

# 2019-2020

## ANNUAL REPORT



**NATIONAL ROAD OPERATING  
& CONSTRUCTING COMPANY LTD.**

*Developing Tolled Roads for National Development*



## Certificate of Conformity

Bureau of Standards Jamaica dba National Certification Body of Jamaica  
has assessed the Quality Management System of:

### *National Road Operating and Constructing Company Limited (NROCC)*

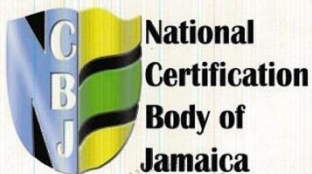
11a-15 Oxford Road, Kingston 5

(Hereinafter called the Organization) and hereby declares that the  
organization is in conformance with:

### **ISO 9001: 2015 Quality Management System**

This certificate is valid for the following scope:

*"Government of Jamaica Grantor activities of overseeing the finance, planning,  
building and maintenance & operation of Jamaica's Highway 2000 toll roads  
and support roads as per Concession Agreement with the developer".*



*M. Sturridge*

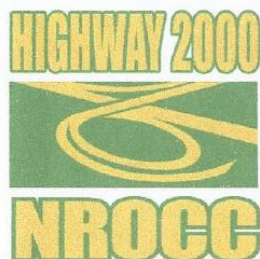
Authorized Signature

National Certification Body of Jamaica  
A Unit of the Bureau of Standards Jamaica  
6 Winchester Road, Kingston 10, Jamaica  
Telephone #: (876) 618-5793; Email: [info@ncbj.org.jm](mailto:info@ncbj.org.jm)  
[www.ncbj.org.jm](http://www.ncbj.org.jm)

This certificate given is valid only to the Organization and its related processes, having been verified only at the address above.  
This Certification is granted subject to the rules of the system governing the certification referred to above, and the Organization  
hereby covenants with the National Certification Body of Jamaica to observe and comply with the said rules. This certificate will  
remain valid subject to the company maintaining its system to the required standard and when accompanied with Annex 1 of 1 to  
certificate number NROCC- 020519-001.

Initial Certification Date: **15 March 2013**; Recertification Date: **5 February 2019** Re/ Issue Date: **19 February 2019**;  
Expiry Date: **12 March 2022**; Certificate No: **NROCC-020519-001**





## QUALITY POLICY

The continuing Policy of the National Road Operating & Constructing Company Ltd. is to implement toll highways and related infrastructure to assist economic expansion and strive to meet the requirements of our Stakeholders.

### The Organisation;

- has a Policy of setting Quality Objectives in line with the framework laid down within our Quality Management System and the strategic direction of the Company. These objectives will address the risks and opportunities as determined by Top Management.
- is committed to satisfying applicable requirements by ensuring that relevant customer, statutory and regulatory requirements are determined, understood and consistently met.

The Management Team will show leadership and commitment, and bear the responsibility for maintaining and continually improving the Quality Management System.

The Quality System will be monitored, measured, evaluated and enhanced regularly under the Top Management's ultimate responsibility, with regular reporting and communication of the status and effectiveness at all levels. This will result in securing efficiencies, a strong customer focus and enhancement of the Organisation's sustainability.

**Signed** .....

**Position:** Managing Director

**Date:** .....

June 5, 2017

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# 1 **CHAIRMAN'S REPORT 2019/2020**

On behalf of the Board of Directors of the National Road Operating & Constructing Company (NROCC), I am pleased to present the organization's Annual Report for the 2019/2020 financial year. It was a positive year marked by the successful completion of the largest ever Initial Public Offering (IPO) in the country's history which saw the purchase, refinancing of the loans and subsequent resale of the shares of Transjamaican Highways to the local stock market.

Toward the end of the year the country was confronted with the challenge of the Covid-19 pandemic leading to a total lockdown of schools during March 2020. This will likely have a significant impact on traffic on the Highways going forward.

The Board of Directors along with the team at NROCC will continue to work to meet the challenges of the new year.

## 1.1 **SUBCOMMITTEES**

The NROCC Board of Directors is divided into three (3) subcommittees: Audit, Procurement and Finance/Human Resources.

### ***1.1.1 Audit***

This subcommittee was established to assist in the oversight pertaining to integrity of the financial statements, compliance with the relevant Acts and policies, the independence and qualifications of the independent auditors and the performance of the internal audit function and independent auditors. These activities included:

- reviewing the internal system of audit and financial controls;
- reviewing the effectiveness of the auditing, compliance and risk management functions;
- overseeing the relationship between the Company and its external auditors;
- ensuring compliance with legal and regulatory requirements; and
- ensuring the production and timely submission of the yearly Audited Financial Statements.

The Committee members include:

- Mrs. Janet Coleman-Howlett – Chairman
- Mr. Alston Douglas – Director

- Mr. Ivan Anderson – Managing Director

### **1.1.2 Finance/Human Resources**

This subcommittee has oversight for NROCC's operating and financing activities as well as issues relating to Administration and Human Resources. It is responsible for reviewing the monthly financial statements as presented by the agency that supplies accounting services, the Development Bank of Jamaica Limited. This included ensuring that NROCC stays in compliance with guidelines and policies as determined by the Government of Jamaica. The Committee members include:

- Mr. Phillip Henriques – Chairman
- Mr. Andre Foster - Director
- Mr. Ivan Anderson – Managing Director

### **1.1.3 Procurement**

This subcommittee has oversight for the procurement activities of NROCC. It is responsible for reviewing procurement activities to ensure compliance to relevant Government Guidelines and Regulations. The Committee members include:

- Mr. Alston Douglas – Chairman
- Mr. Don Mullings - Director
- Mrs. Janet Coleman – Howlett – Director
- Mr. Ivan Anderson – Managing Director

## **1.2 FINANCIAL OVERVIEW**

NROCC reported a profit of J\$1,197,106,000 for the financial year ended 2020 March 31. These profits resulted from the transaction implemented during the year to restructure the Concession Agreement with Transjamaican Highways. This transaction included the repurchase of the shares of TJH and subsequent resale to the local stock market. The \$1.2 Billion profit compares with the previous financial year's reported loss of J\$2,681,246,000. This year NROCC also saw revenues amounting to JA\$4,706,072,000 for the financial year. There was also an increase in the company's total assets over the 2019/2020 period. This increase amounted to \$2,998,202,000. This is seen in the 5-year financial review.

Administrative and general expenses amounted to J\$1,239,745,000.00 including the TJH transaction IPO expenses of J\$977,047,000.00 compared with J\$199,211,000 for the 2018/2019 financial year.

Further details may be found in the attached audited financial statements for period ended 31 March 2020.

### **1.3 AUDITORS**

KPMG Chartered Accountants were selected as Auditors for the Company for the 2019/2020 period.

### **1.4 SCOPE**

Proposed changes to the scope of the organization's activities are outlined in the attached revised Operational Plan for 2020/2021 in Appendix 2.

During the year, keeping in line with the National Goals under Vision 2030, we sought to fulfil our main objective of "*Accelerating Development through Infrastructure*". With this in mind, we embarked upon the construction of the May Pen to Williamsfield extension of Highway 2000 and began preliminary activities for the implementation of the Montego Bay Perimeter Road Project.

Activities in relation to the May Pen – Williamsfield Project included the acquisition of lands to start construction and completing the review and approval of the Design for Approval phase during the period. These and the achieved milestones has now set us off on a progressive platform for the execution of the project which has had a soft start-up effected in February 2020.

As an organization, we continued to monitor the operations of the existing phases of Highway 2000. These activities include assessing road safety concerns, traffic growth and undertaking inspections, among other activities, details of which can be seen in the Managing Director's report.

Standing on the tenets of the Quality Management System, all interested parties can be assured that we are an organisation based on quality. We continue to monitor the satisfaction of our customers and other stakeholders. The certified Quality Management System ensures that we operate in a systematic, effective and efficient manner while achieving our targets as mandated for the organization.

Importantly, on behalf of the Board of Directors, I would like to express our gratitude to the valued shareholders of NROCC. We continue to work hard to ensure that the mission and vision are realized as we deliver quality service to the Government and people of Jamaica.

*Mr. Phillip Henriques - Chairman*

**1.5 MEMBERS OF THE BOARD OF DIRECTORS - 2019/2020**



**Mr. Phillip Henriques**

*Chairman*



**Mr. Ivan Anderson**

*Managing Director*



**Mr. Don Mullings**

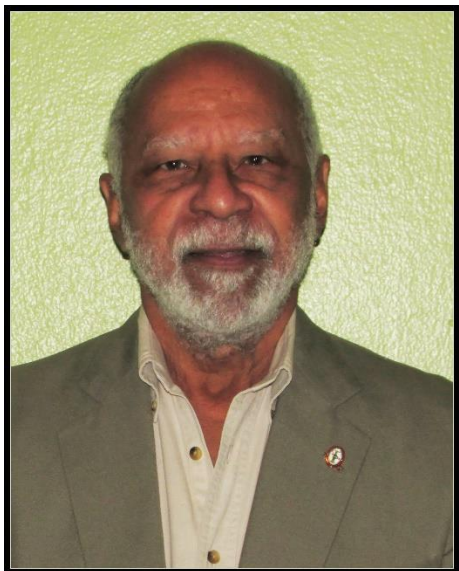
*Director*



**Mrs. Janet Coleman - Howlett**

*Director*





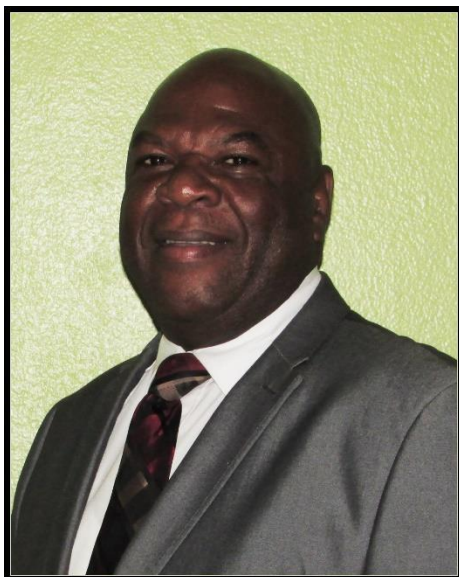
**Mr. Alston Douglas**

*Director*



**Mr. Andre Foster**

*Director*



**Mr. Newton Amos**

*Director*



**Ms. Karen Chuck**

*Director*

### 1.5.1 Board Meeting Attendance

The following tables indicate the rate of attendance of the Directors to the meetings held throughout the year.

#### **BOARD OF DIRECTORS**

No. of Meetings Held 2019-2020		13
Name	Meetings Attended 2019-2020	Percentage
Phillip Henriques	12	92%
Newton Amos	11	85%
Karen Chuck	3	23%
Janet Coleman-Howlett	11	85%
Alston Douglas	12	92%
Donald Mullings	11	85%
Andre Foster	11	85%
Ivan Anderson	12	92%

#### **PROCUREMENT SUBCOMMITTEE**

No. of Meetings Held 2019-2020		1
Name	Meetings Attended 2019-2020	Percentage
Alston Douglas	1	100%
Ivan Anderson	1	100%
Don Mullings	1	100%

#### **HR/FINANCE SUBCOMMITTEE**

No. of Meetings Held 2019-2020		12
Name	Meetings Attended 2019-2020	Percentage
Phillip Henriques	12	100.00%
Andre Foster	11	92.7%
Ivan Anderson	11	92.7%

#### **AUDIT SUBCOMMITTEE**

No. of Meetings Held 2019-2020		3
Name	Meetings Attended 2019-2020	Percentage
Janet Coleman-Howlett	1	33.3%
Alston Douglas	3	100%
Ivan Anderson	3	100%

## 2 **MANAGING DIRECTOR'S REPORT**

### **HIGHWAY 2000 PROJECT OVERVIEW**

The National Road Operating and Constructing Company Limited (NROCC), also known as the Grantor, is a public company formed to represent the Government of Jamaica's interest under a Concession Agreement signed in 2001 for the establishment, development, financing, operation and maintenance of a tolled highway.

#### **East West Highway**

NROCC entered into an arrangement with the Developer, Transjamaican Highway Limited (TJH) for the design, construction, operation and maintenance of the Highway 2000 toll road. The section managed by TJH is referred to as the East/West Highway. The project was conceived as a public-private partnership and implemented as a build-finance-operate and transfer (BFOT) 35-year concession scheme. NROCC also has the responsibility for monitoring the performance of the Developer to assure compliance with the requirements of the existing Concession Agreement and for monitoring new tolled roads which are added to the network. NROCC purchases properties affected by the Highway alignment on behalf of the Government of Jamaica and also provides partial funding to the project.

