.

In pursuing these objectives, NIDCO strives to become the standard by which Special Purpose State Agencies are measured.

NIDCO will spare no effort in adopting the most appropriate structures, systems, operating matrices, and core competencies to fulfil its obligations and achieve its corporate strategic goals.

The Planning Model

This Corporate Plan sets out the over-arching strategic directions for NIDCO for the period beginning Fiscal Year 2010 - 2011 until Fiscal Year 2014 - 2015. The model used to develop this Plan conforms to the specification provided in the Output Management Framework as articulated by the Government of Trinidad and Tobago, Ministry of Finance. In this framework, each Ministry and State Agency is required to identify:

- Governmental Outcomes or Strategic Priorities, i.e. medium-term national development policy framework;
- Strategic Objectives or statements, which show how each Ministry or State Agency will assist the central government in achieving its strategic priorities; and
- Outputs, which are the specific goods and services produced and delivered by Ministries and State Agencies for external customers.

In accordance with this model, the Corporate Plan focuses on new strategic directions/ objectives, strategies, the operating environment and outlines, resource requirements as well as performance measures, action plans and targets for the development projects for which responsibility has been assigned to NIDCO.

The Company, however, recognises the need for periodic revisions of the Plan to accommodate any possible shifts in priority on the part of Government. NIDCO further recognises the need to periodically evaluate the progress in implementing the Corporate Management Plan.

Assumptions

NIDCO is confident that the following scenarios will continue for the Company to utilise its resources and apply best practices in the delivery of its tasks and services:

- Government policies and strategies will remain the same over the duration of the Plan;
- Stakeholders will continue to be supportive of Government programmes;



- Good partnership with other Government agencies, private sector and non-governmental organisation on areas of common interest;
- The Government provides sufficient resources, monetary, human and physical, to allow NIDCO to deliver its assigned portfolio responsibilities;
- The Government will continue to support and expand NIDCO's mandates.

1.5 Strategic Objectives

NIDCO is an association of people – primarily employees, clients, customers (inclusive of the wider citizenry of Trinidad and Tobago) and also, its suppliers who share a common long-term interest in the success and achievements of the Company. Its success can be measured by the degree to which it is able to satisfy the needs and aspirations of its various publics.

NIDCO's achievements depend on having a clearly stated purpose and a set of goals that are realistic and understood by all concerned. The Corporate Objectives are statements of NIDCO's medium-term purpose and goals. The company accepts that its goals are not always easily achievable. However, they are meant to create a challenging environment for people who want to make above-average contributions and who expect to receive above-average rewards.

The four (4) Strategic Objectives that were identified in the Corporate Strategic Plan 2011-2015 are as follows:-

OUTCOME #1: To provide consistently high quality project management and construction services

- Improve the operational capability and capacity to execute project responsibilities with the highest levels of professional excellence
- Provide a project-supportive organisational structure
- Establish project management systems to effectively monitor and control project progress stages
- Ensure project outcomes satisfy the terms of reference of the assigned responsibility

OUTCOME #2: To become a model for corporate governance that operates in compliance with established policies and procedures

- Ensure that all project services and organisational needs are acquired through a system of Best Practices to obtain Best Value

for Money.

- Develop and implement administrative and operations policies and procedures to improve consistency in methods of operation and encourage higher standards of performance excellence.
- Incorporate quality management and quality assurance systems in all areas of our business operations.

OUTCOME #3:

To become a model of corporate governance that can withstand scrutiny in all facets of our business activities

- Perform all work and services to standards of total accountability and transparency
- Develop and implement an international benchmark procedure for procurement of goods and services
- Perform all work in compliance with established policies and procedures
- Delegate authority and hold persons responsible for their actions

OUTCOME #4:

Alignment of NIDCO's human resources to identify with its Corporate Vision

- Create a structure to reward standards of performance
- Clear and understandable delegation of responsibility and authority
- Shared vision of corporate objectives
- An organisation structure that symbolises systemic order
- Introduce Communication Systems to strengthen inter-departmental relationships and strengthen communication with external stakeholders
- Training and Development

2 Organizational Structure



2.1 Corporate Structure

The organisational capability and capacity of NIDCO at any given time is determined by its assigned portfolio of responsibilities and schedule of project delivery. Particularly, with regard to the Engineering & Programme Management Department, it is a dynamism that responds to the needs and resource requirements of projects.

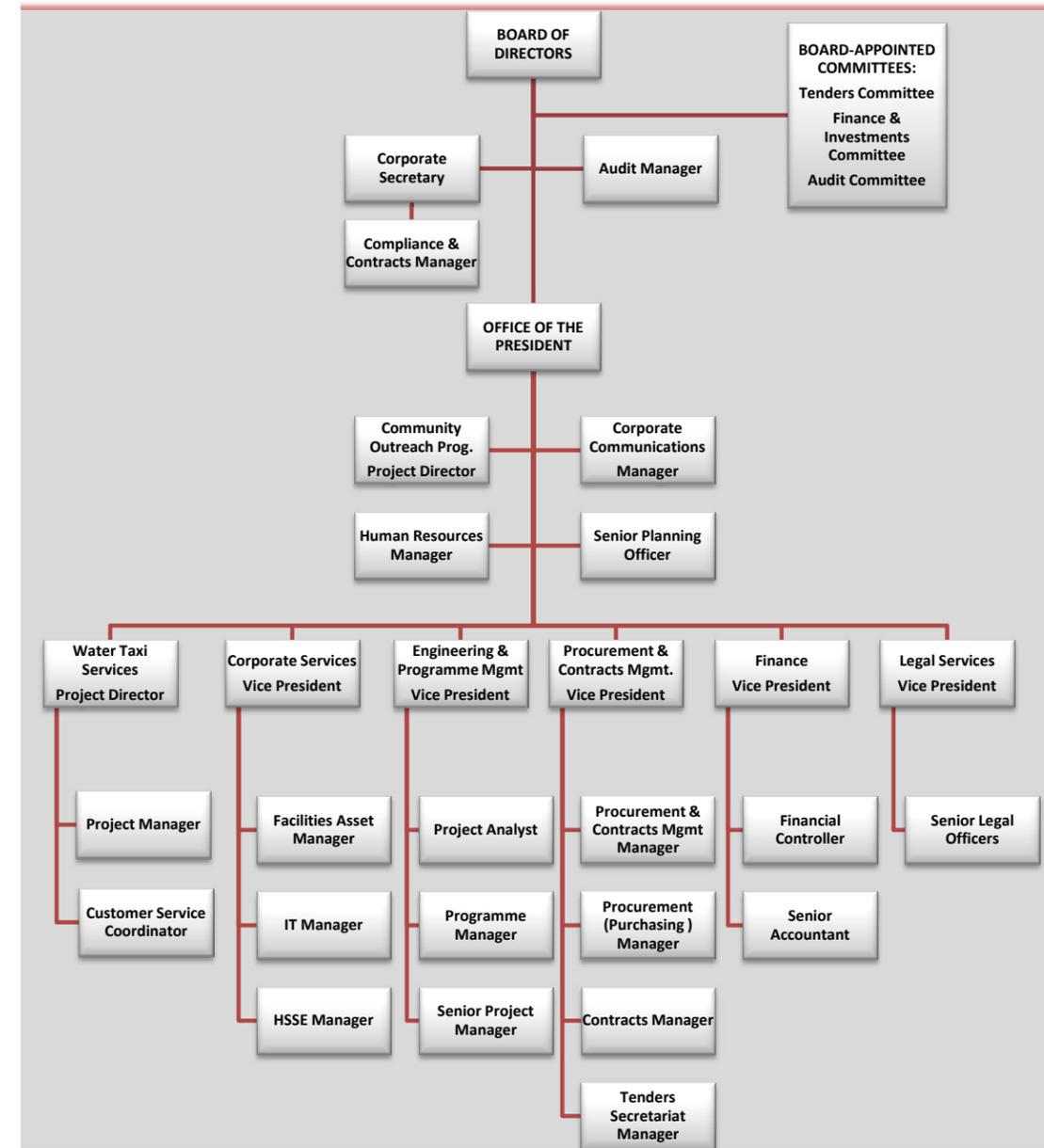
The core organisational structure in turn has significant implications for the achievement of governmental project outcomes and the impact on the National Infrastructural Development Plan. The organisation therefore, is taking steps to ensure that it has considered the core competencies required to deliver on its portfolio responsibilities, the capability and capacity to develop the relevant policies and procedures so as to fulfill the organisation's operational needs. Further, the organisation's structure is designed with flexibility to adjust to any shift in government policy that may alter the scope and focus of national infrastructure development initiatives. These fundamental principles would be incorporated into the organisation's structural design without compromising the performance outputs and quality of service.

The Organisation Structure of NIDCO makes provision for a top management group comprising a Board of Directors, a President, five (5) Executive Vice-Presidents, a Corporate Secretary and a Director, Water Taxi Service. Six (6) Senior Executives with distinctive vertical service cells of responsibility manage key functional Departments and a cadre of support staff as follows:

The key functional departments of the current structure of the NIDCO are presented in Fig. 1 below. A more detailed Organisational Chart is also attached at Appendix 1.

- Board of Directors
- President
- Corporate Secretary
- Vice President - Finance
- Vice President - Corporate Services
- Vice President - Legal Services
- Vice President – Engineering & Programme Management
- Vice President – Procurement and Contracts Management
- Director - Water Taxi Service

Figure 1: Organisational Chart



2.1.1 Departmental Profiles

1. Corporate Services

- Information Communication Technology
- Administrative Support Services
- Corporate Facilities and Asset Management
- Maintenance of Securities and Insurance Contracts
- Health, Safety, Security and Environment

2. Finance

- Secure Project Funding
- Financial Management and Reporting
- Preparation of Annual Budget
- Project Budget Monitoring
- Maintenance of Financial Control Systems
- Preparation of Financial Statements
- General Accounts

3. Legal Services

- Legal advice
- Prepare, Negotiate, Review Engagement Contracts
- Coordinate with external Attorneys-at-Law
- Interpret relevant legislation
- Represent Company in legal proceedings
- Ensure legal compliance with Tender Rules and Procedures

4. Engineering and Programme Management

- Interpret project scope and responsibility of NIDCO
- Conduct Needs Assessment of projects
- Prepare Project Development and Implementation Schedule
- Prepare human resource requirements (projects)
- Establish Project Administrative Structure
- Management of project budget
- Conduct project monitoring and control functions
- Prepare Project Progress Reports
- Manage Project Risks
- Verify and substantiate claims for payment
- Fulfill and achieve deliverables of project

5. Procurement and Contracts Management

- Update Procurement Policies and Procedures for acquisition of work, goods and services
- Update Tender Policies and Procedures
- Establishment of Evaluations Methodology
- Establish Project Evaluation and Analysis Policy and Procedures (for operations management

- and project related functions)
- Management of Procurement functions
- Ensure compliance with established policies and procedures
- Monitor international 'best practice' in Procurement
- Issuing of Tenders/Requests for Quotations (RFQ)
- Provides Contract Management functions
- Purchasing of materials, goods and services
- Prequalification of contractors/consultants / suppliers
- Provides secretariat services to the Tenders Committee.

6. Water Taxi Service

- Overall responsibility for management and operations of Water Taxi Service
- Establish organisational structure to achieve Project goals and objectives
- Ensure compliance with obligations as stated in contractual arrangements between NIDCO and the Ministry of Transport
- Ensure procedures of operations are consistent with best operations practice
- Promotion of Water Taxi Service
- Preparation of Management Report
- Preparation of Business Economic Performance Report

7. Internal Audit Department

- The approved Internal Audit Methodology includes services in the areas of consulting, independent assurance assessments, internal control reviews and evaluations, proactive advisory services and special investigations as guided by standards set out by the Institute of Internal Auditors:
- Periodic terms of reference review, update and approval
 - Strategic Risk Assessments and strategic internal audit planning
 - Detailed internal audit planning
 - Audit execution
 - Evaluation of opportunities for improvement
 - Development of value for money and effective recommendations and solutions
 - Periodic reporting to the Board/Audit Committee, Executive Management and the Investment Division of the Ministry of Finance





2.2 Services Provided

NIDCO's core areas of business may be categorized as follows:

Project Planning:

Formulation of strategic goals for implementation of sustainable infrastructure development projects.

Procurement and Contracts Management:

Acquisition of goods and services through a process that reflects the highest level of integrity, ensures value for money and enables the effective management of contracts to maximise financial and operational performance and minimise risks.

Project Development:

Continuous review of processes, procedures and systems to ensure project efficiency and optimize value for money.

Project Execution and Implementation:

Institute an appropriate project organisation and teams with technical and administrative resources to ensure high quality services and satisfactory project outcomes.

Project Monitoring and Evaluation:

Development and implementation of systems to monitor project benchmarks against international best practices for delivery of infrastructure projects and facilities.

Management of the Water Taxi Service:

Responsibility for the efficient and effective management and operation of this Service and projects assigned to it.

TYPES OF PROJECTS UNDERTAKEN BY NIDCO :

NIDCO provides expert Procurement, Project Management and Construction Management Services (incl. Feasibility Studies) for the following types of infrastructure projects:

- i. Highways and Major Roadways
- ii. Dams and Reservoirs
- iii. Bridges Construction
- iv. Rivers/Watercourses Rehabilitation
- v. Land Use Projects
- vi. Landslip Mitigation and Repair
- vii. Flood Mitigation
- viii. Drainage Upgrade
- viii. Coastal Protection
- x. Community Outreach

2.3 Levels of Authority

Corporate Governance relates to how an organisation is directed and managed to provide adequate accountability and achieve organisational goals. It influences how the organisation's objectives are set and achieved, how risk is monitored and assessed, and how performance is optimised. Open and transparent corporate governance processes support an organisation's continuous improvement as it plans, delivers, reviews and reports on its priorities and objectives.

As a Special Purpose State Enterprise, established under the Companies Act Chapter 81:01 (1995), NIDCO's Corporate Governance Structure is set out by legislation. This Act effectively places responsibility for the overall direction of the organisation with its Board of Directors, which is appointed by Cabinet in two (2) year cycles. The Board reports to the Ministry of Finance (Investment Division) in corporate governance compliance. This governance structure ensures that NIDCO's activities are conducted in accordance with relevant statutes, as well as with Government policies and directives.

As part of its commitment to good governance, NIDCO prepares an annual administrative report in accordance with Section 66D of the Constitution of Trinidad and Tobago. The report is submitted to the Minister of Works and Infrastructure for tabling in Parliament. NIDCO's corporate governance arrangements will continue to evolve to ensure the company is always managed effectively, efficiently and transparently.

2.3.1 NIDCO's Governance Structure



FRONT ROW (left to right) seated: Dr. Carson Charles - President; Mr. Roshan Baboolal - Chairman; Prof. Winston Suite - Deputy Chairman. BACK ROW (left to right standing): Ms. Vanda Thomas-Lynch - Assistant Corporate Secretary; Ms. Mandavi Tiwary - Director; Mr. Hollis J. Eversley - Director; Ms. Hilda Goodial - Corporate Secretary; Mr. Rabindra H. Outar - Director.

Board of Directors

The Board of Directors is collectively responsible for promoting the success of NIDCO by leading and directing the Company's activities. It provides strategic guidance and monitors the activities and effectiveness of management. Board members are required to act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company, subject to the policies and objectives set out by Government.

The Board represents the interest of the stakeholders, and is accountable for the quality of the services provided by the Company. It is also responsible for ensuring that the Company keeps the promises described in its mission and values statements, and for assuring that it is accountable for acting within the laws governing its operations as a

State Enterprise.

The Board of Directors is also responsible for ensuring the fiscal integrity of the Company's operations and records, representing the ideas, culture, needs, and quality of service to the community it serves, and developing policies and procedures that assure the conduct of the business operations and activities are set against established standards of performance.

President's Office

The President has overall responsibility for management, administration and leadership of the Company. He is responsible for the implementation of Government's policy and provides direction for the organisation. He also has responsibility for ensuring the development of procedures, policies, systems and strategies by the various Departments of the Company. The President is also responsible for the specific functions of the Human Resource Management, Corporate Communications and Community Outreach and Corporate Planning.

