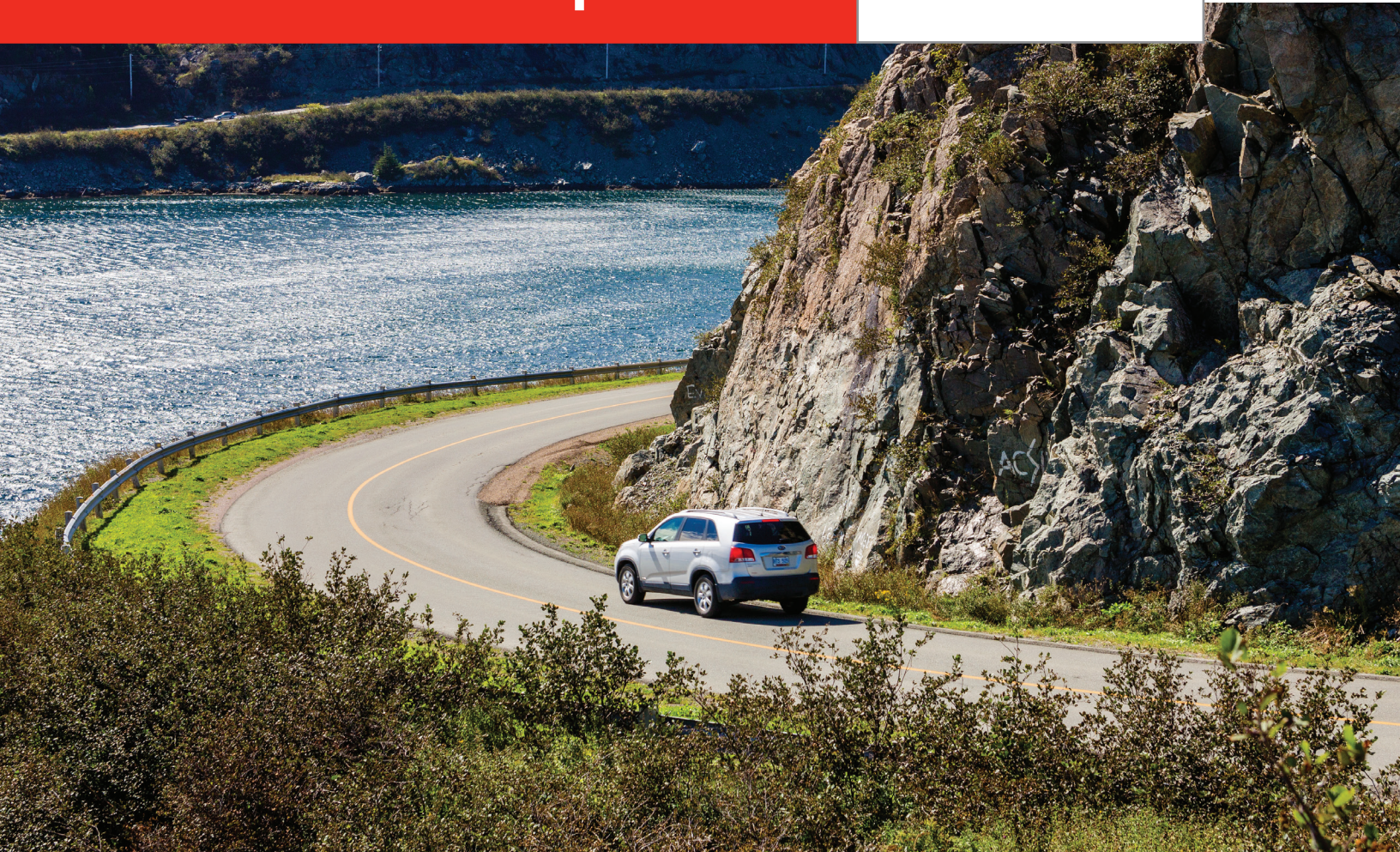


Transportation and Works

# Annual Report

2016-17







## MESSAGE FROM THE MINISTER

As Minister of Transportation and Works, I am pleased to present the Department's annual report for the fiscal year 2016-17. This report was prepared in accordance with the Transparency and Accountability Act, under which the Department is a Category 1 entity, and provides an overview of performance over the last fiscal year. It also represents the final year of reporting from the three-year 2014-17 Strategic Plan. I am accountable for the contents and achieved results outlined in this report.

Significant achievements have been made in addressing the Department's strategic issues of safety, reliability, sustainability and service excellence. Ensuring the safety of employees, contractors and the general public in all aspects of our operations is a fundamental part of the services that we provide. While maintaining safety, the Department has improved the reliability and sustainability of programs and services and strengthened service delivery.

I would like to acknowledge the substantial commitment and contribution of all Department employees to provide safe and reliable services to the people of Newfoundland and Labrador.

A handwritten signature in black ink, appearing to read 'S Crocker'. The signature is written in a cursive, flowing style.

Honourable Steve Crocker  
Minister of Transportation and Works

# Departmental Overview

While the reporting of the Department's performance in this report reflects the departmental structure up to March 31, 2017, the current departmental structure is outlined here. The Department of Transportation and Works is currently divided into four branches: Operations, Air and Marine Services, Infrastructure, and Strategic and Corporate Services. The Department's provincial headquarters is located in the Confederation Building, West Block in St. John's. From this location, work is undertaken in the areas of policy, planning, and evaluation, project management and design, strategic operational management, and corporate administrative services. The regional offices in seven different communities throughout the province provide construction, maintenance, and operational services, as well as some project management and design services, while the 32 year-round and 23 winter-only depots provide direct services such as snow clearing and road maintenance.

## **Operations**

Provision and maintenance of provincial roads and buildings that includes:

- Summer and winter maintenance (snow clearing and ice control) on 9,763 kilometres of primary and secondary highways and community access roads;
- Snow clearing for external jurisdictions including Gros Morne National Park, through a contract with Parks Canada, and a number of communities throughout the province;
- Purchasing salt and sand for 178 town councils and a number of health authorities, school boards, and other external entities;
- Management of the provincial government's fleet of over 3,300 vehicles including light vehicles, heavy equipment and utility vehicles (snowmobiles, all-terrain vehicles, etc.);

- Provision of up to date road condition information utilizing one wind warning system, 28 Road Weather Information Systems (RWIS) stations, and 31 highway camera locations throughout the province ([www.roads.gov.nl.ca/cameras](http://www.roads.gov.nl.ca/cameras)); and,
- Management and maintenance of approximately 640,000 square metres of floor space, consisting of approximately 865 buildings, on 366 sites across the province.