During the year NROCC implemented a transaction to repurchase the shares of Transjamaican Highways Limited and sold them to the local stock market. This transaction was done for the following primary reasons:

1. To reduce the interest rates on the loans to TJH, thereby increasing the profitability of the company. The transaction was able to achieve a 39% reduction in the interest rates to TJH
2. To allow for the modification of the concession agreement:
  - a. To remove the possibility for claims from TJH against NROCC for works done on competing roads, primarily the North South Highway and the widening of Mandela Highway
  - b. To remove the contingent liability on NROCC to repay loans of TJH consequent on termination of the concession agreement due to the fault of TJH.
3. Provide the opportunity for members of the Jamaican Public to own a share of one of Jamaica's most important infrastructural developments (see below).

Highway 2000 East-West was the first toll road to be built and operated in Jamaica and was transformative in shortening the commute between Kingston and May Pen and Kingston and Portmore.

Previously, TJH was owned jointly by Bouygues Travaux Publics, Vinci Construction, IFC, and Proparco. Vinci Constructions and Bouygues Travaux Publics, have both designed, financed, built and operated a total of 3,564km of roads in 14 countries. Given the importance of this asset, the Government of Jamaica ("GOJ"), through us (NROCC), a state-owned entity, purchased 100% of the ordinary shares in TJH on 23 December 2019. In March 2020 NROCC sold 80% of the shares to the local stock market through a very

successful IPO which was over-subscribed. This transaction also saw NROCC making a profit of \$1.1Billion dollars the largest ever profit of the entity.

While the ownership of TJH has changed hands, there will be continuity in the operations and management of the Toll Road in that Jamaica Infrastructure Operators (“JIO” or “the Operator”), a company jointly owned by Bouygues and Vinci whose management has over 50 years of combined experience both in internationally and regionally, will continue to operate and manage the Toll Road under an Operating & Maintenance Agreement.

### North South Highway

In 2012, NROCC signed a second Concession for the implementation of Phase 2A of the Highway 2000 project from Caymanas to Ocho Rios under a 50-year BFOT concession with Jamaica North South Highway Company (JNSHC). This section is referred to as the North-South Highway.

It is envisioned that Phase 2A of the Highway 2000 project will meet the rapidly growing surface transport needs of the country by establishing a safe and efficient motorway axis linking Kingston and Ocho Rios, by passing through the parish of St. Catherine and parts of St. Ann.

The Highway 2000 project is the largest and most significant infrastructure project ever undertaken in Jamaica, as well as the English-speaking Caribbean. It features a four-lane controlled-access, tolled motorway with fully grade separated interchanges and intersections built according to modern international standards. The Highway 2000 project is divided into two (2) main phases which are further sub-divided into sections as shown below:

#### **Phase 1** (*East – West*)

Phase 1A (~46 km) – Kingston to Sandy Bay

Phase 1B (~ 10.5 Km) – Sandy Bay to May Pen

Phase 1C (~ 27.5 Km) – May Pen to Williamsfield



#### **Phase 2** (*North – South*)

Phase 2A (~67 km) – Caymanas to Ocho Rios (Includes Mt. Rosser Bypass)

Phase 2B – Williamsfield to Montego Bay.

The following table highlights the completion dates for each phase.

Phase, Section	Completion Date
Phase 1A – Kingston to Sandy Bay	July 2006



Phase 1B – Sandy Bay to May Pen	August 2012
Phase 2A:	
Section 1 – Mount Rosser Bypass	August 2014
Section 2 – Caymanas to Linstead	March 2016
Section 3 – Moneague to Ocho Rios	March 2016

### **Phase 1C – May Pen to Williamsfield**

Towards the end of the year works commenced on the construction of the May Pen to Williamsfield leg of the Highway.

The works involved site clearance, grading of the right of way, demolition of buildings, temporary drainage, etc.

Other activities carried out included:

- Meeting with relevant stakeholders, affected by the works;
- Hosting of Town Hall Meetings in affected communities
- Issuing of the Environmental Permit from National Environment Planning Agency (NEPA) for subprojects including the Rio Minho Bridge;
- Signing of contracts for the development of a financial model; and
- The acquisition of approximately 24km of lands for the construction of the roadway.

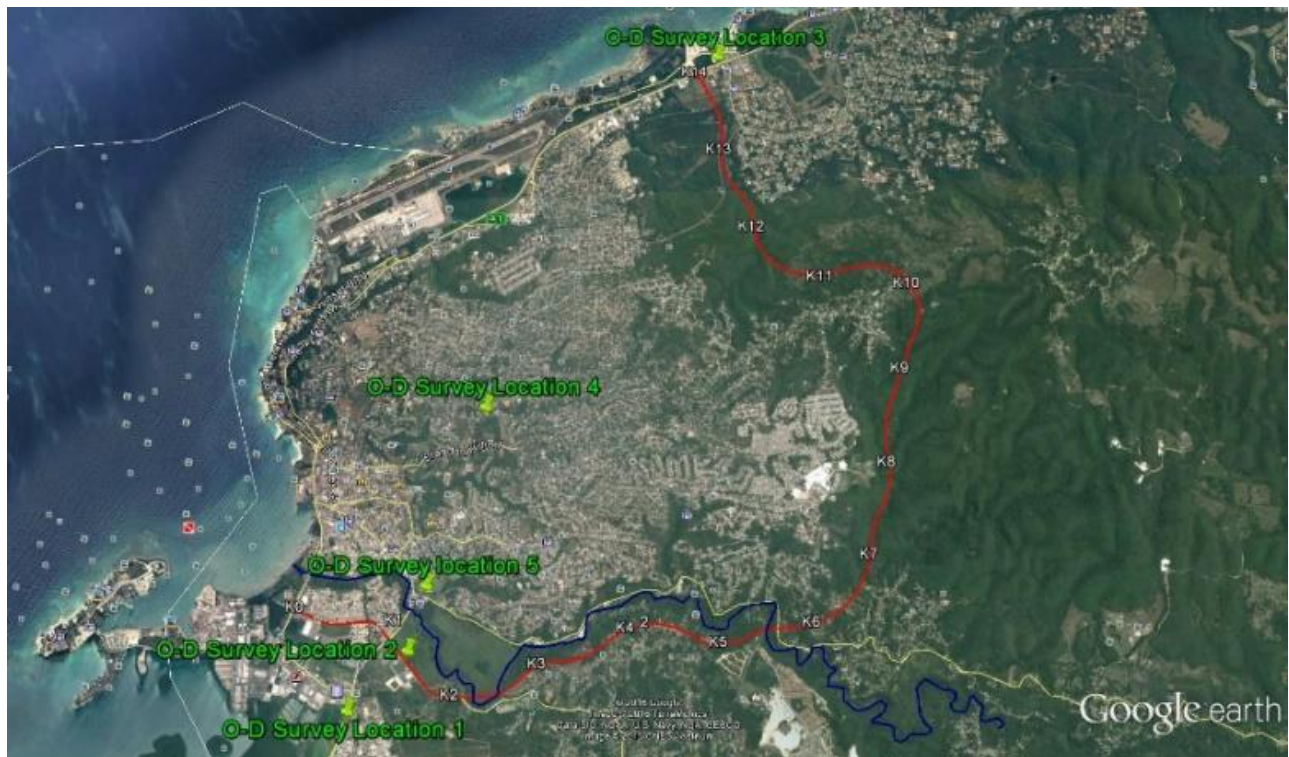


### **Montego Bay Perimeter Road**

During the reporting period, for the Montego Bay Perimeter Road project, the organization continued working on the land acquisition activities.

The overall project however was hindered by finalisation of the contract for the construction of the works and the impact of the COVID - 19 pandemic at the end of the year.

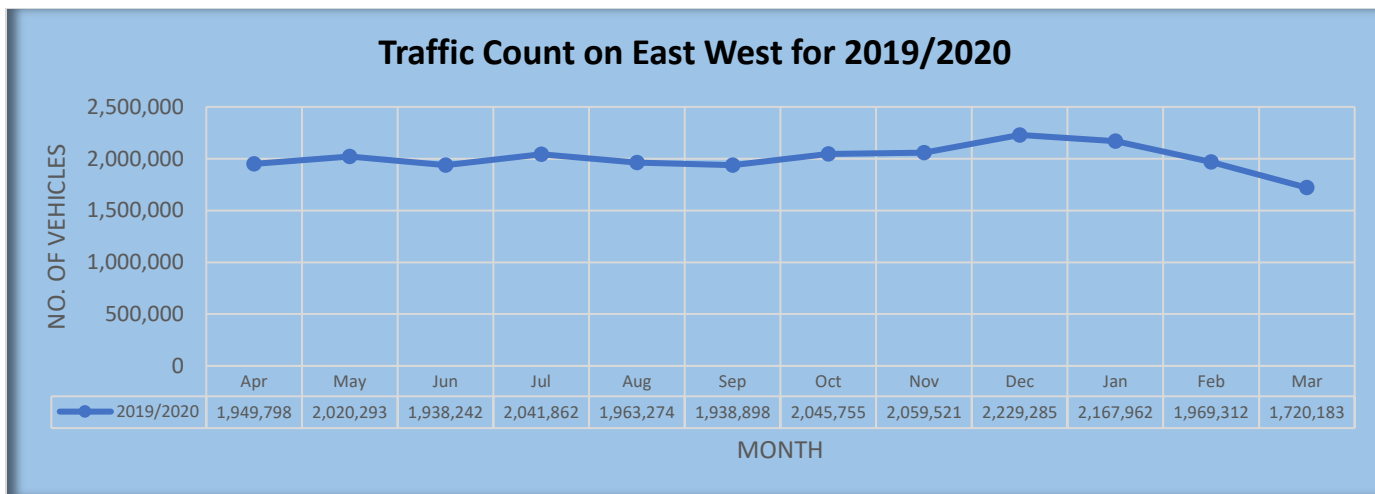
Notwithstanding the foregoing, NROCC continued a number of activities including, meeting with relevant stakeholders and community members, as well as undertaking the completion of the requirements for the completion of the Environmental Impact Assessment (EIA). The draft EIA was submitted to NEPA during this reporting period.



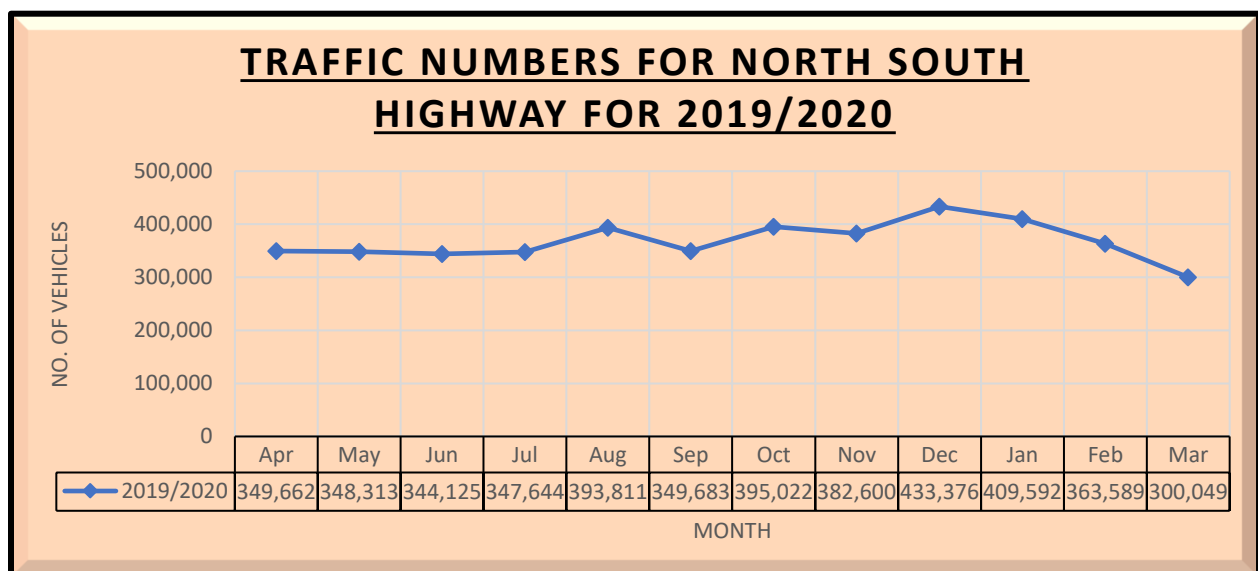
## 2.2 Operations

### 2.2.1 Traffic

Over the year 2019/2020, there was a slight decrease in the traffic on the East -West Leg of Highway by approximately 1.66% when compared to the 2018/2019 period. This level of decrease occurred despite the impact of the COVID-19 pandemic in March 2020. The Developer, however continued to work through these challenges to prevent a major impact on the Toll Road usage.