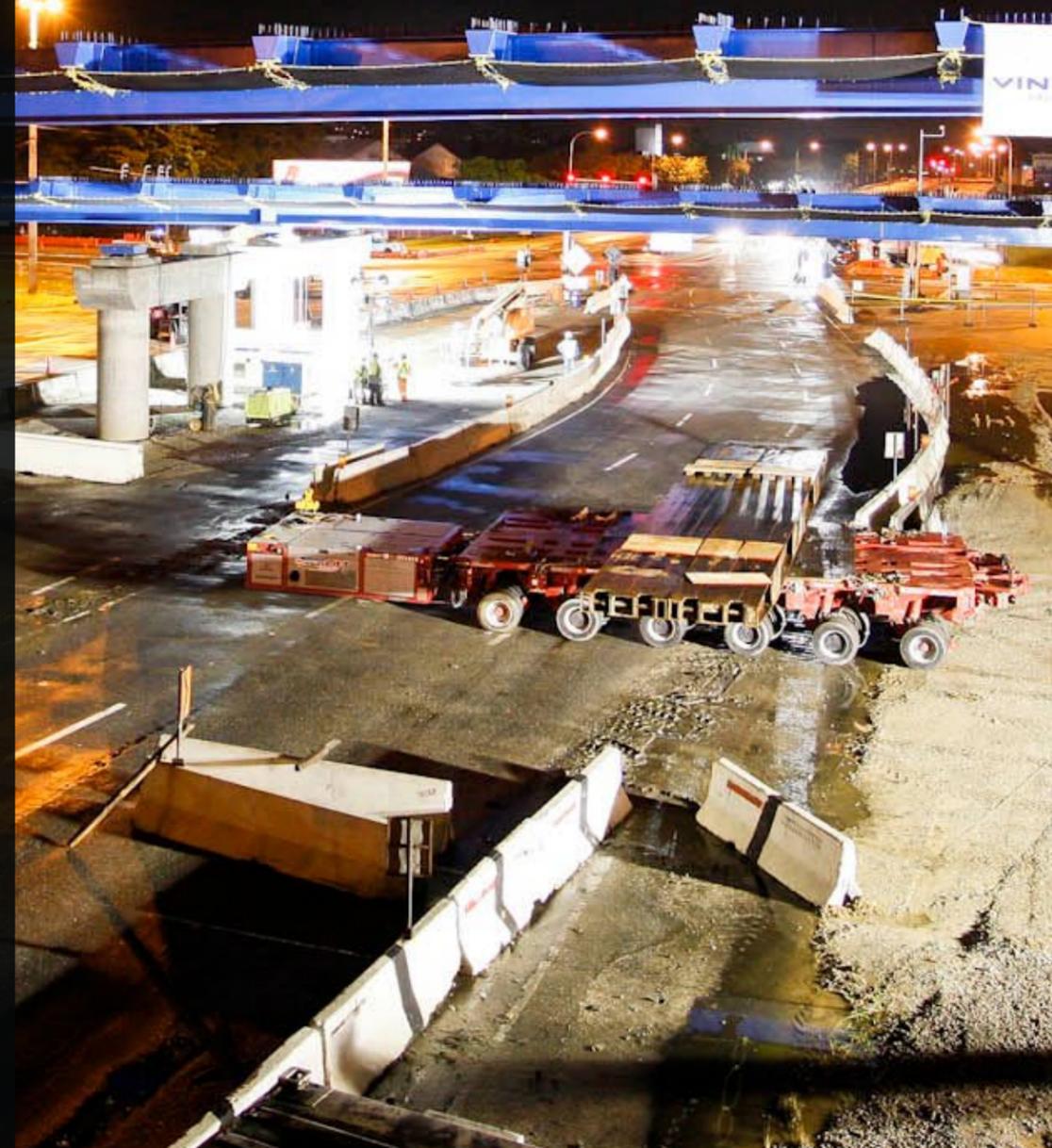
Corporate Secretary

The Corporate Secretary is responsible for maintaining statutory and other records (including Minutes of Board of Directors Meetings and Shareholders Meetings) convening meetings and complying with requirements under the Companies Act, NIDCO's By-Laws and other Statutes. Additionally, the Corporate Secretary is responsible for executing other duties delegated by the Board of Directors.

Executive Management Team

The implementation of good governance practices is the responsibility of the Executive Management Team. The Team reviews the strategic direction, priorities and performance objectives of the organisation to enable the efficient and effective achievement of outcomes. During FY2012, the Executive Management team was comprised of the Officers identified in Fig.2.

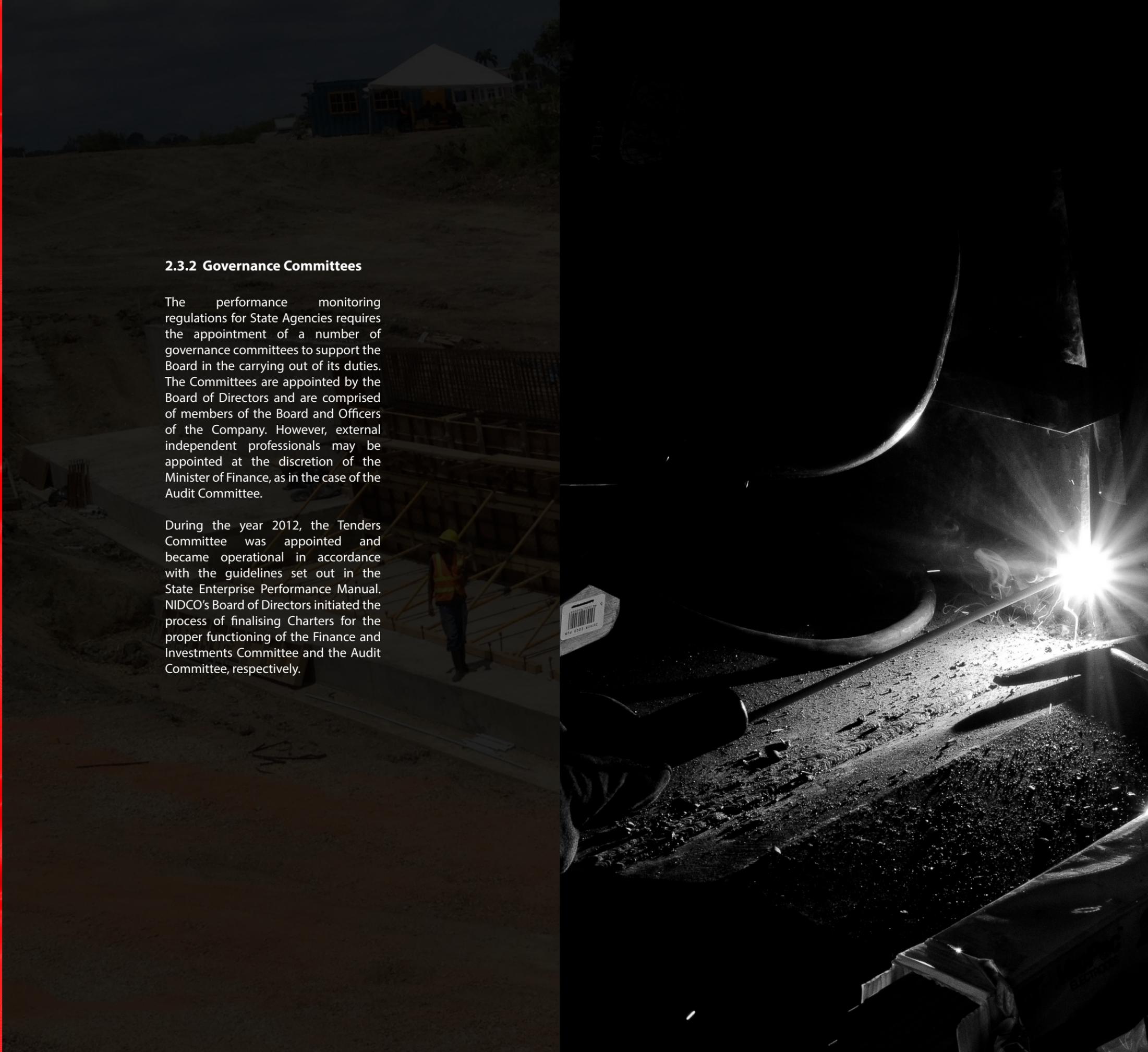
POSITION TITLE	NAME OF OFFICER
President	Dr. Carson Charles
Vice President Procurement and Contracts Management	Ms. Hilda Goodial
Vice President, Engineering & Programme Management	Mr. Steve Garibsingh
Vice President, Corporate Services	Mr. Roger Joseph
Vice President, Legal Services	Mr. Dinanath Ramkissoon
Vice President, Finance	Mr. Michael Guyadeen
Director, Water Taxi Service	Ms. Sharon Taylor



2.3.2 Governance Committees

The performance monitoring regulations for State Agencies requires the appointment of a number of governance committees to support the Board in the carrying out of its duties. The Committees are appointed by the Board of Directors and are comprised of members of the Board and Officers of the Company. However, external independent professionals may be appointed at the discretion of the Minister of Finance, as in the case of the Audit Committee.

During the year 2012, the Tenders Committee was appointed and became operational in accordance with the guidelines set out in the State Enterprise Performance Manual. NIDCO's Board of Directors initiated the process of finalising Charters for the proper functioning of the Finance and Investments Committee and the Audit Committee, respectively.



3 Performance Accomplishments



ACHIEVEMENT OF PROJECTS/PROGRAMMES 2012

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.1 Comprehensive National Drainage Development	Caroni River Basin Study:- <ul style="list-style-type: none"> A contract was signed with Royal Haskoning. The consultants have mobilised and the study commenced in February 2012. The Formulation and Analysis of Alternatives Report has been completed. 	50	47	Delays experienced in the conduct of this study were primarily due to late payments to the consultants on account of the protracted payment processes.
	South Oropouche River Basin:- <ul style="list-style-type: none"> Bids were invited in January 2012 and closed at the end of February 2012. Bids were received and an evaluated committee was appointed in March 2012. Evaluation of bids was completed and negotiations are in progress with the preferred bidder. 	0	0	
	Caparo River Basin Study, incl. Mamoral Dam:- <ul style="list-style-type: none"> Award of contract made to Royal Haskoning with Letter of Award signed 2nd October 2012. Consultant completed LiDAR surveys, but will not continue work due to non-payment of mobilization fee. 	10	7	
	Ortoire River Basin Study <ul style="list-style-type: none"> Final Report was reviewed by Drainage Division. Consultant, Lee Young and Partners requested to complete design and tender documents for a levee to protect Mafeking Village. 	100	99	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.2 National Programme for the Upgrade of Drainage Channels	Monroe-Warren Main Drain <ul style="list-style-type: none"> A contract was awarded in late August 2011 and works commenced at the end of September 2011 for a period of 18 months. To date approximately 1200m of concrete retaining walls and invert has been constructed. 	95	95	
	Coromata River Improvement Works Phase 1 <ul style="list-style-type: none"> A contract was awarded on 29 May 2012 to Lutchmeesingh's Transport Contractors Ltd in the sum of \$12,418,395 VAT exclusive. Works commenced in November 2012 and to date the contractor has constructed approximately 12m of base; and 12m of stem. 	10	2	
	Coromata River Improvement Works Phase 2 <ul style="list-style-type: none"> A contract was awarded in June 2012 to LMCS Limited in the sum of \$12,375,000 VAT exclusive. Works commenced in August 2012 and to date activities include sheet piling, excavation and preparation of steel cages for piles. Contractor has installed six (6) piles to date. 	5	1	
	Mausica River Improvement Works <p>Procurement activities completed. Award of contracts expected in January 2013.</p>	0	0	
3.3 Flood Mitigation & Erosion Control Programme	Small Drainage Projects: <p>Phase 1: In October 2011, NIDCO commenced civil works on a package of 16 small drainage rehabilitation projects.</p> <p>Details on these 16 drainage projects located throughout the country as follows:</p>	100	100	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
	<ul style="list-style-type: none"> • Bhagna Trace Main Drain – Construction of Box drain (Vigai & Vijay Contracting Co. Ltd). 	100	100	Satisfactorily completed.
	<p>Phase 3: In June 2012, NIDCO awarded 17 small contracts for Small Drainage Improvement Works to be carried out throughout the country.</p> <ul style="list-style-type: none"> • Details are as follows:- • Scorpion Ravine, Carenage – Construction of R.C. wall 125m long x 3.5m high (Ricky Raghuanan Contractors Ltd). • Blue Basin, Diego Martin – Construction of R.C. retaining wall 120m long x 3.5m high (Advance General Contractors Ltd). • Fairways Main Drain, Maraval – Construction of R.C. retaining wall 60m long x 3.0m high (Fred's Hardware & General Contractors Ltd). • Maraval River – Rehabilitation of 300m³ invert (Manwyn Services Ltd). • St. Francois Valley Road, Movant 2 – Construction of RC retaining wall 130m long x 3.5m high (Fides Ltd). • Santa Cruz River, Saddle Rd – Construction of RC retaining wall 115m long x 3.5m high (ARP Associates). main's Hardware & Supply Ltd). • La Canoe Rd, Santa Cruz – Construction of RC blockwork covered drain 40m long (Vidara Enterprises Ltd). • Morne Coco Ravine, Maraval – Construction of R.C. retaining wall B-LMMA Total Construction & Maintenance Ltd). • Maraval River, St. Andrews Golf Course – Construction of R.C. retaining wall 120m long x 3m high (Beckles Environmental Services Ltd). 	60	2	Delays due to security issues on site.
		100	100	Satisfactorily completed.
		100	100	Satisfactorily completed.
		100	100	Satisfactorily completed.
		100	100	Satisfactorily completed.
		100	100	Satisfactorily completed.
		100	100	Satisfactorily completed.
		95	95	To be completed December 2012.
		100	100	Satisfactorily completed.

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
701/43/003/11/A/243 – Studies Comprehensive National Drainage Development Studies	<p>Phase 4: NIDCO awarded 7 contracts during the period June to September 2012, to undertake small drainage improvement works in various channels throughout the country.</p> <p>Details of these works are as follows:</p> <ul style="list-style-type: none"> • San Juan River Upstream of the Footbridge at Bridge Road, Aranguez – Construction of R.C. Wall 100m long x 4.7m high (Exclusive Japan Company Ltd). • Blackman Ravine East Bank Downstream of Bassie Street, Spring Village – Construction of R.C. Wall 100m long x 3m high (M.I. General Services Ltd). • Manicou River Downstream of O'Meara Road, Arima – (Udan Ramsahia General Contractors). • Lagoon Mahaut River, B1/1 Guayaguayare Road, Mayaro – construction of Gabion basket walling 80m long x 4.0m high (Platinum Environmental and Civil Engineering Services Ltd). • Nazim Avenue Penal – construction of box drain 2.0mx2.0mx360m length (R.M. Engineering Ltd). • #13 Iere Village N.M.R. – construction of retaining wall 2.8m high (D. Mahadeo & Son Limited). • Tacarigua River – construction of RC wall 90m x 4.7m high (Central Team Construction Limited). 	100	100	
		100	100	Satisfactorily completed.
		5	5	Completion in March 2013.
		100	100	Satisfactorily completed.
		0	0	To start February 2013.
				Results of the soil test for pile depths are being analyzed and construction should start early January 2013.
		100	100	Satisfactorily completed