### **Air and Marine Services**

Provision, maintenance, and management of provincial air and marine services that includes:

- Nine provincially-owned and operated vessels, one provincially-owned and privately operated vessel (through a contract with the Government of Newfoundland and Labrador), and eight privately-owned contracted vessels;
- Marine operations accounting for \$80 million for 2016-17 (transporting approximately 850,000 passengers, 400,000 vehicles, and 10,000 tonnes of freight annually);
- Provision of vessel modification and refits of provincially-owned vessels;
- Operation of provincially-owned vessels with a complement of approximately 225 marine staff;
- Operation and maintenance of the provincial government's fleet of two air ambulances completing approximately 1,400 medical missions annually;
- Operation and maintenance of the provincial government's fleet of five water bombers to combat approximately 50 forest fires annually; and,
- Operation and management of eight provincial airstrips on the island portion of the province (Wabana, Clarenville, Botwood, Fogo Island, Springdale, Winterland, St. Andrew's and Port au Choix) and 13 provincial airstrips in Labrador (Black Tickle, Cartwright, Charlottetown, Hopedale, Makkovik, Mary's Harbour, Nain, Natuashish (on behalf of the Mushuau Innu First Nation), Postville, Port Hope Simpson, Rigolet, St. Lewis and William's Harbour).

## **Infrastructure**

- Construction of new buildings and management of other capital projects for provincial government departments and provincial government-funded bodies;
- Provision of environmental services for provincial government buildings and provincial roads projects; and,
- Construction of new roads and management of road improvement projects.

## **Strategic and Corporate Services**

- Provision of financial services for the Department;
- Provision of information management services for the Department;
- Provision of policy, planning and evaluation services for the Department;
- Provision of space for provincial government departments in government-owned buildings and leased accommodations;
- Provision of realty services for the Department;
- Provision of centralized mail and messenger services for the provincial government;
- Provision of occupational health and safety-related services for the Department;
- Provision of security services in government-owned buildings or those held or occupied by provincial government departments;
- Provision of tendering services on behalf of government departments and various agencies and municipalities; and,
- Provision of phone services to all provincial government departments.

More information about the Department of Transportation and Works can be found by visiting [www.tw.gov.nl.ca](http://www.tw.gov.nl.ca).

## Staff and Budget

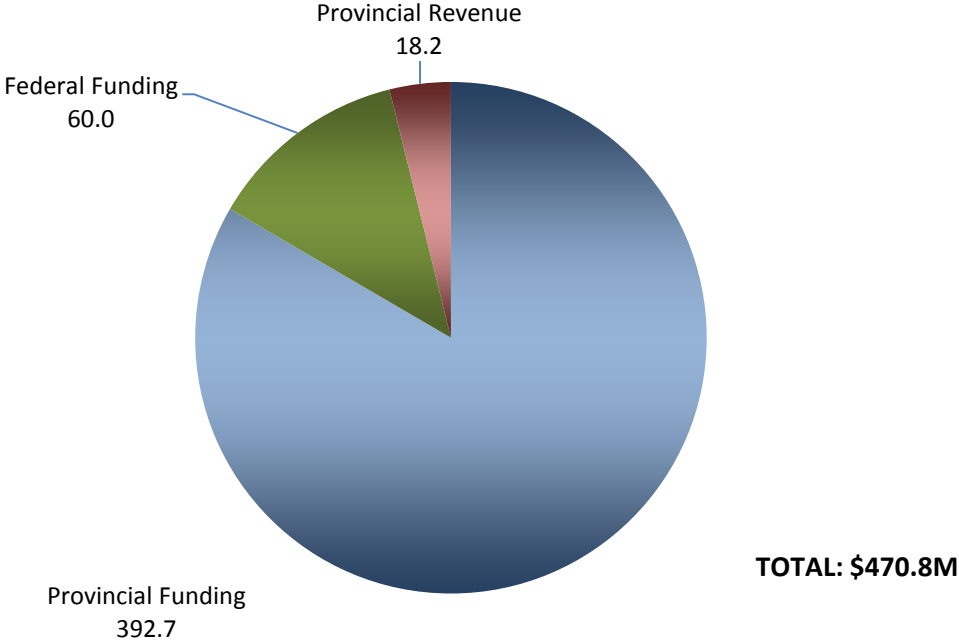
Branch	# of Employees	2016-17 Budget (Actuals)
Executive and Strategic and Corporate Services	78	\$6,702,282
Operations (Maintenance of Roads and Buildings)	1228	\$174,813,507
Infrastructure (Construction of Road and Buildings)	121	\$185,330,879
Air and Marine Services (Transportation Services)	333	\$103,985,093
<b>Total</b>	<b>1760</b>	<b>\$470,831,761</b>

Note: Employee counts are as of March 31, 2017.

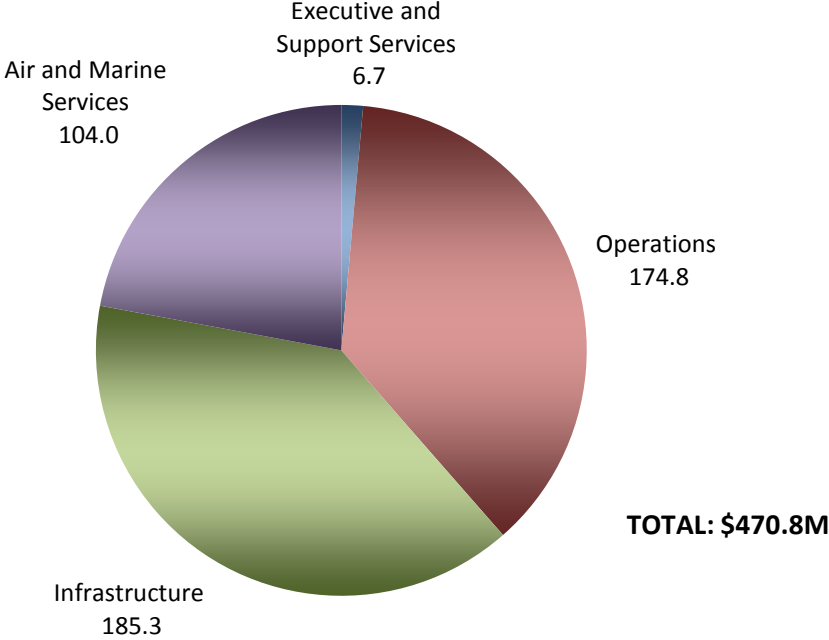
# Revenues and Expenditures 2016-17

A more detailed statement of expenditures and revenues can be found in Audited Financial Statements section at the end of this document.

## Where the Money Comes From (\$Millions)



## How the Money is Spent (\$Millions)



# Highlights and Partnerships

## **Infrastructure Renewal**

As the lead department for government infrastructure, the Department of Transportation and Works continues to manage major infrastructure related projects throughout the province. The Department of Transportation and Works, in partnership with the Department of Health and Community Services and the Department of Education and Early Childhood Development, manages new developments, renovations, extensions and upgrades relating to public health care and education respectively. Alterations and improvements of public buildings are also the responsibility of the Department of Transportation and Works.