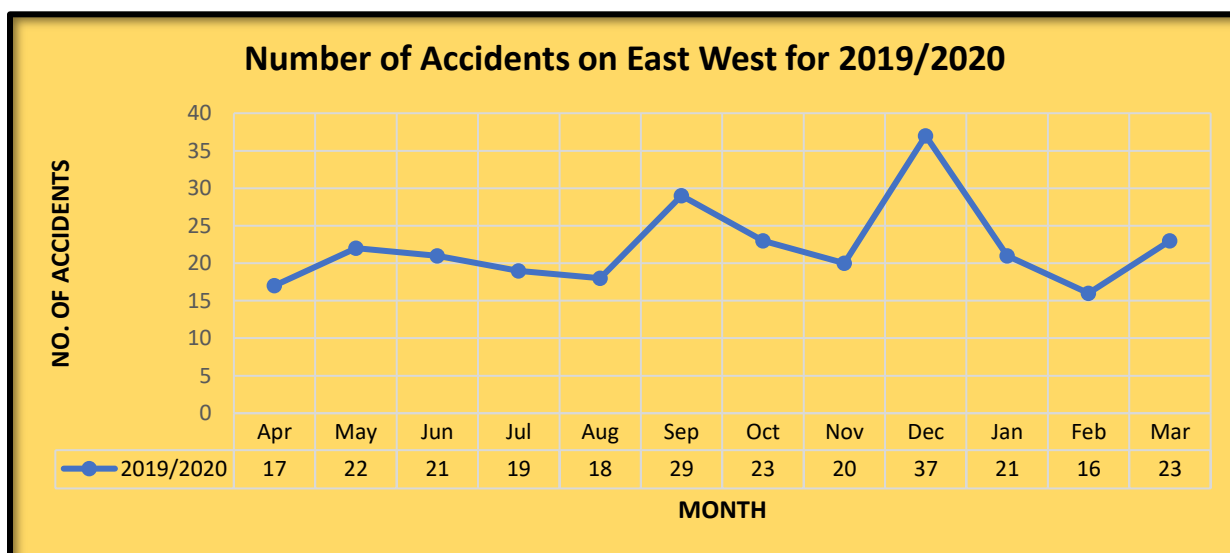
Similarly, on the North South link of the Highway, traffic counts saw an increase of approximately 12.17% during 2019/2020 when compared to 2018/2019 again impacted by the Covid-19 pandemic. Details of these comparisons can be seen later down in the report.



## 2.2.2 Road Safety

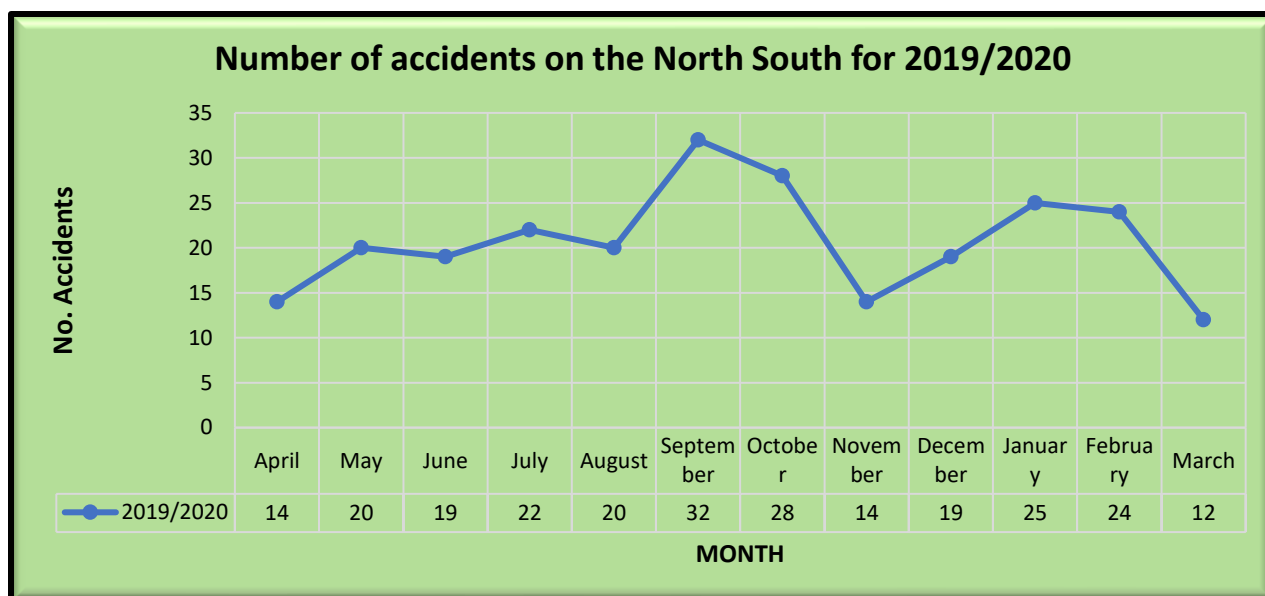
### Accidents

The total number of accidents on the East-West leg of Highway 2000 for 2019/2020 increased to 266 from the 225 recorded for 2018/2019 financial year. The analysis of accident data showed that the main cause of accidents for 2019/2020 was driver influenced (bad driving and speeding) along with mechanical defects, accounting for 43% and 19% respectively. With this increase in accidents, fatalities on the Highway went from six (6) in 2018/2019 to seven (7) in 2019/2020



Similarly, on the North South Link of Highway 2000, a total of 249 accidents were recorded for 2019/2020 which shows a 43% increase when compared to the 174 recorded for 2018/2019 period. The North South link showed a slight decrease in fatalities, where in 2018/2019 there were four(4) and three (3) were recorded in 2019/2020.





### Fire and Smoke

The incidences of fire and smoke on the toll roads for 2019/2020 showed an overall decrease of 32.5% compared with the similar period in 2018/2019. TJH continued to work with the Sugar companies and other agencies to mitigate these activities and the effects they have on the users of the Highway. There was increased communication among the entities to allow for the Fire Department to be in place before a planned fire is started. This helped in limiting the effects of reduced visibility by smoke on the roadway. It is also important to note that there has been significant decrease in the activities at the Sugar industries.

## **2.3 Quality Management System (QMS)**

In January 2019, the National Certification Body of Jamaica (NCBJ) conducted a surveillance audit of the Quality Management System at NROCC. This audit resulted in the recommendation for continued certification. This indicated that NROCC's QMS has been successful in maintaining the QMS established and continues to operate efficiently to the requirements of ISO 9001:2015, in an aim for ultimate customer satisfaction.

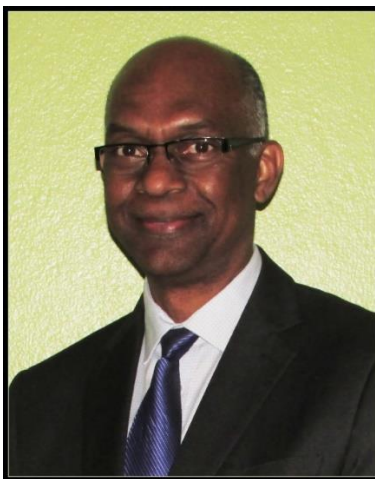
Additionally, during the year, as we continued to strive for maintenance of the ISO 9001 certification of its operations and continual improvement, the company continued to maintain its internal audit programme to monitor its compliance to the different requirements, both internally and externally.

Finally, we wish to thank the staff for their efforts during the review period and are confident that the mission of NROCC will be accomplished, despite the impending challenges.

*Mr. Ivan P. G. Anderson – Managing Director*

## *Senior Executive Team*

- ❖ **Managing Director** – Ivan Anderson
- ❖ **Senior Manager Technical Services** – George Nicholson
- ❖ **Senior Manager Land Acquisition** – Phillip Myers
- ❖ **Quality & Corporate Planning Manager** – Kimberly Thompson
- ❖ **Corporate Services Manager** – *Vacant as at October 2015*



**Mr. George Nicholson**

*Senior Manager, Technical Services*



**Mr. Phillip Myers**

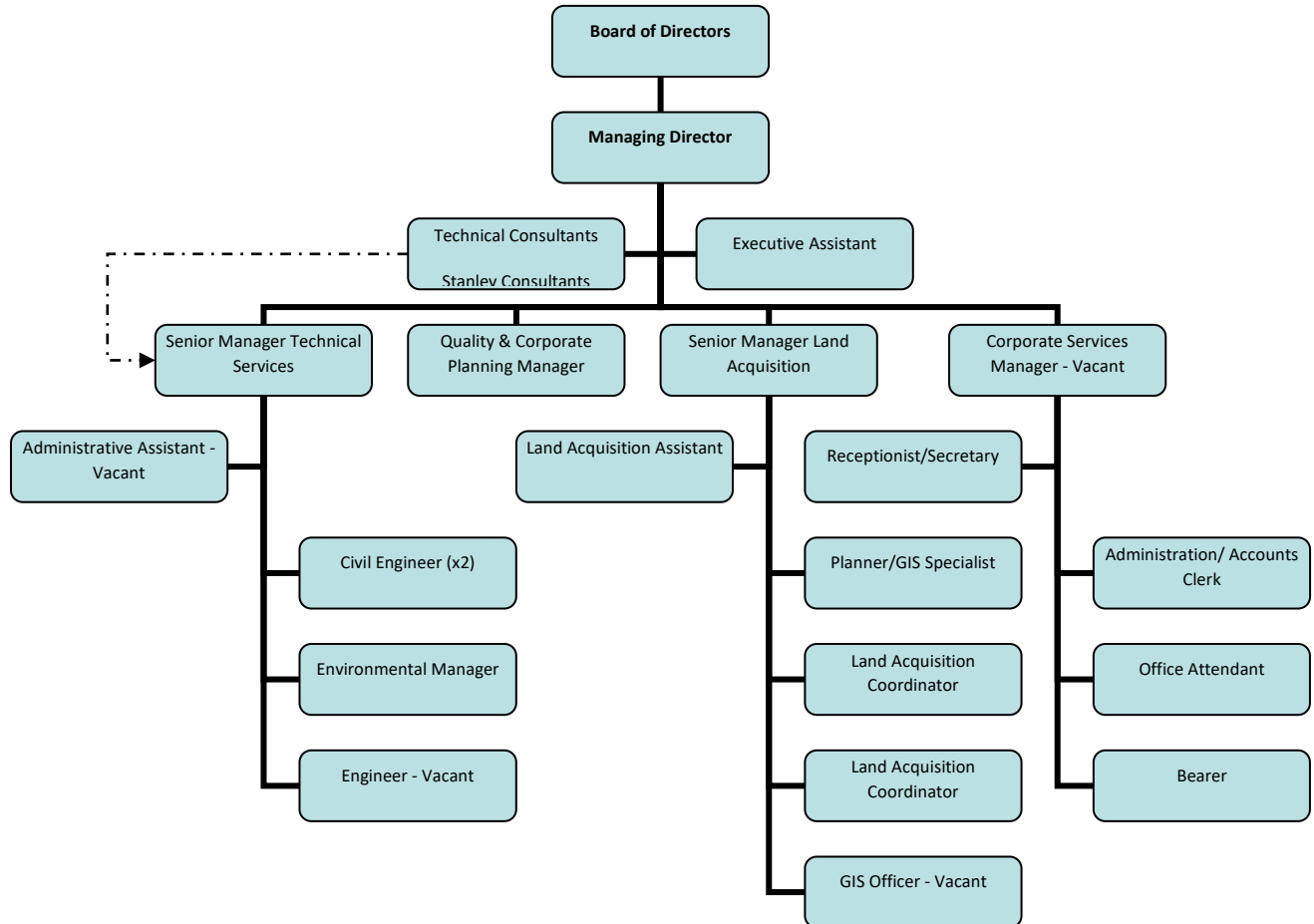
*Senior Manager Land Acquisition*



**Mrs. Kimberly Thompson**

*Quality & Corporate Planning Manager*

The management team is ably supported by the other members of staff, whose positions are outlined below.



