



AUDITOR GENERAL'S
DEPARTMENT OF JAMAICA



Performance Audit Report
National Water Commission
Effectiveness of Managing Capital Projects
Assessing Budget Credibility at the Entity Level

"A better Country through effective audit scrutiny"

The Auditor General is appointed by the Governor General and is required by the Constitution, Financial Administration and Audit Act, other sundry acts and letters of engagement, to conduct audits at least once per year of the accounts, financial transactions, operations and financial statements of central government ministries and departments, local government agencies, statutory bodies and government companies.

The Department is headed by the Auditor General, Pamela Monroe Ellis, who submits her reports to the Speaker of the House of Representatives in accordance with Section 122 of the Constitution of Jamaica and Section 29 of the Financial Administration and Audit Act.

This report has been prepared by the Auditor General's Department of Jamaica for presentation to the House of Representatives.



Auditor General of Jamaica
Auditor General's Department
40 Knutsford Boulevard, Kingston 5
Jamaica, W.I.
www.auditorgeneral.gov.jm

Vision

A better country through effective
audit scrutiny

Document No.:	Date Submitted
AuGD 168 – 1601.20.2	2026 June 02



Contents

ABBREVIATIONS AND ACRONYMS 5

AUDITOR GENERAL'S OVERVIEW 7

AT A GLANCE 9

EXECUTIVE SUMMARY 11

 What We Found 11

 What Should be Done 15

 Conclusion 16

PART ONE: INTRODUCTION 17

 Background and Overview 17

 NWC's Capital Works Programme 17

 Audit Objective, Scope and Methodology 19

 Audit Rationale 19

PART TWO: BUDGET PREPARATION PROCESS 21

 Capital Project Planning and Prioritisation 21

 Financial Management and Capital Budgeting 25

PART THREE: CAPITAL PROJECT PERFORMANCE AND REPORTING 31

 Reporting of Capital Projects to Sub-committee and Weak Coordination among Divisions 31

 Reporting of Capital Projects to Portfolio Ministry 32

 Financial System Issues 32

 Non-Submission of Annual Reports 33

 Performance Management 34

CASE STUDIES 36

GLOSSARY OF KEY TERMS 41

APPENDICES 43



This page is intentionally left blank.



ABBREVIATIONS AND ACRONYMS

The following abbreviations and acronyms are used throughout this report:

Acronym / Abbreviation	Meaning
AnPAM	Annual Price Adjustment Mechanism
CIT	Contract Implementation Tracker
CW&PC	Capital Works and Procurement Committee
E&CP	Engineering and Capital Projects (Division)
EDPM	Enterprise Development and Performance Monitoring (Division)
FAA	Financial Administration and Audit
FIMS	Financial Information Management System
FY	Fiscal Year
GMWSIP	Greater Mandeville Water Supply Improvement Programme
GoJ	Government of Jamaica
IBP	International Budget Partnership
IDB	Inter-American Development Bank
ICT	Information and Communications Technology
IFRS	International Financial Reporting Standards
INTOSAI	International Organisation of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
JSLC	Jamaica Survey of Living Conditions
KMA	Kingston Metropolitan Area
KPI(s)	Key Performance Indicator(s)
MCDA	Multi-Criteria Decision Analysis
MoFPS	Ministry of Finance and the Public Service
MWh/MG	Megawatt-hours per Million Gallons (energy efficiency unit)
NRW	Non-Revenue Water
NWC	National Water Commission
OUR	Office of Utilities Regulation
PBMA Act	Public Bodies Management and Accountability Act
PIOJ	Planning Institute of Jamaica
PPC	Public Procurement Commission
PPP(s)	Public-Private Partnership(s)
PVC	Polyvinyl Chloride (pipe material)
SP&WR	Strategic Planning and Water Resource (Unit)
STATIN	Statistical Institute of Jamaica
UNDESA	United Nations Department of Economic and Social Affairs
WSIP	Water Supply Improvement Programme

Note: All monetary amounts referenced in the report are stated in Jamaican dollars (\$) unless otherwise indicated.

This page is intentionally left blank.

AUDITOR GENERAL'S OVERVIEW

The National Water Commission (NWC) is the main provider of potable water supply and sewerage services in Jamaica. As of March 2025, the Commission supplies over 75 per cent of the population with piped water and 29.9 per cent with wastewater services, aiming to achieve 85 per cent and 30 per cent coverage respectively by 2030. NWC's mandate is relevant to the achievement of Sustainable Development Goal 6 (SDG-6): "Ensure availability and sustainable management of water and sanitation for all", and to Jamaica's Vision 2030 Plan, namely Outcome 9 ("Strong Economic Infrastructure") and Outcome 13 ("Sustainable Use and Management of Environmental and Natural Resources").

I commissioned an audit to evaluate the efficiency and effectiveness of NWC's management of capital projects, and to assess alignment with the organisation's budget and strategic objectives. We found that expenditure for capital projects was below planned levels over the five-year period FY2019/20 to FY2023/24, attributable to limited financial resources. NWC was unable to meet the financing requirements for internally funded projects, due to ongoing losses, low liquidity and increasing payables; the budget for internally financed projects increased from \$1.5 billion in FY2019/20 to \$2.1 billion in FY2023/24, without corresponding improvements in NWC's ability to generate adequate financing from its internally generated revenues.

Whereas the Commission developed Water Supply Improvement Plans to inform its Capital Investment Plan for 2015 to 2030, there was inconsistent scoring for the prioritisation of capital projects. NWC was not effective in meeting Key Performance Indicator (KPI) targets for Operational Efficiency and, except for FY2022/23, Revenue Growth over the review period. Further, throughout the review period, it was not evident that NWC measured and reported on KPIs for the percentage of the population with access to potable water and sewerage services, critical indicators for assessing progress towards its stated goals. Subsequently, in November 2025, NWC provided data on these KPIs for FY2024/25.

As a first step, NWC should immediately develop a robust mechanism for ranking and prioritising capital projects. This framework must extend beyond the entity's current financial constraints, ensuring that all relevant factors are considered when determining project priority. To uphold the principles of good corporate governance and budget credibility, NWC should also enhance its financial reporting framework to ensure transparency, effective oversight, and informed decision-making.

I wish to thank the management and staff of the NWC for their cooperation and assistance, as well as courtesies extended to the audit team throughout the period of the audit.



Pamela Monroe Ellis, FCCA, FCA

Auditor General

This page is intentionally left blank.

AT A GLANCE

Who is the National Water Commission?

The National Water Commission (NWC) is the government agency that supplies piped water and manages wastewater services across Jamaica. It serves over 75 per cent of the population with piped water and close to 30 per cent with sewerage services. The Commission supplies 190 million gallons of potable water every day to approximately two million people, through more than 1,000 water supply facilities and 11,000 kilometres of water pipes.

About NWC's Capital Works Programme

NWC's capital works programme is focused on expanding water service coverage, replacing old infrastructure, improving operational efficiency, meeting health and environmental standards, supporting land development, and maintaining reliable service. However, its impact has been limited by external challenges and rising operational demands.

What did the Auditor General examine?

The Auditor General's Department (AuGD) examined how well the NWC planned and managed its capital budget over five years, from April 2019 to March 2024. Capital spending is money used to build, repair, and upgrade water pipes, pumping stations, treatment plants, and other water infrastructure. Over that period, NWC planned to spend \$44.92 billion on capital projects.

The key question we asked was: "Is NWC effectively managing its capital budgeting process, ensuring credibility and transparency to support the achievement of its strategic objectives?"

KEY MESSAGES

1 NWC consistently spent less on water infrastructure than it planned. Actual capital spending fell short of the budget in four of the five years. This means planned improvements to water, and sewerage systems may have been delayed.

2 The budget for internally funded capital projects was not aligned with NWC's financing capacity. The budget for projects funded from NWC's own revenues grew from \$1.5 billion to \$2.9 billion over five years, even though NWC's financial position did not improve enough to finance these projects.

3 A US\$3.6 million financial management system did not work effectively. NWC spent at least US\$3.6 million on a financial management system, with modules that remained partly ineffective due to ongoing system problems.

4 Non-Submission of Audited Financial Statements and Annual Reports. NWC has not submitted its audited Financial Statements or Annual Reports for four years in a row (FY2021/22 to FY2024/25).

5 The majority of the contracts ran late. Of 50 contracts reviewed, 29 experienced delays ranging from three to 29 months. NWC did not always use its legal rights to claim compensation when contractors performed poorly.

6 NWC did not meet KPI targets. NWC did not meet critical targets for revenue growth and operational efficiency for FY2019/20 to FY2024/25, except for revenue growth target for FY2022/23. This could undermine progress towards its strategic objectives and the effective delivery of its Capital Programme.

What does this mean for you?

If you have experienced low water pressure, irregular water supply, or unreliable sewerage services, the weaknesses found in this audit help explain why. When NWC under-spends its capital budget due to limited financial resources, critical repairs and upgrades are delayed. When the financial system fails and reporting is incomplete, neither the Government nor the public can properly hold NWC accountable.

The NWC's infrastructure is ageing; approximately 70 per cent of its systems are more than 40 years old. Consistent and well-managed capital investment is essential to ensure that every Jamaican has reliable access to safe water and sanitation services.

EXECUTIVE SUMMARY

The National Water Commission (NWC) is mandated to provide potable water and wastewater services to the public. This mandate aligns with Sustainable Development Goal 6 (SDG-6), which promotes universal and equitable access to clean water and sanitation services. According to NWC's Strategic Plan for FY2020/21 to FY2024/25, approximately 70 per cent of the Commission's infrastructure is over 40 years old, raising concerns about its ability to consistently deliver reliable services. To fulfil its mandate and address these challenges, NWC deploys significant resources to undertake capital projects aimed at rehabilitating and expanding its potable water and wastewater systems. Between FY2019/20 and FY2023/24, NWC budgeted \$44.92 billion in capital expenditure to support the maintenance and improvement of its infrastructure.

We conducted an audit to evaluate the efficiency and effectiveness of the NWC's management of capital projects and to assess alignment with the organisation's budget and strategic objectives.



Key Audit Question

Is the NWC effectively managing its capital budgeting process, ensuring credibility and transparency to support the achievement of its strategic objectives?

What We Found

Capital Project Planning, Identification and Prioritisation

1

NWC prepared Water Supply Improvement Plans that identified service gaps in each parish and assessed the capacity of water supply systems, population access, and projected demand up to 2030.

NWC indicated that the Parish Plans informed the Commission's Capital Investment Plan (CIP) for 2015 to 2030, which prioritised 17 major projects valued at \$394.1 billion (US\$3.3 billion) to increase water production, reduce non-revenue water, and improve access to potable water and wastewater treatment services. These major projects subsequently informed the Capital Works Programme and annual capital budgets during the review period. Of the \$394.1 billion projected in the CIP, \$138.9 billion (US\$1.2 billion) was proposed for the first of three project implementation cycles covering the years 2015 to 2020.

As reported by NWC, the initial implementation cycle included the "Master and Development Plans — Water Supply and Sewerage Systems Plan", with a proposed budget of \$1.77 billion (US\$15 million). The plans were intended to inform the strategic direction and the key capital investment projects to be implemented through 2030. However, the Master and Development Plans were not provided for review. In their absence, NWC indicated that it relied on Preliminary Engineering Reports, including those developed for eight parishes to assess the feasibility of capital projects and guide implementation.

NWC's project prioritisation process lacked documented rationale and consistent application of scoring and ranking, thereby undermining the objectivity and transparency of capital project selection.

2

In each financial year, NWC developed a programme of capital projects along with associated budget allocations. These projects aligned with NWC's strategic objectives; however, we were not able to determine how NWC ranked each project in order of priority because the ranking rationale was not documented. Whereas maintenance projects undertaken by NWC's Divisional Operations were scored and ranked, we did not see the same for projects managed by the Engineering and Capital Projects (E&CP) Division.

Good practice is for NWC to rank projects against a clear, written set of criteria, typically cost, strategic fit, risk, and environmental impact, so that decisions can be reviewed and explained. Because NWC did not document how it weighed these factors or scored projects against them, we could not confirm how it chose which projects to fund when money was tight. In September 2025, NWC accepted this recommendation and committed to developing a formal prioritisation framework.

Financial Management and Capital Budgeting

The budget for internally funded capital projects was not aligned with NWC's financing capacity, which could undermine the credibility of the budget.

3

NWC funds capital projects from three main sources: the K-Factor Programme (a charge added to customer water bills, specific allocated for capital works), NWC's own operating revenues, and loans. The K-Factor Programme was slated to fund \$15.5 billion as a standalone financing source and \$4.5 billion jointly with other sources of financing. During the period, NWC generated \$22.9 billion from the K-Factor Programme, surpassing its budgetary requirements. However, the shortfall arose in the second category: projects intended to be financed from NWC's own operating revenues. The budget for these internally financed projects grew from \$1.5 billion in FY2019/20 to \$2.9 billion in FY2023/24, but NWC's financial position, marked by ongoing losses, low liquidity and rising payables, did not improve enough to fund them. In short, NWC budgeted to spend money from its own revenues that it was not, in practice, generating.

Although NWC's net income improved, this did not translate into stronger liquidity, and payables continued to rise.

4

2.1 NWC's net income improved from a loss of \$5.7 billion in FY2019/20 to a profit of \$0.2 billion in FY2023/24. However, this did not translate into stronger liquidity. NWC's ability to meet its short-term liabilities weakened: for every dollar owed in the short term, it had only 50 cents in cash and near-cash assets in FY2023/24, down from 80 cents in FY2016/17. Payables increased from \$10.6 billion in FY2016/17 to \$33.2 billion in FY2025/26. Our review of the ageing analysis as at March 2026 revealed that the entity's receivables were insufficient to support timely settlement of its payables, thereby exposing it to liquidity pressure (**Table 8**). While total payables amounted to \$33.2 billion, net receivables totalled only \$4.6 billion, indicating that amounts expected to be collected could cover only a small portion of outstanding obligations. Further, a significant concentration of balances was aged over 90 days, with payables of \$27.45 billion and gross receivables of \$20.9 billion in this category; however, \$18.3

billion of these receivables had already been provided for as bad debt, leaving only \$2.6 billion as likely recoverable (see **Receivable Details in Appendix 5**). This suggests weak collections and a heightened risk that the entity may be unable to realise sufficient cash inflows to settle creditors promptly, increasing the likelihood of prolonged overdue payables and strain on supplier relationships.