In 2016-17, expenditures on new and existing school facilities totaled \$81.1 million. This includes a renovation and extension of one school and design and construction of six new schools. Renovation and extension of St. Peter's Primary in Mt. Pearl began in 2016-17 to address school capacity and revitalize school infrastructure. The project includes a new gymnasium and the repurposing of the existing gymnasium into a cafeteria and classroom space. Design and construction work on new schools includes Virginia Park Elementary in St. John's, Octagon Pond Elementary in Paradise, a K-7 school in Conception Bay South, a Grade 4-6 school in Gander, a Grade 5-9 school in Portugal Cove-St. Philip's and a new Grade 5-7 school in Torbay.

## **Climate Change and Energy Efficiency**

The Greening Government Action Plan released in 2015 aims to create a culture of environmental sustainability within Government's operations. This is a horizontal initiative with action being taken across all departments to help achieve this goal. The Department is an active participant on the Deputy Ministers' Committee on Climate Change and Energy Efficiency and has advanced several initiatives in 2016-17 to further green its operations. The accomplishments made by the Department include:



- Vehicle purchase tenders that now include a post-tender operational cost evaluation that includes estimated fuel consumption that ensures fuel efficient vehicles are purchased where possible;
- Development of a vehicle use evaluation procedure to be used prior to tendering to ensure appropriately sized vehicles are purchased based on their intended use;
- Reduction of paper newspaper subscriptions from ten down to two;
- Establishment of a green kitchen policy in two locations that encourages and educates staff of the benefits of recycling, composting and the use of reusable coffee pods, utensils, cups, plates, bowls, and food containers; and
- Implementation of a policy to use green cleaning products in all new cleaning contracts in government office locations.

### **Trans Labrador Highway**

Work continued in 2016-17 towards completion of the Trans Labrador Highway. Phase 2 had two tenders called for 160 kilometres of paving between Red Bay and Charlottetown while an 80 kilometre stretch of Phase 3 was also completed with paving between Happy Valley-Goose Bay and Cartwright Junction.

### **Roads and Bridges**

The Provincial Roads Improvement Program allocates funding for repairs and upgrades of provincial roads. The Program saw expenditures of \$55.1 million in 2016-17 with over \$21.9 million in carryover work completed from the former administrations tendered projects. The Department released a list of over \$55 million in more than 30 early road tenders by March 2017 allowing companies to take full advantage of the short construction season. This also provides residents with awareness of what road improvements they can expect in their area in the near future. The Department released its five year road plan it has adopted with a new approach for selecting projects which is informed by research, evidence and evaluation. The projects are assessed and ranked based on criteria such as safety, condition and economic impact.

Expenditures on bridge repairs, replacements and new bridge construction in 2016-17 totaled \$7.4 million. Contracts were awarded in 2016-17 for the replacement of seven bridges and the repair of eight bridges. These contracts included:

- \* Thorburn Lake Railway Overpass, TCH
- \* Mill Bridge, GFW to Salmonid Int. Centre
- \* North Harbour Bridge #2, R210
- \* Port Blandford Causeway Bridge, R233
- \* Harbour Grace River Bridge, R70
- \* Mud Lake Bridge, near Goose Bay
- \* Straight Shore Brook Bridge, R330
- \* Lamanche River Bridge, R10
- \* South Dildo Bridge, R80
- \* Sibley's Cove Bridge, R80
- \* Bannerman Brook Bridge, R70
- \* Clam Brook Bridge, R210
- \* Top Pond Brook Bridge, R480
- \* Bay Bulls Road Overpass, R2
- \* Topsail Penstock Bridge, R60

The new Sir Ambrose Shea Lift Bridge in Placentia was completed and opened in 2016-17. The construction of the bridge cost approximately \$47.7 million and saw the replacement of 9,200 metres of steel piling, 3,800 cubic metres of concrete, 150 tonnes of reinforcing steel and approximately 976 tonnes of structural steel. Work also continued towards completion of the Sir Robert Bond Bridge replacement, a three-span, 210 metre, double steel box girder bridge with a reinforced concrete deck. Other significant bridges of note which were completed included Blackmarsh Road Overpass on Team Gushue Highway, Cook's Brook Bridge on the South Shore bay of Islands and Wooden Tilt Brook Concrete Arch on Route 480 Burgeo Highway.

The Department also saw a response to a major rain event on the Thanksgiving Day rainstorm where over \$5.5 million in repairs were made by the end of the fiscal year to roads culverts and bridges with an additional anticipated \$13.5 million required in the 2017/18 fiscal year.

## The Way Forward

On November 9, 2016, the Provincial Government released The Way Forward: A vision for sustainability and growth in Newfoundland and Labrador as a roadmap guiding the future for the province. The Department of Transportation and Works plays a key role in achieving the commitments set out in this document. By the end of the 2016-17 fiscal year, the Department improved public sector efficiency while strengthening the province's economic foundation through the following achievements outlined in The Way Forward:

- Reduced Government's Building Footprint by 40,000 square feet – The savings identified as a result of this is estimated to be \$1.6 million;
- Proceeded to Procure the Corner Brook Long Term Care Facility – A Request for Qualifications (RFQ) was issued for the design, build, financing and maintenance of the new long-term care facility in Corner Brook. The facility will include 120 long-term care beds, 15 palliative care beds and 10 rehabilitative care beds. Construction is scheduled to begin in fall 2017.
- Released a Multi-Year Infrastructure Plan – The Department contributed to government's release of The Way Forward: A Multi-Year Plan for Infrastructure Investments. The plan commits over \$3 billion in infrastructure projects including new and existing schools, health care facilities, roads and bridges, municipal infrastructure affordable housing and justice facilities.
- Released a List of Road Projects for 2017 – As part of the release of The Way Forward: A Five-Year Provincial Roads Plan, the Department included a full list of road tenders for the 2017-18 fiscal year.
- Released a Tender for a Nighttime Construction Project – A tender was issued in March 2017 for a pilot project to test the effectiveness of night time road construction. The project is for paving on the Trans Canada Highway from Kenmount Road to Salmonier Line at night, helping to reduce slowdowns during high traffic periods in the day.
- Released a Five-Year Marine Infrastructure Plan – The Department released The Way Forward: A Five-Year Provincial Marine Infrastructure Plan in March 2017 which outlines upgrades and enhancements to ferry terminal areas such as

parking, waiting facilities and washrooms, and wharf rehabilitation. The plan takes a long-term, comprehensive approach to identify and complete projects, with the goal of improving the travelling experience for both residents and tourists.

# Report on Performance

The Department of Transportation and Works' 2014-17 Strategic Plan identified four strategic areas of focus through to March 31, 2017. Each strategic issue was developed in consideration of the mandate and financial resources of the Department of Transportation and Works.

The strategic issues for the 2014-17 planning period are as follows:

- Safety
- Reliability
- Sustainability
- Service Excellence

## **Safety**

The Department of Transportation and Works seeks to ensure the safety of employees, contractors, and the general public in all aspects of its operations. The Department is committed to strengthening its safety culture and has taken action to enhance safety policy and practices. Given the nature of its operations, the Department of Transportation and Works may have employees mobilized at any hour, regardless of weather conditions and irrespective of the time of day or environmental conditions, safety is always paramount. Throughout the 2014-17 planning period, the Department of Transportation and Works provided the necessary tools to protect the safety of employees, contractors, and the general public who use the province's roads, ferries, aircraft and buildings on a daily basis.