### **3 PROJECT UPDATE**

#### **3.1 OPERATIONAL REVIEW AND UPDATE**

*Refer to Appendix 1- Status Report for Financial Year 2019/2020*

##### **3.1.1 Accelerating Development through Infrastructure**

This strategic objective is reflective of the Company's commitment to contribute to national economic development. The main projects identified for the 2019/2020 planning period were:

- A. Implementation of Phase 1C – May Pen to Williamsfield
  - i. Complete Outline Design
  - ii. Provide access to lands needed for construction
  - iii. Preliminary Identification of Utilities impacted
  - iv. Development of financial model including proposed toll rates and traffic volumes
  - v. Submission of permit documentation for Environmental Permit for Rio Minho Bridge
  - vi. Maintain Project Environmental Permit previously issued by NEPA
- B. Implementation of Montego Bay Perimeter Road
  - i. Review of Contractor's Designs
  - ii. Provide Access to lands for Construction
  - iii. Finalization of documentation and meetings required for the Environmental permit
- C. Desktop studies for new projects
  - I. Development of Feasibility for Priority Projects
  - II. Agree with MEGJC on the way forward with North Coast projects
- D. Finalize outstanding Land Acquisition transactions
  - i. Complete transfer of titles according to schedule.
  - ii. Disposal of severed properties
  - iii. Inspection of existing unused properties



### **3.1.1.1 IMPLEMENTATION OF PHASE 1C – MAY PEN TO WILLIAMSFIELD**

The outline design was received and approved during the reporting period, for the May Pen to Williamsfield section. Having reached this target, it allowed us to progress towards the other areas.

The target for the acquisition of lands for 2019/2020 was up to 14 km. During this time we achieved acquisition of 24.5 km of lands. These were handed over to the contractor to start works in various areas along the alignment.

The relocation of utilities has not yet begun. This aspect is being managed by the Contractor and arrangements are still being finalized to develop the working schedule and finalize associated contracts.

NROCC was able to meet its target of engaging a consultant to develop a financial model to include traffic volumes and proposed toll rates. This is understandably very important information in planning for the operations phase of this section of the highway and used to track and project viability.

In order to progress the documentation for the project, submission was made to NEPA and approval granted during the period for the approval of the Environmental permit for the Rio Minho Bridge. This was not included in the original permit for the project, resulting in the need for a separate application.

Documentation needed for the maintenance of the existing project permit were submitted during the reporting period as well. This ensured that the changes experienced during the preliminary stages of the implementation did not affect the validity of the previously issued permit.

### **3.1.1.2 IMPLEMENTATION OF MONTEGO BAY PERIMETER ROAD**

During the period of 2019/2020, NROCC targeted a few areas of progress for the Montego Bay Perimeter Road. One of these areas is the review of the contractor's design. At the end of the period it was noted that the design work had not yet begun as the contract for the project has not yet been signed.

As a result of the aforementioned, the target of handing over at least 2km of lands to the contractor was not achieved. This of course would have been dependent on the signing of the contract and subsequent finalization of the design.

The company also targeted to finalize and submit the Environmental Impact Assessment Report to NEPA. There was a delay in receiving comments from other external agencies, in order to finalize same. Notwithstanding, the draft document was submitted and is awaiting comments from NEPA.

### 3.1.1.3 *DESKTOP STUDIES FOR NEW PROJECTS*

During the reporting period, the organization sought to capitalize on the lessons learned and the expertise developed over the years to embark upon additional projects on behalf of the Government of Jamaica.

This included the connection of the current East-West and North South Highways for this period. It was NROCC's target to develop a traffic model to determine the feasibility to move forward with such a project. During the reporting period, this model was developed and is being reviewed.



NROCC also targeted to discuss and agree with the GOJ on how their experience and expertise can be used to improve the works being undertaken on the North - Coast Highways. Unfortunately, this was not completed during the period, and will be re-organized for the next financial year.

### 3.1.1.4 *FINALIZE OUTSTANDING LAND ACQUISITION TRANSACTIONS*

A total of 22 land titles were transferred to NROCC during the reporting period. These covered varying sections of the highway and are now fully transferred in the name of the company. The target for this activity for the year was 35. This activity continues to be delayed by the process of persons getting their titles dealing with issues of probate and registration of unregistered lands.

During the construction of the previous phases of the Highway (North South Highway and East West Highway), some lands were left over from the construction. Pending the

subdivision and resale of these lands where possible the team maintains close scrutiny of these properties. Where necessary, “No Trespassing” signs have been erected and/or eviction notices issued. Reports on these inspections, findings and actions are submitted quarterly by the Land Acquisition Coordinators.

NROCC also secured some 24km of the 28km lands required for the construction of the May pen to Williamsfield leg of the Highway. It is anticipated that the acquisition of the priority lands for this project will be completed by the end of June 2020. The remaining sections where there are residential and other structures is progressing and should be finalized by the end of the calendar year.

### **3.1.2 Road User Safety**

The strategy used for road safety was to monitor the Highway Operating Agreement and to partner with each Developer, Operator and Police to identify and implement safety improvement measures.

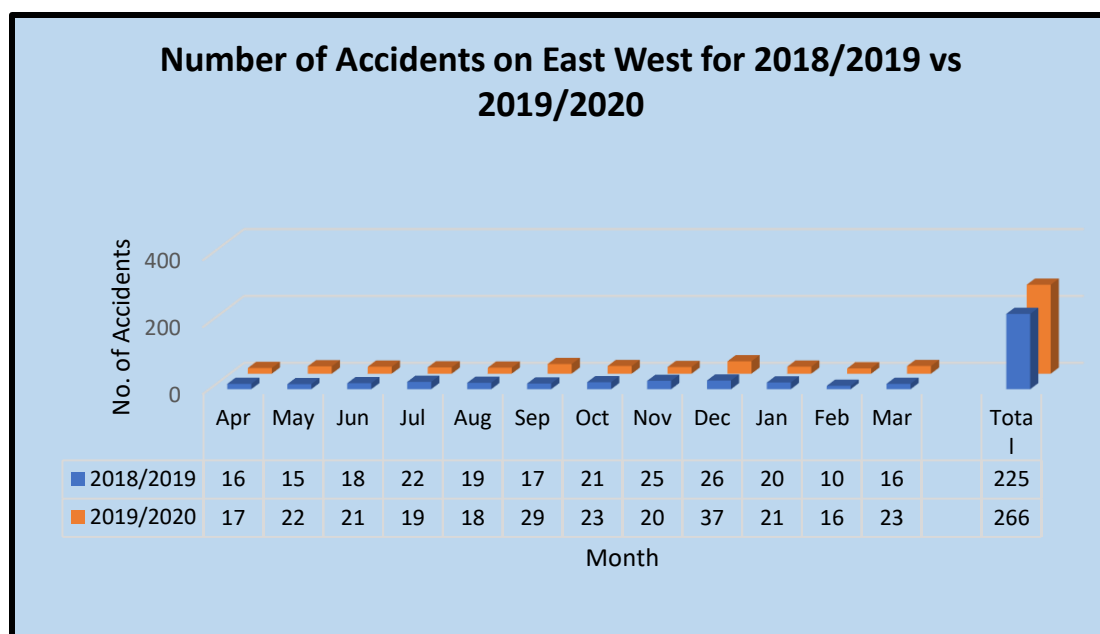
#### **3.1.2.1 ACCIDENTS**

On a monthly basis, the Developers are required to submit data on the number of accidents occurring on the Highways. This information is analyzed each month and any trends identified are discussed along with ways that these can be prevented or decreased. NROCC met its targets of conducting these activities at the H2K project meetings, which are attended by representatives of the Developers, Operator, Contractor, Grantor, Toll Authority, and the National Works Agency.

The information, submitted in the monthly Operations and Maintenance Reports by the Developers of the East - West section, TransJamaican Highway (TJH) and the North - South section, Jamaica North South Highway Company (JNSHC), to NROCC and the Toll Authority, gives the location, cause, gravity and other statistics relating to the accidents.

Amidst the efforts made by the Operators and Developers on both sections of the Highway, there was an increase in the number of accidents occurring during the reporting period 2019/2020 compared to 2018/2019.

On the East West section, the total number of accidents for 2019/2020 was 266 displaying an increase from 225 in 2018/2019. The graph below shows the numbers recorded for each month. Additionally, the causes of these accidents are represented in the charts on page 24.

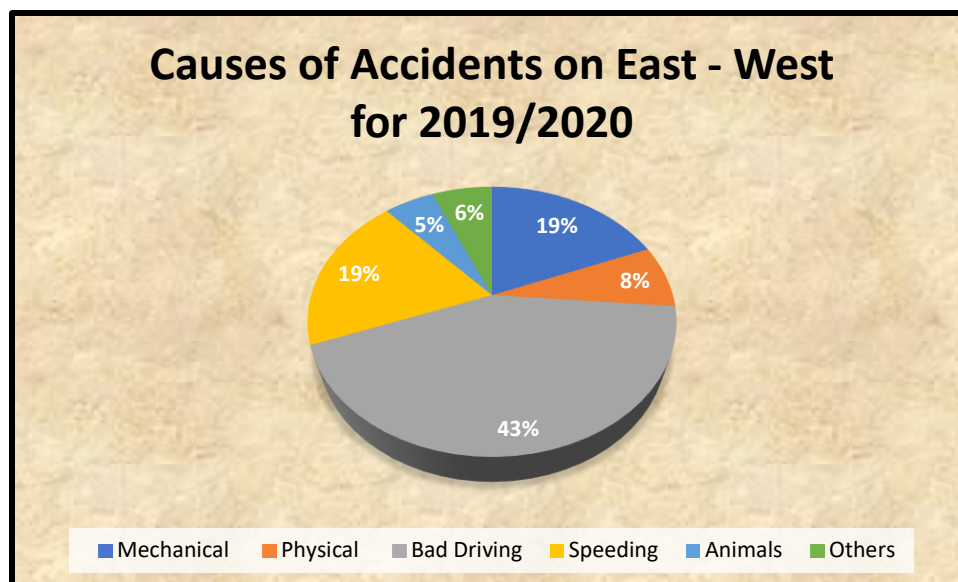


The analysis of accident data as shown in the table below showed that the main cause of accidents for 2019/2020 was attributed to bad driving and mechanical defects and speeding, accounting for 42.9% of the total number of accidents recorded.

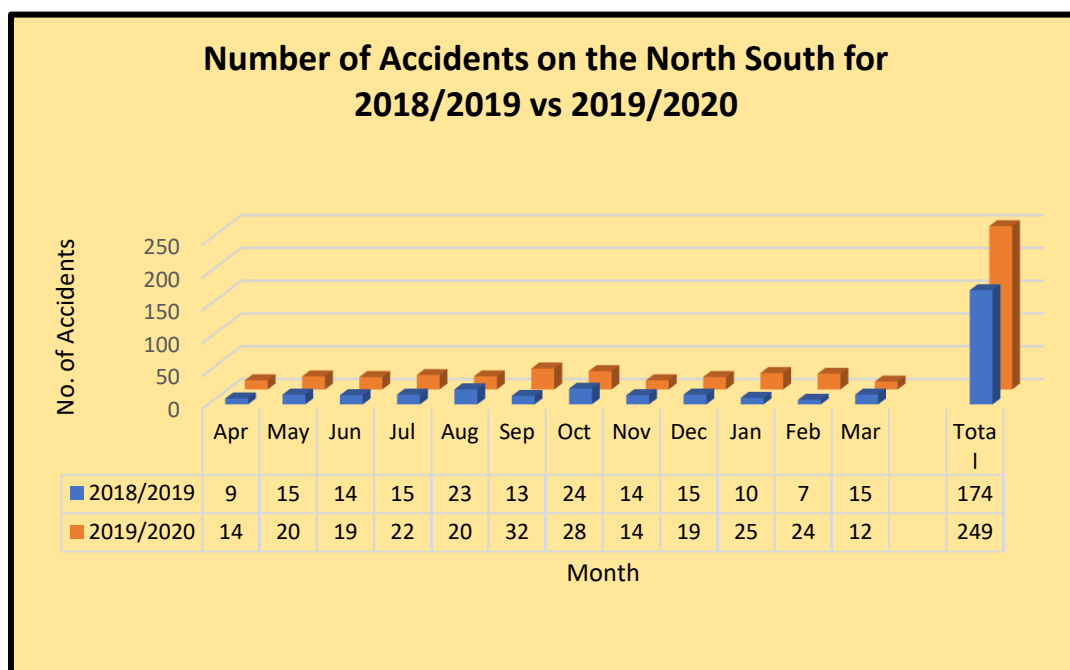
<b>Cause</b>	<b># of accidents</b>
Mechanical	50
Physical	20
Bad Driving	114
Speeding	51
Animals	14
Others	17

*The figure on page 25 shows the ratio of different causes of accidents in 2019/2020*





The number of accidents reported for the North South section of Highway 2000 by JNSHC is seen below. For the reporting period, the total number reported for this section is 249. This shows an increase when compared to the 174 reported for 2018/2019. This can be seen in the graph below.