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.4 East West Corridor Transportation	<p>Interchange Package C: Package C Ramps In April 2012, NIDCO contracted Vinci Construction Grands Projets for construction of the approach ramps to Package C Bridge including the east to north loop, east to south ramp and a concrete overpass at a total cost of \$246,000,000.</p> <p>Base course material has been laid on the north side ramp of the Bridge. Work continued on the build-up of embankment of the ramp on the southern side of the Bridge. Additionally, underground drainage works are well advanced. All works are on schedule to be completed by September 2013.</p>	55	55	
	<p>Associated Works (Design & Supervision) In March 2012, NIDCO procured the services of BBFL at cost of \$9,302,125, for preparation of designs and tender documents and supervision of all the associated works needed to complete the interchange. The construction oversight component of the consultant's scope of services is on-going as the consultant continues to supervise all construction activities.</p>	65	65	
	<p>Associated Works (San Juan River Widening) In June 2012, NIDCO procured the firm of Lutchmeesingh's Transport Contractors Ltd to widen the San Juan River Bridge on the northern side of the existing eastbound CRH. These works are expected to cost \$4,865,145.62, and is 2 months ahead of schedule. The river lining works have been completed which is the final major activity to be performed by the contractor.</p>	99	99	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
	<p>Associated Works (St Joseph River Bridge Widening) In June 2012, NIDCO contracted General Earth Movers Ltd to widen the St. Joseph River Bridge southwards of the CRH at a cost of \$7,076,994.10. Works are expected to be completed in 10 months. The contractor has completed piling works for the eastern and western abutments of the bridge extension. Pile capping is on-going and works are scheduled to be completed by July 2013.</p>	40	19	A redesign of the works to accommodate a WASA transmission main resulted in a minor delay. This situation has been rectified and the contractor has revised the schedule to allow for a completion date of July 2013.
	<p>Associated Works (North Side Infrastructure Works) In June 2012, NIDCO contracted Coosal's Construction Co. Ltd for construction of the South to East Ramp, West to North Ramp, North to East Ramp including roadwork and drainage at total cost of \$69,869,131.50. These works are expected to be completed in 10 months. The contractor continues to perform rehabilitative works (milling, restoration of granular base course layer in some areas and asphalt paving) on the CRH eastbound. Works are also on-going at the North Roundabout - UBH and CRH North in front of Nestle.</p>	55	45	Designs issues have resulted in a minor setback in the execution of works. It is anticipated that the contractor will significantly improve progress by April 2013
	<p>Associated Works (South Side Infrastructure Works) In June 2012, NIDCO contracted Jusamco Pavers Ltd for construction of feeder roads to Grand Bazaar, Bamboo No. 2 and CRH (including drainage) at a cost of \$64,625,770.13. The CRH widening from Northern Boulevard to Grand Bazaar Bypass No.1 is substantially complete up to granular base course level. The drainage channel alongside this embankment is also substantially complete. The contractor has commenced rehabilitative works on the CRH westbound (milling and asphalt paving).</p>	45	35	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.5	<p>1st Avenue & northern Boulevard Rehabilitation Works Seereeram Bros Ltd is constructing a covered concrete block box drain at 1st Avenue and Northern Boulevard.</p>	24	<1%	<p>The contractor is challenged by the existence of utilities in the way of construction. WASA, T&TEC and TSTT have been contacted to coordinate the relocation of their respective utilities. This explains the variance between planned and actual physical progress</p> <p>The 'GO LIVE' event will require the establishment of the legislative framework and the enactment of appropriate legislation to effect the assignment of penalties on violators.</p>
	<p>National Traffic Management System (NTMS) Enhancements The operation of the RLE equipment continued to be assessed as violations were captured and stored on the RLE server at the NTM Centre. Activities still to be executed include the system acceptance test and the 'GO LIVE' event.</p>	90	90	
	<p>NTMC Operations Support In November 2012, the National Traffic Management Centre was fully operationalized.</p>	100	100	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.6 Duelling of Diego Martin Highway from Victoria Gardens	<p>Drainage Package – Phase 3: In October 2012 works commenced by CAV Construction Ltd. On the construction of culverts, catchpits, headwalls, open drains and extension of culverts. To date, 7 of 10 culverts have been completed.</p>	95	95	<p>Works have been delayed pending the outcome of discussions between MOWI and HDC regarding demolition of HDC structures. In the meantime, the Contractor has demobilized until the matter is resolved.</p>
	<p>Demolition Works: In November 2012, the contractor Fides Ltd commenced demolition, removal and disposal from the site of buildings, sheds, fence walls, chain link fences, trees, shrubs, bushes and existing signage within the highway right of way.</p>	100	60	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.7 Bridges Rehabilitation Programme	Design & Supervision In March 2012, NIDCO awarded contracts to BBFL Ltd & Trintoplan Consultants Ltd for design and supervision services for the Bridges Rehabilitation Programme. The bridge works have been divided into 2 packages, Package A and Package B.	86	86	
	Package A involves the design of 14 bridge structures. BBFL has completed Topographical Surveys, and Preliminary Hydrology/Hydraulics and Geotechnical Reports. Conceptual Drawings for 3 priority bridges are in progress.	91	91	
	Package B involves the design of 12 bridges. Trintoplan has completed the Topographical Surveys and Inception Report. Work is progressing on Hydrology/Hydraulics Report and Conceptual Drawings for 3 priority bridges.	90	90	
3.8- Landslip Repair Programme	Designs In June 2012, consultancy services commenced on the preparation of five (5) construction packages for the rehabilitation of 33 landslips under Phase 1 of the Landslip Repair Programme. Designs were undertaken by 5 consulting firms. Tenders were invited for 16 contract packages on 5th November 2012.	95	93	
3.9- POS Northern Valley Link	<ul style="list-style-type: none"> The French consultant, Egis International submitted the pre-feasibility study report for the first phase of the project. The local consultant, Planning and Associated Ltd was commissioned to independently review the Egis report in advance of a proposed tri-partite meeting between NIDCO, MOWI and Egis on the way forward. 	95	93	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
3.10 Solomon Hochoy Highway Extension to Pt. Fortin	<ul style="list-style-type: none"> In February 2011, Cabinet agreed to the construction of the Solomon Hochoy Highway Extension to Point Fortin at a budgeted cost of \$7,502.80 Mn. This budget covers the costs of Construction, Consultancy Services, Land Acquisition, Community Outreach, Contingency, Escalation Cost, Custom Duties & Import Taxes, and NIDCO's Management Fees. Phase 1 commenced in March 2011 and consists of (1) Widening of the Southern Main Road from Paria Suites to Godineau River and (2) Construction of 5km of new divided highway from Golconda to Debe. Phase 2 comprises the following segments: Mon Desir Interchange to Tarouba River Bridge and includes the Mon Desir Interchange and the Tarouba River Bridge; the Fyzabad Interchange and Connector Road, and the Siparia Interchange and Connector Road. <p>Designs</p> <ul style="list-style-type: none"> The Contractor, Construtora OAS Ltda has significantly advanced the designs of structures, drainage, geometrics, pavement and traffic management plans. Under Phase 1, 100% designs were completed for the Papourie Bridge, Godineau Bridge, Mosquito Creek Bridge, Golconda Interchange Bridge, and Debe Interchange Bridge. Design is progressing well for Alley's Creek Bridge. Under Phase 2, 100% of designs were completed for the Tarouba Bridge, Berridge Trace Bridge and Siparia Interchange Bridge. 			
		Overall Project Design 50%		
		Phase 1 Overall Design 70%		
		Phase 2 Design Overall 33%		

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
	<p>Design work is progressing satisfactorily for the Mon Desir Interchange, St. Mary's Interchange, Fyzabad Interchange and the Fyzabad Road Bridge.</p> <ul style="list-style-type: none"> • Drainage designs are 100% completed for the Golconda to Debe Interchange as well as for some sections of this segment of the highway. • Pavement designs for the highway from Golconda to Debe are 100% complete. • Roadway designs for the Paria Suites to Godineau segment are 100% completed. • Final roadway designs for the Mon Desir to Godineau segment were submitted in August 2012, and are currently being reviewed prior to final approval. • Traffic Engineering designs and studies are about 80% complete in respect of Phase 1 of the highway and about 57% complete in respect of Phase 2. 		Phase 3 &4 Design Overall 15%	

Project Name and Number	Detailed Project Activities in 2012	Planned (%)	Actual (%)	Constraints/Remarks/Explanation of Variances
Sir Solomon Hochoy Highway Extension to Pt. Fortin	<p>Construction Activities</p> <ul style="list-style-type: none"> • In 2012, work on the following segments was undertaken: <ul style="list-style-type: none"> o Golconda to Debe o Paria Suites to Godineau River o Dumfries Road to Paria Suites o St. Mary's to Mon Desir o Fyzabad Interchange o Siparia Interchange • Generally, works involved clearing and grubbing, geotechnical investigations and laboratory testing, earthworks, drainage works including construction of box drains and major structures such as box culverts. • Piles for the Papourie Bridge were completed; clearing and grubbing continued for the Tarouba River Bridge and other areas along the segment. Earthworks are ongoing for the Berridge Trace Bridge. Roadworks are also in progress at Golconda. • Clearing and Grubbing were undertaken at the Fyzabad and Siparia interchange sites. • Overall construction progress is 8.1%. 		Overall project 8.1% Phase 1 21.8% Phase 2 4.1%	

4 Financial Operations



FISCAL POLICIES

4.1 INVESTMENT POLICY FOR THE YEAR ENDING SEPTEMBER 30, 2012

NIDCO adopts a less than aggressive approach to risk in the movement of surplus funds held for the financing of projects in the near future.

Surplus funds held by NIDCO pending payment to contractors for works certified are invested in instruments that carry minimum downside risk.

Criteria for Placement:

The Company is mindful of its responsibility to seek out robust institutions for the placement of funds.

In this regard these organisations must have demonstrated a strong, vibrant track record together with a strong financial statement position. Such organisations must also possess sufficient collateral/asset base to back their investments thereby presenting minimal risk to the investor.

Emphasis on liquidity and security are important and as such only short-term tenors that carry minimum risk for placement manages these funds in line with the future Cash Outflow Requirements.

Placements are only made to institutions regulated by the Central Bank under the Financial Regulatory Act.

The list of the institutions utilised are as follows:

- First Citizens Bank Limited
- First Caribbean International Bank Limited
- Republic Bank Trinidad & Tobago Limited
- RBC Royal Bank Limited
- Citibank
- Bank of Nova Scotia Limited
- Intercommercial Bank Limited
- Trinidad and Tobago Unit Trust Corporation
- Other Financial Institutions with a strong financial statement position.

4.2 NIDCO'S DEBT POLICY FOR THE YEAR ENDING SEPTEMBER 30, 2012

NIDCO is governed by the debt policy of the Ministry of Finance of the Republic of Trinidad and Tobago.

NIDCO, with the approval of Government, is authorised and empowered from time to time to borrow money required for the efficient exercise of its functions and for meeting its obligations.

This policy has been followed since the formation of the company and, as at 30th September, 2012 the following represents our existing debt exposure that are all guaranteed by the Government of Trinidad and Tobago:

Bank	Project	Amount
Scotia Bank – USD12M	Water Taxi	15,440,491
Citibank – TTD344.75M	Aranguez Overpass	276,667,721
Australia & New Zealand (ANZ) Banking Group USD66.53M	Water Taxi	309,104,799
ANSA Merchant Bank – TTD153M	R/Rail\$103M and NNHP\$50M	127,059,719
RBC Merchant Bank-TTD53M	Nat Traffic Management System	45,234,390
Scotia Bank – USD9.462M	National Network of Highways Programme	30,417,921
Citibank – USD52M	Rapid Rail Project	169,355,831
Total Borrowing		973,280,872

4.3 BUDGET FORMULATION FOR THE YEAR ENDING SEPTEMBER 30, 2012

NIDCO utilises a performance-based budget development approach, which effectively links our budgeting cycle with our annual strategic planning process towards achieving our strategic objectives. This approach allows for the ideal combination of top-down priorities with bottom-up operational inputs to arrive at a realistic projection that ensures the achievement of maximum results for every expenditure.

Within the annual budget cycle, strategic imperatives are developed using prior year's financial and performance results to frame expected organisational objectives for the current year. Within this framework, departments develop their annual work programme that describes the objectives, outputs and work to be accomplished with the proposed resources. Departments further prepare budget justifications in a manner that allows for adjustments and for planning alternative courses of action. Departmental inputs contribute to the formulation of both Capital and Recurrent Expenditure Budgets.

NIDCO's revenue is derived from Management Fees that accounts for 95% of its total income and, which are earned from the various infrastructure projects received from the Ministry of Works and Infrastructure, and the management of the Water Taxi Service. The other 5% of its revenue streams include Tender Fees based on expected new projects for the year and Interest Income. Our Management Fees are based on an agreed tiered structure with the Ministry of Works and Infrastructure and ranges between 2% to 7.5% of the value of projects awarded.

FINANCIAL STATEMENTS

4.4 EXPENDITURE: ACTUAL vs BUDGETED FOR THE YEAR ENDING SEPTEMBER 30, 2012

	Expenditure		Variance	
	Budgeted, 2011	Actual, 2011	\$	%
Operational Expenditure:				
Personnel	28,755,969	27,740,314	(1,015,655)	(4)
Depreciation	2,835,996	4,503,058	1,667,062	37
Rent	6,836,346	6,992,400	156,054	(2)
Utilities	2,628,439	1,970,400	(658,039)	33
Repairs and Maintenance	643,145	414,900	(228,245)	55
Public Relations	1,794,955	13,394,000	11,599,045	87
Professional Fees	2,702,594	3,829,420	1,126,826	29
Office Expenses	1,311,109	950,658	(360,451)	(38)
Finance Costs	54,775	50,000	(4,775)	(10)
Miscellaneous Expenses	376	5000	4,624	92
Total Operational Expenditure	47,563,704	59,850,150	16,820,776	21

4.5 Statement of Financial Position (Trinidad and Tobago Dollars) FOR THE YEAR ENDING SEPTEMBER 30, 2012

	Notes	Year ended September 30, (RESTATED)	
		2012 \$	2011 \$
NIDCO			
Revenue			
Management fees		49,990,770	43,608,927
Tender fees		260,180	137,725
Interest income		1,353,204	5,801,562
Other income		992,063	774,093
		<u>52,596,217</u>	<u>50,322,307</u>
Operating expenses			
Administrative expenses	19	38,294,909	29,754,354
Depreciation and amortization		2,835,996	1,207,436
Other expenses	20	6,432,799	4,365,751
		<u>47,563,704</u>	<u>35,327,541</u>
Profit for the year before taxation		5,032,513	14,994,766
Taxation Charge	14(b)	1,370,700	3,427,290
Comprehensive income for the year		<u>3,661,813</u>	<u>11,567,476</u>
Water Taxi			
Ticketing income		7,586,242	6,229,342
Other income		1,240,512	-
Administrative expenses	21	40,242,746	45,795,770
Loss from operations		(31,415,992)	(39,566,428)
Government grants - operations		31,415,992	39,566,428
Profit/(loss) for the year from operations		<u>-</u>	<u>-</u>
Government capital grants		75,820,112	165,811,437
Depreciation		48,452,348	49,670,394
Impairment loss		-	88,738,653
Loan Interest		26,037,044	27,463,583
Surplus /Deficit on Capital Grants		<u>1,330,720</u>	<u>(61,193)</u>
Total Comprehensive Income and Surplus/Deficit on		<u>4,992,533</u>	<u>11,506,283</u>
Total Comprehensive Income and Surplus/Deficit on Capital Grants		4,992,533	11,506,283

Statement of Financial Position (Trinidad and Tobago Dollars) FOR THE YEAR ENDING SEPTEMBER 30, 2012

	Notes	As at September 30, (RESTATED)	
		2012 \$	2011 \$
ASSETS			
Non-current assets			
Property and equipment			
Tangible	4(a)	431,459,476	464,210,642
Intangible	4(b)	1,629,909	3,093,044
Security deposit	5	1,353,828	1,289,568
Deferred tax	14(a)	245,203	305,496
Total non-current assets		<u>434,688,416</u>	<u>468,898,750</u>
Current assets			
Trade and other receivables	8	2,182,138	7,410,495
Due from Government of Trinidad and Tobago	7	161,565,859	811,508,517
Tax refundable	14(c)	1,441,968	851,721
Cash and cash equivalents	6	878,701,714	439,531,418
Restricted cash	6	36,584,025	35,454,000
Total current assets		<u>1,080,475,704</u>	<u>1,294,756,151</u>
Total assets		<u>1,515,164,120</u>	<u>1,763,654,901</u>
EQUITY AND LIABILITIES			
Equity			
Stated capital	9	10	10
Retained earnings		2,339,704	(2,652,829)
Net equity		<u>2,339,714</u>	<u>(2,652,819)</u>
Non-current liabilities			
Long term portfolio of loans	10	760,423,414	1,017,763,987
Capital deferred grants water taxi		394,539,477	433,447,140
Total non-current liabilities		<u>1,154,962,891</u>	<u>1,451,211,127</u>
Current Liabilities			
Bank overdraft	11	448,305	-
Trade payables	12	126,091,799	139,259,661
Accrued expenses and other liabilities	13	18,463,953	14,754,112
Short term portion of loan	10	212,857,458	161,082,820
Total current liabilities		<u>357,861,515</u>	<u>315,096,593</u>
Total liabilities		<u>1,512,824,406</u>	<u>1,766,307,720</u>
Total equity and liabilities		<u>1,515,164,120</u>	<u>1,763,654,901</u>

5 Human Resource Development Plan



5.1 Career Path Systems



To meet the challenges of today's rapidly changing world, organisations need to maintain a highly motivated, capable and independent work force. A comprehensive Human Resource Strategy integrates individual and organizational goals as well as external and internal missions;

- the External fit – which is aligning Human Resource Strategy with company strategy.
- the Internal fit – which is creating positive bundling of Human Resources policies.