For 2016-17, the Department of Transportation and Works completed the development of a renewed Departmental Safety Plan. The following goal supports improved service delivery through the promotion of safe work practices.



Goal: By March 31, 2017, the Department of Transportation and Works will have enhanced the focus on safety through the development of a renewed departmental safety plan.

<b>Goal:</b> By March 31, 2017, the Department of Transportation and Works will have enhanced the focus on safety through the development of a renewed departmental safety plan.	
<b>Planned Results</b>	<b>Actual Results</b>
Established safety baseline information for measurement and issue identification	<ul style="list-style-type: none"> <li>• The Marine Services Branch initiated the Safety Management System review and audit plan which includes both unannounced and formal safety audits by internal and external auditors. This initial baseline review was used to inform progress when future audits were conducted.</li> <li>• Through the Department's evaluation plan, the following baseline information was collected:             <ul style="list-style-type: none"> <li>➢ Integrated disability trends from lost-time claims perspective;</li> <li>➢ Occupational Health and Safety activities including the number of active committees, inspections conducted, issues identified, investigations conducted, Occupational Health and Safety orders, and workplace complaints; and,</li> <li>➢ Organizational development safety undertakings including the number of safety courses offered and number of staff who participated in these courses.</li> </ul> </li> <li>• To support the delivery of a department-wide baseline survey on safety-related matters in early 2015-16 initial research and planning was undertaken in 2014-15.</li> <li>• A safety survey was sent to all departmental staff members to establish a baseline and assess where the Department is in terms of safety currently and where they feel improvements could be made and the safety culture strengthened.</li> <li>• An employee hazard assessment was performed to determine which positions require personal protective equipment. The identification of these positions was determined by a team of staff members who are familiar with the Department's outdoor operations. Selection was based on the likelihood of exposure to hazard caused by weather conditions, the potential severity of that exposure and the length of time that the employee may be exposed in those conditions.</li> </ul>

	<ul style="list-style-type: none"> <li>• The Department, in consultation with Workplace NL and ServiceNL (Occupational Health and Safety (OHS) Division), collected and analyzed workplace injury statistics. This included the frequency and the nature of the injuries, the cause of the injuries, and the resultant claimant costs.</li> <li>• Data is being compiled and reviewed on an ongoing basis relating to safety, including: <ul style="list-style-type: none"> <li>➢ Open orders and directives from Service NL’s OHS Division;</li> <li>➢ Issues identified in the Department’s OHS Committee’s Quarterly report;</li> <li>➢ Items identified in the Department’s OHS Consultants’ Weekly Summaries; and,</li> <li>➢ Safety audits, inspections and investigations completed.</li> </ul> </li> </ul>
Establishment of a Departmental Safety Manager	<ul style="list-style-type: none"> <li>• Resulting from a review of the Department of Transportation and Works’ corporate capacity the Corporate Safety Division was established in 2014-15 and is currently led by a Senior Occupational Health and Safety Manager. This division strengthens the Department’s capacity to carry out future reviews of programs and services to identify opportunities to enhance safety.</li> </ul>
Identified priority issues and actions	<ul style="list-style-type: none"> <li>• Established Assistant Deputy Minister quarterly reports on safety to serve as a review mechanism within the Department to inform ongoing Occupational Health and Safety issues.</li> <li>• Implemented a coordinated approach to review Occupational Health and Safety directives by Executive to identify opportunities to improve safety on a continual basis.</li> <li>• Internal review conducted by the Marine Safety Officer of all marine vessels regarding safety practices, issues, and use of Occupational Health and Safety committees as an effort to identify opportunities to enhance safety.</li> <li>• Purchased 151 satellite-enabled communication devices for staff working in areas lacking cell or radio coverage in 2014-15. These satellite-enabled devices provide 100 per cent coverage and allow staff to communicate via text messages, trigger an SOS signal, or track their GPS coordinates. The SOS signal is linked to an emergency response center that operates around the clock.</li> <li>• Workplace NL worked with the Air Services Division to complete an informal safety review of Hanger 3 in St. John’s in 2014-15. This review considered the building’s physical structure and</li> </ul>

	<p>working facilities and was the first review of its kind conducted on Hanger 3. Government air services operates out of Hanger 3 in St. John's and it serves as a base for the provincial air ambulance.</p> <ul style="list-style-type: none"> <li>• Weekly updates are provided to Executive on safety issues and initiatives with solutions proposed for immediate action.</li> <li>• Reports are circulated to Executive and Senior Management with outstanding OHS Committee issues and actions identified for resolution.</li> </ul>
Expanded safety policies and procedures	<ul style="list-style-type: none"> <li>• Resulting from a review of the existing manual, the Department of Transportation and Works' Occupational Health and Safety Program Manual was updated and new sections included (e.g. a self-audit tool for individual workplaces within the Department). Staff were notified in advance of the updated manual's circulation and advised to raise its awareness amongst fellow coworkers. Copies of the revised manual were further distributed to Department of Transportation and Works' workplaces to spread awareness and to improve accessibility to information about safety in the Department. The revised Department of Transportation and Works' Occupational Health and Safety Program Manual, replacing the 2004 version, was also made available online (<a href="http://www.tw.gov.nl.ca/publications/ohs_full.pdf">www.tw.gov.nl.ca/publications/ohs_full.pdf</a>).</li> <li>• As a result of the Personal Protective Equipment (PPE) survey and a protective equipment review, a new Personal Protective Equipment Policy was implemented outlining the roles, responsibilities and accountabilities of employees and managers with regard to the usage and distribution of the equipment. As per the Policy, personal protective equipment has been issued to all outside workers.</li> </ul>
Completed renewal of Departmental Safety Plan	<ul style="list-style-type: none"> <li>• A departmental safety plan was developed in 2016-17. However, feedback identified that further collaboration was required with stakeholders in order to ensure an effective way forward and an alignment of policies with the newly established Employee Safety and Wellness Division within the Human Resource Secretariat. Planning was also affected by organizational changes within the Department including the Corporate Safety Division.</li> </ul>

**Objective:** By March 31, 2017, Transportation and Works will have completed the development of a renewed Departmental Safety Plan.