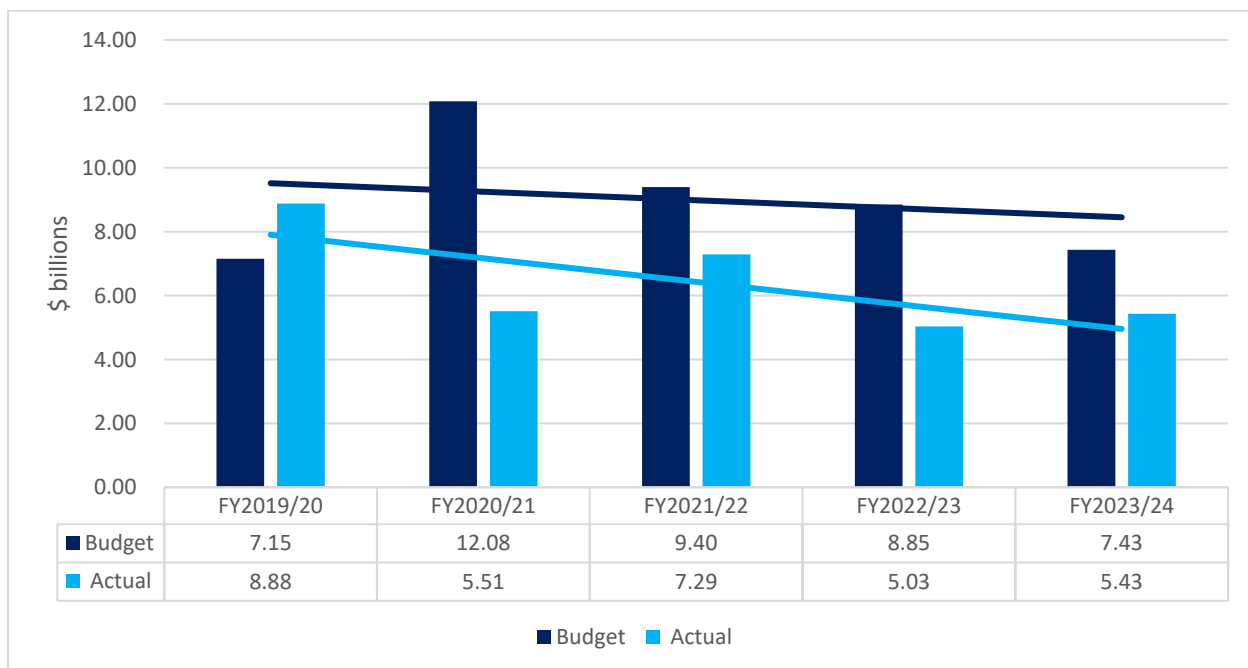
Despite this, the internally financed budget increased from \$1.5 billion to \$2.1 billion between FY2019/20 and FY2023/24. The pattern indicates that NWC's capital budget assumed an improvement in its financial position that did not occur. Building a larger capital programme on revenues that NWC was not generating produced predictable funding gaps, contributed to under-execution of the capital budget (see **Finding 5**), and shifted financing pressure onto payables, risking misleading decision-makers about what the Commission can deliver.

Across the review period, NWC delivered substantially less capital work than its budgets called for, with implications for water and wastewater service reliability.

5

We expected NWC to deliver capital projects in line with its approved budget, with budgets themselves anchored in credible forecasts of revenue, expenditure and financing. NWC's total capital budget rose from \$7.2 billion in FY2019/20 to a peak of \$12.1 billion in FY2020/21, then declined in each subsequent year, and apart from FY2019/20, was under-executed in every year of the review period (**Figure 1**). The causes are set out in **Finding 4**. The consequence falls on service delivery: planned investments in water, sewerage and treatment infrastructure were deferred or scaled back, with implications for the reliability of services to the public.

Figure 1: NWC's Capital Expenditure for FY2019/20-FY2023/24 in \$billions



Source: NWC's Audited and Unaudited Financial Statements and E&CP Monthly Status Reports

Contract Management and Reporting



Fifty-eight per cent of audited contracts (29 of 50) ran late, with delays of three to 29 months.

6

Our review of 50 contracts found that delays were due mainly to contractor underperformance, NWC entering into works contracts without first securing the requisite pipelines, unresolved land access issues, slow approval of variation orders, delayed fund disbursements and legal challenges. We expected NWC to apply strong project and contract management, including adequate project planning and effective oversight, to ensure capital projects were delivered on time, within budget, and with value for money. Case study reviews for five contracts revealed delays up to 29 months, tied to NWC's failure to enforce contractual remedies and provide timely responses to contractor claims. These issues negatively impacted the timely and effective completion of critical water supply improvement initiatives, highlighting the urgent need for improved contract management practices and stronger oversight mechanisms.

Capital project expenditure information submitted to the Board and Portfolio Ministry was incomplete, undermining capital budget credibility and the ability of management to make informed decisions.

7

During the period FY2019/20 to FY2023/24, NWC's Management submitted monthly reports on capital project expenditure to the Board, but these covered works contracts only and excluded expenditure on material and equipment supply contracts. In keeping with good public financial management practices NWC should maintain accurate, timely and complete contract expenditure records to support decision-making and effective resource allocation. We noted that NWC's quarterly reports to the Portfolio Ministry did not include explanations for cost variances and time delays. Under the Public Bodies Management and Accountability (PBMA) Act, the Commission is required to submit quarterly reports within one month of each quarter's end, including performance summaries and explanations for any significant variances. The inconsistent and incomplete reporting undermined the credibility of the capital project budget and limited management's ability to make informed decisions, reducing accountability and affecting project delivery.

Performance Management

NWC did not obtain full value for US\$3.6 million spent on its Financial Information Management System (FIMS), as key modules were not fully operational due to ongoing system problems.

8

NWC paid US\$3.6 million for the implementation of a Financial Information Management System, a computer system to manage financial records and reporting. The system, upon implementation, should have delivered full, reliable functionality across all key financial modules, enabling accurate, complete, and timely financial information generation and effective operational oversight. NWC reported that it experienced significant implementation impediments, which resulted in incomplete financial records, persistent reconciliation issues, and inability to fully utilise all modules, including procurement, inventory management, and accounts payable. In December 2025, NWC engaged a new contractor at a cost of US\$198,000 to address ongoing system deficiencies.

NWC was non-compliant with statutory reporting requirements by failing to submit Audited Financial Statements and Annual Reports for four consecutive financial years.

9

NWC did not submit its Audited Financial Statements and related Annual Reports for four consecutive years (FY2021/22 to FY2024/25) to the responsible Minister for tabling in Parliament, in breach of the PBMA Act, which requires the submission of Annual Reports including the Audited Financial Statements within four months after the end of each financial year. This non-compliance undermines transparency and accountability and may adversely affect stakeholder confidence and regulatory oversight.

NWC did not meet critical targets for revenue growth and operational efficiency for FY2019/20 to FY2024/25.

10

In keeping with the PBMA Act, NWC established KPIs in alignment with its strategic objectives. However, NWC did not meet KPI targets for Operational Efficiency, including energy efficiency and non-revenue water, over the review period. Further, apart from FY2022/23, NWC did not meet KPI targets for Revenue Growth during the review period.

Although NWC had set targets to increase access to potable water to 74 per cent and sewerage services to 20 per cent of the population by FY2023/24, the Commission did not measure and report on these KPI outcomes. Without sufficient performance tracking, progress towards these targets could not be measured. Subsequently, in November 2025, NWC reported on the KPIs for access to potable water (75.4 per cent against a new 79 per cent target) and sewerage services (29.9 per cent against a new 25 per cent target) for FY2024/25 in its Business Performance and Analysis Report.

What Should be Done

The table below sets out the key recommendations, together with measurable targets, deadlines, priorities and responses from NWC Management.

No.	Recommendation	Measurable target	Deadline	Priority	Management Acceptance (Yes/No)
1	Adopt and document a weighted scoring framework (Multi-Criteria Decision Analysis) for capital-project prioritisation, applied uniformly across all Divisions involved in capital projects, including the E&CP Division, Enterprise Development and Performance Monitoring (EDPM) Division, and Divisional Operations.	Approved framework and score sheets for 100 per cent of the FY2026/27 capital programme.	31 Mar 2028	High	Yes
2	Secure funding and complete the outstanding Master and Development Plans for all parishes not currently covered by Preliminary Engineering Reports.	Master and Development Plans tabled at Board for the six remaining parishes.	31 Mar 2028	Medium	Yes
3	Align the annual capital budget for internally financed projects with NWC's demonstrated financing capacity by basing the budget ceiling on realistic cash-flow forecasts and	Annual capital expenditure envelope ≤ forecast internal cash and committed external	FY2026/27 budget cycle	High	Yes

No.	Recommendation	Measurable target	Deadline	Priority	Management Acceptance (Yes/No)
	confirmed funding sources before budget submission.	finance, certified by external auditors.			
4	Adopt a Board-approved working-capital and payables-management plan	Quick ratio restored to ≥ 0.8 ; payables reduced by 15 per cent relative to FY2023/24.	31 Mar 2028	High	Yes
5	Strengthen contract management by enforcing contractual remedies promptly, including timely decisions on performance bonds, liquidated damages, variation orders and termination where contractors fail to meet obligations.	100 per cent of breaches actioned within 30 days; quarterly enforcement report to Board.	From Q1 FY2026/27	High	Yes
6	Improve project readiness before contract mobilisation by ensuring that required materials, land access, key approvals and other preconditions are secured before works begin.	No new works contract mobilised without documented confirmation of material availability and other critical preconditions; compliance reported quarterly.	From Q2 FY2026/27	High	Yes
7	Align procurement timelines to the budget cycle so that no works contract is signed before financing is confirmed, and no contract is delayed more than 90 days from budget approval.	100 per cent of new capital contracts compliant; quarterly compliance report to Board.	From Q1 FY2026/27	High	Yes
8	Establish a unified capital-reporting routine covering works, materials and equipment contracts; ensure quarterly reports to the Portfolio Ministry include cost-variance and time-delay explanations for every active project, in line with PBMA Act s.3(2).	100 per cent of monthly Board and quarterly Portfolio Ministry reports compliant.	From next quarter	High	Yes
9	Clear the backlog of audited financial statements (FY2021/22 to FY2024/25).	All four outstanding sets of audited statements tabled.	31 Dec 2027	High	Yes
10	Strengthen ICT project governance by requiring phased acceptance, enforceable module-level testing, and formal evidence of full functionality and data integrity before sign-off and final payment on major systems contracts.	Acceptance protocol approved by Board; applied to 100 per cent of new ICT major-systems contracts.	30 Jun 2026	High	Yes

Conclusion

Based on the evidence presented, there are significant concerns regarding the credibility of the NWC's capital budget. Three mutually reinforcing weaknesses have impaired credibility: (i) a project-selection process that is not documented or applied uniformly; (ii) an internally financed capital budget that is not anchored in a credible cash-flow forecast; and (iii) execution and reporting systems that do not capture all categories of capital spend on a timely basis. Implementing the recommendations in this report would re-establish the credibility of NWC's capital budget and strengthen its delivery of the public services Jamaicans rely on.

PART ONE: INTRODUCTION

Background and Overview

1.1 The National Water Commission (NWC) is a state-owned enterprise established in 1980, following a merger between the Kingston and St. Andrew Water Commission and the National Water Authority. The entity is governed by the National Water Commission Act, 1980, and regulated by several bodies including the Water Resources Authority (WRA) and the Office of Utilities Regulation (OUR). The NWC is mandated to provide access to high quality potable water and sewerage services to consumers in a cost-efficient and sustainable manner, in keeping with national and international health and sanitation standards.

1.2 The NWC is the main provider of potable water supply and wastewater collection, treatment, and disposal services to the people of Jamaica. According to its Strategic Plan for FY2020/21 to FY2024/25, the NWC supplies over 73 per cent of the population with piped water and 18 per cent with sewerage services, through more than 1,000 water supply facilities and more than 11,000 kilometres of water mains. As of March 2025, the Commission supplies over 75 per cent of the population with piped water and 29.9 per cent with wastewater services, aiming to achieve 85 per cent and 30 per cent coverage respectively by 2030.¹

NWC'S MISSION AND VISION STATEMENTS

Mission: *"We contribute positively to National Development by providing high quality potable water and sewerage services to residents and businesses in a cost-effective and sustainable manner."*

Vision: *"In 2030, the National Water Commission is a well-resourced, responsive, customer-centric, efficient and compliant employer of choice achieving 90 per cent service reliability with 85 per cent and 30 per cent coverage for water and wastewater respectively."*

1.3 NWC's mandate is directly relevant to Sustainable Development Goal Six (SDG-6): "Ensure availability and sustainable management of water and sanitation for all". Improved water and wastewater management services are also linked to other SDGs concerning health, nutrition, poverty reduction and sustainable consumption patterns.

1.4 NWC's mandate is further aligned with Jamaica's Vision 2030 Plan, namely Outcome 9 ("Strong Economic Infrastructure") and Outcome 13 ("Sustainable Use and Management of Environmental and Natural Resources").

NWC's Capital Works Programme

1.5 The NWC undertakes a programme of capital projects each financial year, aimed at expanding water service coverage, replacing old infrastructure, improving operational efficiency, meeting health and environmental standards, supporting land development, and maintaining reliable service. A total of \$44.92 billion was allocated towards the Capital Works Programme over the period FY2019/20 to FY2023/24. This included expenditures beyond those solely related to potable water and wastewater projects, such as NWC's island-wide metering programme (**Table 1**). However, its impact has been limited by external challenges and rising operational demands, prompting NWC to seek financial support through government subventions, commercial loans, and efforts to improve collections.

¹ NWC Business Performance and Analysis Report for the period FY2024/25

Table 1: Budget Allocation for the Capital Works Programme in \$billions

Focus Area	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	Total
Potable Water	1.53	7.01	5.75	3.33	4.61	22.23
Metering Programme	2.64	0.29	0.94	3.50	1.00	8.38
Wastewater	0.86	1.49	1.55	1.58	0.97	6.45
Other In-house Capital	1.13	0.81	1.01	0.19	0.85	3.99
Water and Wastewater	0.74	0.85	0.15	0.00	0.00	1.74
Capitalisation of Interest	0.00	1.33	0.00	0.00	0.00	1.33
Transport	0.25	0.25	0.00	0.25	0.00	0.75
Unspecified	0.00	0.05	0.00	0.00	0.00	0.05
Total	7.15	12.08	9.40	8.85	7.43	44.92

Source: AuGD's Compilation of NWC's Capital Works Programmes. Note: Other In-House Capital includes expenditures related to Transport, Maintenance, Plant Rehabilitation, Administration and ICT Operations. Unspecified relates to expenditures for which the focus area was not clearly identified in the documentation received.