HR strategies focus on compensation, benefits, compliance and so on. HR strategies provide fair pay, insurance coverage, equal opportunities, and a safe and comfortable working environment.

Talent strategies focus on recruiting, selection, performance management, training and development, developing career paths, succession planning and the like.

Both strategies are designed to help the organisation be more effective by safeguarding it and/or enhancing its capabilities. Both strategies are designed to serve an organization's employees: its people or "talent." Together, their business goals are to make an organization a desirable employer, to protect corporate assets and help it reach profitability goals.

At NIDCO Human Resource (HR) tailors programmes to support the key areas identified with the Executive Management Team. HR believes that its vision has to be that of the NIDCO vision, that is:

“To be a key enabling vehicle for the development of infrastructure that enhances and sustains our economic development and quality of life.”

The HR Team has endorsed its commitment to this vision and, in addition, has expressed its own ambition, which is, “To be regarded by our internal clients and other stakeholders as a valued partner - one which provides modern and professional Human Resource solutions to enable the Company to realise its operational and strategic objectives”.

Our objectives are:

- to directly contribute to the achievement of the Company’s key goals by timely delivery of modern HR strategies which are appropriate and relevant to the organisation’s needs and employee aspirations.
- to add increasing value to the future employment and business environment of the Company and also to its employees.
- to provide interesting and challenging work and appropriate personal development for HR professionals, such that our ultimate ambition is achieved.

HUMAN RESOURCES STRATEGIES

The Organisation and the HR Team have agreed seven (7) underpinning strategies as ‘Key Success Strategies’:

(i) Organisation Change Strategies-Creating an environment where the organisation can change in response to its internal and external environments, through effective organisational development, change management and communication

(ii) Employee Development Strategies-

Creating a knowledge and skill based organisation, where all our employees can experience interesting and challenging work. Staff development will take place by way of:

- Formal Education such as attending Continuous Professional Development (CPD) training programmes
- Performance Appraisals which will highlight performance gaps which must be mitigated through training
- Job Experiences such as job rotation, job enlargement, acting appointments
- Coaching between peers
- Mentoring programmes to develop leadership capabilities and structured learning
- Interpersonal relationships through involvement in sub-committees and meetings

(iii) Pay and Reward Strategies-

Creating an environment that promotes, recognises and reward excellent performance. HR believe all employees should work in an environment where they are valued and where exceptional performance is recognised. As the organisation’s performance improves, employees share in the financial success of the total organisation. This encourages employees to identify with the company, fosters a common focus and improves customer service of the company and drives team-based performance

(iv) Employee Relations Strategies

Creating a stable, ‘partnership’ based environment with our employees, relevant Stakeholders and other representative groups.

- Continued education and training on terms and conditions for Management/Supervisors



- to ensure practices are in line with the Industrial Relations Act and so limit grievances;
- Company Events that foster togetherness such as informal get togethers, birthday celebrations, Christmas functions and Take your Kids to Work
 - Team Building Exercises that will enhance the operational effectiveness through cohesion of goals and objectives of the Executive Management Team, and improve problem solving capabilities to generate positive synergies.
 - Use of alternative dispute resolution to resolve disputes at all levels within the hierarchy. HR will act as a neutral arbitrator to advise and lead arbitration processes. The use of a panel for arbitration will depend on the nature of grievance/ issue and the impact on the organisation. A sample panel will consist of the Human Resource Manager and/or HR representative, Department Head and Legal Representative.

(v) Occupational Health and Safety Strategies-

Creating a healthy and safe environment, for our employees, and our stakeholders. HR will develop and implement initiatives geared towards fostering wellness and leading healthy lifestyles which will increase morale, loyalty and productivity. Such initiatives will include Annual Health Week and Health Fair Day, and a Biggest Loser Challenge.

(vi) Resource Optimization

Employee Systems, Services /Administration to complete computerisation and migration to and integration with Payroll on PeopleSoft HRIS System during 2011, the focus will be on automation of all benefits and development of systems for tracking same.

(vii) New Business

To support the new business initiatives, in 2012, there will be a review of the corporate culture to determine appropriateness to the current business environment and ensure culture maintenance. This exercise will be extremely important as the organisation is currently pursuing a growth strategy. Whilst the organisation engages in a recruitment drive to sustain the growth, HR is committed to drilling the organisational philosophy and core values through the New Employee Orientation Programme.

NIDCO will also create other opportunities to emphasise the organisation's value system to longer standing employees of NIDCO. Parallel with this exercise, will be the auditing of the Performance Management System, with the focus on the employee development component



5.2 Performance Management Tools

NIDCO is committed to effective on-going performance management for all staff. The Company will periodically measure employee performance as a basis for determining employee's training needs and further, to establish individual accountability and deal with poor performance. In addition, the measurement will also serve as a basis for establishing a developmental plan to improve employee performance and determine employee's suitability for the job.

Performance management is intended to be an on-going process of communication between the Manager and the employee, focused on helping the employee achieve his or her best workplace results and potential. Employee performance management includes:

- Planning work and setting expectations,
- Continually monitoring performance,
- Developing the capacity to perform,
- Periodically rating performance in a summary fashion, and
- Rewarding good performance.

NIDCO will reward excellent performance via a pay for performance system – guided by the organization's financial policies. Salary increases will be linked to employee performance.

Performance Management tools are related to NIDCO's vision, values and goals. The Company will conduct performance reviews biannually with all employees, thus the appraisal is intended to be a development activity to assist and motivate employees to attain their maximum potential.

PERFORMANCE APPRAISAL

It is Company's policy to conduct performance reviews bi-annually with all employees. The appraisal is intended to be a developmental activity to ascertain employee's suitability to continue in the job, and to assist and motivate employees to attain their maximum potential.

The objectives of the Performance Appraisal are:

- To establish mutually acceptable performance goals and objectives
- To motivate and guide employees toward greater self-development and improved performance by encouraging the discussion of significant strengths and areas needing improvement in a positive and constructive manner.
- To provide an objective and uniform means for supervisors to make recommendations for merit salary determinations based on an assessment of employee performance.
- To identify training needs and succession planning activities.
- To determine whether the employee is suitable to continue in the job.
- To provide the employee with an opportunity to indicate preferences for future work assignments
- To provide a record of employee's progress.

Written Performance Appraisal Reports are required:

- At completion of the probation period for newly hired employees;
- On the anniversary date of employment or date of merit review;
- On permanent change of position (i.e., transfer, promotion or demotion) even within the same department;
- When a significant change of performance occurs;
- As requested by the HR Department (e.g., for trainees);
- On other occasions at the discretion of the President or his/her delegate.

The appraisal will be conducted by the employee's immediate Supervisor/Manager on the specified Appraisal Form and reviewed by the HR Department. Reviews will be conducted annually for executive management and on a bi-annual basis for staff.

The Performance Appraisal Instrument measures employees' performance on a scale of one (1) to five (5) with one being the lowest and five being the highest. An employee who receives an outstanding performance rating may be considered for a salary increase. Such rating indicates that the employee has performed above acceptable performance standards. This rating is given for outstanding work, completed before the timeframe.

The quantum of such salary increase will be informed by:

- The organisation's financial ability,
- The industry average for the position and
- The existing range within the organisation.

SUCCESSION PLANNING

The Company will develop a system of Succession Planning to ensure that the staff requirements are identified and that a high calibre of staff with the competencies to deliver the Company's objectives are recruited, retained and developed in accordance with identified requirements.

The Company will expose staff to the necessary training and provide the resources required to allow for growth and development to prepare them to assume higher positions along the career path within the organisation.



5.3 Promotion

POLICY

It is the policy of NIDCO to encourage promotion from within by providing training opportunities, advertising vacancies and considering capable, qualified and experience employees.

APPOINTMENTS

Where an employee has been selected for a position, which represents a promotion, the position will be offered to the employee and the person is expected to respond within the specified timeframe. An employee who is offered a promotion may decline the promotion without prejudice. Where applicable, the employee must be made aware of the developmental opportunities inherent in the offer. A developmental position is defined as one which, by reason of the work content, supervisory responsibility and training opportunities available, it will provide the employee with the depth and variety of experience necessary to qualify for a subsequent assignment offering increased responsibilities as part of on-going career development.

ORIENTATION & FOLLOW UP

When an employee has been transferred, promoted or re-assigned, the Manager must give the employee an understanding of the responsibilities and duties of the new position together with an explanation of work routine and performance expectations.

The Manager must ensure the following:

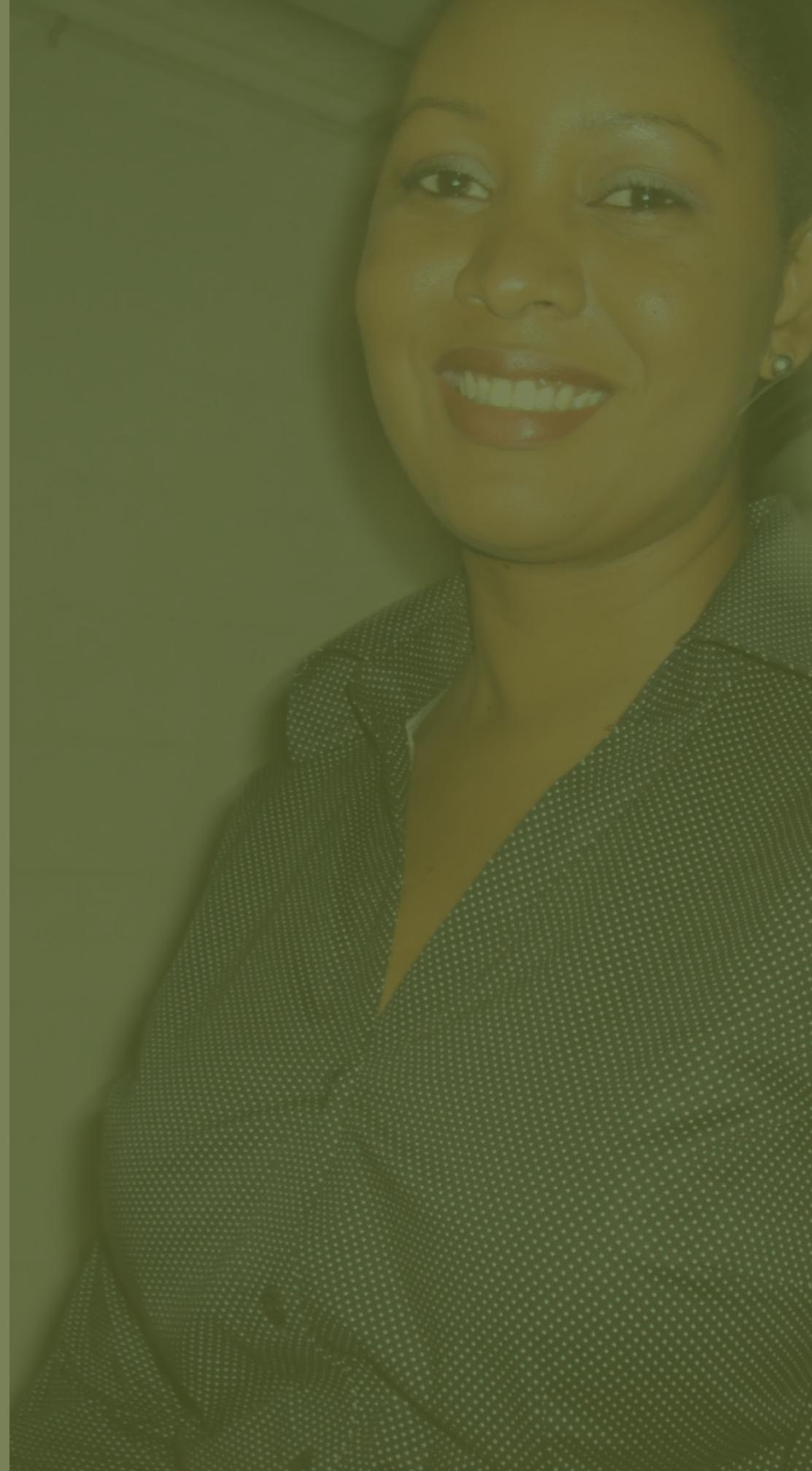
- a. That the employee adapts to his/her new role and becomes productive in the shortest timeframe possible.
- b. That the employee is provided with the necessary tools and equipment to perform his job satisfactorily.
- c. That the necessary training is provided to ensure that the employee performs at an efficient level.
- d. That the employee's performance is monitored and assessed during the first three (3) months in his/her new position.
- e. A formal report on his/her performance is provided to the HR Department and action plans developed as necessary.

Recruitment And Selection Procedures

It is the policy of this Company to establish and maintain a workforce of the highest quality that would function in a work environment, which offers both opportunity and challenge for a satisfying and rewarding career.

In order to achieve this objective NIDCO is committed to:

- Recruiting the most competent individuals irrespective of religion, age, race, sex, cultural background or physical appearance;
- Fostering employee relations based on trust and confidence, including the provision of safe and suitable working conditions, and reasonable hours of work;



- Compensating employees fairly and equitably in keeping with their responsibilities, quality of work and industry standards;
- Providing employee benefits and welfare services which would facilitate personal and family protection and encourage continuous self-development;
- Providing on-the-job training/support to help employees work more effectively.
- Ensuring that all new employees attend an Orientation Programme within one (1) month of joining the company.
- Conducting post-placement review sessions to encourage a work environment, which promotes satisfaction in the job, and goodwill among employees.

ELIGIBILITY FOR EMPLOYMENT

To be eligible for employment, applicants must be:

- a. A citizen of Trinidad & Tobago; or
- b. A resident of Trinidad & Tobago with a valid work permit as provided for in the Immigration Act; or
- c. A qualifying candidate under the CSME; or
- d. A Non Resident with a valid work permit.

In line with NIDCO's policy of fair and equal treatment, an applicant's eligibility will not be affected by race, colour, gender, ethnic origin, religion or any other characteristic not relevant to the job requirements.

SELECTION AND ORIENTATION

Applicants who have satisfied the requirements of the Company's recruitment process will be considered for employment.

Successful applicants will be provided with an Employment Contract detailing the terms and conditions of employment. The individual will be expected to sign the Contract in duplicate as confirmation of acceptance of the offer. One copy of the Employment Contract will be given to the Employee for his/her personal records and the other retained for the employee's personal file.

The probationary period is the time allowed for all newly hired employees to demonstrate their qualifications for the job. All new employees will be required to serve a probationary period of up to six (6) months before confirmation of employment with the Company to be determined by the Executive Management.

During the probationary period, the performance of the employee will be monitored to determine his/her suitability for the position. At the end of the probationary period a performance appraisal will be conducted to assess/determine the employee's training needs and suitability for continued employment.

Orientation – New Employees:

It is the policy of NIDCO to provide each new employee within one (1) month of employment, with a thorough orientation to the company's policies and procedures. The following are some of the areas that will be covered during the Orientation process:-



- Introduction to the Company;
- Discussion of the Organisational Structure;
- Review of the HR Policies and Procedures Manual
- Review of the Health and Safety Policies and Procedures
- Review of the Information Technology Policies and Procedures
- Review of the Confidentiality Requirements
- Review of the Code of Conduct
- Review of the Benefits and Compensation Package
- Provision of a Job Description and
- Introduction to fellow employees

The employee would be required to read all documents mentioned above, and sign to acknowledge that they have read and understood all documents.