Planned Results	Actual Results
<p>Consulted with partners to inform the Plan including Workplace NL and the Human Resource Secretariat</p>	<ul style="list-style-type: none"> <li>• The Department consulted with the Human Resource Secretariat and Workplace NL throughout the development of the Plan in the areas of:               <ul style="list-style-type: none"> <li>➢ Identification, development and delivery of OHS training;</li> <li>➢ Enhancement of incident investigation, analysis and reporting; and</li> <li>➢ Met with Workplace NL to establish the foundation for a formal partnership (Memorandum of Understanding) of mutual support for OHS initiatives. This included an introduction to the potential for access to Workplace NL statistical data in an effort to better assess trends to prevent future incidents.</li> </ul> </li> </ul>
<p>Jurisdictional analysis completed to investigate safety planning processes</p>	<ul style="list-style-type: none"> <li>• A jurisdictional analysis was completed for the Atlantic Provinces including Nova Scotia, New Brunswick and Prince Edward Island. The scan consisted of a 24 question survey asking about each jurisdictions Occupational Health and Safety Program including:               <ul style="list-style-type: none"> <li>➢ Occupational Health and Safety Management System</li> <li>➢ Legislative elements</li> <li>➢ Leadership and administration of the OHS Program</li> <li>➢ OHS Committees</li> <li>➢ Education and training</li> <li>➢ Communication of the OHS Program</li> <li>➢ Hazard evaluation, recognition and control</li> <li>➢ Safe work practices</li> <li>➢ Workplace inspections</li> <li>➢ Accident investigations</li> <li>➢ Emergency planning</li> <li>➢ Disability management</li> </ul> </li> </ul>
<p>Engaged departmental staff to provide input on the development of the Plan</p>	<ul style="list-style-type: none"> <li>• Significant efforts were made to engage employees on safety-related issues such as the provision of PPE, department-wide safety calls regarding incident trends and the importance of timely and effective reporting, OHS weekly summary reports circulated to senior management team, and safety bulletins delivered throughout the Department. The information obtained from these efforts was used in the development of the Plan.</li> </ul>
<p>Departmental Safety Plan developed and approved</p>	<ul style="list-style-type: none"> <li>• A departmental safety plan was developed in 2016-17. However, feedback identified that further collaboration was required with stakeholders in order to ensure an effective way forward and an alignment of policies with the newly established Employee Safety</li> </ul>

	and Wellness Division within the Human Resource Secretariat. Planning was also affected by organizational changes within the Department including the Corporate Safety Division.
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By providing the necessary tools, the Department has improved the safety culture throughout its operations. The establishment of baseline data provided the opportunity to measure and identify safety issues through various surveys, reviews and other data collection initiatives. This led to new and/or revised policies, procedures and safety-related documents that will promote a safer work environment for our employees, contractors and the general public.

**Reliability**

Reliability for the Department of Transportation and Works means having vessels running on time; roads cleared and open; and public buildings maintained and accessible. Throughout the 2014-17 planning period the Department identified areas for improvement in service delivery and employee communication with clients. The Department of Transportation and Works took steps to be accessible and user-friendly for clients and has provided a service that is reliable. In 2016-17 the Department of Transportation and Works improved key operational procedures that will improve reliability. The following goal supports the improvement of service delivery.

Goal: By March 31, 2017, the Department of Transportation and Works will have improved the reliability of programs and services.

<b>Goal:</b> By March 31, 2017, the Department of Transportation and Works will have improved the reliability of programs and services.	
Planned Results	Actual Results
Established baseline information for measuring reliability	<ul style="list-style-type: none"> <li>• Collected baseline data on reliability of marine services. Data collected included vessel departure times and cancellations for the intraprovincial marine service. This data is a baseline by which future performance can be assessed and will inform whether progress is being made on the issue of reliability.</li> <li>• The Department inspects its buildings and prioritizes its maintenance, alterations and improvements work each year,</li> </ul>



	<p>based on the funding available. The Building inspections and assessments serve as the baseline on which to measure improvement.</p> <ul style="list-style-type: none"> <li>• The Department monitors snow-clearing equipment availability to ensure that our roads are open to the travelling public. This serves as a baseline on which to inform decisions on equipment replacement, etc.</li> </ul>
<p>Improved public communication of policies and procedures</p>	<ul style="list-style-type: none"> <li>• Tenders and news releases for road work and maintenance throughout the province were released early in 2015-16 as well as 2016-17 to both take advantage of the short construction season in the province and to inform the public of upcoming roads projects. The projects identified for early tendering were based on a new assessment approach to infrastructure planning that is based on criteria such as safety, condition and economic impact. This initiative provided communities and the public with advanced knowledge of work that will take place in their area for the season.</li> <li>• As part the proactive release of government information, the Department publicly released four articles: <ul style="list-style-type: none"> <li>➢ An inventory of government-leased facilities throughout the province providing information about the lease location, cost and duration;</li> <li>➢ Reports After Tender Call were released which provide an overview of all bids received in response to a Notice of Tender, including the name of the bidder, the base bid, and the tender total for projects for the design, construction, improvement, repair and maintenance of infrastructure that belongs to or is held or occupied by the Crown;</li> <li>➢ A listing of the Department's service contracts that includes a description of the service contracts awarded, the award/start date, end date, successful bidder and contract value; and,</li> <li>➢ Bridge inspection reports are released on an annual basis for bridges and culverts larger than 3 meters wide located throughout the province.</li> </ul> </li> </ul>
<p>Identified priority areas for operational improvements</p>	<ul style="list-style-type: none"> <li>• The Marine Services Branch instructed Captains and Chief Engineers to identify opportunities to improve operations, policies, and the engineering, maintenance and refits in order to minimize potential service disruptions and to reduce costs.</li> <li>• Based upon previous operating experience, the Department chartered an additional swing vessel to improve reliability of ferry operations during service disruptions (e.g. maintenance, weather, etc.)</li> </ul>

	<ul style="list-style-type: none"> <li>• Work advanced in 2014-15 and 2016-17 to ensure early tenders for road work was carried out, thus providing contractors with an opportunity to make optimal use of a short construction season. The issuing of early tenders has been identified, by the Department and contractors, as a piece of work that allows for operational improvements.</li> </ul>
Improved operational procedures	<ul style="list-style-type: none"> <li>• Changes were made to the Marine Services Safety Management System Manual and to the summer maintenance line painting program that have resulted in operational improvements. Updates to the manual allows staff to better perform their duties and changes to the line painting procedures allows staff to be more efficient and provides more motivation for them in their roles.</li> </ul>

<b>Objective:</b> By March 31, 2017, Transportation and Works will have improved key operational procedures.	
<b>Planned Results</b>	<b>Actual Results</b>
Implemented recommendations of the summer maintenance activities review	<ul style="list-style-type: none"> <li>• An informal review of the summer maintenance program was performed in 2016/17. The review looked at depot configuration and the key priority that came out of the review was the recommendation for a line painting LEAN project to be implemented. The line painting LEAN review began in September 2016 with the formation of a steering committee and field observations and measurements taken. A number of recommendations were made to improve the line painting process as a result of the review. These recommendations will be implemented throughout the 2017/18 line painting season.</li> </ul>
Implemented new insurance claim process	<ul style="list-style-type: none"> <li>• A new insurance claim process was developed in consultation with the Insurance Division of the Department of Finance. A more formalized claim process with documented procedures and new incident/accident forms were developed. The new process, however, was not fully implemented in 2016-17 due to challenges identified with the proposed new process.</li> </ul>
Updated the Marine Services Safety Management System Manual	<ul style="list-style-type: none"> <li>• Changes were made to the Marine Services Safety Management System Manual in 2016-17 that includes: <ul style="list-style-type: none"> <li>➢ Updates to the Health and Safety Policy to reflect current structure;</li> <li>➢ Updates to internal contact information; and</li> <li>➢ Completion of the Vessel Specific Safety Management System Manuals for the MV Veteran and the MV Legionnaire.</li> </ul> </li> </ul>

Over the past three years the Department has identified areas for improvement and implemented changes that have enhanced the reliability of the services that we provide. By monitoring things such as equipment availability and building maintenance, the Department is able to identify priority areas where reliability can be strengthened. Enhanced public communications around things like road tenders, bridge inspection reports and service contracts has made the Department more accountable and has been well received by residents and businesses throughout Newfoundland and Labrador. Implementation of a lean process review also builds the foundation and capacity for further lean reviews throughout the Department's operations to become more efficient in other areas.