1.6 The Capital Works Programme was financed primarily by NWC's K-Factor Programme (a pre-determined percentage charged on customers' water bills to fund approved capital projects), as well as internally generated revenues, loans from the National Housing Trust (NHT), GoJ and Inter-American Development Bank (IDB), grants, and "impact or development fees"² (Table 2).

Table 2: Financing Sources for Budgeted Capital Works Programme in \$billions

Financing Source	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	Total
K-Factor	3.95	1.96	3.63	3.50	2.44	15.48
GoJ/NHT Loan	0.95	6.41	0.57	5.16	2.10	15.19
Internally Generated Revenues	1.51	1.16	0.99	0.19	2.11	5.96
K-Factor/GoJ Loan	0.00	0.00	2.56	0.00	0.00	2.56
IDB Loan	0.74	0.85	0.15	0.00	0.00	1.74
Not Provided	0.00	1.33	0.00	0.00	0.00	1.33
K-Factor/Internally Generated	0.00	0.00	0.00	0.00	0.78	0.78
Grant	0.00	0.29	0.36	0.00	0.00	0.64
K-Factor/NHT	0.00	0.00	0.60	0.00	0.00	0.60
K-Factor/GoJ Grant	0.00	0.00	0.55	0.00	0.00	0.55
Impact fee	0.00	0.08	0.00	0.00	0.00	0.08
Total	7.15	12.08	9.40	8.85	7.43	44.92

Source: NWC's Capital Expenditure Budgets

² Impact or Development fees are imposed by NWC on new development projects to enable NWC to recover a portion of the capital costs associated with the improvement, expansion or creation of the potable water or sewerage facilities required by the new development.

1.7 As part of the entity’s efforts to achieve its mission and vision, NWC identified the specific initiatives to be undertaken by the Capital Works Programme, in line with the entity’s strategic objectives (**Table 3**).

Table 3: NWC’s Capital Works Programme - Strategic Initiatives

Strategic Objective	Initiatives
Increased Operation Efficiencies & Service Reliability	Reduction in the level of Non-Revenue Water (NRW)
Improved Customer Satisfaction	Increased regulatory compliance.
Improved Coverage, Revenues and Cashflow	Expansion and upgrading of facilities to areas currently not receiving adequate service.

Source: NWC’s Strategic Plan for FY2020/21 to FY2024/25

Audit Objective, Scope and Methodology

1.8 We conducted an audit to evaluate the efficiency and effectiveness of NWC’s management of capital projects and to assess alignment with the organisation’s budget and strategic objectives. The audit reviewed NWC’s capital budgets, expenditure and related documentation, including policies, procedures, financial reports and performance reports. The audit mainly covered the period FY2019/20 to FY2023/24. Where relevant, the report was updated to reflect information up to March 2026 and included analysis of cash flows from FY2016/17 to FY2023/24.

1.9 The audit was planned and conducted in accordance with the United Nations Department of Economic and Social Affairs (UN DESA) and International Budget Partners (IBP) publication, "Strengthening Budget Credibility through External Audits: A Handbook for Auditors", the AuGD’s Performance Audit Manual, and International Organisation of Supreme Audit Institutions (INTOSAI) auditing standards applicable to performance audits.

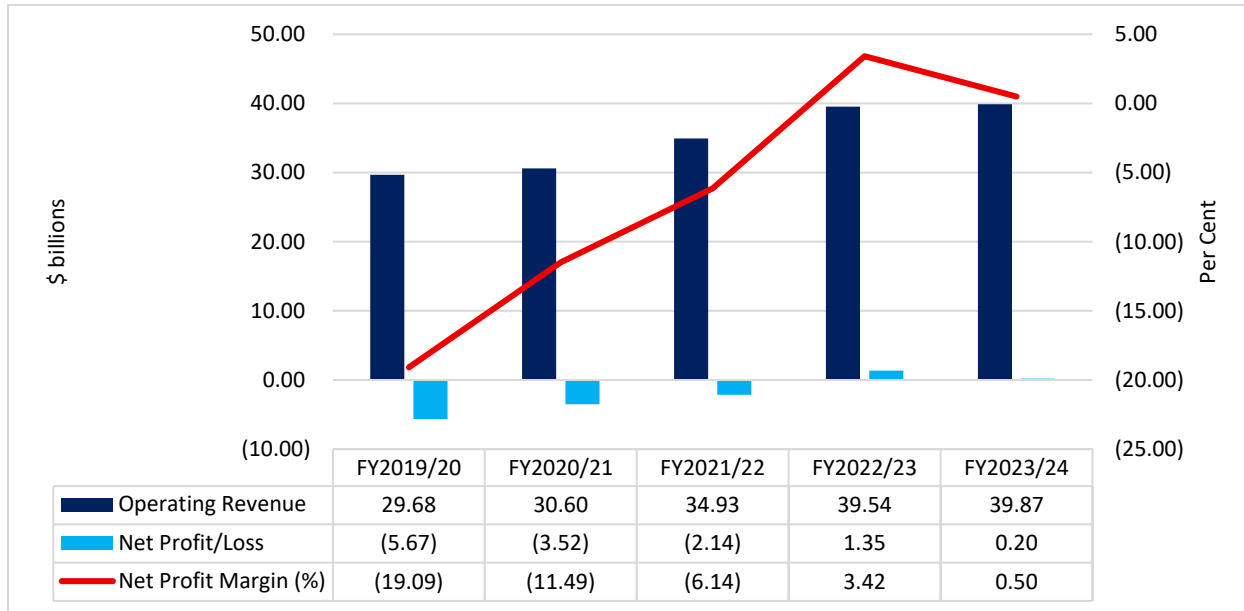
Audit Rationale

1.10 Several key factors that prompted the initiation of the audit are summarised below.

Primary Concerns Motivating the Audit
Consistently lower-than-planned capital expenditure. Actual capital expenditure was consistently lower than planned levels, with wider implications for service delivery to the public and the achievement of SDG-6.
Public concerns about water service reliability. The public has consistently raised concerns about inconsistent water supply, high bills and poor service delivery and prior AuGD audits in FY2014/15 and FY2017/18 had highlighted deficiencies in the planning and execution of NWC’s capital projects.
NWC posted financial losses in three of the five years under review (Figure 2), and the Government of Jamaica covered the shortfall through loans and grants - support that is inconsistent with NWC’s statutory requirement to operate on a self-sufficient basis.



Figure 2: Summary of NWC’s Financial Operations for FY2019/20 to FY2023/24



Source: NWC’s Audited and Unaudited Financial Statements

How is this report organised?








The full report follows. For readers who would like to understand specific terms used in the report, a Glossary of Key Terms is provided at the back. The report is organised as follows:

- Executive Summary — a concise summary of all findings and recommendations
- Part One — background on the NWC and the purpose of this audit
- Part Two — findings on how NWC prepares its capital budget
- Part Three — findings on how capital projects were executed and reported
- Glossary — explanations of technical terms used in the report
- Appendices – extra information placed at the end of the report to support the main content without interrupting its flow



PART TWO: BUDGET PREPARATION PROCESS

2.2 The capital budget preparation process entails identifying, prioritising and estimating the costs of capital projects to advance the entity's strategic objectives and support the Government's development goals. This component of the report examines the systems and practices established at the NWC to foster a transparent, evidence-based budget preparation process.

 At A Glance			
Systems and Practices	Criteria	Key Findings	Assessment Against Criteria
Capital Project Identification	To prepare comprehensive needs assessments identifying the current and future infrastructure requirements of NWC's potable water and sewerage facilities.	The NWC prepared Water Supply Improvement Plans that identified existing service gaps for water supply systems across each parish to inform the Commission's 15-year Capital Investment Plan.	
Capital Project Prioritisation Framework	To prioritise capital projects based on a project prioritisation framework that considers factors such as cost and strategic alignment; scoring and ranking of projects under consideration.	The Commission prepared Preliminary Engineering Reports to guide the selection of capital projects identified in the Water Supply Improvement Plans. However, it was not evident that the E&CP Division documented the scores used to guide the prioritisation of selected capital projects.	
Financial Management and Capital Budgeting	To prepare Capital Budgets based on credible forecasts of revenue, expenditure and financing.	NWC's budget for internally funded capital projects was misaligned with its financing capacity, thereby undermining the credibility of the budget preparation process. However, income from the K-Factor Programme met the budgetary requirements of K-Factor financed projects.	
 MET the criteria		 Partially met	 Did not meet the criteria

Capital Project Planning and Prioritisation

2.3 In accordance with the annual Corporate Plan/Budget Call issued by the Ministry of Finance and Public Service (MoFPS), NWC must submit its four-year Corporate/Strategic Plan, including budget estimates for the upcoming financial year and medium-term projections for the following three financial years. The Commission must also submit its Capital Works Programme and estimated expenditure for each project.

2.4 NWC prepared Water Supply Improvement Plans that identified existing service gaps for water supply systems across each parish. These Plans incorporated assessments of the production capacity of water and wastewater treatment systems, current population access levels and projected population demand up to 2030. Based on the deficiencies identified in each parish, NWC proposed capital activities aimed at improving water production and reducing unauthorised consumption and leakages to maximise revenues and enhance population access to potable water and wastewater services, in keeping with the Commission's strategic objectives. The

activities outlined in these plans formed the basis of NWC's Capital Investment Plan, which identified 17 priority projects to be implemented between 2015 and 2030, at an estimated cost of US\$3.3 billion.

2.5 NWC reported that the initial project implementation cycle included several projects, notably the “Master and Development Plans - Water Supply & Sewerage Systems Plan”, with a proposed budget of \$1.77 billion (US\$15 million). This project consisted of three components: (1) a Master Plan Study encompassing systems development, hydraulic modelling and hydrology planning, (2) a Feasibility Study Investment Plan for 2021 to 2030 and (3) Human Resources and Organisation Development. The preparation of the Master Development Plans, as well as NWC’s proposed undertaking of an Organizational Institutional Capacity Building and Strengthening Study of its entire operation was expected to inform the strategic direction and the key capital investment projects to be implemented over the remaining long term planning horizon to 2030. However, the Master Plans were not prepared and provided for our review. In the absence of the plans, NWC indicated that the Commission relied on Preliminary Engineering Reports developed for eight parishes to assess the feasibility of capital projects and guide implementation. The absence of comprehensive planning documents for all parishes weakened the rationale for capital investment decisions and heightened the risk of misalignment between the selected projects and the Commission’s strategic priorities.

Management Response January 13, 2026

“The importance of strategic level, development Master Plans driven by an assessment of needs is well appreciated and the NWC will be renewing efforts to secure the necessary funds... ‘towards the preparation of Master and Development Plans’.

The approach of pursuing masterplans will allow for the availability of a comprehensive list of proposals for ALL of NWC's supply areas so that meaningful ranking can be done. This will not be as effective if there are only a limited number of viable projects to consider.

On a more operational level, the E&CP Dept. prepares numerous engineering reports in response to several needs, viz: - i) service applications for land development proposals; ii) environmental/public health compliance; iii) operational efficiency improvement; iv) water resource protection; v) support for national development initiatives; vi) coordination with other (road development) entities; vii) remedy of system failures; and viii) policy initiatives. These reports recommend whether project proposals should be further developed based on full technical, economic and financial evaluations.”

NWC’s project prioritisation process lacked documented rationale and consistent application of scoring and ranking, thereby undermining the objectivity and transparency of capital project selection.

KEY WEAKNESS: PROJECT PRIORITISATION

NWC's project prioritisation process lacked documented rationale and consistent application of scoring and ranking, thereby undermining the objectivity and transparency of capital project selection.

While NWC's Divisional Operations scored and ranked capital projects in their budget submissions, this was not done for projects managed by the E&CP Division. In the absence of clear documentation and consistent scoring, it was not possible to verify the basis for project selection in a context of scarce resources. This lack of transparency heightened the risk of inefficient resource allocation.

In September 2025, NWC indicated that it accepted this recommendation and commits to developing and implementing a formal prioritisation framework.



2.6 Our review of NWC’s records showed that capital projects were identified based on the following criteria: (i) the reduction of Non-Revenue Water (NRW) levels; (ii) financial viability; (iii) regulatory compliance; (iv) energy efficiency; and (v) service coverage optimisation. These criteria were aligned with NWC’s strategic objectives, as outlined in its Strategic Plan for FY2020/21 to FY2024/25. We found that in practice, the Commission held Design Review meetings to review the capital activities proposed in Preliminary Engineering Reports and to validate their technical adequacy for detailed design. This included the preparation of detailed project designs, Bills of Quantities, contract conditions and implementation plans, as part of the Planning or Design Process (**Appendix 1**).

2.7 Following the development of capital projects during the Planning or Design Process, NWC’s relevant divisions submitted a selection of capital projects to be undertaken in each financial year, along with the planned budget allocations to NWC’s Finance Division for review (**Appendix 2**). Upon review and approval, the proposed expenditures were incorporated into the budget, and these projects were compiled to develop the NWC’s Capital Works Programme. NWC’s project prioritisation process did not consider factors such as cost, strategic alignment, risk and environmental impact through a weighted evaluation framework, scoring and ranking of all projects under consideration.

- i. Although NWC’s Divisional Operations scored and ranked capital projects in their budget submissions, this was not done for capital projects managed by the E&CP and EDPM Divisions³. Adjustments were also made to the budget allocations prior to finalising the budget for the Capital Works Programme for submission to the MoFPS. For example, our review of 23 projects found that in FY2019/20, the E&CP Division proposed a budget of \$2.67 billion to NWC’s Finance Division (**Table 4**). However, \$1.66 billion was approved in the final Capital Works Programme. Due to the absence of scores or ranking for projects, we could not verify the basis for this revision. We also sought to review the in-year adjustments to the Capital Works Programme to assess the changes made to project selections or reallocations in financing across projects. However, despite our requests, the requisite documentation was not provided.

Table 4: Comparison of Budget Allocations for a Sample of 23 Capital Projects in \$billions

Financial Year	E&CP Proposed Budget Allocation (\$B)	Final Approved Budget Allocation (\$B)
FY2019/20	2.67	1.66
FY2020/21	3.12	2.90
FY2021/22	Not Provided	2.00
FY2022/23	1.68	1.88
FY2023/24	Not Provided	3.40

Source: AuGD’s Compilation of Proposed Budgets and Final Capital Works Programmes

- ii. NWC was unable to demonstrate whether proper due diligence was conducted, in the absence of clear documentation to support the final selection of projects for the Capital Works Programme. This is critical given the Commission’s limited financial resources. The weaknesses in NWC’s project selection process were noted in an Internal Audit report dated March 2022, which recommended the implementation of

³ NWC capital projects are managed through three main divisions, namely: E&CP responsible for new capital projects, Enterprise Development Performance Monitoring (EDPM) responsible for large/major projects, and Divisional Operation responsible for maintenance projects.



an objective selection process for capital projects. Despite our request, the Board’s response to this recommendation was not provided.