EMPLOYMENT OF RELATIVES

NIDCO has a clear policy of non-discrimination. The organisation holds that there will be no preferential treatment in employment on the basis of family or other relationships to existing employees or associates. Employment decisions shall be based on merit and NIDCO's manpower needs. For purposes of clarity, relatives are defined as follows:

- Husband or wife inclusive of Common- Law relationship
- Mother or father
- Son or daughter
- Brother or sister
- Mother-in-law or father-in-law
- Son-in-law or daughter-in-law
- Brother-in-law or sister-in-law

The following guidelines will apply where relatives of employees are hired:

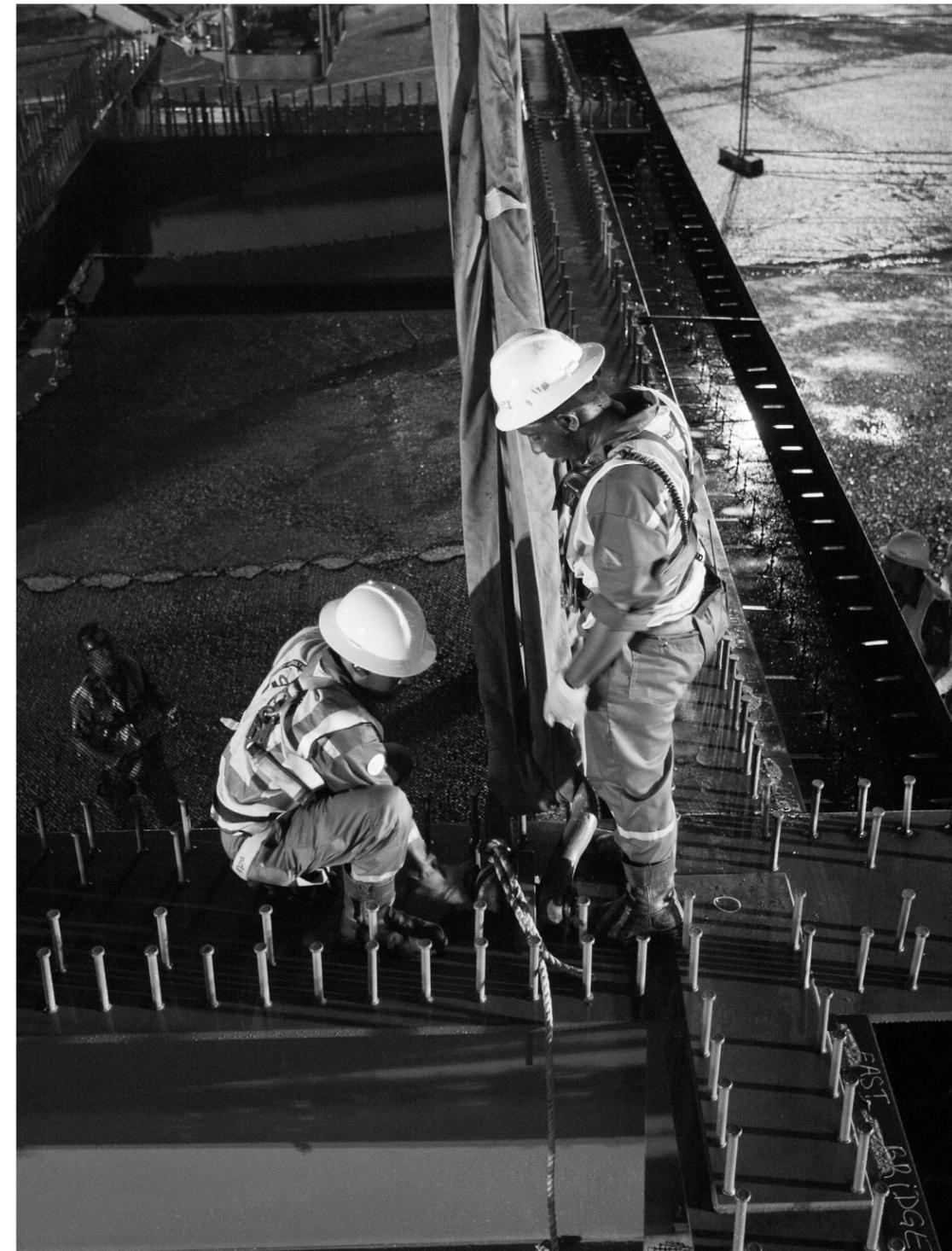
- a. Generally, relatives should not be assigned where there are direct reporting lines between them
- b. Employees are required to declare if any relatives are being hired or are already employed with NIDCO.
- c. Executives and Managers are required to declare their family relationship with an interviewee to the President or Human Resource Manager as appropriate.

As stated, the above are guidelines only. In all cases of employment or transfers, proper judgement must be exercised in making the placement decision, taking into

consideration the overall well-being of NIDCO and the Staff member/s, both in the short as well as in the long term.

RETIREMENT

An employee can retire at the age of 65 years. An employee can continue to be employed beyond retirement age with the consent of the President. The company also reserves the right to request a medical from such employees from an approved medical provider. The Company may choose to offer employment for persons beyond the retirement age for durations shorter than one (1) year.



5.4 Recruitment And Selection Policy

NIDCO will provide equal employment opportunities to all persons regardless of race, religion, gender, marital status, political association.

The goal of the recruitment/selection process is to select qualified candidates who best 'fit' the organisational needs of the Company and to ensure that NIDCO attracts and retains the most highly qualified workforce available.

NIDCO uses a merit based system to select the most suitable applicant for the job. This method uses a combination of written application, qualifications, and experience in the field and reference reports to determine relative merit against defined selection criteria. This process has been established to ensure the best possible choice and that selection is at all times related to the requirements of the position.

GUIDELINES:

Once per year or as the need arises, each Department Head will be required to forecast the manpower needs of their unit for the ensuing year. The HR Department will create the Manpower Plan for approval by the President. As vacancies arise, the positions accounted for in the Manpower Plan can therefore, be filled. New positions created during the year will require the approval of the President.

The President will determine the composition of the interview panels.

A vacancy will be determined to exist if any of the following conditions occur:

1. **'Internal Movement, Separation and Termination'** – An employee is promoted or reassigned, resigns, has abandoned the job or is terminated.
2. **'Organisational Development'** – The required staffing levels are below that of the 'approved' establishment.
3. **'Re-Organisation'** – A new position is created as a result of the changing business needs of the organisation.

Recruitment Request

When a vacancy becomes available through any of the above circumstances, a **"Recruitment Request Form"** may be completed and signed by the Manager of the department or the responsible Vice President, or the HR Manager, and submitted for the President's approval.

The following procedures must then be adhered to:

1. A file comprising the **'Recruitment Request Form'** together with the appropriate justification and job description must be prepared by the Line Manager and forwarded to the HR Department for processing. The HR Department will then determine the level and range of the job and the remuneration and benefits package attached to it to facilitate the recruitment and selection process.
2. This file will then be submitted by the HR Manager to the President for review and approval to begin the recruitment process.
3. Vacancies may be advertised both internally and externally or simultaneously as appropriate.

4. Vacancies to be advertised externally must be advertised in at least two (2) daily newspapers, whichever is deemed as having the greater circulation for the period of the advertisements.

5. The HR Department shall be responsible for developing, distributing and posting all internal and external vacancy notices on all Notice Boards, via email and in the daily newspapers.

6. Vacancy notices will not be placed for acting appointments.

7. Acting Appointments at the Executive Management level shall be determined by the President, while those for other levels of staff will be determined by the Department Manager in consultation with the Human Resource Department. Whenever there is disagreement between the Department Manager and the HR Department, the President will determine the issue.

Finalist Pool for Staff

A finalist pool (short-list) for interviews shall be selected from the applications received for the job vacancies by rating (scoring) their qualifications and experience against the requirements for the position. The candidates selected for the finalist pool would be selected based upon the criteria necessary to successfully perform the essential functions of the job. The interview assessment form shall be used for this purpose, and should be amended to reflect any changes made in the selection criteria during the selection process to ensure that all applications have been evaluated against the same criteria.

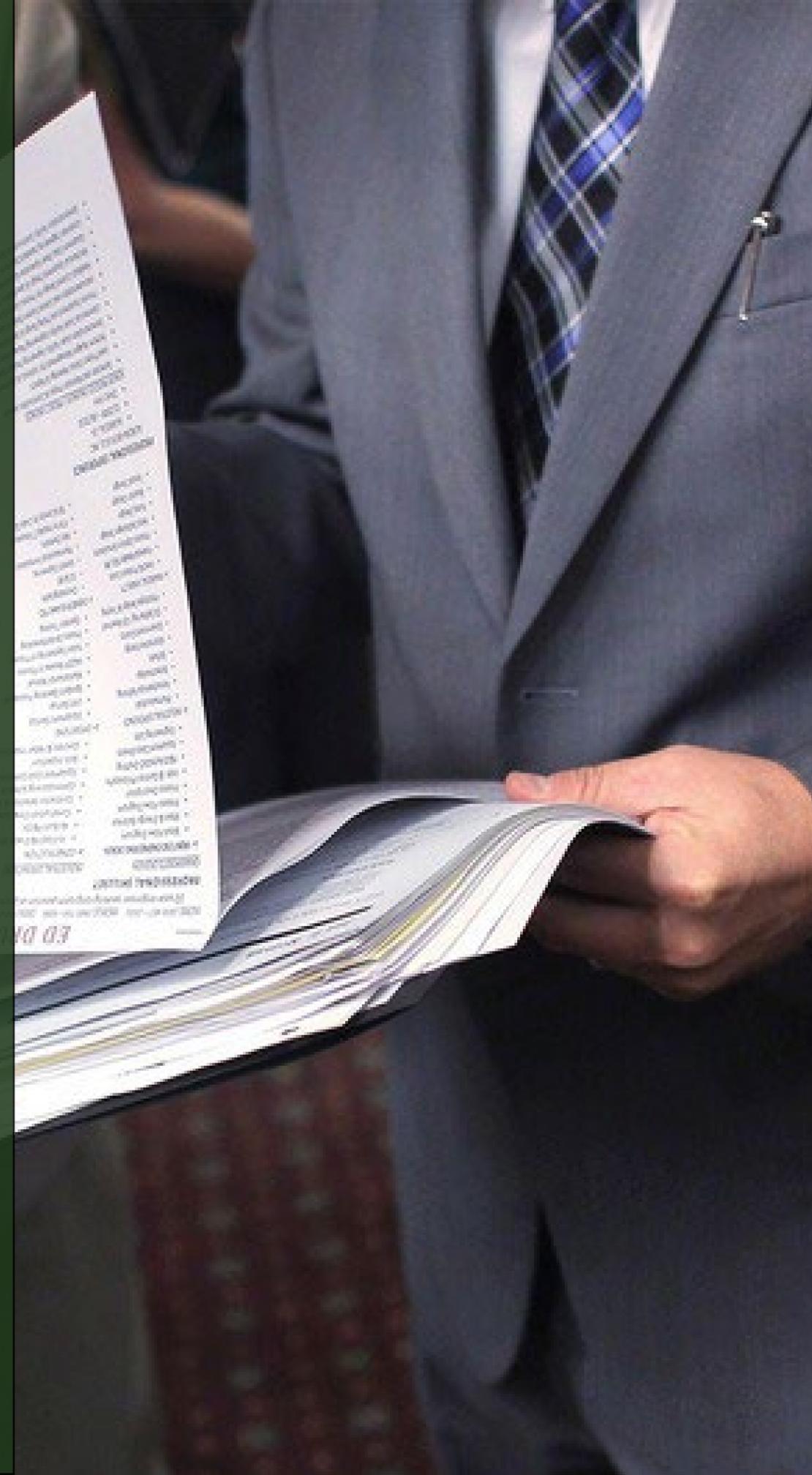
The ratings received during the short-listing process shall be used to determine whether interviews might be necessary. The rating (score) for this purpose shall be set by and be at the sole discretion of the President; however, when so stated these ratings must be used consistently for all applications of the specific finalist pool.

FINAL SELECTION

It is the policy of NIDCO to select the most qualified person for the job. In making the final selection, close evaluation of each candidate against the requirements and needs of the position is standard. Final selection may be made by means of interviews, 'Panel Discussion' or through a 'Head Hunting' process.

In the case of an agreement by Panel Members, the interview assessment forms will be used and all appropriate categories scored and rated as necessary to reflect a rational and consistent approach to making a final decision. A selection panel must be convened for this purpose except that the applicant may not be present. Panel Discussion notwithstanding, all procedures outlined in the section "Authority to make Offer of Employment" must be followed.

The option of 'Head-Hunting' may be used for Executive Management positions after the open selection process has failed to yield sufficiently adequate applicants, and where confidentiality, performance and proven competence is critical to the organisation and the successful performance of the job in question. Head Hunting may be used at the sole discretion of the President when deemed necessary in the best interest of the organisation.



INTERVIEW PROCESS

Executive Management

1. All interviews shall be conducted by a selection panel convened specifically for that purpose.
2. The selection panel for Executive Management positions shall comprise representatives of the Board of Directors, the President of the Company and any other persons deemed appropriate in providing knowledge relevant to the interview/selection process. Designates may represent the President as required.
3. A file comprising a copy of the applicant's resume and or/profile, an interview assessment form, a list of possible interview questions and reference reviews must be provided to and used by each panellist.
4. All interview assessment forms must be completely filled in and signed by the relevant panellist. All scores must be tallied by the panellists and candidates ranked appropriately.
5. All completed interview assessment forms together with tallied scores must be passed to the HR Department which shall be responsible for maintaining such records.

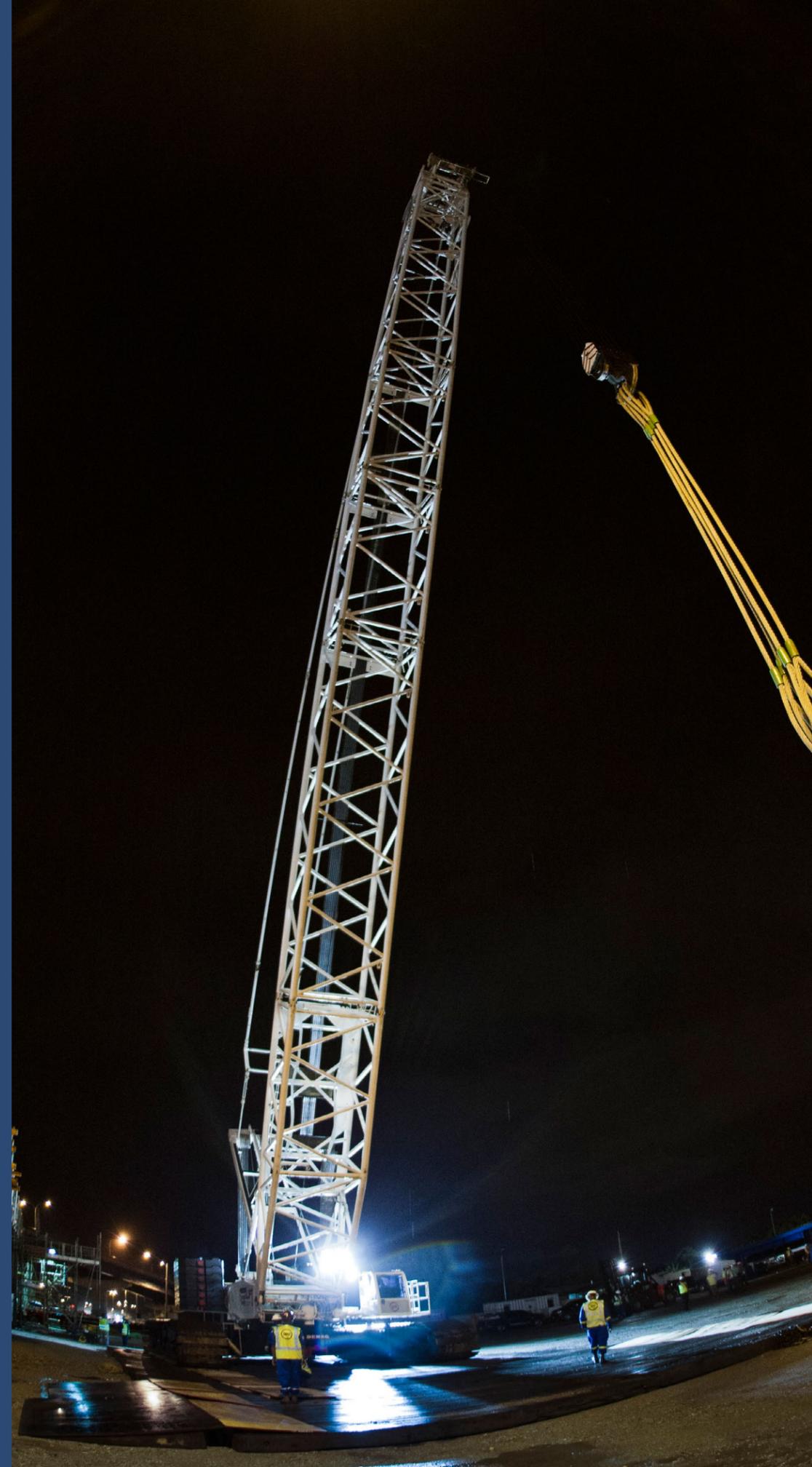
Senior Management and Senior Professional Level

1. The selection panel for Senior Management and Senior Professional level job positions shall comprise at least two members of Executive Management, the President of the Company and any other persons deemed appropriate in providing expert knowledge critical to the interview/selection process. Other Heads of Department may also sit on the selection panel, as required.
2. A file comprising a copy of the applicant's resume and or profile, an interview assessment form, a list of possible interview questions and reference reviews must be provided to and used by each panellist.
3. All interview assessment forms must be completely filled in and signed by the relevant panellist. All scores must be tallied by the panellist and candidates ranked appropriately.
4. All completed interview assessment forms together with tallied scores must be passed to the HR Department which shall be responsible for maintaining such records

AUTHORITY TO MAKE OFFERS OF EMPLOYMENT

Offers to Executive Management

1. Offers of employment to Executive Management are to be signed by the President.
2. In the case of Executive Management positions, and before letters of offer can be issued, the President must review all completed scores and or recommendations and convey approval to proceed with the recruitment of the selected candidate.
3. In the case of Vice Presidents Positions, and before approval to proceed with recruitment is given, the President must review all completed scores and or recommendations and gain ratification by the Board of Directors
4. All preferred candidates identified by the selection panel for recruitment shall be viewed as a recommendation until such time as approval to recruit is conveyed.
5. All interview files and assessment forms must be made available for review and ratification by the President.