### **Sustainability**

Efforts to improve sustainability focused on both environmental sustainability and fiscal sustainability. This included improving the energy efficiency of buildings and lowering the greenhouse gas emissions of the marine fleet. The Department of Transportation and Works, throughout the 2014-17 planning period, took steps to review operations to identify areas for efficiencies and improvements to benefit the Department's operations in the long term. The Department was also a key partner in delivering on commitments in the Climate Change and Energy Efficiency Action Plans which were released in 2011. In 2016-17, the Department of Transportation and Works evaluated select programs to ensure the long term sustainability of service delivery. The following goal supports the improvement of service delivery through efforts in vessel replacement, ferry terminal and wharf upgrades, multi-year transportation infrastructure planning, and environmental stewardship.

Goal: By March 31, 2017, the Department of Transportation and Works will have enhanced the sustainability of its operations.

**Goal:** By March 31, 2017, the Department of Transportation and Works will have enhanced the sustainability of its operations.

Planned Results	Actual Results
Established baseline information for measuring sustainability	<ul style="list-style-type: none"> <li>• Completed an inventory of on-shore marine infrastructure (e.g. wharves, terminals, etc.) providing baseline information capable of informing future maintenance decisions impacting knowledge around the overall fiscal sustainability of the Department's operations.</li> <li>• Database established to provide information on emissions associated with the Provincial Government's light vehicle fleet. This data will serve to inform future efforts to improve the environmental sustainability of the Provincial Government's light vehicle fleet.</li> <li>• The Department inspected its buildings and prioritized its maintenance, alterations and improvements work each year, based on the funding available. The building inspections and assessments serve as the baseline on which to measure improvement.</li> </ul>
Strengthened policy frameworks	<ul style="list-style-type: none"> <li>• Several areas were identified for operational improvements with respect to tendering and contracts. As a result, the following four new policies were implemented: <ul style="list-style-type: none"> <li>➢ Procedure for Tender Closing Dates;</li> <li>➢ Policy for the Adherence to Payment Terms of Contract;</li> <li>➢ Management of Contract and Agreement Records; and,</li> <li>➢ Departmental Communications Protocol for the Cancellation of Awarded Contracts</li> </ul> </li> <li>• A review of salt and sand usage policies and procedures identified that efficiencies could be found: <ul style="list-style-type: none"> <li>➢ Center Lane Policy implemented - Ice control materials are spread down the center line of roads and highways in a single pass which provides good traction for vehicles travelling in both directions. Traffic flow gradually moves the brine out to the road shoulders providing complete road coverage with reduced salt and sand usage; and,</li> <li>➢ Review of rock salt in brine making units – Rock salt was placing significant strain on the pumps in ice control vehicles. The Department now uses pure salt for the brine making units resulting in less salt usage and reduced damages to truck pumps.</li> </ul> </li> </ul>
Identified opportunities for efficiency improvements	<ul style="list-style-type: none"> <li>• In 2015-16 the Department undertook a review of landline usage across the Department. The following best practices guided the initiative: <ul style="list-style-type: none"> <li>➢ Consideration for whether an employee required a landline, as some positions are better served by using just a</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>➤ cellphone;</li> <li>➤ Consideration for whether an employee required voicemail;</li> <li>➤ If a position would be vacant for more than three months, it would be cost effective to cancel the line and then reconnect; and</li> <li>➤ Staff should not be assigned more than one landline.</li> </ul> <p>As a result of this initiative, the Department was able to reduce 97 lines (a reduction of 7.5%) thereby saving an estimated \$30,000 a year in annual charges.</p> <ul style="list-style-type: none"> <li>• Information Communication Technology (ICT) services was identified as an area where operational improvements could be made. A Request for Proposals (RFP) was awarded in 2016-17 to identify efficiencies and cost-effectiveness for ICT services within government and public sector entities such as phone line, cell phone services, internet access and data networks. The RFP resulted in recommendations in three key areas: <ul style="list-style-type: none"> <li>➤ Eliminate unused or underused services;</li> <li>➤ Transform the public sector's use of ICT services such as increased use of LYNC instant messaging and video conferencing; and</li> <li>➤ Strategic procurement of current services.</li> </ul> </li> </ul>
Advanced initiatives to improve sustainability	<ul style="list-style-type: none"> <li>• Implemented two energy reduction retrofits with the installation of new lighting (St. John's Arts and Culture Centre and Hanger 3 in St. John's). These retrofits demonstrate the integration of best practices by the Department as refit options were pursued which have made the long-term operation of two publicly owned buildings more environmentally and fiscally sustainable. These initiatives further reflect best practices in design choices as the refits also provided consideration to other factors beyond energy reduction (e.g. ongoing maintenance costs, building accessibility).</li> <li>• Two new 80-metre ice class, roll-on, roll-off passenger ferries were constructed and delivered by Damen Shipyards. Both vessels have a carrying capacity of 200 passengers and 64 vehicles with the MV Veteran servicing Fogo Island and Change Islands and the MV Legionnaire to service Bell Island. New vessels are more energy efficient and thus more environmentally sustainable than older vessels. The new vessels will also provide long-term sustainability of ferry services to these communities as they are expected to be in service for many years to come.</li> <li>• Four asphalt recycling trailers were purchased to enhance the ability to make road repairs during the colder months when asphalt plants are not open. The asphalt recyclers reuse old asphalt and make longer-lasting repairs than the historically used</li> </ul>