For the North South Highway section, the causes of these accidents are shown in the table on page 26. It can be observed that the majority of the accidents are caused by speeding on a wet roadway, followed by driver error.

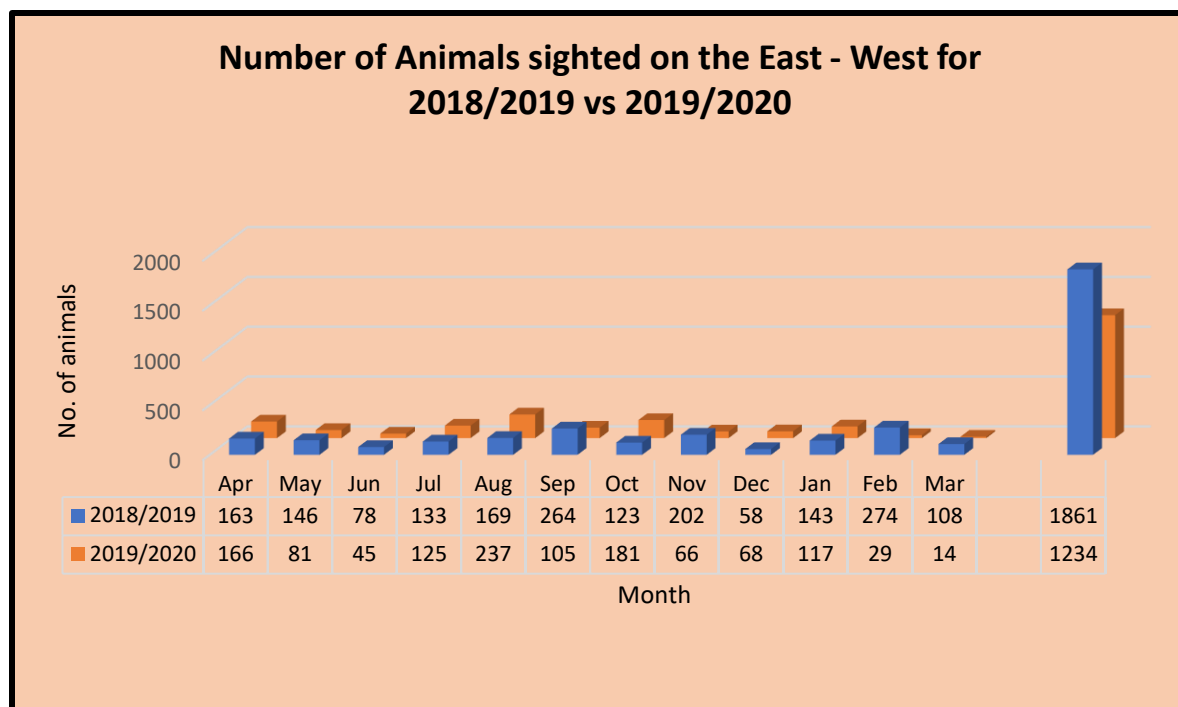
<b>Causes</b>	<b>No. of Accidents</b>
Blown out Tyres	20
Driver Error	44
Mechanical / Engine Failure	12
Animals on the Motorway	25
Driver Fatigue	9
Speeding	35
Speeding on Wet Roadway	54
Visibility on the Roadway (Smoke/Fog)	2
Poor Overtaking Technique	5
Toll Equipment Issue	0
Object / Spills on the Roadway	18
Unknown	16
Other	9

### **3.1.2.2 ANIMALS ON THE HIGHWAY**

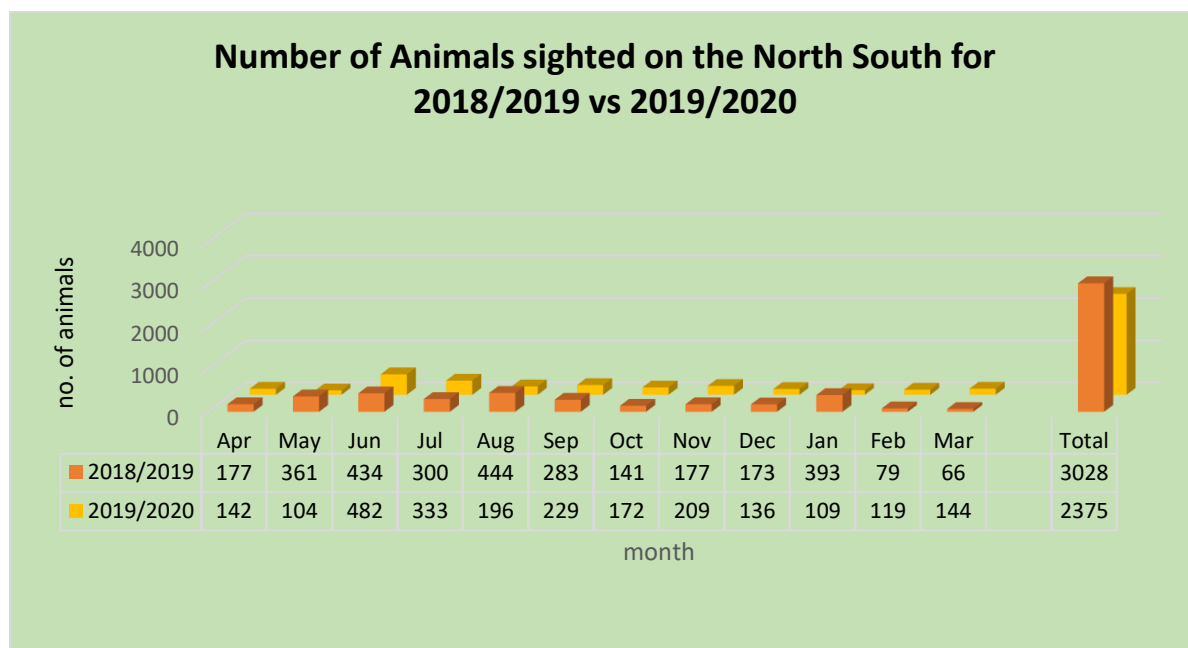
The number of animals crossing the highway due to stolen and/or damaged fencing continued to be a major concern, being a potential cause of accidents. Discussions are held with the Developer and Operators each month as this is a problem on both sections of the Highway.

Various actions are undertaken in an attempt to counteract this issue. These include, engagement of animal catchers, repair of fencing, and discussion with farmers, among others. The data on page 27, show that there is some amount of improvement with the implementation of these activities.

The graph on page 27 shows the number of animals sighted on the East-West for 2019/2020 vs 2018/2019. There was a total of 1,861 in 2018/2019 and 1,234 in 2019/2020.

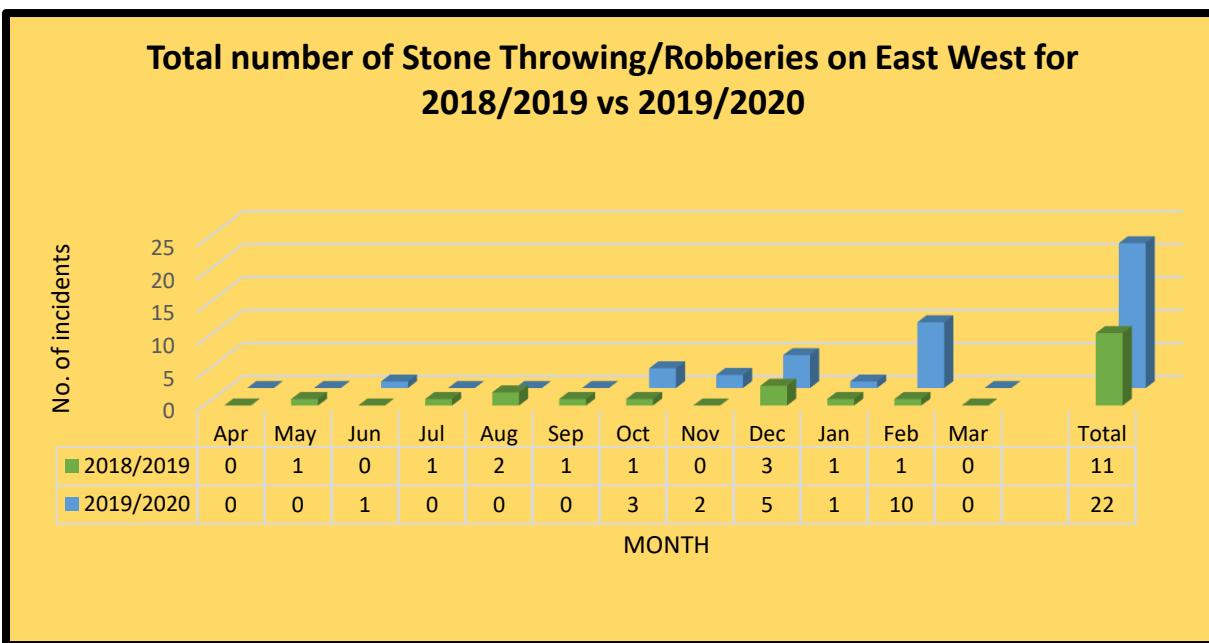


Similarly, as mentioned, the North – South section saw a decrease in the number of animals sighted during the reporting period. The graph below represents the data which showed that for 2018/2019 there were 3,028 sighted, while in 2019/2020, this number decreased by 22% to 2,375.



### 3.1.2.3 STONE THROWING/ROBBERIES

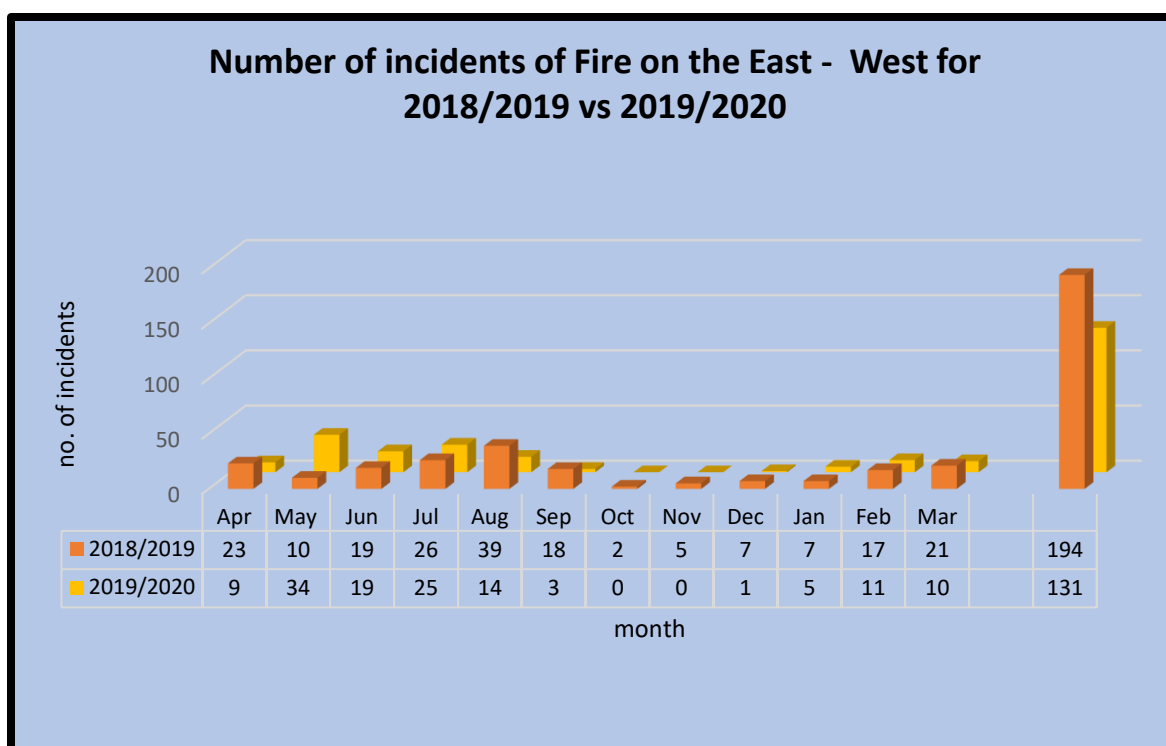
The reports from the operators of the East West Highway showed an increase in the number of robberies and stone throwing incidents in 2019/2020 compared to 2018/2019, as seen in the graph below. The data showed an increase from 11 incidents to 22. Meetings have been held with the communities and the Police to mitigate these stone throwing incidents.