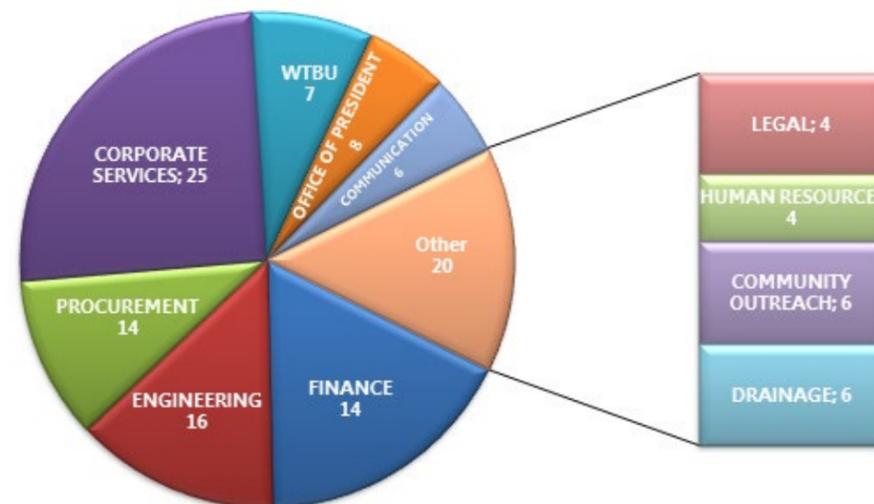
Offers to Senior Management and Senior Professional Level

1. Offers of employment to Senior Management and Senior Professionals are to be signed by the President or a delegated member of the Executive Management.
2. In the case of Senior Management and Senior Professional level jobs, where letters of offer are issued; the President must have ratified the selection.
3. All preferred candidates identified by the selection panel for recruitment shall be viewed as a recommendation until such time as approval to recruit is conveyed.
4. All interview files and assessments forms must be made available for review and ratification by the HR Department.
5. All offers of employment must be made in writing and must be signed by either the President, or a member of the Executive Management consistent with the policies stated herein.

Offers to Junior Management and Junior Professionals

1. Offers of employment to Junior Management and Junior Professionals are to be signed by the President or a delegated member of the Executive Management.
2. In the case of Junior Management, Junior Professionals, and all other non-management jobs, letters of offer of employment may be signed by either the President or any other member of the Executive Management as designated by the President.
3. All preferred candidates identified by the selection panel for recruitment shall be viewed as a recommendation until such time as approval to recruit is conveyed.

Figure 8: Staff Complement for 2012



Pre-employment Reference Checks

1. A thorough reference check shall be conducted before an offer of employment is made to the successful candidate. Where necessary, an external agency may be contracted to conduct such reference check.
2. The HR Department shall formulate the job related reference questions.
3. If more than one candidate is being considered the same reference check questions must be asked to maintain consistency and fairness in selection.

Required for Approval to Proceed with Recruitment:

Staff Recruitment Request Form
Remuneration and Benefits package
Reference Verification report
Interview Assessment



6 Reporting Functions



6.1 Departmental Reports

The following reports of the Executive Management were presented at Board Meetings and Executive Management Meetings during the period October 2010 to September 2012:

Table 2: Summary of Departmental Reports Produced in 2012

Department	Title of Report
Human Resource Management	<ul style="list-style-type: none"> • New Recruitment • Probation Confirmations • Contract Renewals • Resignations • Terminations • Staff Complement • Internal Promotions • Interview, Recruit and Hire • End of Contract Reviews
Corporate Communications	<ul style="list-style-type: none"> • Press Advertisements • Media Monitoring • Public Notices • NIDCO's Monitoring Website and Updates • NIDCO's Quarterly Newsletter • Promotional Report • NIDCO's Monthly Events Report
Procurement and Contracts Management	<p><u>Status of Tenders</u></p> <ul style="list-style-type: none"> • Tenders Issued • Evaluations to Commence • Evaluations On-going • Evaluations Completed • Upcoming Tenders • Tenders on Hold • Tenders Cancelled • Opening and Closing of Tenders Report • Report of the Tenders Committee • Gifts and Hospitality Register <p><u>Status of Pre-qualifications</u></p> <ul style="list-style-type: none"> • Pre-qualifications issued • Pre-qualification Evaluations On-going • Pre-qualification completed • Pre-qualification to be issued <p><u>Contracts</u></p> <ul style="list-style-type: none"> • Letters of Award issued • Contracts executed • Contracts varied • Leases & Framework Agreement Reports <p><u>Purchase Orders</u></p> <ul style="list-style-type: none"> • Monthly Purchase Order Report

Department	Title of Report
Engineering and Programme Management	<ul style="list-style-type: none"> • Drainage Projects • East-West Corridor Expansion and Improvement Works • Comprehensive Land Transportation Project – San Fernando to Point Fortin Highway • Cadastral Surveys • Bridge Reconstruction Programme • Northern Valley Link Project • Landslip Repair Programme • Diego Martin Highway Extension Project • Project Status Report – Drainage Projects • Small Drainage Projects • East West Corridor Expansion and Improvement Works • Northern Range Feasibility Studies • SFPFH – Land Acquisition Status • Extension of Solomon Hochoy Highway to Point Fortin, Monthly Status • Water Taxi Infrastructure Project Status Report
Water Taxi Service	<p>Major Operational Issues</p> <ul style="list-style-type: none"> • Utilization of Service • Capacity Utilization • Sailings • Marketing and Advertising <p>Vessel Operations Summary Report</p> <ul style="list-style-type: none"> • Overview • Maintenance and Engineering • Vessel Status End of Month • Safety and Security • Manning • Training • Regularity and Compliance
Finance	<p>NIDCO and Water Taxi</p> <ul style="list-style-type: none"> • Financial Performance Highlights • Statement of Comprehensive Income • Statement of Financial Position • Statement of Changes in Equity • Statement of Cash Flows • Ratio Analysis • Annual Budget • Audited Financial Statement

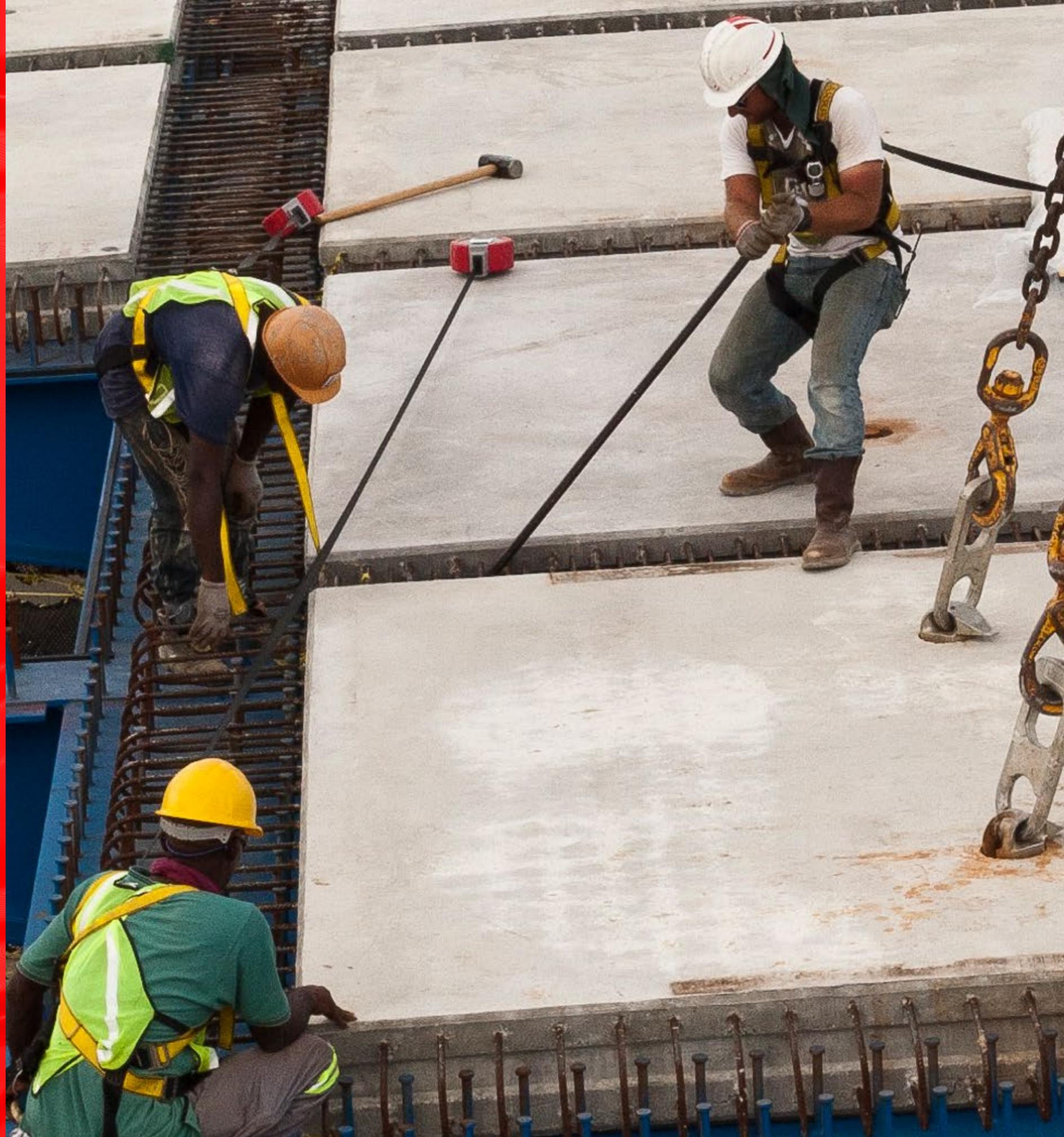
Department	Title of Report
Legal Services	<p>Status Reports</p> <ul style="list-style-type: none"> • Litigation – Industrial • Civil/Commercial Claims • Contracts Executed • On-going reviews/Meetings/Negotiations /Opinions • Ongoing Legal Matters <p>Acquisitions</p> <ul style="list-style-type: none"> • Aranguez • Golconda to Debe • San Fernando to Point Fortin <p>Industrial Relations/Employment Matters</p> <ul style="list-style-type: none"> • Douglas Barzey re Unfair Dismissal • Jared Dobson re Termination of Employment • Civil/Commercial Claims: <ul style="list-style-type: none"> o SAP o Claim by VINCI o Claim by Merle Dial
Corporate Services	<p>Health Safety & Environment Status and Activity Report:</p> <ul style="list-style-type: none"> • Activities • NIDCO Head Office HSE Statistics • Water Taxi HSE Statistics <p>Information Technology Department:</p> <ul style="list-style-type: none"> • Short Term Objectives • Progress achieved <p>Facilities Management Unit Status and Activity Report</p> <ul style="list-style-type: none"> • Head Office • Water Taxi Facilities • Capildeo House • Debe Office <p>Security Management Unit Status and Activity Report</p> <ul style="list-style-type: none"> • Security • Water Taxi Facilities • Capildeo House • Debe Office

6.2 Reports to the Ministries the President/Parliament

Table 3: Summary of Reports to Ministries, the President/Parliament

TYPE/TITLE OF REPORT	SCHEDULE	SUBMITTED TO
Minutes of Board Meetings	Monthly	Ministry of Finance
Cash Statements of Operations	Monthly	Ministry of Finance
Return of Award of Contracts	Monthly	Ministry of Finance
Litigation Reports	Quarterly	Ministry of Finance
Quarterly Returns Report	Quarterly	Ministry of Finance
Status of Loans, Overdrafts, Investments in Securities	Quarterly	Ministry of Finance
Internal Audit Reports	Quarterly	Ministry of Finance
Annual Budget	Annually	Ministry of Finance; Ministry of Works and Infrastructure
Administrative Report	Annually	Ministry of Works and Infrastructure The President of the Republic of Trinidad and Tobago Parliament of the Republic of Trinidad and Tobago
Annual Performance Appraisal Reports	Annually	Ministry of Works and Infrastructure
Audited Financial Statements	Annually	Ministry of Finance Parliament of the Republic of Trinidad and Tobago
Annual Financial Statements / Annual Reports	Annually	Ministry of Finance; Ministry of Works and Infrastructure
Strategic Plan	Plan Period – 5 Year	Ministry of Finance; Ministry of Works and Infrastructure
Updates of Strategic Plan	Annually	Ministry of Finance; Ministry of Works and Infrastructure

7 Procurement Procedures

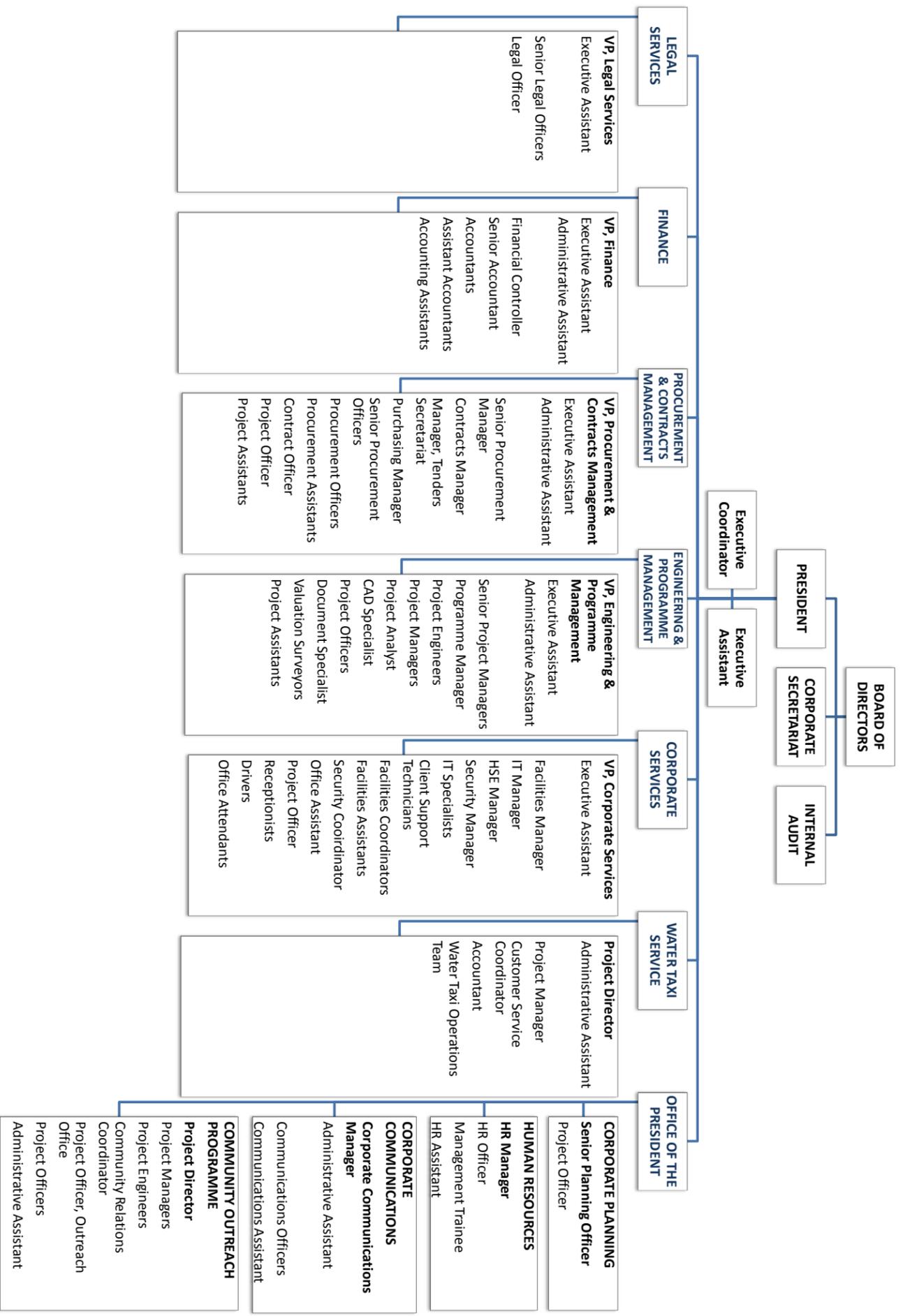


As part of its compliance strategy, NIDCO has developed its Tendering Policy and Procedures, which are directly aligned with the GORTT's Standard Procurement Procedures for the Acquisition of Goods, Provision of Services, Undertaking Works and Disposals of Unserviceable Items in State Enterprises/ Statutory Bodies (State Agencies). The complete Procurement Policy document can be found at Appendix 2.