Management Response January 13, 2026

“The NWC accepts this recommendation. We are committed to developing and implementing a formal project prioritization framework that includes:

- *Multi-criteria decision analysis*
- *Weighted evaluation criteria*
- *Scoring and ranking methodology*
- *Documentation of selection rationale*

The importance of a rigorous prioritization process has been endorsed. The prevailing situation related to the formulation of the annual CIP must be considered in the context of: - i) the need for as well as the viability of the projects pursued having been demonstrated in the preliminary engineering reports; ii) the fact that the listing is based on inescapable commitments of ongoing initiatives; and iii) that the projects are consistent with the criteria aligned to NWC's strategic objectives.”

NWC did not consistently align its procurement timelines with the budget approval process, leading to delays in the implementation of planned projects and under-execution of the capital budget.

2.8 Our review of 50 contracts spanning 23 capital projects found that during the review period, NWC finalised contracts outside the financial year in which they were approved (**Appendix 3**). The Commission entered multi-year contracts to rehabilitate and expand its water and wastewater systems. We expected NWC to align its procurement cycle for the related contracts, with the budget approval process to facilitate the timely implementation of capital projects and execution of the budget.

2.9 Three contracts totalling \$133.3 million were signed within the year of budget approval and planned implementation. We also found four instances relating to contracts totalling \$602.2 million, where NWC submitted project sub-components and associated cost estimates for formal budget approval, but did not finalise the contract selection process until up to 33 months after (**Table 5**). On the other hand, we identified five instances where contracts totalling \$142.2 million and US\$2.0 million were signed before budget approval, indicating that NWC committed funds without a confirmed source of financing. As a result, the associated works could not begin in the approved financial year, causing delays and under-execution of the capital budget.

Table 5: Delays in Contract Finalisation for a Sample of Contracts

No.	Contract Description	Contract Sum (\$M)	Budget (\$M)	Financial Year	Contract Date	Difference (Months)
Project: Greater Mandeville Water Supply Improvement Project – Phases 1A and 1B						
1	Old Pepper Well Station	24.9	30.0	Apr. 2020- Mar. 2021	Aug. 2023	29
2	Hopeton Road to Waltham Road	84.2	50.0	Apr. 2020- Mar. 2021	Jul. 2022	16
3	Kingsland Road to Greenvale Road	161.5	75.0	Apr. 2020- Mar. 2021	Jun. 2022	15
4	Old Pepper Well Site to Gutters Relift Station	331.6	70.0	Apr. 2020 – Mar. 2021	Dec.2023	33
Total		602.2	225.0			

Source: AuGD’s Analysis of NWC’s Contracts and Project Profiles



2.10 NWC did not consistently provide documentation detailing how its total budget for capital projects was allocated across individual contract components. In accordance with the MoFPS Corporate Plan/Budget Call Circular, NWC prepared Project Profiles outlining the objectives, scope, budget and source of funding for each capital project. The Commission also developed Annual Capital Implementation and Financial Plans detailing contract sums, projected expenditure, implementation timelines and financing sources for each contract associated with the capital projects. However, Project Profiles for only seven of the 23 sampled projects disaggregated the total budget to identify specific planned procurement activities and their respective budget allocations. Further, although the Annual Capital Implementation and Financial Plans provided this disaggregation for FY2025/26, this was not done throughout the period FY2019/20 to FY2023/24. Consequently, we were unable to reconcile the remaining budget allocations for 38 contracts with the total budget for each capital project.

Management Response

September 28, 2025

“NWC notes the observations regarding contract timing. Key considerations include:

- *Capital projects are inherently multi-year with procurement lead times of 12-18 months.*
- *Some instances may reflect emergency responses to critical infrastructure needs*
- *Budget allocations are project-based rather than contract-specific to allow flexibility in implementation.*

We will review our procurement planning to better align with budget cycles while maintaining operational flexibility for emergency situations.”

January 13, 2026

“The twin challenges of: - i) not commencing contracts within a specified budget year and ii) signing contracts before budget approval, is acknowledged.

The root cause of these anomalies is tied to the conundrum of: - a) the stipulations that initiation of procurement of a Contract is predicated on the budget being available while b) the time period between start of the procurement process and commencement of the works practically extends outside of the 12-month budget period. With respect to the variance in start time of the contracts, this is largely due to the extensive time required to effect the processes between the preparation of tender documents and mobilisation of site.”

Financial Management and Capital Budgeting

NWC’s budget for internally funded capital projects was misaligned with its financing capacity, undermining the credibility of the budget preparation process.

2.11 One of NWC’s strategic objectives is to, *“improve coverage, revenues and cash flow”*. In its Strategic Plan, NWC reported that between 2020 and 2025, its viability would be improved by focusing on managing delinquency; improving the effectiveness of metering, billing and collections; and expanding coverage through capital projects. Against this background, NWC developed a Delinquency and Receivables Management Plan outlining measures to be pursued between 2020 and 2025 to reduce the number of Inactive Accounts and the level of Receivables.

2.12 NWC’s sources of financing for capital projects included the K-Factor Programme, internally generated funds, grants, *“impact or development fees”* and loans from the GoJ, National Housing Trust (NHT) and Inter-American Development Bank (IDB). The Commission planned to finance \$6.0 billion (13.4 per cent) of the total capital budget between FY2019/20 and FY2023/24 solely using its internally generated revenues. As a standalone source of financing, the K-Factor Programme was slated to fund \$15.5 billion (34.5 per cent) of the total capital

budget between FY2019/20 and FY2023/24 (**Table 6**). In addition, joint financing arrangements involving K-Factor, namely: K-Factor/GoJ loan, K-Factor/internally generated revenues, K-Factor/NHT, and K-Factor/GoJ grant, contributed a further \$4.5 billion. Notably, the standalone K-Factor Programme exceeded budgetary requirements for projects by 47.7 per cent, generating \$22.9 billion. Loan financing also accounted for a substantial share of NWC’s capital budget, with budgeted allocations of \$16.9 billion from the GoJ/NHT loan and IDB loan, and an additional \$2.6 billion under the K-Factor/GoJ loan joint financing arrangement, bringing the total loan budget to \$19.5 billion.

CRITERIA FOR FUNDING SOURCES
<p>Which projects are funded by K-Factor?</p> <p>The K-Factor Programme funds projects that focus on: (a) reducing and controlling the volume of non-revenue water due to leakages, theft or metering errors; (b) expanding sewer services in Kingston and St. Andrew and (c) rehabilitating and upgrading sewage treatment plants island wide.</p>
<p>Which projects are funded by loans?</p> <p>Loans, where available, are used to finance specific development projects. For example, a loan from the National Housing Trust (NHT) was used support the Greater Mandeville Water Supply project to support their housing developments in the area, while loans from the Government of Jamaica are used to support national development projects.</p>
<p>Which projects are funded by Internally Generated Revenues?</p> <p>Other projects are funded from NWC’s own revenue, depending on how much money is available.</p>

Table 6: Financing Sources for Budgeted Capital Works Programme in \$billions

Financing Source	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24	Total
K-Factor	3.95	1.96	3.63	3.50	2.44	15.48
GoJ/NHT Loan	0.95	6.41	0.57	5.16	2.10	15.19
Internally Generated Revenues	1.51	1.16	0.99	0.19	2.11	5.96
K-Factor/GoJ Loan	0.00	0.00	2.56	0.00	0.00	2.56
IDB Loan	0.74	0.85	0.15	0.00	0.00	1.74
Not Provided	0.00	1.33	0.00	0.00	0.00	1.33
K-Factor/Internally Generated Revenues	0.00	0.00	0.00	0.00	0.78	0.78
Grants	0.00	0.29	0.36	0.00	0.00	0.64
K-Factor/NHT	0.00	0.00	0.60	0.00	0.00	0.60
K-Factor/GoJ Grant	0.00	0.00	0.55	0.00	0.00	0.55
Impact fee	0.00	0.08	0.00	0.00	0.00	0.08
Total	7.15	12.08	9.40	8.85	7.43	44.92

Source: NWC’s Capital Expenditure Budgets

K-FACTOR PROGRAMME EXPLAINED



What is the K-Factor? The K-Factor is a percentage charge added to every customer's water bill. The money collected is set aside exclusively to fund approved capital improvement projects, building or upgrading water pipes, pumping stations, and treatment plants.

How did it perform? The K-Factor generated \$22.9 billion, which surpassed budgetary requirements for K-Factor funded projects.

What was the problem? Projects funded from NWC's internally generated revenues were consistently under-funded. The budget for these projects grew from \$1.5 billion to \$2.1 billion over five years, but NWC's revenue and cash position did not improve enough to meet these commitments.

2.13 In accordance with sound public financial management principles, NWC's Capital Expenditure Budgets should be prepared based on credible forecasts of revenue, expenditure and financing, ensuring that the budget is realistic and aligned with the entity's available financial resources. NWC's capital budgets clearly identified methods of financing for all projects, in accordance with the MoFPS Corporate Plan/Budget Call Circular (**Appendix 4**). However, the Commission's internally generated revenues were insufficient to meet the planned financing needs for projects, despite its revenue-enhancing initiatives. Although NWC's net income improved from a loss of \$5.7 billion in FY2019/20 to a profit of \$0.2 billion in FY2023/24, this did not translate into improved liquidity, particularly a reduction in NWC's payables position. Our review found that NWC's ability to meet its short-term liabilities from cash and near-cash assets weakened: for every dollar of short-term obligations, NWC held only 50 cents in these assets in FY2023/24, compared with 80 cents in FY2016/17 (**Table 7**)⁴. This was further reflected in the increase in payables from \$10.6 billion in FY2016/17 to \$31.4 billion in FY2023/24.

Table 7: NWC's Liquidity Ratios and Financial Position for FY2016/17 to FY2023/24

Indicator	FY2016/17	FY2017/18	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
Quick Ratio	0.8	0.4	0.6	0.5	0.4	0.6	0.6	0.5
Cash Ratio	0.2	0.1	0.1	0.1	0.0	0.1	0.2	0.2
Current Assets (\$B)	12.37	12.27	12.72	13.17	14.75	15.95	19.28	19.38
Current Liabilities (\$B)	13.65	27.13	18.32	20.70	30.54	25.13	30.21	34.37
Closing Cash Balance (\$B)	3.31	2.12	2.17	2.39	1.32	2.43	5.23	6.33
Payables (\$B)	10.61	12.98	14.47	17.27	20.23	22.59	27.56	31.44

Source: AuGD's Analysis of NWC's Financial Statements. Note: A ratio below 1.0 means that for every dollar of short-term bills, the organisation has less than a dollar in cash and near-cash assets to cover them.

2.14 Our review of the ageing analysis as at March 2026 revealed that the entity's receivables were insufficient to support timely settlement of its payables, thereby exposing it to liquidity pressure (**Table 8**). While total payables amounted to \$33.2 billion, net receivables totalled only \$4.6 billion, indicating that amounts expected to be collected could cover only a small portion of outstanding obligations. Further, a significant concentration of balances was aged over 90 days, with payables of \$27.45 billion and gross receivables of \$20.9 billion in this category; however, \$18.3 billion of these receivables had already been provided for as bad debt, leaving only \$2.6 billion as likely recoverable (see **Receivable Details in Appendix 5**). This suggests weak collections and a

⁴ Calculation utilised the quick ratio.

heightened risk that the entity may be unable to realise sufficient cash inflows to settle creditors promptly, increasing the likelihood of prolonged overdue payables and strain on supplier relationships.

Table 8: Total Payables and Receivables as at March 31, 2026 (in \$billions)

Particulars	0–30 days	31–60 days	61–90 days	Over 90 days	Total
Payables					
Trade Payables	1.79	2.67	0.75	25.84	31.05
Other Payables	0.54	0.00	0.00	1.61	2.15
Total	2.33	2.67	0.75	27.45	33.21
Receivables					
Gross Receivables	1.29	0.88	0.82	20.89	23.88
Provision for Bad Debt	0.34	0.3	0.35	18.31	19.29
Net Receivables	0.96	0.58	0.47	2.59	4.59

Source: NWC Payable and Receivable Schedules

2.15 NWC’s capital budget allocations increased over the reporting period. Conversely, the Commission faced liquidity constraints in part due to declining collections. This resulted in funding gaps that reduced its capacity to execute projects as planned. For the period FY2021/22 to FY2023/24, NWC repaid \$16.4 billion in long-term debt. However, the Commission obtained \$6.2 billion in additional short and long-term loans, introducing further financial pressure, despite receiving government capital contributions of \$7.9 billion during the same period (Table 9).

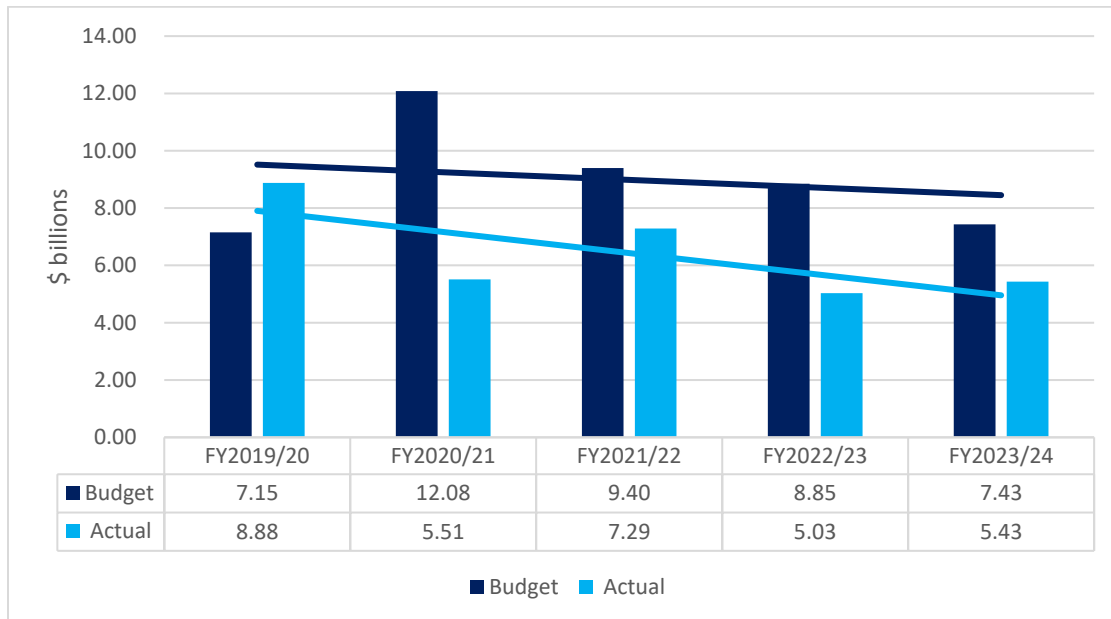
Table 9: NWC’s Cash Flows from Financing Activities in \$billions

Particulars	FY2021/22	FY2022/23	FY2023/24
Short-term loans, net	0.06	0.01	0.10
Long-term loans received	3.63	1.48	0.90
Repayment of long-term loans	(10.47)	(3.82)	(2.12)
Lease payments	(0.05)	0.00	0.00
Capital contribution received	7.87	0.00	0.00
K-Factor funds received	6.49	7.37	7.43
Repayment of K-Factor funds	(6.49)	(7.37)	(7.43)
Transaction with state owners	0.00	0.00	0.00
Deferred Income (Grants Received)	0.00	0.29	0.00
Net Cash Provided/(used) by financing activities	1.04	(2.04)	(1.12)

Source: NWC’s Unaudited Financial Statements

2.16 NWC’s expenditure for capital projects was lower than planned during the review period, with implications for the supply of reliable potable water and wastewater services for the public. The Commission increased its capital budget from \$7.2 billion in FY2019/20 to \$12.1 billion in FY2020/21, after which the budget declined gradually toward FY2023/24. Despite this, apart from FY2019/20, NWC continued to under-execute its capital budget (**Figure 3**).

