



**PROVINCE OF NEWFOUNDLAND AND LABRADOR
HOUSE OF ASSEMBLY**

Second Session
Fiftieth General Assembly

**Proceedings of the Standing Committee on
Government Services**

April 10, 2025 - Issue 15

Department of Transportation and Infrastructure
Public Procurement Agency

Published under the authority of the Speaker of the House of Assembly
Honourable Derek Bennett, MHA

GOVERNMENT SERVICES COMMITTEE

Department of Transportation and Infrastructure and Public Procurement Agency

Chair: Lucy Stoyles, MHA

Vice-Chair: Lin Paddock, MHA

Members: Joedy Wall, MHA
Perry Trimper, MHA
Sherry Gambin-Walsh, MHA
Jamie Korab, MHA
James Dinn, MHA

Clerk of the Committee: Bobbi Russell

Appearing:

Department of Transportation and Infrastructure

Hon. Fred Hutton, Minister
Cory Grandy, Deputy Minister
Brian Evans, Associate Deputy Minister
Robyn Burse, Assistant Deputy Minister, Building Operations
Justin Garrett, Assistant Deputy Minister, Strategic and Corporate Services
Dan Michielsen, Assistant Deputy Minister, Roads
Darlene Spracklin-Reid, Assistant Deputy Minister, Infrastructure
Keith Maynard, Director of Finance and General Operations
Melony O'Neill, Director of Communications
Mark Vardy, Manager of Budgeting
Dana English, Executive Assistant, Rural and Economic Development

Public Procurement Agency

Hon. Gerry Byrne, Minister
Sean Dutton, Deputy Minister
John Tompkins, Director of Communications
Kerry Chaytor, Executive Assistant to the Minister

Also Present

Hon. Paul Pike, MHA, Minister of Children, Seniors and Social Development
Hon. Sarah Stoodley, MHA, Minister of Immigration, Population Growth and Skills
Hon. Bernard Davis, MHA, Minister of Justice and Public Safety
Barry Petten, MHA
Pleaman Forsey, MHA
Jim McKenna, MHA
Jordan Brown, MHA
Jim Locke, Government Members' Caucus
Nathan Ryan, Official Opposition Caucus
Scott Fleming, Third Party Caucus

Pursuant to Standing Order 68, Paul Pike, MHA for Burin - Grand Bank, substitutes for Sherry Gambin-Walsh, MHA for Placentia - St. Mary's.

Pursuant to Standing Order 68, Barry Petten, MHA for Conception Bay South, substitutes for Lin Paddock, MHA for Baie Verte - Green Bay, for the Department of Transportation and Infrastructure portion of the meeting.

Pursuant to Standing Order 68, Pleaman Forsey, MHA for Exploits, substitutes for Lin Paddock, MHA for Baie Verte - Green Bay, for the Public Procurement Agency portion of the meeting.

Pursuant to Standing Order 68, Jim McKenna, MHA for Fogo Island - Cape Freels, substitutes for Joedy Wall, MHA of Cape St. Francis.

Pursuant to Standing Order 68, Jordan Brown, MHA for Labrador West, substitutes for Jim Dinn, MHA for St. John's Centre.

Pursuant to Standing Order 68, Sarah Stoodley, MHA for Mount Scio, substitutes for Jamie Korab, MHA for Waterford Valley.

Pursuant to Standing Order 68, Bernard Davis, MHA for Virginia Waters - Pleasantville, substitutes for Perry Trimper, MHA for Lake Melville.

The Committee met a 6 p.m. in the House of Assembly Chamber.

CHAIR (Stoyles): Order, please!

Hi. Good evening, everybody.

I'm going to call the meeting to order and thank everybody for coming. Of course, we're starting Estimates now this evening. There are a couple of housekeeping items before we get started.

First of all, we're going to do substitutions: For Baie Verte - Green Bay, Lin Paddock, is

going to be Forsey and Petten; for Cape St. Francis, Joedy Wall, is going to be Jim McKenna; for Perry Trimper is Bernie Davis, for Sherry Gambin-Walsh is Paul Pike, for MHA Jim Dinn is going to be Jordan Brown and for Jamie Korab is Sarah Stoodley.