APPENDICES





APPENDIX 2



NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY

PROCUREMENT POLICY

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NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY

PROCUREMENT POLICY

INTRODUCTION

The purpose of this policy is to establish the National Infrastructure Development Company Limited (NIDCO) procurement guidelines which have a tremendous impact on the economic, social, political and legal environment.

The emphasis in best procurement practice is on promoting objectivity and flexibility, minimising the opportunity for manipulation, and increasing public trust in the integrity of the process.

PROCUREMENT

Procurement is the process of acquiring property and services using money to accomplish specific purposes. The process is characterised by a legal requirement that all stages of the process reflect the highest standards of integrity and professionalism so as to engender mutual trust and confidence in the system. In acquiring such items there are three basic operating principles, which are: Value for Money, Transparency and Accountability.

- **Value for Money**
This is the achievement of the best combination of price and quality to meet the particular needs in the shortest possible time.
- **Transparency**
This requires that information regarding the procurement process be in the public domain. Potential suppliers of property and services should have full access to information on procurement requirements, rules and decision-making criteria.
- **Accountability**
The hallmark of this approach is promoting clear responsibility for the decision-makers, who must abide by a pre-determined standard and are answerable for actions and outcomes. Good record keeping is an essential element, which can be scrutinised at any point of the process.

ETHICS

Procurement must be conducted based on mutual trust and respect, fairly, reasonably and with integrity.



NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY

PROCUREMENT POLICY

METHOD OF PROCUREMENT

As no single procurement method suits all situations, specific methods are not mandated. Therefore, consideration shall be given to the requirements and conditions of the existing market of each procurement item and a selection based on its merits.

NATIONAL DEVELOPMENT

For sustainable development of local industries including small and medium enterprises (SME's), domestic industry will be given 10% price differential over foreign suppliers of goods and services. Requirements for property and services produced, generated or provided by domestic firms, once they satisfy the criteria of competitive quality, price, standards and delivery schedules, shall be used as a priority. Resort to foreign goods and services will be entertained only where domestic firms are unable to meet the requirement. On arriving at the evaluation criteria, participation by SME's as direct suppliers or as subcontractors should be considered.

A proportion of contracts shall be reserved for small and medium local firms in accordance with the "Fair Share Programme" and any other Governmental Policy. In setting the selection criteria attribute weightings to a particular criterion should not discriminate against small businesses.

The use of this policy is supplemented by Tendering Procedures and should not be taken in isolation.



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NATIONAL INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED TENDERING PROCEDURES

1. OBJECTIVE AND SCOPE

The purpose of these procedures is to establish guidelines by which NIDCO must comply in the solicitation, execution and administration of Contracts for the provision of work or services. This procedure is to be used in conjunction with the Procurement Policy.

Procurement in State Agencies is the responsibility of the Board of Directors. However, the Board may delegate some of this responsibility to a Tenders Committee.

The Tenders Committee and by extension the Vice President – Procurement and Contracts Management (VP-P&CM) is there to effect efficient management of the procurement function and to ensure compliance with established procedures, recommend modifying procedures when required, and to assist departments in their handling of contract matters.

2. GENERAL

All work performed by contractors must be covered by an approved formal written contract, published price list or work order. No verbal agreements shall be entered into between Department/Section Heads and contractors or other entities to provide services on a one-off, regular or temporary basis.

The purchase of materials is covered by a separate procedure.



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3. DEFINITIONS

TERM	DEFINITION
Bidder	Same as Contractor and/or Consultant
Board	Board of Directors
Chairman	Chairman of the Tenders Committee or the Chairman of the Board as specified
Company	National Infrastructure Development Company Limited (NIDCO)
Committee	Tenders Committee charged with the responsibility of matters relating to tenders and contracts
Contract	Formal written form of agreement between/among Parties
Consultant	Consulting firm or individual who provides services of an Intellectual and/or advisory capacity
Contractor	Means the legal entity(firm, company, joint venture, partnership, sole trader) who is approved to execute works/services for the Company
Invitation to Bid (ITB)	Company's request for bids and includes instructions to bidders, scope of works/services, specifications, drawings, conditions of contract, form of bid, bonds/guarantees where applicable, and any other relevant information submitted by the Company in relation to said request
Relative	Spouse (including common-law), child, siblings, grand-child, parent, nephews, nieces, son/daughter-in law, mother/father-in-law, brother/sister-in-law.
Secretary	Secretary to the Tenders Committee or as otherwise specified
Services	Administrative, financial, engineering, support, and all other technical services including consultancy services.
Works	Means construction type tasks, electricity, water, engineering works, maintenance and works of all kinds.
Tender	An offer made by a bidder(s) to conduct works and/or services in response to a request by the Company



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4. QUALIFIED TENDERS LIST

Only reputable and responsible contractors should be invited to submit bids.

Lists of qualified bidders are to be maintained by the VP-P&CM and approved by the appropriate authorization level prior to soliciting tenders, as per the Delegation of Authorities. The Tenders Committee will serve as the pre-qualification Committee.

An approved bidders list may be maintained on a current basis or may be developed as the need arises for each individual contract. There shall be established, a Pre-qualification Registration Committee. The Committee shall comprise:

- VP – Finance and Accounting as Chairman
- VP – Program Management
- VP - Legal
- VP – Procurement and Contracts Management as Secretary

The Secretary and any two (2) members shall form a quorum. In the absence of the Chairman of this Committee, the members present shall elect one of their members to the chair for the meeting.

In establishing the lists of qualified bidders, consideration should be given to such factors including, but not limited to, experience, competence to perform in accordance with industry standards, financial stability, reliability and acceptable safety record.

A Contractor wishing to do work for NIDCO will duly complete and sign a pre-qualification form. The Application for Registration form provides pre-requisite information for review and approval of applicants.

A team will be appointed by the Tenders Committee to conduct a site visit of the applicant's operations including, but not limited to, offices, equipment yards and materials warehouses. An Interview Report form will be completed subsequent to presentation of an Application Form. After a site visit and interview, a recommendation will be presented via the VP-P&CM to the Tenders Committee who will approve the inclusion or rejection of the contractor with respect to the approved bidders list.



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This recommendation must be initiated by a written request justifying the addition or rejection, outlining the classification of the contractor, the work service(s) and the financial range within which the contractor is considered qualified. A response will be forwarded to the contractor stating inclusion or rejection by the VP-P&CM.

The Tenders Committee may approve deletion or suspension of a contractor from the bidders list. Subsidiaries, Associated or Related companies will not be registered for provision of the same services.

4.1 Contractor Removal or Suspension

Contractors can be removed or suspended from the approved lists for reasons such as:

- Continual failure to respond to bid invitations.
- Unsatisfactory work.
- Excuses of errors in estimating tenders by contractors in an effort to withdraw from the execution of the contract.
- Poor conduct.
- History of unsuccessful bids due to high quotations.
- Non-compliance/adherence with EHS rules and regulations, and/or unacceptable EHS performance.
- Failure to observe the Standard Contractual Terms and Conditions or other contractual arrangements especially non-provision of evidence of insurance coverage and non-compliance with minimum wage agreements.
- Evidence or collusion between the contractor and Company Officers and Directors.
- Official notification of inability to carry on the operations of the business (bankruptcy, receivership etc.)
- At own request.
- Any other just cause.

The Committee shall afford the contractor an opportunity to be heard if so decided.



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In cases of deletion or suspension of a contractor from the bidders' list, the Vice President-Procurement and Contracts Management shall inform all department heads in writing.

Every effort shall be used to include only the most qualified bidders in the bidders' list in order to prevent having an excessive number of bidders. Most categories can be sufficiently satisfied with five to ten contractors. Also, the types of work service categories should be consolidated where possible, when the same contractors are respectively listed for similar services.

5. WHEN A CONTRACT IS REQUIRED

A formal contract is required for:

- All building or office rentals.
- All consultancy services

All work services in excess of three months:

- All types of work, including construction and expense items, when the total cost of the work is as indicated by the approved Delegation of Authorities.
- All work of a continuous or repetitive nature.

6. TENDERS COMMITTEE

In order to carry out the functions described in the tendering procedures outlined herein, a Tenders Committee shall be established and shall carry out the responsibilities set forth in these procedures.

The role of the Tenders Committee as authorized in the Delegation of Authority shall be that of an advisory committee to the Board, who has final responsibility for all contractual matters. This committee shall ensure fairness, transparency and consistency of all transactions with all Parties. It shall maintain a high standard of work ethics.



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The Tenders Committee shall have the responsibility to review, analyze, approve and/or recommend appropriate action for approval to the respective position under the current Delegation of Authority for all matters related to contract procedures, competitive bidding and approval of contracts.

The Board has the authority to change the composition, designation and delegation of Committee Members.

The Tenders Committee will meet on a scheduled basis at agreed times. Unscheduled meetings may be requested by the Secretary of the Tenders Committee upon giving notice to members.

6.1 Composition

The Tenders Committee shall comprise a minimum of five (5) members who shall be:

- A minimum of two (2) Directors, (all voting members) one of whom will be the Chairman as approved by the Board. An alternate will be assigned when necessary.
- The President (voting member). An alternate will be assigned when necessary.
- The VP – Finance and Accounting (voting member). An alternate will be assigned when necessary.
- The VP – Legal (voting member).

The VP – Procurement and Contracts Management will be the Secretary to the Committee, (non-voting member).

The Team Manager directly involved in the matters included in the Agenda for that specific occasion, (non-voting member).



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Whenever necessary, any other person or employee can be requested to attend as a visitor or attendee. The Secretary of the Committee is to be notified beforehand of any attendees.

6.2 Quorum

A quorum for the Tenders Committee shall consist of three voting members, one of which shall be a Director. Each voting member shall have one vote, and all approval and recommendations by the Tenders Committee to the approval authority shall be by majority. When the Tenders Committee consists of three voting members, there cannot be more than one alternate. Any exception to any issue by any member shall be quoted in the Committee Minutes, upon request.

6.3 Alternates

The Board has the Authority to designate Alternates as and when required.

6.4 Chairman

The role of the Tenders Committee Chairman, is to preside over the Tenders Committee meetings, in accordance with the Delegation of Authority, including the consideration for the issue of invitations and tender evaluation(s) and to make decisions on the acceptance or rejection of those recommendations for the supply of services and/or works necessary to be undertaken to achieve the company's objectives.

The Tenders Committee shall not for the purposes of giving themselves authority to act, subdivide the quantity of services or works to be undertaken in portions which fall within their respective financial limits. Subdividing works and/or services by User Departments for similar purposes is not allowed.

6.5 Agenda

The Agenda to be followed shall include:

- Report on Opening of Tenders



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- Assignment of Tenders for Evaluation
- Recommendations concerning Tenders evaluated
- Requests to issue Tenders
- Review any approved bidders list matter
- Any other business

The Agenda will be distributed to the voting members at least two working days in advance of each meeting.

6.6 Minutes

All meetings of the Tenders Committee are to have Minutes prepared. The Minutes shall be consecutively numbered and itemized.

The VP – Procurement and Contracts Management shall serve as the Secretary of the Tenders Committee and will minute all significant items discussed at the meeting, including the reasons given by any member who may oppose any proposed recommendation of the majority.

The Minutes are for information purposes to register what transpired at the meeting and to designate the individual to whom action has been assigned. If action is require, the individual designated to take action will be noted in the Minutes.

Any request to deviate from these procedures will be in the Minutes of the Tenders Committee, with an explanation justifying the exceptions.

The Minutes will be reviewed and signed by all voting members and the Secretary. The signed Minutes will be kept by the VP-Procurement and Contracts Management and a copy submitted for Board consideration. The Secretary will notify the pertinent person assigned of any action to be taken.

6.7 Functions of the Tenders Committee

- Recommend to the Board instructions on contracts and tenders procedures.



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- Review and approve or reject companies or partnerships or joint ventures or individuals on the approved bidders list.
- Ensure accountability and transparency in all matters pertaining to tendering, procurement and contracting.
- Recommend action to be taken with regard to tenders and contracts.
- Implement the policy and procedures on Tendering, Procurement and Contracting.

Papers should not be circulated to any member who has declared an interest. Decisions shall be by majority vote, and in the event of an equality of votes, the Chairman shall have an original and casting vote.

- Decisions shall be taken at Committee Meetings or where the Chairman so directs by circulation of papers.
- The Tenders Committee can refer special matters to the Board for final determination.

7. TENDERING CONTRACTS

Three or more tenders are to be solicited for contracts, where possible. Competitive bidding is generally in order if:

- It is possible to develop clear specifications such that accurate pricing can be developed
- There is an adequate number of potential contractors.



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Departments are required to apply through the VP-P&CM to the Tenders Committee to issue a tender, stating clearly in writing the justification and nature of the expenditure, and the source of funding.

The name of the person who prepared the Company's estimate should be included in all requests. An adequate period of time for bidders to formulate and present bids should be allowed.

All requests to issue tender applications shall be accompanied with the following documented information:

- Executive Summary including an estimate
- Scope of Work (to be included in the proforma contract as Exhibit "A" Description of Services)
- Department Head's Sign-off
- Bid Format

The Executive Summary will be in the form of a memorandum addressed to the final approving authority position for each contract award. This document will contain the following sections:

- Scope of Approval Request
- Background Information
- Justification
- Attachments

In addition, the Executive Summary for a bid tender application must state the proposed:

- List of bidders (where applicable)
- Issuing date
- Site visit date
- Closing date and hour
- Source of Funding
- Any other pertinent information



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Once the respective Delegated Authority has approved the Department's request to issue a tender, the VP-P&CM will assign a number to the tender.

Before tenders are invited, a third party suitably qualified shall conduct a review of bid specifications and evidence of same.

The VP-P&CM will issue to contractors on the approved bidders list for the appropriate service category, or as approved by the Tenders Committee/Board as appropriate. Only the VP-P&CM may issue tenders.

All correspondence related to tenders or contracts will be handled by the VP-P&CM. Answers to questions from contractors must be in writing, with copies to all bidders. Contractors will receive instructions in this regard with their bid package.

The General Instructions to Bidders must be included with all bid solicitation requests. Any deviation to these Instructions must be fully justified and have prior support of the Tenders Committee or Board as per Delegation of Authority.

The Chairman of the Tenders Committee in consultation with the user section must review/approve any request for an extension to the tender deadline. If acceptable, recommend for the Chairman of the Board's approval. If an extension is approved, all contractors who have been requested to bid must be advised in writing of said extension.

8. COMPANY ESTIMATE (C/E)

The Company's Estimate shall be prepared and submitted in the same time, form and manner as required by contractors. All cost and quantity elements for developing a total estimate must be included.

The Company's Estimate must include the name of the person who prepared the document, dated and signed.

The envelope must be clearly marked:



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- Company's Estimate
- The tender number clearly affixed
- Enter into a log and deposited in the Tenders Box where it will remain sealed until the contractors' bids are opened together with the respective tenders.

9. TENDER BOXES

In order to retain bids in a secure place, a Tender Box should be placed as directed by the VP-Procurement & Contracts Management.

Contractors must deliver sealed bids to NIDCO's VP-P&CM. All bids received will be logged in by the VP-P&CM showing:

- The tender number
- Name of person delivering the bid
- Date and time received
- Verification should be made that envelopes are properly sealed, then
- Deposit the envelopes in the locked Tenders Box controlled by the Chairman of the Tenders Committee and the VP-P&CM.