Figure 3: NWC’s Capital Expenditure for FY2019/20-FY2023/24 in \$billions



Source: NWC’s Audited and Unaudited Financial Statements and E&CP Monthly Status Reports

Management Response

September 28, 2025

“The financing of Capital Projects by internal funds is based on the revenues, the revenue assumptions a mainly based on tariff increase, Annual Price Adjustment Mechanism, new developments housing schemes, etc. These are assumption that we will receive the revenue growth by a certain timeline with the financial year, however, some of these activities don’t necessarily happens in the projected timeline and there can be other negative impacts such as drought, projected growth, unable to receive approval to borrow funding or receive funding from Ministry of Finance.”

January 13, 2026

“The preferred approach for financing capital projects is long-term loan financing, as this aligns with the nature of Jong-term assets. Such financing arrangements require approval from the Ministry of Finance (MOF) and must be supported by a Government of Jamaica (GoJ) guarantee.

During the budget preparation process, the National Water Commission (NWC) assumes that MOF approval will be granted, and this assumption is reflected in the budget submission to the MOF. Based on the MOF targets we don’t necessarily receive the approval for new financing of the capital project and therefore, we would finance from the internal cash which at times increases the implementation and progress of the capital projects.








Currently, NWC is reviewing its strategic plan to incorporate GoJ grants into the financing structure for capital projects. This review includes ongoing discussions and efforts to secure commitments, which will enable the finalization of projections based on these anticipated funding sources.”

This page is intentionally left blank.



PART THREE: CAPITAL PROJECT PERFORMANCE AND REPORTING

3.1 Budget execution refers to the spending of financial resources according to the approved budget. Part Three highlights the execution of NWC's capital budget, the adequacy of its reporting, and the extent to which the performance of NWC capital projects aligned with its mandate and the pursuit of SDG-6.

 At A Glance			
Systems and Practices	Criteria	Key Findings	Assessment Against Criteria
Non-submission of Audited Financial Statements and Annual Reports	PBMA Act requires the submission of Annual Reports including the Audited Financial Statements within four months after the end of each financial year.	NWC paid US\$3.6 million to implement a Financial Information Management System (FIMS) to improve financial management and reporting. Yet the Audited Financial Statements and Annual Reports remained outstanding for four of six years between FY2019/20 and FY2024/25.	
Key Performance Indicators	KPIs are established and aligned with strategic objectives in compliance with Section 6(1)(c) of the PBMA Act.	NWC did not report KPI results for water and sewerage access during the review period (FY2019/20 to FY2023/24) and did not achieve KPI targets for operational efficiency and except for FY2022/23, revenue growth.	
Contract Performance	Compliance with contractual terms is required to ensure the successful achievement of agreed objectives and outcomes.	29 contracts experienced delays ranging from three to 29 months.	
 MET the criteria		 Partially met	 Did not meet the criteria

Reporting of Capital Projects to Sub-committee and Weak Coordination among Divisions

3.2 Public Bodies should comply with Section 6-(1)(b) and (c) of the Public Bodies Management and Accountability (PBMA) Act, which requires that every board shall, “(b) develop adequate information, control, evaluation and reporting systems within the body; (c) develop adequate, specific and measurable objectives and performance targets for that body”.

3.3 Capital projects are delivered through two types of contracts: works contracts (for the construction itself) and supply contracts (for the materials and equipment). We expected the Engineering and Capital Projects (E&CP) Division to work with the Finance Division and Procurement Unit so that its monthly reports to the Capital Works and Procurement Committee (CW&PC) showed the total expenditure on each project across both contract types.

3.4 We found two gaps. First, since April 2020, the E&CP’s monthly status reports to the CW&PC have excluded expenditure on material and equipment supply contracts altogether. Second, the two divisions measure spending differently: The Finance Division records what has been paid, while the E&CP Division records only the works portion that has been certified as completed. The two figures cannot be reconciled. As a result, the Sub-committee and Board do not receive a complete or consistent picture of capital expenditure, which weakens their ability to oversee the Capital Works Programme.

Management Response September 28, 2025

“NWC acknowledges the reporting gaps. Current process:

- Engineering Division certifies all construction works*
- Materials procurement certified through separate process*
- System integration challenges have affected consolidated reporting*

Notwithstanding, notations are included in various reports which reflect the total expenditure.

Projects have different components which include material and works; materials are delivered to the NWC stores and transported to the project site when needed for installation. The Engineers confirm works for the project by the Contractor and if the works included materials provided by the Contractor.

Additionally, the Finance Division and Engineering Division figures differ because of IFRS reporting which will include cost not recognized by the Engineering Division such as interest cost, research, consultancy, accruals etc.”

Reporting of Capital Projects to Portfolio Ministry

3.5 NWC’s quarterly reports to the Portfolio Ministry omitted information needed for effective oversight of the Capital Works Programme. The PBMA Act (Second Schedule, Part III) requires the Commission to submit quarterly reports within one month of quarter-end, setting performance against targets and explaining any significant deviations. NWC submitted the required reports with budget allocations and year-to-date expenditure, but two elements were missing: quarterly targets for the Capital Works Programme, and explanations of cost variances and time delays at the project level. The Portfolio Ministry flagged the missing targets in its response to NWC’s April to June 2023 report and recommended that the entity develop them; NWC’s subsequent quarterly reports through March 2024 did not address the recommendation.

Financial System Issues

3.6 NWC did not obtain full value for at least US\$3.6 million spent on its Financial Information Management System (FIMS). NWC paid at least US\$3.6 million to Contractor 1 for the implementation of a FIMS, a computer system to consolidate and manage financial data, records, and reporting across the organisation (**Table 10**). The applicable contract, dated July 2018, was valued at US\$3.7 million with a duration of 48 months.

3.7 Despite formal sign-off of user acceptance in the final deliverable (Project Sign-off and Lessons Learnt) by the Project Manager on May 31, 2020, NWC experienced significant delays and weaknesses in the implementation of the FIMS, resulting in incomplete financial records, persistent reconciliation issues, and inability to fully utilise all the modules of the software. We expected the system implementation to deliver full, reliable functionality across all key financial modules, enabling accurate, complete, and timely financial information generation and effective operational oversight. However, NWC’s internal issue logs for FY2025/26 documented persistent module failures and unresolved defects that limited the Commission’s ability to generate complete and reliable financial information. Key modules, including procurement, inventory management, accounts receivable and payable, data integrations, and plant accounting, did not achieve the required functionality due to system errors and incomplete features. Manual processes remained in place, increasing the risk of financial misstatement.

Table 10: Contractor 1 — FIMS Expenditure

Item	Contract Value USD (excl. GCT)	Amount incl. GCT (USD)	Payments Confirmed (USD)	Variance (USD)
Contract	2,277,268.22	2,618,858.45	2,682,756.63	63,898.18
Licences	709,368.84	815,774.17	611,830.63 *	(203,943.54)
Addendum	246,113.00	283,029.95	296,442.46 **	13,412.51
Additional Payments	—	—	14,190.72 ***	14,190.72
TOTAL	3,232,750.06	3,717,662.57	3,605,220.44	(112,442.13)

Source: NWC Contracts; NWC Payment Vouchers. * Only three of four licence payments were seen. ** Payment for one addendum deliverable was not seen. *** Additional payments were observed but could not be disaggregated.

3.8 In December 2025, NWC engaged a new contractor, Contractor 2, for the supply, implementation, support, and maintenance services of its financial system. The contract, valued at US\$198,000, covers an initial 24-month period. As at the end of January 2026, no invoice had been submitted, and no payment had been made.

Non-Submission of Annual Reports

3.9 NWC remained non-compliant with statutory reporting requirements, as Audited Financial Statements and Annual Reports remained outstanding for four consecutive years (FY2021/22 to FY2024/25), breaching Part II, Section 3(2) of the PBMA Act⁵. The last submitted Audited Financial Statement for FY2020/21 received a qualified audit opinion⁶, because auditors could not obtain sufficient evidence to support some financial balances, particularly trade accounts payables. Notably, in December 2021, NWC re-engaged the external auditor to carry out audits of its financial statements covering the period from 2022 to 2027. The management letter resulting from the audit for FY2021/22 was submitted to the Board Chair in June 2024 and highlighted several operational and control deficiencies. The management letter pointed out that failures in the FIMS implementation and technical shortcomings hindered the timely production of essential reports, including lists of completed capital projects. Furthermore, weaknesses in system controls led to difficulties in revenue reconciliation, cut-off errors, unsupported inventory recalculations generated by the system, and unresolved discrepancies between sub-ledgers and the general ledger.

Management Response January 13, 2026

“The NWC is committed to achieving full compliance with the Public Bodies Management and Accountability (PBMA) Act. To this end, we are prioritizing the completion of all outstanding audited financial statements by 2027. This timeline ensures we fulfill our statutory requirement of tabling our Annual Reports in the House of Representatives.”

⁵ Section 3(2) of the PBMA Act requires that “As soon as possible after the end of each financial year, but not more than four months thereafter, the Board of a public body shall submit the Annual Report including Audited Financial Statements of the public body to the responsible Minister...”

⁶ A qualified audit opinion means the auditors believe the financial statements are generally reliable, but there are specific issues that need to be fixed or improved.

Performance Management

3.10 NWC established specific KPIs in accordance with Section 6(a)(i) of the PBMA Act, aligning these indicators with the Commission's strategic objectives. However, NWC was not effective in meeting KPI targets for Operational Efficiency and except for FY2022/23, Revenue Growth (**Table 11**). Persistent high energy costs and revenue losses due to non-revenue water further constrained the financial resources available for capital investment.

3.11 In addition, NWC had set targets to increase access to potable water to 74 per cent and sewerage services to 20 per cent of the population by FY2023/24. Throughout the period FY2019/20 to FY2023/24, NWC did not measure and report on KPI outcomes relating to the percentage of the population with access to potable water and sewerage services. Without sufficient performance tracking, progress towards these targets could not be measured or validated, limiting its ability to assess and improve these areas.

Management Response September 28, 2025

"The NWC continues to make use of JSLC findings in combination with its customer account and connection data to infer changes in access over time. Like other public bodies, however, the Commission is dependent on the timely release of population and household data by STATIN and the PIOJ. Delays in the availability of these official statistics constrain the Commission's ability to measure certain KPIs fully, particularly those relating to service coverage."

3.12 Subsequently, in November 2025, NWC presented a Business Performance and Analysis Report for FY2024/25 which assessed the Commission's operational, financial, and strategic performance, focusing on 16 KPIs identified in the Operational Plan. Access to potable water was 75.4 per cent against a new target of 79 per cent, and access to sewerage services was 29.9 per cent, which exceeded the new target of 25 per cent.

Table 11: Selected Key Performance Indicators

Strategic Initiative	Performance Indicators	FY2019/20		FY2020/21		FY2021/22		FY2022/23		FY2023/24		FY2024/25	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Increase Coverage of Water and Wastewater Services	% Population with access to NWC Potable Water	76%	NS	75%	NS	76%	NS	77%	NS	74%	NS	79%	75.40%
	% Population with access to NWC Sewerage Systems	23%	NS	24%	NS	25%	NS	26%	NS	20%	NS	25%	29.90%
Reduce Energy Consumption	Energy Efficiency (MwH/MG)	2.6	2.72	2.6	2.66	2.57	2.73	2.55	2.84	2.6	2.8	2.55	2.65
Reduce Non-Revenue Water	Non-Revenue Water	60%	73%	68%	73%	65%	73.30%	68%	71.50%	68%	71.80%	70%	72%
Increase Revenue Growth	Billed Revenue (\$ Billion)	40	21.62	31	29.95	37	34.9	37	39.6	45	36.38	45.8	36.5

Source: NWC's Operational Plans; NWC's Quarterly Performance Reports; NWC's Business Performance and Analysis Report FY2024/25. Note: Actual results for FY2019/20–FY2023/24 were not reported by NWC (NS = Not Seen). Actual results for FY2024/25 are the first reported outcomes for most indicators.



CASE STUDIES

About this section

3.13 This section presents three case studies that illustrate the main contract management weaknesses identified during the audit of NWC’s water and sewerage infrastructure contracts. The case studies show how delays, weak contract enforcement, poor coordination between supply and works contracts, and slow termination and claims processes affected project implementation. The case studies are included to provide practical examples of the issues identified, demonstrate their impact on service delivery and public resources, and support the overall findings and recommendations in the report.

3.14 To assess whether NWC’s contracts were executed within their planned timelines and approved contract sums, we reviewed 50 contracts related to the construction of water supply and sewerage infrastructure and the supply of requisite materials. These contracts, executed between FY2019/20 and FY2024/25, reflected a total contract value of \$2.9 billion and US\$2.1 million, relative to total expenditure of \$1.9 billion and US\$2.2 million as at end-March 2026. Of the contracts reviewed, 44 were complete, four were terminated or in the process of termination, one was placed on hold, and one remained ongoing.