### 3.1.2.4 FIRE AND SMOKE:

NROCC met the year's target of tracking the trends and patterns seen in the data provided in TJH'S monthly reports for the East – West leg of the highway. The numbers and trends were discussed at the H2K project meetings and requests were made to the Developer for adverse trends to be remedied.

The incidents of fire and smoke on the toll roads for 2019/2020 showed an overall decrease compared with the similar period in 2018/2019, going from 194 incidents to 131. This comparison is seen in the following graph on page 29.



### 3.1.3 Environmental Balance

NROCC remained committed to minimizing the impact of the Project on the surrounding environment, in compliance with the requisite NEPA requirements as well as Jamaica's environmental laws. NROCC also committed to adopting applicable Best Environmental Management Practices, which will ensure optimal effort to protect, preserve and enhance the quality of the natural resources, as well as mitigate environmental impacts that often emerge in the construction of major highway routes.

During the reporting period, close monitoring and inspection of the completed sections of the highway was maintained, as well as any additional works being done by the Contractors/Developers.

- a. For the year under review, all 12 monthly inspections were carried out and reports prepared. Most importantly, issues identified were shared with the developer in an effort to effect improvement where necessary.
- b. Inspections were also carried out to verify continued quality of the roadway. Any issues identified are highlighted and if necessary, Routine Surveillance Inspection (RSI) reports are issued to the Developer to have these addressed within a specific timeframe.
- c. The organization, developed an Environmental Management System (EMS). This was done in different stages and for this reporting period, the company was able to develop the necessary procedures and circulate to the staff for review. These were approved

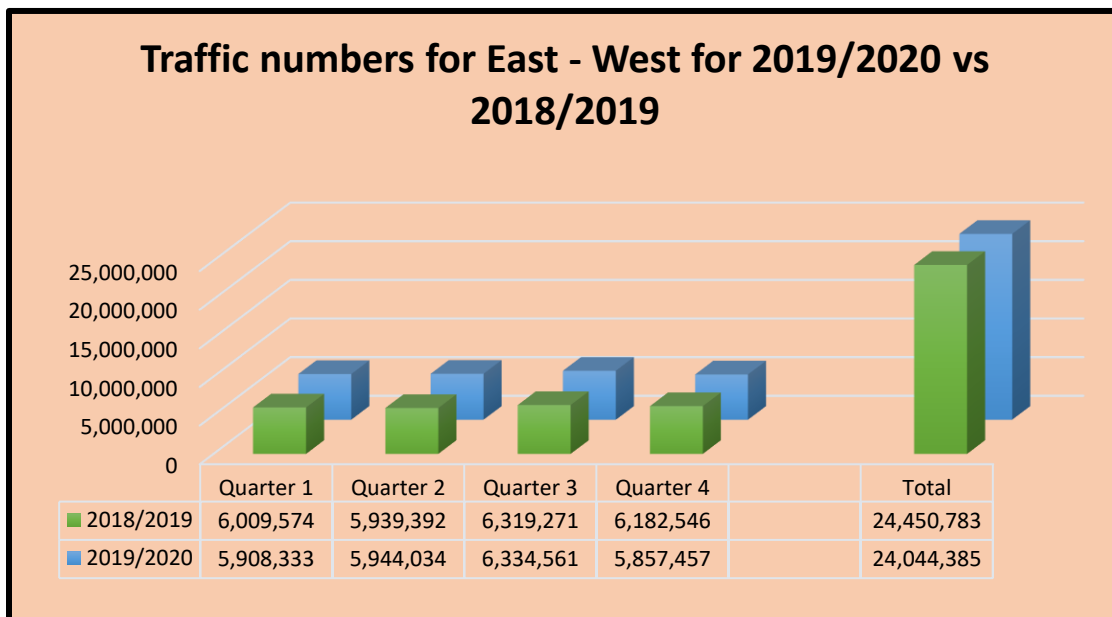


and signed. The company will endeavor to explore an integration of its QMS with the EMS in the upcoming financial year, as the process for implementing the EMS has already begun.

- d. In addition to these measures, NROCC also saw it best to ensure that communication is maintained with certain stakeholders. During the period, ten (10) meetings were held with the Developer, Toll Authority, MEGJC, as well as the communities in which works are expected to be done, and the local authorities.

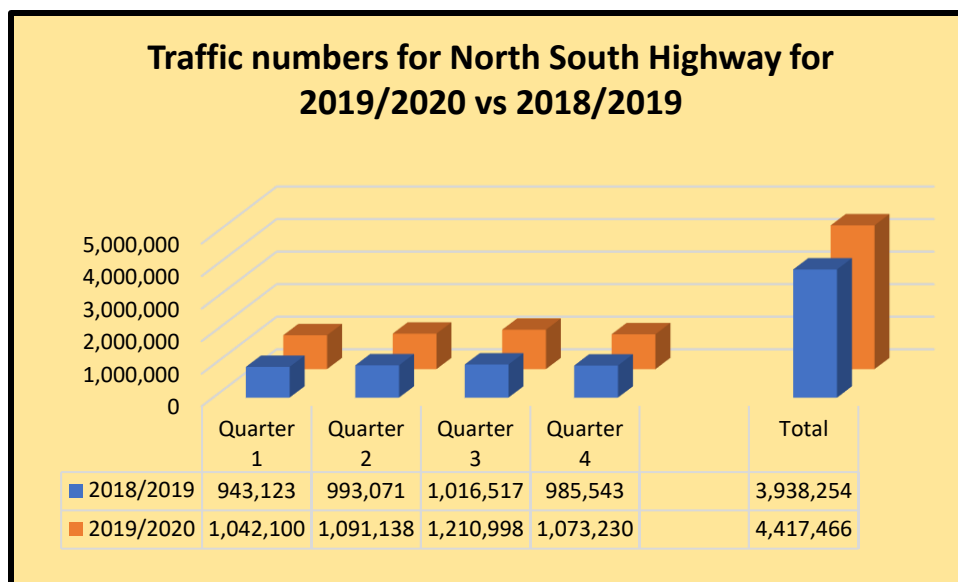
### 3.1.4 Economic Development

The target of collaborating with the Developers of the completed section of Highway 2000 to formulate plans to improve traffic was achieved. At the monthly H2K project meetings held with the Developers for both sections, discussions took place regarding how traffic numbers can be increased.



As seen in the figure above, for 2019/2020, the total traffic volume on the East West showed a slight decrease of approximately 1.66% compared to the 2018/2019 period. This marked decrease was seen in quarters 1 and 4.

For the North South Highway, there was an increase of 12.17% in 2019/2020 when compared to 2018/2019. This growth in traffic was seen throughout each quarter of the year. This data is represented in the chart on page 31.



### 3.1.5 ***Customer Service/Quality Management System***

The main thrust of a Quality Management System (QMS) is to continually improve the performance of an organization by focusing and addressing the needs of our interested parties. An effective QMS will result in improved products and services. NROCC sought to assure that customers' requirements as defined in the Concession Agreements were met through quarterly audits of the QMS for the Highway 2000 Developers and Operators. Instances of non-compliance were formally addressed to the relevant entity for corrective measures to be taken and follow-up done to review the effectiveness of the actions taken.

For 2019/2020, four audits each, of the Developer and Toll Operator were scheduled on the East – West segment. Additionally, all four targeted audits were scheduled for the Developer/Operator of the North-South link. On both sections of the highway, three of the four audits were executed. The audit for quarter 4, which was scheduled to be done in March 2020, was rescheduled to April 2020 as a result of the COVID-19 pandemic.

In an effort to increase communication with the public, the Company has made a target of updating the website periodically throughout the year. During this period 2019/2020, the website was updated with relevant information. Additionally, quarterly updates were made to the site, these include additions or updates of;

- ✓ Board Members;
- ✓ Annual Reports;
- ✓ Related news items
- ✓ NEPA Permit
- ✓ EIA Report – *Phase 1C*
- ✓ TJH Buy back Prospectus

Additionally, the company measures the satisfaction of its customers to monitor service levels in order to take corrective measures, if necessary. During the reporting period, a survey was administered to the primary customer, the Government of Jamaica, through the Ministry of Economic Growth & Job Creation. This survey gave an indication of the Ministry being “satisfied” with the level of service provided by NROCC.

The satisfaction levels of internal customers - staff members, was also measured during the year. The result of the surveys indicates a “level of satisfaction”. Regardless of this rating, a number of issues were highlighted by the staff that would, when addressed, increase their satisfaction. A plan was therefore developed to address these issues and will be executed and monitored in 2020/2021.

The company is required to make submissions to the Government of Jamaica (GOJ) through the parent ministry MEGJC. As such, NROCC’s target was, to ensure that these reports are submitted by the deadlines prescribed in the Public Bodies Management & Accountability (PBMA) Act. These reports include, the performance monitoring reports, both quarterly and half-yearly, the annual report along with the Audited Financial statements and the Corporate and Strategic Plans. During the year, all the reporting targets were met.

### **3.1.6 *Organizational Development and Efficiency Improvement***

As a public sector company, NROCC has sought to implement suitable operating measures that will reduce the impact of expenses on the budget. The following elements were targeted for accomplishment over the planning period:

- ✓ The maintenance of a quality management system compliant with the requirements of ISO 9001:2015 for the business and operational processes.
- ✓ Human Resource Development – a target of four (4) job-related training programmes was set for the period.
- ✓ Reduction of operational expenses.

#### **3.1.6.1 *MAINTENANCE OF CERTIFICATION OF QUALITY MANAGEMENT SYSTEM (QMS)***

ISO 9001 is a management system standard for fulfilling the minimum quality system requirements for organizational processes. The three main benefits of implementing an ISO 9001-based QMS are, increased customer satisfaction, decreased complaints, and decrease in product/service nonconformities.

For 2019/2020, NROCC's target was to have no hold points during the surveillance audit of the transitioned QMS. In January 2019, the National Certification Body of Jamaica (NCBJ) conducted the surveillance audits of NROCC's QMS. This audit resulted in a full recommendation for continued certification.

Based on the scope of the organization, the company has identified as best as possible, the risks they are exposed to and the opportunities which can be adapted into the system. These and their associated actions are discussed at the quarterly management review meetings to ensure that the mitigating actions are current and effective.

### **3.1.6.2 TRAINING**

For the 2019/2020 year, twelve (12) job-related training sessions were attended by NROCC staff members. The sessions included:

- ✓ Minute Writing
- ✓ Service Skills for Ancillary Workers
- ✓ QMS Training
- ✓ Project Management
- ✓ Conveyance
- ✓ ISO 9001:2015 – Module 1
- ✓ ISO 9001:2015 – Module 2
- ✓ Mandarin
- ✓ Financial Support
  - ACCA Certification
  - MSc – Management Studies

From the outlined training plan, one (1) was cancelled and four (4) were rescheduled.

### **3.1.6.3 OPERATIONAL EXPENSES**

During the year, NROCC targeted certain areas to reduce its operational expenses.

One area was the internal management of utilities, by developing systems to monitor and reduce telephone talk time. For the reporting period 2019/2020, the telephone talk time decreased by an average of 36% when compared to 2018/2019.

The system to reduce paper (utilizing recycled paper when possible, for meeting notes and internal memos etc.) was previously implemented and is monitored annually. There was a general decrease in the use of paper during the year. Quarters 1 and 2 saw decreases of 21% and 17% respectively, while the other quarters were holding the same usage pattern as 2018/2019. The implementation of the EMS will contribute to further improvements in this area.

## 4 TRANSJAMAICAN HIGHWAY TRANSACTIONS



In addition to the activities outlined above to achieve the objectives and targets stated in the operational plan for 2019/2020, and for the reasons outlined in the MD's report NROCC undertook the buyback of the shares of TJH, the refinancing of its existing loans and the subsequent sale of the shares of Transjamaican Highway to the local stock market.



The following outlines the steps which were followed.