After logging, the contractor must place the sealed bids in the tender box before the closing date and time as directed.

It is the contractor's responsibility to deliver bids as per ITB.

There will be two independent locks to secure the Tenders Box. The Chairman of the Tenders Committee will keep the key to one lock. The VP-P&CM will keep the key to the other lock. No other keys will be made for the Tenders Box. Bids cannot be withdrawn from the Tenders Box except when opened for the Tenders Committee Meetings.



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10. OPENING BIDS

Sealed bids, together with the Company's Estimate, will be retrieved by the designated Tenders Committee Members, opened in the presence of the Tenders Committee Members, stamped and initialed by each member. Bids cannot be opened or evaluated if the Company's Estimate is not presented at the moment of opening the corresponding bids. If any contractor submits more than one bid for the same job, such facts must be put in the Minutes and investigated by the Tenders Committee.

10.1 Opening Committee

The Opening Committee comprising the President, VP-Finance and VP-Legal, will sign each offer as it is opened, and shall sign the register containing the information.

10.2 Secretary to the Tenders Committee

The VP-P&CM will make entries of the following:

- The names of the persons or firms making the tender
- The sums of money quoted in the tender
- Exceptions
- Any other requirements

The results of the bids received will be recorded in sufficient detail (companies that bid, did not bid and/or did not answer, late bids, etc.) to enable identification.

10.3 Invalid Bids

Bids will be disqualified for the following reasons:

- Non-compliance to bid specifications
- Non-submission on the original form provided
- The form is incomplete, including unsigned
- More than one bid is received from the same contractor unless one is stated as superseding a previous submission
- Invalid bid(s) will be returned to the tenderer unopened where possible, under cover of letter by the VP-P&CM



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10.4 Alternative Proposal(s)

Alternative proposals received as part of submitted bid(s) can be viewed by the Tenders Committee and, if acceptable, referred to the evaluator together with other bids for review.

10.5 Late Bids

Bids reaching the tenders box after closing time will not be accepted by the Tenders Committee and shall remain unopened (where possible) in their original envelopes and returned to the contractor via letter of cover by the VP-P&CM.

11. BID EVALUATION

The Tenders Committee will recommend the designated person or persons to whom the evaluation of bids received will be assigned. A person familiar with the particular contract or such works should prepare the bid evaluation. The evaluation should be signed and dated by the evaluator(s) and returned, together with the bids, to the Tenders Committee via the VP-P&CM. The VP-P&CM will log same and hold in a secured area until the next scheduled Tenders Meeting.

The results of the bids received will be summarized in sufficient detail (companies that bid, did not bid, and/or did not answer, late bids, etc.) to enable identification.

All tenders and associated working papers will be held fully confidential before and after the award, including any price lists or other documents containing competitive information from bidders. Tenders sent for evaluation must be kept secured.

It is important that recommendation to the Tenders Committee are clear, concise and cover the pertinent factors. It should give the background reasons for the tender, number of bids issued and received and must explain any wide variance between the Company's Estimate analysis and the recommended bid. Where possible, comparisons to prior costs of the same service should be provided and any options or alternatives discarded by the department should be explained. Any change in the Company's Estimate Analysis must be fully justified.



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After bids are evaluated, they will be recorded in a summary format and then submitted to the Tenders Committee under a covering memorandum on the results of the evaluation and a recommendation on the winning bid with all justifications for the recommendation. The total contract amount for the overall contract period shall be shown for each tender. Where appropriate, the covering letter should include comparisons of the quantity and type of personnel and equipment offered by each contractor, and other pertinent information, e.g. contract exceptions. Reasons should be stated if lowest bid is not recommended with full justification.

The Tenders Committee shall ensure that the evaluation was made on the same basis as the Company's Estimate Analysis. Any revision in the basic assumptions that will alter the selection of the contractor should be carefully reviewed and documented in the Tenders Committee's recommendation to the relevant person as per the current Delegation of Authority.

The bid evaluation report must be signed by all voting members of the Tenders Committee indicating support and/or approval.

Copies of all foregoing documents (tenders to bid form, company's estimate, bid summary, correspondence, etc.) will be filed together with the contract.

12. AWARDING OF CONTRACTS

12.1 Recommendation

The recommendation should include the contract terms, the dollar amount awarded for payment during the contract period and specific reasons for the selection. This documentation should be maintained for internal control and for eventual audit review.

12.2 Approval

The contractor to whom the bid is to be awarded will not be notified until the contract has been approved in accordance with the Delegation of Authority.



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12.3 Notice of Award

A Letter of Acceptance is to be sent by the VP-Procurement and Contracts Management to the successful bidder(s). Likewise, a declination letter will be sent by the VP-Procurement and Contracts Management to the unsuccessful bidders to notify that the work has been awarded to others. Such notification will not be made until appropriate approval to enter into the contract has been received and the successful bidder notified and accepts the award.

13. ALTERNATIVE CONTRACT SELECTION PROCEDURES

Alternative methods, in lieu of or together with competitive bidding, may offer the opportunity to arrive at a better arrangement. Recognised selection procedures include:

13.1 Negotiation

13.2 Price Analysis

An examination of a proposal against a target or market price where warranted.

13.3 Cost Analysis

13.4 Strategic Evaluation

This is a review and evaluation of a contractor's actual or anticipated cost data and an associated margin to arrive at an acceptable total cost.

13.5 Merit

Such procedures may lead to strategic relationships with contractors offering NIDCO the opportunity to develop a competitive advantage. Regardless of the selection procedure, the written approval request must clearly demonstrate the financial and or operational advantage as compared to the available alternatives. This request must demonstrate where tendering will provide no practical, economic or time saving benefits, or negatively impact on the life, assets or existence of NIDCO.



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As no single purchasing method suits all situations, specific methods are not mandated. Consideration must be given to the requirements and conditions of the existing market of each procurement item and a selection based on its merits.

14. EMERGENCY SITUATIONS

In cases of emergency where safety of people, property, plant and equipment is in jeopardy or where continuity of the operations requires that contract(s) be awarded with urgency, works may be undertaken as necessary to avert the danger and/or to bring the situation under control and/or minimize the damages, and/or reduce the loss of time, and/or liability as per the Delegation of Authority.

Within twenty-four (24) hours from the award of the contract, the Chairman of the Board or Tenders Committee as appropriate must be advised of the action taken.

Within forty-eight (48) hours from the award of the contract, a report of such action must be submitted directly to the Chairman. Such report must include:

- A statement of the urgency and/or emergency circumstance that prevailed and the potential loss of liability
- The Company's Estimate
- The Actual Cost
- The reason why the particular contractor was chosen

15. APPEAL AGAINST TENDERING AND CONTRACT DECISION(S)

Applicants and contractors who have sound reason to believe that they have been unfairly treated, in respect of the application of the rules may appeal in writing to the Chairman of the Board outlining their complaint and provide reasons and/or evidence.



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The Chairman, if in his opinion determines the complaint warrants an investigation, at the next Board Meeting may appoint a Sub-Committee to investigate same and communicate back to the Chairman for his consideration.

16. PREPARING OF CONTRACTS

The VP-Procurement & Contracts Management will ensure that contracts are finalized.

16.1 Distribution

After execution, the distribution is as follows:

- One original to the Contractor
- One original to Legal
- One copy to Tender File at the VP-P&CM's Office
- One copy to User Department
- One copy to Finance Department

The VP-Legal and the Contractor's representative will initial all pages of all contracts executed. The date of execution must be stated. The VP-P&CM will sign as witness to the contractor's signature.

16.2 Approval Authority

The President or the Chairman of the Board will execute all contracts on behalf of NIDCO or as per the Delegation of Authority.

17. CONTRACT MODIFICATIONS

Any change to the scope or amount of the contract is to be considered a modification. The User Department through the VP-Procurement and Contracts Management to the Tenders Committee should request approval for contract modifications. The Tenders Committee should then recommend such modification to the relevant Delegation of Authority holder.



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17.1 Original Approving Authority

Delegated authorities may approve contract modifications where:

- Payments including modifications will not exceed contract amount previously approved within the relevant contract approval authority; and/or
- Total payments, including modifications will exceed contract amount previously approved but remain within his original contract approval.

17.2 Higher Authority

The next higher level approval is required for all other contract modifications not specified.

17.3 Final Authority

The Board is the final approving authority as it relates to contracts.

18. CONTRACT EXTENSIONS

A contract term's length should be based on sound business decisions, which provides the greatest overall benefit to NIDCO. As a guideline, contracts should normally be for a period not to exceed over five years, unless project specific and should be reviewed periodically for renewal; approval and continuance by the proper level of authority. Contract extensions can be approved for additional periods under the following conditions:

18.1 Best Interest

Extension is demonstrated to be in the Company's best interest

18.2 Lower Cost

Extension is demonstrated to result in lower overall cost to the Company

18.3 Additional Benefits

Extension is demonstrated to provide tangible and/or intangible benefits from the contractual agreement or strategic alliance.



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There is no limit to the number of extensions provided the above reviews are conducted, justifications exist and proper approval obtained.

All recommendations for extensions must include a full justification including the Source of Funding by the User Department in an Executive Summary addressed to the Tenders Committee via the VP-Procurement and Contracts Management.

In order to record contract and contractor performance, evaluations of the performance of all contractors shall be completed by the respective department, on a project specific basis, on the approved evaluation form.

Any changes to the original contractual scope of works or compensation package (terms and conditions) will be considered an alternative selection procedure and handled in accordance with Paragraph 13 hereto or re-tendered.

Total value of contracts including extensions should be within the relevant Delegation of Authority.

19. CONTRACT TERMINATION

In the event a User section wishes to terminate a proposal/contract prior to the expiration of the normal term, advice must be obtained from the VP-Legal prior to forwarding to the Tenders Committee or Board. A justification in writing with the reasons and other facts pertinent to the proposed termination including the effective date should be prepared and presented to the Tenders Committee for approval or recommendation for Board approval.

The VP-Procurement & Contracts Management will issue the termination notice and advise the Finance Department and User Department when such termination is actually effected.



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20. INITIATING WORK UNDER CONTRACT

Except in cases of extreme emergency, contractor shall not start work on any project until the Letter of Intent or contract has been signed. In case of emergency and prior to beginning the work, appropriate approval by the Delegated Authority must be obtained. Within three (3) working days a written justification must be presented to the Tenders Committee. The contractor representatives will execute a Letter of Intent, outlining their understanding of the scope of works, cost and any other relevant information, prior to obtaining the required approval.

21. CONTROL OF CONTRACT PAYMENTS

Total payments against a contract during the contract period should not exceed the amount originally approved.

Finance and each Originating Department are to establish controls to prevent such overpayments.

Copies of the executed contract will be forwarded to the respective Department indicating the approved expenditures against the contracts over the contract period.

All Originating Departments (contract control locations) will maintain contract control records with pertinent information on invoices received against the contracts.

Copies of invoices accepted for services by the user section will be passed to the VP-P&CM for verification of contract terms.

The Tenders Committee will review the following report to be provided by the VP-Procurement & Contracts Management on a monthly and or quarterly basis, and include information on:

- Approved contract values
- Actual cumulative payments against contracts as of reporting date
- Contract period



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- Estimated under or over-run

22. CONTROL OF EXPIRATION DATES AND/OR RENEWAL OF CONTRACTS

Originating Departments shall be responsible for reviewing contracts before their expiration dates as indicated on the monthly contract tabulated listings.

The VP-Procurement & Contracts Management will maintain an up-to-date control sheet (Contract Summary) of all active contracts including their respective expiration dates. This control sheet is to be presented for required action monthly to:

- Management
- Department Heads
- Tenders Committee
- Board

23. CONTRACT LEDGER

The Contract Ledger shall be maintained by the VP-Procurement & Contracts Management in numerical sequence according to contract number.

The Ledger shall include all contract invoice data per columnar headings.

It is the responsibility of the Finance Department and the Originating Department to verify that no duplicate payments are made and to refer to the relevant supervisor immediately any questionable documents received.

24. CONTRACT WORK COORDINATED BY STATUTORY BODIES

Contract work carried out on behalf of NIDCO in coordination of projects by the statutory bodies shall be in accordance with procedures for Contracted Statutory Resources, which will be approved



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and appended hereto at a later date. Documentation relative to contract awards and selection procedures shall be completed and maintained in NIDCO's contract files. All such requests will be approved by the Board.

25. USE OF WORK ORDERS IN LIEU OF FORMAL CONTRACTS

Work orders may be issued in lieu of formal contracts for non-continuous work services of less than 90-day duration where total payments will not be exceeded as per Delegation of Authority. Bid tender procedures shall be carried out in accordance with instructions and delegations of authority.

Frequent or repetitive services by individual contractors should preferably be covered under contracts awarded for services on a call-out basis in order to minimize the use of work orders and to maintain adequate controls over contract work.

Non-continuous work services are those services or jobs that are not regular or periodic, but solicited on an as and when required basis. On the other hand, continuous work services are those requested on a daily, weekly, month, etc. basis. Continuous work services should be included in a formal contract.

Approval of such work orders is included in Delegations of Authority.

Work orders used in lieu of contract should be issued only to companies on the approved bidders list or work order list. These lists should have been prior acted on by the Tenders Committee.

In cases of emergencies only, work orders issued to companies not on the approved bidders list or work order lists require the concurrence of the VP-P&CM, prior to execution of the work order.

No work order in lieu of contract should be issued if there is a formal contract for the services required. Also, jobs should not be split to stay within the monetary approved limits.



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Payment records under work orders for each contractor are to be generated by the Finance Department and a monthly report showing total payments to each contractor is to be submitted through the VP-P&CM for Tenders Committee review and referral with any recommendations or observations to the Board. The VP-Procurement & Contracts Management should analyse the reports to establish if the procedures are being followed.

26. USE OF PUBLISHED PRICE LISTS

Price lists may be utilized for work services performed by common carriers, specialized service companies and repair shops. However, they should preferably be incorporated in the Pricing Exhibit of a Miscellaneous Service Contract to cover the service.

Price lists are to be maintained on a current basis.

Payment records for each Price List contractor are to be generated by the Finance Department. A monthly report showing total payments to each contractor is to be submitted through the VP-P&CM for Tenders Committee review and referral with observations and recommendations to the Board. The VP-P&CM should analyse the reports to establish if the procedures are being followed.

For repetitive work or special projects where a formal contract for those services would be practical, rates should be established through competitive bidding and a contract awarded.

27. ENVIRONMENT, HEALTH AND SAFETY (EHS) REQUIREMENTS

Detailed requirements regarding EHS must be adhered to at all times as per industry standards as per scope of works.



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28. CONFLICT OF INTEREST

A member of the Committee shall disclose his interest and not take part in evaluation, consideration or discussing an offer, nor furnish any recommendation or vote on any question where:

- He is a member, director or shareholder of a company or other body corporate; or
- Is a proprietor of or partner in a firm, or partnership; or
- Is employed by or is otherwise a party to a contract for services; or
- Has a financial interest in or a relationship or
- Is a relative of someone
- Who has submitted an offer for the consideration of the Committee.

29. DISQUALIFICATION FOR AWARD OF CONTRACT

Any person who, with the intention of gaining any advantage for himself or herself or any other person whether he has made an offer or not, offers any member of the Committee or officer of the Company, a gift or money or other consideration or approaches any member of the Company in respect to any matter that is before the Committee or that is expected to come before the Committee shall be disqualified from being awarded a contract. This should be stated in the Invitation to Tender.

The person or firm on whose behalf the representation was made will also be disqualified.

30. NATIONAL DEVELOPMENT

To develop competitive local industries including small and medium enterprises (SME's), domestic industry will be given a 10% price differential over foreign suppliers of goods and services. Requirements for property and services produced, generated or provided by domestic firms, once they satisfy the criteria of competitive quality, price, standards, and delivery schedules, should be used as a first option.



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Resort to foreign goods and services will be entertained only where domestic firms are unable to meet the requirement. On arriving at the evaluation criteria, participation by SME's as direct suppliers or as sub-contractors should be considered.

A proportion of contracts should be reserved for small and medium local firms in accordance with the "Fair Share Programme" and any other Government Policy. In setting the selection criteria attribute weightings to a particular criterion should not discriminate against small businesses.

31. CONFIDENTIALITY OF INFORMATION

Every person having an official duty or being employed as Committee Members shall regard and deal with documents and information relating to the function of the Committee as confidential.

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