CONTRACT PERFORMANCE SUMMARY

Completed: 44 of 50 contracts (total contract sum of \$2.25 billion and US\$2.1 million)

Terminated or in the process of termination: 4 of 50 contracts (total contract sum of \$293 million)

Incomplete: 1 of 50 contracts (contract sum of \$331.6 million)

On Hold: 1 of 50 contracts (contract sum of \$43.9 million)

3.15 NWC experienced delays in the execution of contracts that were critical to the provision of reliable potable water and sewerage services for the public. The delays were mainly attributed to contractor underperformance, late supply of materials, unresolved land access issues, slow approval of variation orders, and NWC’s delayed fund disbursements to contractors. Public bodies are required to effectively manage contracts to ensure capital projects are completed within agreed timelines, supported by timely monitoring, enforcement of contractual provisions, and proactive risk management. Of the 50 contracts reviewed, 29 experienced delays ranging from three to 29 months, which deferred the delivery of essential water and wastewater infrastructure, and increased exposure to claims, contract variations, and cost escalation (**See Appendix 6**).

SUMMARY OF IMPLEMENTATION DELAYS FOR 50 CONTRACTS REVIEWED

Status	No.	Implementation Delay
Completed	44	3 contracts - Completed on time 10 contracts - Experienced implementation delays less than three months 24 contracts - Experienced implementation delays ranging from three to 29 months 7 contracts – Unable to assess implementation delay
Terminated/ Termination- Ongoing	4	3 contracts - Experienced implementation delays ranging from 24 to 27 months post-scheduled completion date 1 contract - Unable to assess implementation delay
On-Hold	1	No termination has been initiated up to 16 months post-scheduled completion date
Ongoing	1	Delay exceeding three months post-scheduled completion date
Total	50	

Case Study 1: Contract delayed by 28 months and 20 days, yet NWC did not pursue legal action to enforce its interests.

Greater Mandeville Water Supply Improvement Project (GMWSIP), Hopeton Road to Waltham Road

3.16 To carry out the construction of transmission mains (nominal diameter ductile iron) from Hopeton Road to Waltham Road, NWC awarded a contract dated July 21, 2022, to Contractor 3, at a sum of \$84.2 million. The works contract stated that works should commence 14 days after the commencement date. NWC also awarded a contract for \$36.9 million to another contractor, Contractor 4 on July 24, 2022, to supply the required pipelines to construct the transmission main. The contract stipulated that the supplier should deliver the pipes within 60 to 90 days following the contract's effective date. However, the pipes were not supplied until January 2023. Further, our review of NWC's records found that the contract sum for the supply of pipelines was revised from \$36.9 million to \$44.3 million, reflecting a 20.1 per cent increase, which NWC attributed to increase in raw material and shipping cost.

3.17 The works contract (Contractor 3) was scheduled to start March 6, 2023, and to be completed by September 6, 2023. However, the contract was delayed by 28 months and 20 days, only reaching practical completion in January 2026. Our review of NWC's Contract Implementation Tracker (CIT) showed that delays in the implementation of the contract were primarily due to issues encountered during work, which included several leaks. NWC attributed these leaks to several factors, such as the contractor's failure to provide adequate thrust blocks at the bulkheads, contractor's plumber not adequately tightening the nuts and bolts, and damage to the stanchion caused by the backhoe operator during excavation of the thrust block. Furthermore, NWC's records highlighted the contractor's failure to adhere to the specified depth requirements, as well as not having certain critical resources⁷. However, we did not see any evidence that NWC enforced the "delay damages"⁸ clause of 0.5 per cent of the contract price per day. As of March 2026, NWC record showed that only \$55.1 million (65 per cent of the contract sum) was certified.

Management Response September 28, 2025

"The NWC indicated letters issued to the Contractor on the following dates:

- 2023 December 13
- 2024 March 28
- 2024 June 26

The delays experienced on the project were attributed to several factors, including:

- *The inconsistent reliability of trenching machines used for rock cutting;*
- *The Contractor's failure to accurately identify the locations of pipe leaks and to address them within a reasonable timeframe;*
- *Insufficient cash flow on the part of the Contractor, which hindered the ability to maintain the required rate of progress on the works.*

It was not considered prudent for the NWC to terminate and assume the risk of locating and fixing/correcting the leaks as this could have been an open-ended exercise, both for time and cost."

⁷ Critical resources referred to the unavailability of backhoe and water truck due to financial constraints.

⁸ The "delay damages" clause enables the Procuring Entity to be compensated at a pre-determined rate for losses incurred due to the Contractor's failure to complete the work on time.

Case Study 2: NWC's delay in providing the required pipelines and settling time and cost claims led to costly termination requests.

Greater Mandeville Water Supply Improvement Project (GMWSIP), Kingsland to Greenvale Transmission

3.18 In February 2022, NWC entered into a contract with Contractor 5 valued at \$136.5 million for the supply of ductile iron (DI) pipes to be used in the construction of 4.8 kilometres of transmission main from Kingsland to Greenvale in Mandeville, as part of the Greater Mandeville Water Supply Improvement Project. Our review of NWC's records found that the contractor did not deliver the pipes until March 2023, although the contract stipulated that the pipes were to be provided within 60 to 90 days following the date of effectiveness of the contract. We also found that the contract sum was revised to \$286.1 million, representing an increase of 109.6 per cent. Although the revised contract sum of \$286.1 million was earmarked, NWC did not provide evidence of payment to the contractor as of March 2026.

Management Response

September 28, 2025

"Following agreement, the supplier indicated price increases directly as a result of the Covid-19 pandemic and the Russian/Ukrainian war, specifically: iron ore and oil prices; cancellation of export tax rebate concession to factories by the Chinese government and exceptional freight and container prices. The NWC independently verified these factors and sought and obtained approval from the PPC and Cabinet (Decision No. 7/23). This delayed the actual start of the contract consequently, liquidated damages would not have applied."

January 13, 2026

"It is to be acknowledged that the contract performance issues cited occurred during FY2019/20 through FY2022/23, a period characterized by:

- *COVID-19 Pandemic Impacts: Border closures, shipping disruptions, material shortages*
- *Global Supply Chain Crisis: Container shortages, port congestion, freight cost escalations of 300-500%*
- *Commodity Price Volatility: Steel prices increased 200%, PVC pipe costs rose 150-180%*
- *Labour Availability Issues: Quarantine requirements, movement restrictions, workforce disruptions*
- *Contractor Solvency Challenges: Multiple suppliers faced financial distress*

These unprecedented external factors affected virtually all infrastructure projects globally. NWC's response balanced contract enforcement with pragmatic recognition of force majeure circumstances and the imperative to complete essential water infrastructure.

The NWC sought and obtained confirmation of the factors contributing to the increase and independently verified these factors. PPC approval for the additional amount was received December 2022. This delayed the actual start of the contract; consequently, liquidated damages would not have applied."

3.19 To undertake the works contract from Kingsland to Greenvale in Mandeville, NWC awarded a contract dated June 14, 2022, to Contractor 6 valuing \$161.5 million for a six-month duration. NWC indicated that the works were scheduled to commence on June 28, 2023 and to be completed on December 28, 2023. However, in March 2025, 15 months after the scheduled completion date, the contract works had not commenced. NWC records attributed the delay to the contractor's inability to obtain the required NWA's approval of traffic management plan (a four-month delay) as well as concerns regarding the posting of a performance bond of \$66.24 million requested by NWA. In March 2024, NWC informed the contractor that the requirement for the five-year performance bond had been waived by NWA.

3.20 NWC’s internal correspondence indicated that the contractor submitted initial claims for payments of \$21.6 million related to delays and extension of time, as of May 2, 2024. The contractor also outlined in a letter of termination dated March 17, 2025, that a meeting was held with NWC in April 2024 to discuss extension of time and associated costs, and that a request was made to submit relevant claims and estimates for processing. The contractor indicated that costs incurred to date were submitted in May 2024, and that the clarification requested by NWC was provided in July 2024. The contractor further noted that, as of February 2025, NWC had not responded to the clarification letter sent in July 2024 or the reminder letter dated December 2024. Consequently, the contractor submitted a termination claim for \$38.9 million. To date, NWC records show that no payment has been made to the contractor, and the contract has not been terminated.

Management Response September 28, 2025

“We acknowledge the concerns raised. Key factors influencing this project include:

- *There was no regulatory or other impediment to the commencement of the works once the NWA provided their response to the contractor in 2023 October 30.*
- *NWC made recommendation for the termination of the contract.*
- *The NWC through letter dated 2025 March 27 requested further documentation and clarification from the contractor as it pertains to items in their termination claim, no response has been had since.”*

Case Study 3: NWC did not ensure the timely availability of materials, delaying the commencement of works.

Greater Black River Water Supply Project, Sandy Ground to Black River Transmission Main

3.21 On November 8, 2017, NWC awarded a \$67.9 million works contract to Contractor 7 for the construction of ductile iron pipeline from Sandy Ground to Exchange. To enable these works, the Commission entered a separate contract for the supply of pipes and other materials. We found that despite the finalisation of the works contract in 2017, the works were not scheduled to commence until July 15, 2019, that is, 20 months after the contract date, because NWC did not make the pipes available until June 2019.

3.22 NWC’s Management indicated that up to August 2020, pipelines were installed; however, the contractor was unable to prove compliance with the specifications outlined in the contract. NWC’s records indicated that works remained incomplete as at July 2021 when the project was abandoned by the contractor due to internal organisational issues, approximately 16 months after the scheduled completion date. To date, the termination process remains incomplete. Our review of NWC’s records found that this was partly due to the non-responsiveness of NWC’s legal department, following earlier communications from E&CP on October 8, 2024, and December 2, 2024. Due to the contractor’s inability to complete the associated works, NWC awarded a \$23.6 million contract in March 2023 to Contractor 8 to complete the works within a three-month duration.

Management Response September 28, 2025

“We acknowledge the concerns raised. Key factors influencing this project:

The contractor [Name redacted] essentially abandoned the work July 2021.

Timeline Impact: Laying of the 250mm diameter ductile iron pipeline was completed by August 2020, however, the contractor was not able to prove the water tightness of the entire 250mm diameter pipeline as constructed.”

There were several extenuating circumstances which impacted on the Contractor’s performance including the COVID pandemic and the death of the principal of the construction company.

Further after all the pipes were installed, the NWC did not consider it prudent to terminate and assume the risk of locating and fixing / correcting (any) leaks as this could have been an open-ended exercise, both for time and cost.

Regarding Liquidated Damages, the considerations when applying NWC's liquidated damages policy must balance:

- *Contract enforcement and accountability*
- *Force majeure recognition for documented external factors*
- *Project completion priorities (delay damages vs. termination/re-tender costs)*
- *Contractor viability assessment (enforcement vs. insolvency risk)*

During the review period, several contractors demonstrated good faith efforts despite external challenges. In such cases, NWC prioritized project completion over punitive damages that could have forced Contractor withdrawal and extended delays.

The records nevertheless also show that contractual instructions were issued by NWC to the Contractor of the unsatisfactory performance as well as associated remedies.”

GLOSSARY OF KEY TERMS

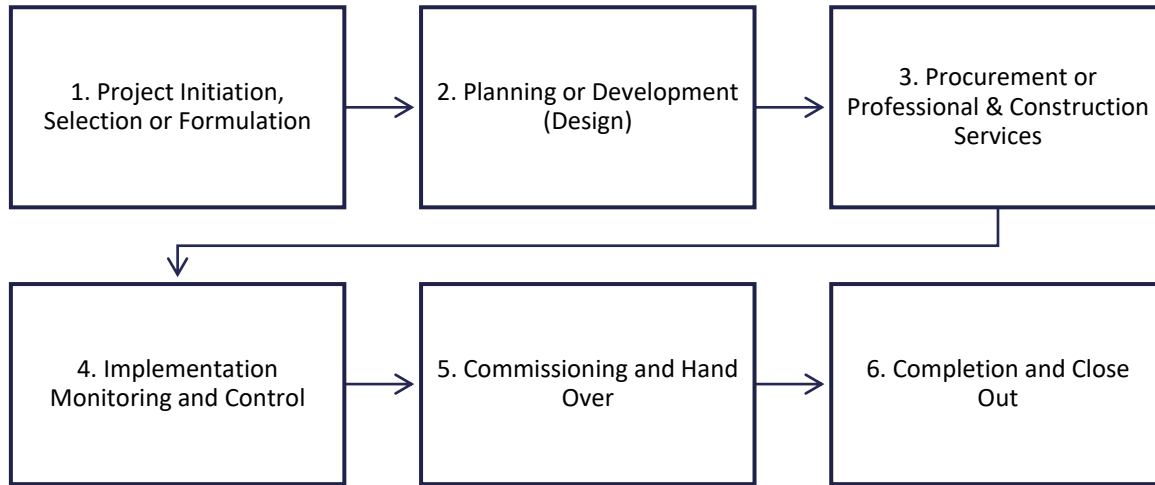
The following terms are used throughout this report. Plain language explanations are provided to assist all readers.

Term	Plain Language Explanation
Annual Price Adjustment Mechanism (AnPAM)	A percentage increase applied to NWC's water tariff each year, approved by the Office of Utilities Regulation (OUR), to account for inflation, foreign exchange movements, and rising energy costs.
Audited Financial Statements	A formal financial report, verified by an independent external auditor, showing an organisation's income, expenditure, assets, and liabilities. All public bodies must submit these annually under the PBMA Act.
Budget Credibility	<p>The degree to which a government or public body achieves the financial targets set out in its approved budget. Budget credibility can be assessed from two perspectives: (1) The standard view defines budget credibility as an entity's ability to achieve its revenue and expenditure targets within a fiscal year, with an emphasis on predictability, reliability, and execution. (2) The broader view extends beyond the achievement of targets to assess overall budget performance, including the effectiveness of budget formulation, adherence to Public Financial Management rules, and the budget's effectiveness in delivering public goods and services.</p> <p>A credible budget is realistic, transparent, and executed as promised.</p>
Capital Budget	The amount of money planned for building, repairing, and replacing long-term physical assets — in NWC's case, water pipes, pumping stations, treatment plants, and related infrastructure.
Capital Investment Plan	NWC's 15-year plan (2015–2030) identifying 17 priority water and wastewater projects at an estimated total cost of US\$3.3 billion.
Capital Works Programme	The annual list of capital projects to be undertaken by NWC, including the planned budget for each project, submitted to the Ministry of Finance as part of the Corporate/Budget Call process.
Certified Expenditure	The portion of spending that has been officially checked and approved as accurate and eligible for funding.
E&CP Division	Engineering and Capital Projects Division — the NWC unit primarily responsible for planning, procuring, managing, and reporting on capital works.
Financial Completion	The extent to which payments made and certified to date represent fulfilment of the financial value of a signed contract, typically expressed as the ratio of actual certified expenditure to the total contract sum.
Financial Information Management System (FIMS)	An integrated computer system used to manage all financial transactions, records, and reporting. NWC implemented Microsoft Dynamics 365 as its FIMS, at a cost of at least US\$3.6 million.
Impact or Development Fees	Impact or Development fees are imposed by NWC on new development projects to enable NWC to recover a portion of the capital costs associated with the improvement, expansion or creation of the potable water or sewerage facilities required by the new development.
K-Factor	A pre-determined percentage charged on every customer's water bill, collected specifically to fund approved capital improvement projects. Over the review period, the K-Factor generated \$22.9 billion.