	<p>cold patch method.</p> <ul style="list-style-type: none"> <li>• Solar panels were installed at the Roddickton Highways Depot which make it more environmentally sustainable. The solar panels power the entire communications system at the depot.</li> </ul>
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<p><b>Objective:</b> By March 31, 2017, Transportation and Works will have evaluated select programs to ensure the long term sustainability of service delivery.</p>	
Planned Results	Actual Results
Ferry schedules reviewed and revised to better align with traffic demand	<ul style="list-style-type: none"> <li>• New ferry schedules came into effect Friday, October 21, 2016.</li> <li>• The new schedules were developed based on input received from consultations with ferry user committees to help find efficiencies in service delivery and better align ferry services with passenger usage.</li> </ul>
Ferry rates reviewed and revised to increase revenue	<ul style="list-style-type: none"> <li>• Ferry rates were reviewed and increased by 40% effective September 1, 2016. Minimum one-way rates increased to \$2 per passenger and \$5 per vehicle also came into effect on that date.</li> </ul>
Government's owned and leased space evaluated and optimized	<ul style="list-style-type: none"> <li>• During the 2016/17 fiscal year significant efforts were made to optimize office space utilization, in particular by rationalizing space requirements and identifying vacant and underutilized space. These efforts resulted in a reduction of Government's building footprint by 40,000 square feet and an associated \$1.6 million in savings.</li> </ul>
Review of Labrador marine services completed to inform a long-term plan	<ul style="list-style-type: none"> <li>• A review was completed to inform a 2017/18 Request for Proposals for the provision of ferry services in Labrador.</li> <li>• The review included an analysis of current and projected passenger, vehicle and freight demand as well as consultations with the Nunatsiavut Government, Labrador MHAs, service providers and industry stakeholders.</li> </ul>
Evaluated the feasibility of extending the Trans Labrador Highway (TLH) into Northern Labrador	<ul style="list-style-type: none"> <li>• Route selection and a route diagram was produced prior to 2016-17 for extending the TLH into Northern Labrador which was proposed to be Phase IV of the TLH. Due to the significant cost associated with its construction, the initial section between North West River and Postville was proposed as a cost-shared project between the Province and Aurora Energy who have a significant uranium deposit in the Postville area and had a mining operation planned. However, Aurora Energy have since suspended uranium exploration in the area and its plans for a mining operation due to</li> </ul>

	<p>lower commodity prices. Should the mining operation come back on-stream, the Department will also re-open the feasibility of extending the TLH into northern Labrador.</p>
<p>Assessed the planning process for transportation infrastructure projects to inform a multiyear plan</p>	<ul style="list-style-type: none"> <li>• Two multi-year plans relating to transportation were released by the Department in 2016-17: <ul style="list-style-type: none"> <li>➤ The Way Forward: A Five-Year Provincial Roads Plan - This plan builds upon the evidence-based ranking system introduced in advance of the 2016 construction season. A multi-year plan provides the opportunity for early tendering, grouping of smaller projects in the same area and enables early submission of eligible projects for consideration under federal cost-shared funding programs. The Plan will be released with a new edition each year and will list completed projects, projects approved for the upcoming fiscal year and projects planned for the following 4 years.</li> <li>➤ The Way Forward: A Five-Year Provincial Marine Infrastructure Plan – The goal of this Plan is to improve services at ferry terminals while ensuring the safety of wharf infrastructure. The plan takes a long-term, comprehensive approach to: provide greater accountability and transparency to the public about how public funds are being spent; balance fiscal responsibility with the need to address marine infrastructure needs; and ensure improved value for money and to provide flexibility to address emerging needs and priorities. The plan provides a full list of projects approved for 2017-18 and projects currently planned for the following four years and will be updated annually to identify emerging priorities and needs.</li> </ul> </li> </ul>
<p>Service contracts reviewed</p>	<ul style="list-style-type: none"> <li>• In 2016/17, the Department of Transportation and Works reviewed all service contracts awarded by the Department to identify opportunities to produce efficiencies and identify potential cost savings. The review identified a number of areas where efficiencies can be realized, such as bundling services, standardizing service contracts, and right sizing service delivery. The Department will be implementing a number of these improvements in 2017/18.</li> </ul>

Significant efforts have been made to improve both environmental and fiscal sustainability. New policies were developed for tenders and contracts as well as new policies and procedures implemented for winter maintenance. The purchase of two new ferry vessels makes the province’s fleet more environmentally friendly as the new

vessels have lower emissions and are more fuel efficient. The Department has begun the process of optimizing owned and leased office space by disposing of unused space and reallocation of underutilized space. The release of multi-year plans will also improve sustainability through adequate planning, early tendering, bundling of projects and early submission of eligible projects to receive federal cost-shared funding.

**Service Excellence**

The Department of Transportation and Works strives to consider the needs of its clients in operational decisions and thus continued to improve client communications.

Throughout the 2014-17 planning cycle, the Department of Transportation and Works provided support to employees, giving them the resources needed to deliver high quality transportation and building infrastructure and services that support the needs of clients.

In 2016-17 the Department implemented initiatives that support a culture of service excellence. The following goal supports the improvement of service delivery through improved communications in marine services.

Goal: By March 31, 2017, the Department of Transportation and Works will have improved the culture of service excellence.

<b>Goal:</b> By March 31, 2017, the Department of Transportation and Works will have improved the culture of service excellence.	
<b>Planned Results</b>	<b>Actual Results</b>
Established baseline information to measure success	<ul style="list-style-type: none"> <li>• Consultations focused on marine/ferry services were undertaken in 2014-15 with ferry user committees, Captains and crew, and Department of Transportation and Works shore teams to identify service gaps and issues in addition to the strengths of the service. These consultations were complemented by customer satisfaction survey administered to the users of the Bell Island ferry service. These efforts have served to provide baseline information, in essence a starting point, for identifying areas of attention to support service delivery.</li> <li>• Key performance indicators (e.g. traffic per run, vehicles left unattended, and days/runs missed) have been established for future reference by the Marine Services Branch. These key</li> </ul>

	<p>performance indicators will allow potential opportunities and challenges for improving service excellence to be identified in the future.</p>
<p>Strengthened the communication associated with service delivery</p>	<ul style="list-style-type: none"> <li>• After being recognized by the Department as an area for improvement, the Marine Services Branch developed a signage plan for traffic control and information. This signage plan was accompanied by outreach initiatives to the public and efforts to improve the availability of information through the Department’s website.</li> <li>• The Marine Services Branch has upgraded, improved and made online ferry schedules more user friendly with a standardized format and appearance.</li> <li>• The Department has embraced the social media forum of Twitter and has been using it to effectively communicate with the public and stakeholders about various issues and topics in real time. The number of people following the Department for news and updates has increased, as has the number of tweets and the amount of information the Department is disseminating through Twitter.</li> <li>• Additional communication channels have been established allowing for access and feedback with new email and telephone lines, and the creation of new user friendly schedules with an improved web presence for marine/ferry information.</li> </ul>
<p>Implemented new initiatives in priority service areas</p>	<ul style="list-style-type: none"> <li>• The Department of Transportation and Works has strengthened its internal partnerships with other departments to improve service delivery for ferry users by sharing best practices or working together in the areas of tourism, service, or public engagement. Internal partnerships have been developed with the Department of Tourism, Culture, Innovation and Industry, Service NL, and the Communications and Public Engagement Branch.</li> <li>• A number of Marine Services initiatives were implemented to enhance the customer service experience: <ul style="list-style-type: none"> <li>➢ Website Re-design – The Marine Services website was redeveloped to be more user friendly and provide ferry users with up-to-date information and the ability to provide feedback;</li> <li>➢ Marine Dashboard – The dashboard is part of the website redesign that provides ferry users with updated information on each service showing the vessel that is in-service, the status of the vessel(s) (i.e. on-time, delayed, out-of-</li> </ul> </li> </ul>