- ✓ On December 23, 2019, NROCC acquired all 27,000,000 ordinary shares of Transjamaican Highway TJH from existing shareholders (Bouygues Travaux Publics, Vinci Concessions, International Finance Corporation (IFC) and Societe de Promotion et de Participation pour la Cooperation Economique S.A. (Proparco))
- ✓ The acquisition by NROCC was financed through a Bond offer syndicated by NCB Capital Markets (NCBCM) of US\$72M.
- ✓ Because the shareholders of TJH were being changed, this triggered the change of control provision in the Loan Agreement which meant TJH having to pay out its existing loans to IDB, IFC, EIB and Proparco. TJH borrowed an aggregate of US\$150M to pay out those existing loans, made up of \$133.6M from NCBCM and \$16.4M from NROCC (which was borrowed from Ministry of Finance and Public Service).
- ✓ In January 2020, the 1 preference share held by NROCC was converted into 27M cumulative redeemable preference shares with a coupon of 8% for 10 years.
- ✓ In February 2020, TJH converted the ordinary shares of 27M purchased into 12.5 B ordinary stock units and then offered 10BN of these shares to the stock market with an offer for sale to the public. NROCC received cash in the amount of \$14BN these funds were used to repay the NCB syndicated loans of the transaction, pay the transaction expenses and make a dividend payment (see below) to the Accountant General (owners of NROCC shares)
- ✓ At end of March, NROCC was left with 20% (2.5BN shares) of the ordinary shares in TJH. NROCC also owned 27M redeemable preference share.
- ✓ TJH made a dividend payment in January 2020 of US\$35 M. This arose as a result of the special dividend that was paid by TJH.
- ✓ NROCC made a dividend payment in March 2020 of J\$7.7 Billion to the Accountant General (owners of NROCC).
- ✓ Long Term loans of US\$225M raised by TJH in the US Capital market was used to repay NCB loans to TJH, repay NROCC's US\$16M, provide cash and top up TJH reserve accounts.
- ✓ At the end of March, NROCC fully repaid the loans NCB syndicated loans including the transaction costs.

## **5 PROJECTIONS FOR 2020/2021**

As we progress toward the achievement of our strategic objectives, the organization has identified the following significant projections for the 2020/2021 financial year:

1. Implementation of Phase 1C – May Pen – Williamsfield.
2. Commencing the Implementation of the Montego Bay Perimeter Road, and all its components. The most important aspect of this being the finalization of the contract for the construction of the project.
3. Substantially completing the outstanding Land Acquisition transactions for Phase 1C and initiating those for Montego Bay Perimeter Road.
4. Continue monitoring the Operations of the completed phases according to the relevant agreements.
5. Continue meeting with the Developer to formulate plans to grow/improve traffic on Highway 2000.
6. Maintenance of the certification of the Quality Management System to the requirements of ISO 9001:2015.
7. Implementation and monitoring of the Environmental Management System in accordance with ISO 14001:2015, with an aim to integrate with the QMS.
8. Conduct further works with the GOJ in relation to finalizing agreements for additional scope of works for the North Coast Highway.

Details on these and other plans are outlined in the Operational Plan for 2020/2021 seen in Appendix 2.

## 6 **FIVE (5) – YEAR REVIEW**

	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
	2020	2019	2018	2017	2016
Revenue	4,706,072	505,155	-	-	-
Administrative & general expenses	-1,239,745	-199,221	-273,301	-289,942	-270,663
Operating profit/loss	3,466,327	305,934	-273,301	-289,942	-270,663
Gain/loss on Investment Securities	-2,570,067	-	-81,743	168,139	180,504
Gain on sale of bonds	-	-	-	-	-
Miscellaneous income	7,780,907	112,936	160	44	72
Finance income	1,796,647	335,771	1,296,877	1,145,526	1,201,674
Finance costs	-8,500,984	-5,137,997	-5,245,709	-7,281,272	-7,211,877
Inflation compensation on Real Return Convertible Bonds	-775,724	326,601	-659,074	-349,951	-484,099
Profit/(loss) before income tax	1,197,106	-4,709,977	-4,962,790	-6,607,456	-6,584,389
Income tax credit	-	-	-	-	-
Other comprehensive income:	339,580	-	-	-	-
Profit/(loss) for the year, being total comprehensive income/(loss) for the year	1,536,686	-3,997,693	-4,962,790	-6,607,456	-6,584,389
Percentage increase/ (decrease) over previous year	-138%	19.4	24.89	-0.35	-6
Total Assets	30,905,946	27,907,744	24,625,404	25,146,783	24,234,705
Net Equity	-76,492,118	-70,205,112	-68,210,159	-63,247,369	-56,639,913
Total Liabilities	107,398,064	98,112,856	92,835,563	88,394,152	80,874,618
Total equity and liabilities	30,905,946	27,907,744	24,625,404	25,146,783	24,234,705

## **7 DIRECTORS' COMPENSATION - 2019/2020**

<b>Name &amp; Position of Director</b>	<b>Fees (\$)</b>	<b>Motor Vehicle Upkeep/Travelling or Value of Assigned Motor Vehicle (\$)</b>	<b>Honoraria</b>	<b>All Other Compensation including Non-Cash Benefits as Applicable (\$)</b>	<b>Total (\$)</b>
Phillip Henriques <i>Board Chairman</i>	393,500.00	-	-	-	393,500.00
Alston Douglas <i>Director</i>	178,900.00	-	-	-	178,900.00
Donald Mullings <i>Director</i>	139,800.00	-	-	-	139,800.00
Janet Coleman – Howlett <i>Director</i>	140,000.00	-	-	-	140,000.00
Karen Chuck <i>Director</i>	42,000.00	-	-	-	42,000.00
Newton Amos <i>Director</i>	119,000.00	-	-	-	119,000.00
Andre Foster	209,000.00				209,000.00
Ivan Anderson** <i>Managing Director</i>	-	-	-	-	-
Total	1,222,200.00				1,222,200.00

**\*\*Managing Director does not receive compensation from the Board.**

## 8 SENIOR EXECUTIVE COMPENSATION – 2019/2020

Name & Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assignment of Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Other Allowances (\$)	Non-Cash Benefits (\$)	Total (\$)
Ivan Anderson <i>Managing Director</i>	April 2019-March 2020	13,554,530.53	2,708,968.26	848,580.00	-	-	-	<b>17,112,078.79</b>
Phillip Myers <i>Senior Manager Land Acquisitions</i>	April 2019-March 2020	5,914,230.00	1,451,139.26	1,697,148.00	-	-	-	<b>9,062,517.26</b>
Kimberly Thompson <i>Quality &amp; Corporate Planning Manager</i>	April 2019-March 2020	5,536,755.96	3,030,381.28	1,697,148.00	-	-	-	<b>10,264,285.24</b>
George Nicholson <i>Senior Manager Technical Services</i>	April 2019-March 2020	5,415,296.04	**	1,697,148.00	-	-	-	<b>7,112,444.04</b>



## 9 **AUDITORS' REPORT & AUDITED FINANCIAL STATEMENTS**

## 10 APPENDIX 1 – CURRENT PERFORMANCE

Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
Accelerating Development through Infrastructure	Implement Phase 1C Project	Complete Design (If commencement is issued by May 1, 2019)	Design completed and reviewed	Design for Approval reviewed	Review of Design for approval completed and submitted
		Provide Access to lands for Construction (Based on approved budget)	Km of roadway with access for construction	up to 14 km	24.25 km of lands acquired
		Preliminary identification of Utilities impacted	% of utilities relocated to facilitate construction	up to 10% of utilities relocated	Relocation has not yet begun
		Development of financial model including proposed toll rates and traffic volumes	Model developed by external consultants	Engagement of external consultants for model	Contracts signed with external consultants to develop model
		Submission of permit documentation for Environmental Permit for Rio Minho Bridge	Environmental Permit documented for Rio Minho Bridge submitted to NEPA (subject to completion of DFA)	Permit documentation submitted	Documentation submitted and permit approved.
		Maintain Project Environmental Permit previously issued by NEPA	Submit required documentation to maintain permit from NEPA	Documentation submitted or extension requested based on project status	All relevant documentation submitted
	Implement Montego Bay Bypass	Review of Contractor's Designs (If Main contract	Design completed and submitted (For Road works)	Preliminary design	Designs not completed as there is

Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
		signed by May 1 and subcontract design contract signed by June 1)		submitted and reviewed	no contract yet in place.
		Provide Access to lands for Construction	Km of roadway with access for construction	up to 2 km	No lands handed over as no contract has been finalized
		Finalization of documentation and meetings required for the Environmental permit (Subject to finalization of Long Hill alignment)	Submission to NEPA	Final EIA Report submitted to NEPA	Draft was submitted to NEPA
	Desk top studies for new projects	Development of Feasibility for Priority Projects	Traffic Model Developed and submitted	Traffic model developed for N-S/E-W Project	Traffic model developed and submitted for review
		Agree with MEGJC the way forward with North Coast projects	Discussion held with MEGJC and agreement on the scope of NROCC's involvement	Agreement in place	Agreement not yet signed amongst parties
	Finalize outstanding Land Acquisition transactions	Complete transfer of titles according to schedule.	Number of titles transferred	35	22
		Inspection of existing unused properties	Report submitted	4 quarterly inspections conducted, and report submitted	4 reports submitted by Land Acquisition Coordinator

Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
		Disposal of severed properties	Number of properties disposed (Sale/Lease agreements signed)	4	3
Road User Safety	Monitor the Highway Operating Agreement and partnering with the Developer and Operator to identify and implement safety improvement measures.	Coordinate the activities for reduction of the number of fatal and serious accidents in collaboration with the Toll Operator.	Number and categories of accidents along highway tracked monthly.	Monthly # and categories of accidents obtained from Operator and reviewed. Adverse trends discussed at monthly meeting.	Data obtained from Operator and reviewed monthly. Adverse trend discussed at monthly meetings.
			Smoke trend along highway tracked monthly and discussed at monthly meeting held with Operator.	Monthly # of fires along T1 and T2 obtained from Operator and reviewed. Adverse trends discussed at monthly meeting.	Data obtained from Operator and reviewed monthly. Adverse trend discussed at monthly meetings.

Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
			Animal sightings along the highway against fence theft and vandalism	Data obtained from Operator and reviewed monthly. Adverse trend discussed at monthly meetings along with Police.	Data obtained from Operator and reviewed monthly. Adverse trend discussed at monthly meetings.
Environmental Balance	Monitor the Highway Operating Agreement with a view to minimizing the impact of the new construction on the surroundings in compliance with NEPA's and other legal/regulatory requirements.	Conduct weekly site inspections of works in progress for environmental and safety compliance.	Submittal of monthly report to Developer and other H2K stakeholders (2 weeks after month end).	12 reports submitted by agreed time	12 reports submitted by agreed time
		Conduct weekly site inspections of completed H2K for environmental and safety compliance.	Submittal of monthly report to Grantor's Rep. (2 weeks after month end).	12 reports submitted by agreed time	12 reports submitted by agreed time
		Liaise with Developer, Toll Authority and MEGJC, communities and local authorities etc. on project related environmental activities	# of meetings held with named groups	8	10



Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
		Develop an Environmental Management System (EMS) for NROCC	Targets achieved by stated timelines	Draft EMS procedures and circulate to staff	EMS Procedures completed and circulated
Economic Development	Collaborate with Developer to grow the traffic numbers on H2K	Meet with Developer to formulate plan to grow/improve traffic on H2K	Traffic growth through each plaza	Analyse traffic numbers for trends	Traffic numbers analysed and trends discussed at monthly Meetings with Developers and Operators.
Customer Service	Assure compliance of Developer, Contractor and Operator with the Highway Concession Agreement	Audit Quality Management Systems of the Developer, Contractor and Operator to ascertain level of compliance with the Highway Concession Agreement	Quarterly Quality Management compliance audits conducted	4 audits each of the Developers, and Operators conducted and reported	9 of 12 audits conducted by the last day of each quarter during the period.
	Improve the ongoing customer communication and outreach	Update of H2K website with information relating to activities taking place for H2K.	Timely update of H2K website	Website updated each quarter (end of month).	Website updated during the year. Updates were made with news, annual reports, NEPA permit, EIA report, director's information
		Percentage of customer complaints resolved within 90 days of receipt	Percentage of customer complaints resolved within 90 days of receipt	90%	All complaints received were closed within the specified

Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
					timeframe, that is, by the following quarter
	Monitor and Improve Customer Satisfaction levels	Issue Customer Satisfaction Survey	Survey administered to primary customer and feedback received	Surveys issued to primary and Internal Customers	Survey administered to MEGJC and Staff in Sept 2019. Feedback indicated satisfactory levels of primary and internal customers
	Compliance with PBMA Requirements	Submit reports required by the PBMA to the MEGJC	Quarterly Report	Report submitted by the last day of the month following the quarter	All quarterly reports submitted by due date.
			Half-yearly Report	Report submitted by the last day of the 2 <sup>nd</sup> month following the half-year	Report submitted on Nov 29, 2019
			Annual Report	Report submitted by July 31, 2018	Report submitted to MEGJC and MOF on July 31, 2019
			Corporate & Operational Plans	Plans submitted by Dec 31, 2018	Plans submitted to MEGJC and MOF on Nov 29, 2019

Objectives	Strategies	Output	Performance Indicators/Measures	Planned Targets for the Period	Achievements
					Year-to-Date
Organization Development and Efficiency Improvement	Improve NROCC's Quality Management System (QMS)	Maintain ISO 9001 QMS and obtain certification of the QMS	No Hold Point during ISO 9001 Surveillance Audit	No hold points during ISO 9001 surveillance audit.	Audit conducted without hold points in January 2020.
		Monitoring of risks and opportunities	Mitigating actions addressed	Discussed at the Management Review meeting	Risk mitigating actions discussed at Management Review meeting in October 2019
	Staff Development	Development of staff through training	# of job-related training programmes held	4	12
	Reduction in expenditure to improve organizational efficiency	Developing systems to monitor and reduce utilities consumption	Reduction in telephone talk time	Phone minutes not exceeding 3% over the previous year	Phone minutes was 36% below the previous year
		Monitor and reduce paper consumption	Usage not exceeding previous year (percentage increase)	Usage not exceeding previous year by 20%	Paper usage was lower than that of 2018/2019. This was seen in Quarters 1&2, and Quarters 3&4 were the same.