Term	Plain Language Explanation
Key Performance Indicator (KPI)	A measurable target used to assess whether an organisation is achieving its strategic goals. NWC's KPIs include water access rates, non-revenue water, energy efficiency, and billed revenue.
Liquidated Damages	Pre-determined, agreed-upon financial penalties stipulated in a contract that a supplier or contractor must pay if they fail to meet specific obligations, most commonly completing a project or delivering goods on time.
Short-Term Liquidity	A measure of an organisation's ability to pay its short-term bills using cash and near-cash assets (such as money in the bank and amounts customers owe that are about to be collected). It is expressed as cents available per dollar of short-term bills — anything less than a dollar means the organisation cannot fully cover those bills from ready funds. NWC had 50 cents per dollar of short-term bills in FY2023/24, down from 80 cents in FY2016/17.
Non-Revenue Water (NRW)	Water that is pumped into the distribution system but never billed to customers — lost through pipe leaks, theft, or metering errors. NWC's NRW was approximately 72 per cent of production in FY2024/25, meaning roughly 72 cents in every dollar's worth of water produced generated no revenue.
PBMA Act	Public Bodies Management and Accountability Act — the legislation governing how Jamaican public bodies must manage finances, report to the Government, and be held accountable to Parliament and the public.
Payables	Money owed by NWC to contractors and suppliers for goods and services already received but not yet paid for.
Practical Completion	The stage in a capital project at which the works are sufficiently complete in accordance with the contract such that the asset can be occupied, used, or operated for its intended purpose, despite the existence of minor outstanding defects or omissions that do not materially affect functionality, safety, or statutory compliance.
Qualified Audit Opinion	A formal statement by an external auditor indicating that, except for a specific problem, the financial statements are fairly presented. NWC received a qualified opinion on its FY2020/21 statements because auditors could not verify key financial balances.
Receivables	Money owed to NWC by customers for services that have already been delivered.
SDG-6	Sustainable Development Goal 6 — the United Nations goal to ensure availability and sustainable management of water and sanitation for all people by 2030. NWC's mandate is directly linked to this goal.
Time Overrun	When a project takes longer to complete than its planned schedule.
Water Supply Improvement Plans	Parish-level plans prepared by NWC that identify gaps in water supply systems, assess production capacity, and project population demand up to 2030, forming the basis of the Capital Investment Plan.

APPENDICES

Appendix 1: Capital Work Process



Source: AuGD's Compilation of NWC's Records

Appendix 2: E&CP Division's Selection Process for Capital Projects

No.	Process	Key Steps	Responsibility	Output	Status
1	Conduct Preliminary Study	An analysis of the project requirements, including: <ol style="list-style-type: none"> Review of existing infrastructure Estimation of preliminary cost Assessment of project beneficiaries Feasibility study Needs analysis Identification of stakeholders including users and support personnel Project particulars such as tasks, deliverables and schedule Environmental considerations 	E&CP Systems Planning and Water Resource (SP&WR) Unit	Preliminary Engineering Report	Received 11 of 23 reports requested
2	Review Preliminary Engineering Designs for Detailed Design	<ol style="list-style-type: none"> Review Preliminary Engineering Reports. Determine which recommendations would proceed to the Detailed Design Process. 	E&CP Design Review Committee	<ul style="list-style-type: none"> List of recommendations to proceed for Detailed Designing Design Review Committee Meeting Minutes 	None Received
3	Develop Detailed Designs and Prepare Documentation	<ol style="list-style-type: none"> Development of Detailed Designs - this included an outline of the project details such as: <ol style="list-style-type: none"> Work items and quantities Technical specifications Contract conditions Procurement strategy and work packaging Implementation schedule Detailed cost estimate Land acquisition plan External consultations were held with regulatory agencies including National Works Agency (NWA), Water Resources Authority (WRA) and National Environment and Planning Agency (NEPA). 	E&CP Engineering Design and Standards (Eng. D&S) Unit	<ul style="list-style-type: none"> Detailed Design Reports Project Profiles 	<p>No Detailed Design Reports Received</p> <p>Received all requested Project Profiles</p>

No.	Process	Key Steps	Responsibility	Output	Status
		<ol style="list-style-type: none"> 3. Peer reviews were conducted to verify cost estimates. 4. Project Profiles were prepared. 			
4	Procurement and Contract Approval	<ol style="list-style-type: none"> 1. Procurement of materials such as pipes. 2. Procurement of construction works, including: <ol style="list-style-type: none"> a) Invite qualified entities to submit bids for contracts. b) Receive and Opening of Bids. c) Evaluate bids and make a recommendation for the award of the contract. d) Approval of Contract Award Recommendation by the Board e) Contract Signing 	E&CP Division	<ul style="list-style-type: none"> • Bid Evaluation Report • Signed Contract Agreement 	Received contracts for 17 of 23 projects
5	Prioritisation	<ol style="list-style-type: none"> 1. Prepare list of projects -Relevant Departments recommended projects and contracts to be included in the budget for execution. 2. Submission to NWC's Finance Division for review. 	Divisional Operations EDPM Department E&CP Division	Proposed capital works and related expenditure	Received
6	Compilation of Capital Works Programme	<ol style="list-style-type: none"> 1. Review and revision – NWC's Finance Division reviewed the proposed expenditures, provided feedback to the respective Departments and revisions were made. 2. Compilation of Projects - NWC's Finance Division compiles the proposed projects into the Capital Works Programme. 3. Board Approval - Draft Capital Works Programme was submitted to the Finance Committee. The Committee presented the Programme to the Board for approval. 4. Submission to the MoFPS 	NWC Finance Division NWC Finance Committee	Draft Capital Programme (Board of Directors approval and submission to MoFPS)	Received

No.	Process	Key Steps	Responsibility	Output	Status
7	Finalisation of Capital Works Programme and Expenditure Budget	<ol style="list-style-type: none"> 1. MoFPS Review and Feedback was provided to NWC's Finance Division and shared with relevant Regional Managers. 2. Review of Projects and Budget - Draft Capital Works Programme was revised and submitted to the Chief Financial Officer (CFO) and Finance Committee 3. Preparation of Final Capital Works Programme. 	<p>NWC Finance Division</p> <p>NWC Finance Committee</p>	Final Capital Programme (MoFPS for comments/non-objection)	Received

Source: AuGD's Compilation of NWC's Records

Appendix 3: Comparison of Approved Budget Allocations and Contract Sums in millions

No.	Project	Parish	Contract Description	Contract Sum	Budget Allocation		Contract Date	Budget Approval Year
					Contract	Project		
1	Greater Mandeville Water Supply Improvement Project - Phases 1A and 1B	St. Elizabeth	Construction of Motor Control Building, Old Pepper Well Station	24.9	30.0	1,500.0	August 25, 2023	FY2020/21
			Supply and Installation of a 200,000 Imperial Gallons Glass Fused Galvanized Bolted Steel Tank at Pepper No. 3 Well Site	46.3	8.0		January 14, 2021	FY2020/21
		Manchester	Construction of approximately 3.0km of Nominal Diameter Ductile Iron Transmission Main from Hopeton Road to Waltham Road	84.2	50.0		July 21, 2022	FY2020/21
			Construction of approximately 4.8km of Transmission Main including Distribution Pipeline from Kingsland Road to Greenvale Road	161.5	75.0		June 14, 2022	FY2020/21
			Construction of approximately 2.0km of Nominal Diameter Ductile Iron Transmission Main from Waltham Road to NHT's Perth Development Tank	43.1	20.0		December 3, 2020	FY2020/21
		St. Elizabeth/Manchester	Construction of approximately 6km of Nominal Diameter Ductile Iron Transmission Main from the Old Pepper Well Site to Gutters Relift Station	331.6	70.0		December 19, 2023	FY2020/21
2	Wakefield to (Duhaney Crossing) Bunkers hill	Trelawny	Construction of approximately 4.1 Km of Nominal Diameter Ductile Iron Transmission Main, and	69.1	Not Provided	70.0	December 23, 2019	FY2020/21



No.	Project	Parish	Contract Description	Contract Sum	Budget Allocation		Contract Date	Budget Approval Year
					Contract	Project		
	Pipe Replacement Project - Phase 1		1.4km of Nominal Diameter PVC Distribution Pipeline from Wakefield Square to Duhaney Crossing					
3	Horizon Park Wastewater Treatment Plant (WwTP) Rehabilitation and Upgrading Works	St. Catherine	Upgrading And Expansion to a 450,000 GDP WwTP	US\$ 2.0 (Materials US\$ 1.6M + Construction US\$ 0.4M)	63 (equal to US\$0.4 million)	70.0	April 30, 2019	FY2021/22
4	Jericho Water Supply Improvement Project-Phase 1	St. Catherine	Works for the Installation of 800m of Diameter Ductile Iron Pipes and Fittings	39.5	39.5	75.0	March 7, 2023	FY2023/24
5	Maggotty Water Supply Project	St. Elizabeth	Supply and Delivery of 6.5km of Nominal Diameter Ductile Iron Pipes and Associated Fittings	43.9	Not Provided	117.9	December 6, 2023	FY2023/24
6	Rhyne Park/Edmund Ridge Water Supply Improvement Project	St. James	Works for the Construction of Motor Control Centre Building, Fencing of Property and Repairs to Access Road	12.4	12.5	302.0	June 12, 2023	FY2024/25
7	Discovery Bay (Camelot) Water Supply Improvement Project	St. Ann	Extension of Motor Control Centre Building, Fabrication of 20,000 Gallons Steel Tank and Construction of Tank Base, Rosemount Well Station	21.2	20.0	85.0	October 23, 2023	FY2024/25

Source: AuGD's Analysis of NWC's Contracts and Project Profiles

Appendix 4: Funding Sources for a Sample of Capital Projects

No.	Project	Sub-component	Project Profile	Funding Source in Annual Capital Expenditure Budget				
				FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
1	Kingston Metropolitan Area (KMA) Water Supply Improvement Programme	N/A	Loan	Loan	Loan	Loan	N/A	N/A
2	Essex Valley Water Supply & Upgrade Project	N/A	Not Stated	K-Factor	Internally Generated Funds	K-Factor	N/A	N/A
3	Roaring River/Greater Savanna-la-Mar Water Supply Rehabilitation & Upgrading Project (Phase 1) - Dunbar's Corner to Mannings School Transmission main Replacement	N/A	Not Stated	K-Factor	K-Factor	K-Factor	N/A	N/A
4	Decommissioning of Tawes Pen and Upgrading of Horizon Park Wastewater Treatment Plants (WwTPs)	N/A	Not Stated	K-Factor	K-Factor	K-Factor	Loan	K-Factor
5	Eltham Park WwTP Rehabilitation	N/A	Not Stated	K-Factor	K-Factor	K-Factor	Loan	K-Factor
6	Duhaney Park Sewerage Force Main	N/A	Not Stated	K-Factor	K-Factor	K-Factor	N/A	N/A
7	Greater Mandeville Water Supply	N/A	Internally Generated Funds/K-Factor/Loan	K-Factor	NHT Loan, NHT Grant and Impact Fee	K-Factor/NHT	Loan	Internally Generated Funds/K-Factor
8	Operational Efficiency Improvement (Tank & Pump)	N/A	K-Factor/Bonds	K-Factor	K-Factor	K-Factor	Loan	Loan
9	Agualta Vale Supply Mains Replacement & Upgrading - Agualta Vale/Richmond Highgate	N/A	Not Stated	Internally Generated Funds	K-Factor	K-Factor	N/A	K-Factor

No.	Project	Sub-component	Project Profile	Funding Source in Annual Capital Expenditure Budget				
				FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
10	Christiana Spalding WS, Moravia WTP Rehabilitation	Rehabilitation & /or Upgrading of Potable Water Treatment Plants	Internally Generated Funds	Internally Generated Funds	Internally Generated Funds	N/A	N/A	N/A
		Moravia WTP Access Road Bridge Rehabilitation	Internally Generated Funds	N/A	N/A	K-Factor	N/A	Internally Generated Funds
11	Wakefield (Duhaney Crossing)/Bunkers Hill Mains Upgrading - Phase 1	N/A	Internally Generated Funds/K-Factor	N/A	K-Factor	K-Factor	Loan	N/A
12	The Rock River Water Supply Improvement Works	N/A	Not Stated	N/A	Internally Generated Funds	N/A	N/A	K-Factor
13	Dornoch & Greater Dornoch Water Supply Rehabilitation and Upgrading Project	Baron Hill Reservoir Replacement Works	Not Stated	N/A	N/A	N/A	N/A	K-Factor
		Dornoch WTP to Baron Hill Reservoir Transmission Main Replacement		N/A	N/A	K-Factor	Loan	K-Factor
		Baron Hill Reservoir to Samuel Prospect		K-Factor	K-Factor	K-Factor	N/A	N/A
14	Hounslow Water Supply	N/A	Not Stated	N/A	K-Factor	K-Factor	Loan	Loan
15	Jericho Well No.1 to Ewarton /York Street Pipe Upgrade	N/A	Internally Generated Funds	N/A	N/A	K-Factor	Loan	Loan
16	Maggotty WS: Extension from Maggotty to Newton	N/A	Not Stated	N/A	N/A	K-Factor	N/A	Internally Generated Funds