	<p>service), weather conditions for the ports serviced, and links to other useful information on schedules and rates;</p> <ul style="list-style-type: none"> <li>➤ Feedback Phone Line – An automated phone line was established and posted on the website to provide users with the opportunity to offer feedback to the Department;</li> <li>➤ Customer Service E-mail – The e-mail address is posted on the website as another option for users to provide feedback on their ferry experiences; and,</li> <li>➤ Ferry Feedback Form – An on-line form is provided on the website as yet another alternative for users to provide feedback.</li> </ul> <ul style="list-style-type: none"> <li>• A new training initiative was established in 2015-16 for road maintenance supervisors. The Road Maintenance Supervisor's Camp provides training to ensure that supervisors are knowledgeable of departmental optimum standards for summer maintenance, winter maintenance, ice control, and safety practices.</li> <li>• Accessibility improvements for people with disabilities were made at the Arts and Culture Centres in Gander and Stephenville by constructing new ramps in each location that provide stage access from the seating area.</li> <li>• A new part-time position was created in 2015-16 for the Bell Island ferry service on the Portugal Cove dock to alleviate traffic congestion. The wharf attendant directs traffic as they wait for, load and unload the vessels.</li> </ul>
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**Objective:** By March 31, 2017, Transportation and Works will have implemented initiatives that support a culture of service excellence.

Planned Results	Actual Results
Enhanced coordination of and response to public correspondence received by the Department	<ul style="list-style-type: none"> <li>• A need to develop better systems for correspondence tracking and reporting was identified. As a result, a staff resource was dedicated to coordinate the correspondence process and a streamlined electronic process was established.</li> </ul>
Established reduced ferry schedules through stakeholder consultations to	<ul style="list-style-type: none"> <li>• Effective October 21, 2016, new ferry schedules were implemented for some of the intra-provincial ferry services. The new schedules were developed based on input received from consultations with ferry user committees to help find efficiencies in</li> </ul>

<p>ensure the timing of scheduled trips meets user needs while better aligning with traffic demand</p>	<p>service delivery and better align ferry services with passenger usage. New schedules were implemented for the following routes:</p> <ul style="list-style-type: none"> <li>➤ St. Brendan's – Burnside</li> <li>➤ Gaultois – McCallum – Hermitage</li> <li>➤ Rencontre East – Bay L'Argent – Pool's Cove</li> <li>➤ Francois – Grey River – Burgeo</li> <li>➤ South East Bight – Petite Forte</li> <li>➤ Little Bay Islands – Long Island – Pilley's Island</li> </ul>
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Since 2014 the Department has implemented a number of initiatives that support a culture of service excellence. Consultations were held and key performance indicators were established to form a baseline to measure success. Communication was strengthened through development and implementation of more user-friendly and up-to-date on-line ferry schedules, the use of twitter and public feedback channels established such as e-mail accounts and phone lines. Better systems were also put in place for departmental correspondence tracking and reporting and new ferry schedules were implemented to ensure that the timing of scheduled trips better aligns with traffic demand.

# Opportunities and Challenges

## **Multi-year Planning**

The Department released or assisted in the release of three multi-year plans:

- The Way Forward: A Five-Year Provincial Roads Plan
- The Way Forward: A Five-Year Provincial Marine Infrastructure Plan
- The Way Forward: A Multi-Year Plan for Infrastructure Investments

Multi-year planning provides greater predictability for the construction industry, which in turn helps the provincial government build and maintain infrastructure in a timely and cost effective manner, a critical consideration in today's fiscal climate. It also provides the opportunity to seek out innovative and alternate procurement methods to achieve the best value in the delivery of necessary infrastructure.

## **Leveraging Cost-shared Funding**

Multi-year planning also enables early submission of eligible projects for consideration under federal cost-shared funding programs. The Department of Transportation and Works will continue to work with the Federal Government to find ways to leverage federal funding whenever possible to meet the infrastructure needs of the province. The Federal Government's New Building Canada Plan (NBCP) provides funding for projects of national, local or regional importance for highways and major roads, airstrip operations and marine port infrastructure. Phase II of the Federal Government's Investing in Canada Plan provides funding for public transit, green and social infrastructure, transportation and trade infrastructure, and rural and northern communities. The Department will continue to avail of these and any other funding opportunities to support vital infrastructure priorities throughout the province.



# Financial Statements

## Statement of Expenditures and Revenues

Summary of Expenditure and Related Revenue (unaudited)  
For the year ended 31 March 2017

	Actual	Estimates	
		Amended	Original
<b>Executive and Support Services</b>			
Minister's Office	218,813	241,800	241,800
General Administration	6,483,469	6,720,900	6,634,600
Less: Revenue	(1,107,005)	(510,000)	(510,000)
	<b>5,595,277</b>	<b>6,452,700</b>	<b>6,366,400</b>
<b>Maintenance of Roads and Buildings</b>			
Road Maintenance	90,197,949	91,652,300	88,508,500
Less: Revenue	(4,514,788)	(3,483,600)	(3,483,600)
Building Maintenance, Operations and Accommodations	47,901,412	51,030,900	51,873,900
Less: Revenue	(3,794,167)	(1,300,000)	(1,300,000)
Equipment Maintenance	36,714,146	38,393,300	39,278,200
Less: Revenue	(26,373)	(175,000)	(175,000)
	<b>166,478,179</b>	<b>176,117,900</b>	<b>174,702,000</b>
<b>Construction of Roads and Buildings</b>			
Administration and Support	3,532,784	4,245,900	5,111,500
Less: Revenue	(2,338)	(50,000)	(50,000)
Road Construction	91,462,062	189,779,400	189,779,400
Less: Revenue	(58,064,371)	(78,200,500)	(78,200,500)
Building Construction	5,305,629	7,247,200	7,247,200
Less: Revenue	(96,357)	-	-
School Facilities	81,087,531	107,098,700	107,198,700
Resource Roads	3,942,873	3,967,200	3,947,700
	<b>127,167,813</b>	<b>234,087,900</b>	<b>235,034,000</b>
<b>Transportation Services</b>			
Air Support	2,592,959	3,039,200	3,018,800
Less: Revenue	(1,157,787)	(1,130,000)	(1,130,000)
Marine Operations	89,149,437	95,528,000	93,704,800
Less: Revenue	(8,712,176)	(9,205,200)	(9,205,200)
Air Services	12,242,697	13,183,300	13,624,200
Less: Revenue	(698,640)	(2,400,000)	(2,400,000)
	<b>93,416,490</b>	<b>99,015,300</b>	<b>97,612,600</b>
<b>Total Expenditure</b>	<b>470,831,761</b>	<b>612,128,100</b>	<b>610,169,300</b>
<b>Total Related Revenue</b>	<b>(78,174,002)</b>	<b>(96,454,300)</b>	<b>(96,454,300)</b>

**Note:** Expenditures and revenue figures included in this document are un-audited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the year ended 31 March 2017. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process, however the Department of Transportation and Works is not required to provide a separate audited financial statement.