## 11 APPENDIX 2 – OPERATIONAL PLAN 2020/2021

OBJECTIVES	STRATEGIES	MAJOR TASKS	PERFORMANCE MEASURE/ INDICATORS	PHYSICAL TARGETS			
				Q1	Q2	Q3	Q4
<b>Accelerating Development through Infrastructure</b>	Implement Phase 1C Project	Complete Design	Design completed and reviewed		DFA by end of Sept 2020	DD reviewed by end of December 2020	
		Provide physical access to lands to Contractor for Construction ( <b>Based on approved budget</b> )	Km of roadway with access for construction	up to 25		up to 29	
		Development of financial model including proposed toll rates and traffic volumes	Model developed by external consultants	Engagement of external consultants for model		Model developed and reviewed	
		Relocation of Utilities impacted by construction in keeping with schedule agreed with the utility company/contractor	% of utilities relocated to facilitate construction	UP TO 5%	UP TO 15%	UP TO 35%	up to 50%
		Progress of construction	Percentage of construction completed	UP TO 5%	UP TO 15%	UP TO 35%	up to 50%
		Maintain Project Environmental Permit previously issued by NEPA	Submit required documentation to maintain permit from NEPA		Documentation submitted or extension requested based on project status		

Implement Montego Bay Perimeter Road - Montego Bay Bypass - West Green/Barnett St Road Improvement - Long Hill Bypass - Mobay Drainage Study	Review of Contractor's Designs for Barnett Street	Design completed and submitted for review		Outline design submitted and reviewed		
	Finalization of Main Contract ( <b>subject to Cabinet Approval of existing submission by May 30</b> )	Contract signed	Sign Main Contract			
	Provide Physical Access to Contractor of lands for Construction	Km of roadway with access for construction				up to 2
	Finalization of documentation and meetings required for the Environmental permit ( <b>Subject to finalization of Long Hill alignment</b> )	Submission to NEPA	Conduct Public Meetings ( <b>subject to NEPA's agreement for virtual meetings by April 30</b> )		Final EIA Report submitted to NEPA ( <b>subject to meetings being approved</b> )	
Continue studies for new projects (N-S/E-W Connection)	Development of Feasibility for Priority Projects	Traffic Model reviewed and finalized				Traffic model developed for N-S/E- W Project
	Agree with MEGJC the way forward with North Coast projects	Discussion held with MEGJC and agreement on the scope of NROCC's involvement			Agreement in place	
Finalize Land Acquisition transactions	Complete transfer of titles according to schedule.	Number of titles transferred	6	6	6	6
	Disposal of severed properties	Number of properties disposed ( <b>Sale/Lease</b>	1	1	0	2

		<i>agreements signed)</i>				
	Inspection of existing unused properties	Quarterly Reports submitted	1	1	1	1

OBJECTIVES	STRATEGIES	MAJOR TASKS	PERFORMANCE MEASURE/ INDICATORS	PHYSICAL TARGETS			
				QTR.1	QTR. 2	QTR.3	QTR.4
<b>Road User Safety</b>	Monitor the Highway Operating Agreement and partnering with the Developer and Operator to identify and implement safety improvement measures.	Coordinate the activities for reduction of the number of fatal and serious accidents in collaboration with the Toll Operator.	Number and categories of accidents along highway tracked monthly. Follow up with Developers on mitigating actions.	Monthly # and categories of accidents obtained from Operators and reviewed. Adverse trends discussed at monthly meeting.	Monthly # and categories of accidents obtained from Operators and reviewed. Adverse trends discussed at monthly meeting. Crash Reduction Analysis and Strategies Reports prepared and submitted to Developer (Jan - June 2020) due Sept 30, 2020	Monthly # and categories of accidents obtained from Operators and reviewed. Adverse trends discussed at monthly meeting.	Monthly # and categories of accidents obtained from Operators and reviewed. Adverse trends discussed at monthly meeting. Crash Reduction Analysis and Strategies Reports prepared and submitted to Developer (Jan - Dec 2020) due Mar 31, 2021

			Smoke trend along highway tracked monthly and discussed at monthly meeting held with Operator. Follow up with Developers on mitigating actions.	Monthly # of fires along highways obtained from Operators and reviewed. Adverse trends discussed at monthly meeting.	Monthly # of fires along highways obtained from Operators and reviewed. Adverse trends discussed at monthly meeting.	Monthly # of fires along highways obtained from Operators and reviewed. Adverse trends discussed at monthly meeting.	Monthly # of fires along highways obtained from Operators and reviewed. Adverse trends discussed at monthly meeting.
			Animal sightings along the Highways fence theft and vandalism. Follow-up with Developers on mitigating actions.	Data obtained from Operators and reviewed monthly. Adverse trend discussed at monthly meetings along with Police.	Data obtained from Operators and reviewed monthly. Adverse trend discussed at monthly meetings along with Police.	Data obtained from Operators and reviewed monthly. Adverse trend discussed at monthly meetings along with Police.	Data obtained from Operators and reviewed monthly. Adverse trend discussed at monthly meetings along with Police.

OBJECTIVES	STRATEGIES	MAJOR TASKS	PERFORMANCE MEASURE/ INDICATORS	PHYSICAL TARGETS			
				QTR.1	QTR. 2	QTR.3	QTR.4
<b>Environmental Balance</b>	Monitor the Highway Operating Agreement with a view to minimizing the impact of the new construction on the surroundings in	Conduct weekly site inspections for environmental and safety compliance (Environmental Report)	Submittal of monthly report to MD and Grantors Representative and issues raised discussed with Developers	3 reports submitted by agreed time and issues addressed at the monthly meetings	2 reports submitted by agreed time and issues addressed at the monthly meetings	3 reports submitted by agreed time and issues addressed at the monthly meetings	3 reports submitted by agreed time and issues addressed at the monthly meetings



	compliance with NEPA's and other legal/regulatory requirements.	Liaise with Developer, Toll Authority and MEGJC, communities and local authorities etc. on project related activities	# of meetings held with named groups	2	2	2	2
		Conduct weekly site inspections for O&M requirements (Civil Engineer Report)	Submittal of monthly report to Grantor's Rep. and issues raised discussed with Developers	3 reports submitted by agreed time and issues addressed at the monthly meetings	3 reports submitted by agreed time and issues addressed at the monthly meetings	3 reports submitted by agreed time and issues addressed at the monthly meetings	3 reports submitted by agreed time and issues addressed at the monthly meetings
	Improve Environmental Awareness and practices within NROCC	Develop an Environmental Management System (EMS) for NROCC	Targets achieved by stated timelines	<b>Implementation of EMS</b> Training Development of Objectives & Targets	<b>Monitoring of the EMS</b> Review of Objectives & Targets	Approve consultant for integration process	Develop integration plan and commence process

OBJECTIVES	STRATEGIES	MAJOR TASKS	PERFORMANCE MEASURE/ INDICATORS	PHYSICAL TARGETS			
				QTR.1	QTR. 2	QTR.3	QTR.4
<b>Economic Development</b>	Collaborate with Developer to grow the traffic numbers on H2K in keeping with the Government's policy objective	Meet with Developer to discuss plan to grow/improve traffic on H2K	Traffic numbers analyzed for trends, recommendations discussed with Developers	Analyze traffic numbers for trends	Analyze traffic numbers for trends	Analyze traffic numbers for trends	Analyze traffic numbers for trends

<b>Customer Service</b>	Assure compliance of Developer, Contractor and Operator with the Highway Concession Agreement	Audit Quality Management Systems of the Developer, Contractor and Operator to ascertain level of compliance with the Highway Concession Agreement	Quarterly Quality Management compliance audits conducted and issues raised with Developers	1 audit each of the Developers and Operator conducted and reported. Follow up of non-compliance issues by following quarter	1 audit each of the Developers and Operator conducted and reported. Follow up of non-compliance issues by following quarter	1 audit each of the Developers and Operator conducted and reported. Follow up of non-compliance issues by following quarter	1 audit each of the Developers and Operator conducted and reported. Follow up of non-compliance issues by following quarter
	Improve the ongoing customer communication and outreach	Update of H2K website with information relating to activities taking place for H2K.	Timely update of H2K website	Website updated quarterly	Website updated quarterly	Website updated quarterly	Website updated quarterly
		Resolve Customer complaints within specified timeframe	Percentage of customer complaints resolved within 90 days of receipt	90%	90%	90%	90%
	Monitor and Improve Customer Satisfaction levels	Issue Customer satisfaction Survey	Survey administered to customers. Percentage of satisfied respondents. Development of action plan to address issues raised.	Surveys Issued to primary and Internal Customers	Overall minimum rating of satisfied obtained from minimum of 70% of survey respondents. Develop action plan to address issues raised.		

		Monitor Road User feedback	Data on customer complaints received from Developers monthly	Data and trends analyzed to monitor reasons complaints received. Discussions held monthly with Developers for improving customer satisfaction.	Data and trends analyzed to monitor reasons complaints received. Discussions held monthly with Developers for improving customer satisfaction.	Data and trends analyzed to monitor reasons complaints received. Discussions held monthly with Developers for improving customer satisfaction.	Data and trends analyzed to monitor reasons complaints received. Discussions held monthly with Developers for improving customer satisfaction.
	Compliance with PBMA Requirements	Submit reports required by the PBMA to the MEGJC	Quarterly Report	last day of month following quarter	last day of month following quarter	last day of month following quarter	last day of month following quarter
			Half-yearly Report	2 months following end of 6 months period		2 months following end of 6 months period	
			Annual Report		4 months following end of financial year		
			Corporate & Operational Plans			last day of calendar year	

OBJECTIVES	STRATEGIES	MAJOR TASKS	PERFORMANCE MEASURE/ INDICATORS	PHYSICAL TARGETS			
				QTR.1	QTR. 2	QTR.3	QTR.4
<b>Organization Development and Efficiency Improvement</b>	Improve NROCC's Quality Management System (QMS)	Maintain ISO 9001 QMS	No Hold Point during ISO 9001 Transition Audit			No Hold point on surveillance audit	
		Monitoring of risks and opportunities	Mitigating actions addressed		Discussed at Management Review meeting		Discussed at Management review meeting

	Staff Development	Development of staff through training	# of staff members attending job-related training programmes	1	1	1	1
	Reduction in expenditure to improve organizational efficiency	Developing systems to monitor and reduce utilities consumption	Reduction in telephone talk time	Phone minutes not exceeding 3% over the previous year	Phone minutes not exceeding 3% over the previous year	Phone minutes not exceeding 3% over the previous year	Phone minutes not exceeding 3% over the previous year
		Monitor and reduce paper consumption	Usage not exceeding previous year (percentage increase)	20	20	5	5