No.	Project	Sub-component	Project Profile	Funding Source in Annual Capital Expenditure Budget				
				FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2023/24
17	Black River Water Supply Rehabilitation & Upgrading Project	Sandy Ground/Black River Mains Replacement	Not Stated	K-Factor	K-Factor	K-Factor	N/A	N/A
		Exchange Drive to Town Centre Mains Replacement		N/A	N/A	K-Factor	Loan	N/A
		Town Centre to Arlington		N/A	N/A	K-Factor	Loan	N/A
18	Morant Bay Water Supply - Springfield Well Station Upgrading Works	N/A	Internally Generated Funds	N/A	N/A	N/A	Loan	Loan Deposits
19	Mona Heights Sewers - Carnation Way; Spathodia; Bouganvila; Gardina Ave. Sewers	N/A	Final Profile Not Provided	N/A	K-Factor	K-Factor	Loan	K-Factor
20	Juno Crescent Water Supply Improvement Project	N/A	Internally Generated Funds	N/A	N/A	N/A	N/A	Internally Generated Funds
21	Rhyne Park Water Supply Upgrading; Rhyne Park/Edmund Ridge M&E and Pipeline Construction	N/A	Internally Generated Funds	N/A	N/A	N/A	N/A	Internally Generated Funds
22	Rosemount/ Camelot/Discovery WS Upgrade - Supply & Installation of Pipelines, Storage tanks and M&E Equipment	N/A	Internally Generated Funds	Internally Generated Funds	Internally Generated Funds	N/A	N/A	Internally Generated Funds
23	Port Antonio WwTP Installation of Sewer Lateral Connections Titchfield High School, Port Antonio Hospital and Calder Park (and the Craft Village) etc.	N/A	Not Stated	N/A	N/A	N/A	Loan	Internally Generated Funds

Source: AuGD's Compilation of NWC's Project Profiles and Capital Expenditure Budgets



Appendix 5: Analysis for Aging Receivables as at March 2026 (in \$billions)

Receivables	0–30 days	31–60 days	61–90 days	Over 90 days	Total
Gross Receivables					
Commercial	0.26	0.22	0.21	1.94	2.62
Condominium	0.02	0.01	0.01	0.18	0.22
Employee	0.00	0.00	0.00	0.00	0.00
Government	0.31	0.24	0.23	3.84	4.62
Residential	0.68	0.40	0.37	14.91	16.35
School	0.03	0.00	0.00	0.02	0.05
	1.29	0.88	0.82	20.89	23.88
Provision for Bad Debt	0.34	0.3	0.35	18.31	19.29
Net Receivables	0.96	0.58	0.47	2.59	4.59

Source: NWC Payable and Receivable Schedules



Appendix 6: Review of Time Performance for 50 contracts (FY2019/20-FY2024/25)

Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
Essex Valley Water Supply and Upgrade	1	Construction of New Building Distribution Pipeline	Contractor 10	July 1, 2021	February 2, 2022	July 1, 2022	4 months, 29 days	C
	2	Essex Valley: Myersville to Nain	Contractor 11	October 31, 2017	March 2018	May 1, 2019	14 months	C
Roaring River/Greater Savanna-la-mar Water Supply - Dunbar's Corner Mannings to Hill School	3	Supply of 1.0km Nominal Diameter Polyvinyl Chloride (PVC) Pipes.	Contractor 5	NP	NP	August 2019	-	C
	4	Construction of 1.0km of 16" Nominal Diameter PVC Transmission	Contractor 9	NP	NP	-	-	T
Greater Black River Water Supply: Sandy Ground to Exchange	5	Supply of Pipes, Fittings and Appurtenances for 6km Pipeline	Contractor 5	NP	NP	NP	-	C
	6	Construction Works (See Case Study 5)	Contractor 7	July 15, 2019	March 15, 2020	-	16 months, 15 days	T ¹²
	7	Reinstatement of Pipeline Trench	Contractor 8	March 28, 2023	May 28, 2023	June 14, 2023	17 days	C
Greater Black River Water Supply: Middle Quarters (Charley Gallon Corner) to New Holland Distribution	8	Construction, Testing and Commissioning into Service Approximately 0.9 km of 150 mm Nominal Diameter Ductile Iron Distribution Main Pipeline	Contractor 12	November 20, 2023	April 22, 2024	June 27, 2024	2 months, 5 days	C

⁹ Start and scheduled completion dates reflect contractual Period of Performance.

¹⁰ Actual completion date is based on Practical Completion.

¹¹ Time elapsed is the time between the scheduled completion and the actual completion date for completed contracts. For contracts that are on hold, incomplete or in the process of termination, time elapsed was calculated as the time between the scheduled completion and March 23, 2026.

¹² For Contract 6, the contract was abandoned July 30, 2021, which is the date used to calculate the time elapsed.



Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
Horizon Park Wastewater Treatment (WwTP) Rehabilitation	9	Upgrading of Rehabilitation of the Tertiary Treatment Plant	Contractor 13	May 2019	September 2020	May 1, 2021	8 months	C
	10	Construction of Reinforced Perimeter Block Boundary Wall	Contractor 14	June 1, 2021	October 2021	December 2021	2 months	C
	11	Construction of Reinforced Concrete Station Control Building	Contractor 15	September 1, 2020	January 1, 2021	February 1, 2022	13 months	C
Eltham Park WwTP Rehabilitation & Upgrading	12	Phase 1A: Reconstruction of Boundary Walls & Related Civil Works	Contractor 14	January 1, 2019	May 2019	October 2019	5 months	C
	13	Modification of the Motor Control Centre (MCC) Building & Reconstruction of Control Building	Contractor 15	January 1, 2019	May 2019	April 2020	11 months	C
	14	Phase 1C: Rehabilitation and Modification of the Oxidation Ditch and Headworks	Contractor15	April 2019	July 1, 2019	February 2021	19 months	C
	15	Rehabilitation of Sludge Pump Building and Modification of Chlorine Disinfectant	Contractor 16	June 2021	November 2021	March 2022	4 months	C
	16	Emergency Work Phase 2: Rehabilitation of Collapsed Oxidation Ditch Walls	Contractor 14	July 2020	November 2020	July 31, 2020	-	C
Duhaney Park Sewerage Force Main Replacement	17	Supply Of 900m of 375mm /400mm Nominal Diameter Pressure PVC Pipes and Appurtenance.	Contractor 12	NP	NP	NP	-	C

Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
	18	Replacement of the Existing 375mm Corroded Steel Pipes with 900m of 375/400mm Nominal Diameter Pressure PVC Pipes and Appurtenances	Contractor 17	October 2020	June 2021	November 2021	5 months	C
Greater Mandeville Water Supply Improvement Project (GMWSIP)	19	Phase 1A-2: Supply & Delivery of Nominal Diameter Ductile Iron Pipes and Associated Appurtenances for Kingsland to Greenvale Road Pipeline	Contractor 5	NP	NP	March 2023	-	C
	20	Phase 1B-2: Construction of Approximately 4.8km Transmission Main to Include Distribution Pipeline from Kingsland Road to Greenvale Road	Contractor 6	June 28, 2023	December 28, 2023	-	26 months, 23 days	T
	21	Phase 1A-3: Supply & Delivery of 400mm, Nominal Diameter Ductile Iron Pipes and Associated Appurtenances for Hopeton Road to Waltham Road	Contractor 4	NP	NP	NP	-	C
	22	Phase 1B-3: Construction of Approximately 3.0 km of 400mm Nominal Diameter Ductile Iron Transmission Main from Hopeton Road to Waltham Road	Contractor 3	March 6, 2023	September 6, 2023	January 26, 2026	28 months, 20 days	C
	23	Phase 1B-9 & 10 (Gutters & Spur Tree): Installation of Four Flowserve Horizontal Pumping Units	Contractor 18	January 23, 2024	May 23, 2024	May 5, 2025	11 months, 12 days	C

Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
	24	Phase 1B-7 (Old Pepper Well Site to Gutters): Relift Station Transmission Main Replacement Construction of approximately 6km of 600mm Nominal Diameter Ductile Iron Transmission Main	Contractor 10	September 9, 2024	December 9, 2025	-	3 months, 14 days	IC
	25	Phase 1B-22: Construction of Medium Voltage MCC Building at the Old Pepper Well Station	Contractor 19	January 5, 2024	November 5, 2024	July 25, 2025	8 months, 20 days	C
Dornoch WTP to Baron Hill Reservoir to Samuel Prospect Transmission Replacement	26	Construction of 8.10km of 225mm PVC transmission & 3.0km of 2" PVC distribution pipeline	Contractor 20	April 12, 2021	February 11, 2022	May 18, 2022	3 months, 7 days	C
Hounslow Water Supply - Hopewell to Fort Charles	27	Supply & Delivery of (DI) Pipes and associated Appurtenances.	Contractor 5	NP	NP	November 2023	-	C
	28	Construction and Testing of Approximately 8.1km of 150mm (6") Nominal Diameter Iron Transmission Pipeline	Contractor 17	January 2023	July 2023	December 6, 2023	5 months, 5 days	C
Rhyne Park - Edmund Ridge	29	Rhyne No. 2 Relift Station: MCC Construction of Control Building, Access Road & Boundary Fence	Contractor 8	August 3, 2023	October 27, 2023	January 2, 2024	2 months, 6 days	C
Jacks Hill Water Supply	30	Lower Jacks Hill Water Supply: Rehabilitation & Installation of Pump Units at Cookhamdene Pump Station	Contractor 4	May 8, 2023	September 8, 2023	March 20, 2024	6 months, 12 days	C
	31	Lower Jacks Hill Water Supply: Rehabilitation of Jubba Spring Relift Station	Contractor 4	June 12, 2023	October 12, 2023	January 31, 2024	3 months, 19 days	C

Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
	32	Tavistock Booster Pump Station: Installation of Pumps, Motor Control Center (MCC), Pipes Appurtenances, and other site works.	Contractor 10	September 20, 2022	December 20, 2022	August 7, 2023	7 months, 18 days	C
	33	Lower Jacks Hill Water Supply (Tavistock Steel Tank Rehabilitation): Rehabilitation of a one-million-gallon Steel Tank with various appurtenances.	Contractor 20	August 8, 2023	March 29, 2024	November 8, 2024	7 months, 10 days	C
Agualta Vale Supply Mains Replacement & Upgrading	34	Agualta Vale Plinth Installation: Supply of Materials and Labour to Construct the Concrete Plinth for Pad-Mount Transformer, Fencing of The Area and Construction of Earth Pit for Adequate Grounding	Contractor 20	August 31, 2023	November 30, 2023	January 2, 2024	1 month, 3 days	C
	35	Agualta Vale Nutsfield: Construction of Pump base and Pump Installation	Contractor 21	December 2, 2022	April 2, 2023	June 5, 2023	2 months, 3 days	C
	36	Agualta Vale to Highgate: Civil Works & Pump Installation	Contractor 21	July 11, 2023	November 11, 2023	December 11, 2024	13 months	C
Port Royal Water Supply	37	Installation of Two Vertical Sump Pumps at Port Royal Reservoir	Contractor 15	October 23, 2023	February 23, 2024	March 18, 2024	24 days	C
	38	Port Royal Reservoir: Reroofing of Potable Water Tank, Boundary Fence of Station & Rehabilitation & Expansion of Control Building	Contractor 19	November 11, 2022	March 11, 2023	November 30, 2023	8 months, 19 days	C

Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
Prospect Bridge Repair & Access Road	39	Construction of access road and gabion retaining and abutment structures for repair of the Prospect Pump Station Access Bridge	Contractor 22	January 5, 2024	April 5, 2024	-	23 months, 18 days	T
Springfield Relift Station: Construction of Concrete Plinth for Pad-Mount Transformer	40	Installation of chain-link fence and earthwork improvements for the installation of Jamaica Public Service Company (JPS) Pad-Mount Transformer	Contractor 20	August 29, 2023	November 30, 2023	January 2, 2024	1 month, 3 days	C
Jericho Water Supply: Pipeline Replacement	41	Installation of Approximately 800m of 400mm Diameter Ductile Iron Pipes and Fittings from Jericho Well Station to Nutshell Transmission Main on the Ewarton to Linstead Main Road	Contractor 23	July 3, 2023	January 12, 2024	November 1, 2023	-	C
Morant Bay Water Supply Improvement Project	42	Electrical Installation Works (Springfield Pumping Station): Installation of New MCC and Associated Works to Operate Pumping Units for Morant Bay, Seaforth and New Well Pumps	Contractor 24	January 15, 2024	June 20, 2024	September 1, 2024	2 months, 12 days	C
Maggoty to Newton Water Supply	43	Supply and Delivery of 6,500m of 100mm and 150mm Nominal Diameter Ductile Iron Pipes and Associated Fittings	Contractor 5	December 27, 2023	November 27, 2024	-	15 months, 24 days	H
Rosemount/Discovery Bay	44	Extension of MCC Building, Fabrication of 20,000 Gallons	Contractor 25	November 29, 2023	March 29, 2024	June 7, 2024	2 months, 9 days	C

Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
(Camelot) Water Supply		Steel Tank, and Construction of Tank Base						
Five (5) Glass-Fused-to-Steel Bolted Potable Water Steel Tanks	45	The Supply, Erection, and Interconnection of Five Glass-Fused-to-Steel (GFS) Portable Water Tanks: 1. Hope Tank, St. Andrew 2. Griffin River, East Rural St. Andrew 3. Mount Airy, West Rural, St. Andrew 4. Happy Grove, St. Elizabeth 5. New Market / Lewisville, St. Elizabeth	Contractor 13	September 30, 2023	NP	December 20, 2024	-	C
Rock River Water Supply	46	To Repair Horizontal Steel Storage Tank	Contractor 15	October 2, 2023	December 21, 2023	August 29, 2025	20 months, 8 days	C
Spathodia Avenue	47	Sanitary Collector Sewers Extension: Construction of Approximately 450 m of Collector Trunk Sewers	Contractor 26	April 3, 2023	September 3, 2023	December 22, 2023	3 months, 19 days	C
Bougainvillea Avenue	48	Sanitary Collector Sewers Extension: Construction of Approximately 950 m of Collector Trunk Sewers	Contractor 26	November 14, 2022	May 12, 2023	October 4, 2023	4 months, 22 days	C
Gardenia Avenue	49	Sanitary Collector Sewers Extension: Construction of Approximately 800 m of Collector Trunk Sewers	Contractor 10	November 21, 2022	July 21, 2023	November 20, 2023	3 months, 30 days	C



Capital Project	No.	Contract Description	Contractor	Start Date	Scheduled Completion Date ⁹	Actual Completion Date ¹⁰	Time Elapsed ¹¹	Status
Violet Avenue	50	Sanitary Collector Sewers Extension: Construction of 420 meters of 200 mm Nominal Diameter Collector Sewers together with Seven (7) Sewer Manholes and Twenty-Eight (28) Plot/Side Road Laterals	Contractor 10	March 1, 2024	July 31, 2024	June 26, 2024	-	C

Source: AuGD's Compilation of NWC's Contracts and Contract Implementation Tracker Records

Key

Abbreviation	Description	Number of Contracts
C	Completed	44
IC	Incomplete	1
T	Terminated or in the Process of Termination	4
H	On Hold	1
Total		50