I ask that you to wave every time when you go to speak so that you can identify yourself, and always say your name and position each time. We ask you not to adjust your seats as other people will be coming back in the morning and in the afternoon and would like to have their seats remain the same. Water coolers are on both sides if anybody would like to have a glass of water.

We will discuss if we're going to take a break and that after the first round, because we're doing Procurement first.

So I'm going to ask everybody now to identify themselves and I'm going start right here.

OFFICIAL: Me?

CHAIR: Yes, please.

CLERK (Russell): Actually, we're going to start with MHA Forsey.

CHAIR: Oh, we're going to start with – sorry.

CLERK: They're technically not here.

CHAIR: Oh, they're not here.

P. FORSEY: They're on the sidelines.

CHAIR: I was looking at – I can't see behind.

P. FORSEY: Pleaman Forsey, MHA for Exploits.

N. RYAN: Nathan Ryan, Communications, Opposition Office.

J. MCKENNA: Jim McKenna, MHA, Fogo Island - Cape Freels.

J. BROWN: Jordan Brown, MHA for Labrador West.

S. FLEMING: Scott Fleming, Researcher, Third Party Caucus.

S. STOODLEY: Sarah Stoodley, MHA for Mount Scio.

B. DAVIS: MHA Bernie Davis for Virginia Waters - Pleasantville.

P. PIKE: Paul Pike, MHA for Burin - Grand Bank.

J. LOCKE: Jim Locke, Researcher, Government Members' Caucus.

CHAIR: All right, Minister.

G. BYRNE: Gerry Byrne, Minister Responsible for the Public Procurement Agency.

S. DUTTON: Sean Dutton, I'm here in my capacity as the Chief Procurement Officer.

K. CHAYTOR: Kerry Chaytor, Executive Assistant to Minister Byrne.

J. TOMPKINS: John Tompkins, Director of Communications.

CHAIR: All right. Thank you.

We will move the minutes now from the previous Committee meeting and I will call for a mover of the motion.

J. BROWN: So moved.

CHAIR: Moved by MHA Brown; seconded by MHA Pike.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, minutes adopted as circulated.

CHAIR: All right.

Now I will ask the minister, I guess, to bring opening remarks.

G. BYRNE: Thank you, Madam Chair, and thank you to colleagues, staff and support for being here this afternoon.

CHAIR: Oh, we have to call the first subhead, first.

G. BYRNE: Oh, we could definitely do that then.

CHAIR: So why don't we call the first subhead first.

CLERK: 1.1.01, Public Procurement Agency.

CHAIR: Minister Byrne.

G. BYRNE: Okay. Again, thank you, Madam Chair.

I'm joined here with Sean Dutton, who is the Acting Chief Public Procurement Officer while we engage in a search, but I want to say how well served we are, not only by Mr. Dutton, but the entire team at the Public Procurement Agency. It's been some very interesting times and this agency has risen to the challenge and then some. We have a small but mighty group assembled here. What we lack in quantity, we make up for in quality.

With that said, I'm going to read a few opening remarks. I suspect that much of the discussion may centre around policy and issues around public procurement given our current environment for trade and tariffs within the trade context. So, with that said, Madam Chair, the Public Procurement

Agency derives its statutory authorities through the 2018 *Public Procurement Act*. This is the act that creates the rules and the circumstances around the bidding process and follows through on our trade obligations.

While current events have been high in profile and have brought the buy local concept to the forefront of public conscientiousness, government did have a forward-thinking procurement strategy well before 2025 and, already, that has put us ahead of the game by adopting provincial supplier allowance in our legislation; in other words, provincial supplier allowances being certain preferences and advantages.

In 2024, the provincial government introduced two new procurement strategies to maximize the success of provincial suppliers who are bidding on government contracts to support provincial supplier development and to increase sustainable practices in purchasing. The *Newfoundland and Labrador First Procurement Strategy* creates an environment that offers provincial suppliers the best opportunity to obtain contracts. This occurs by maintaining the provincial supplier allowance, increasing open call thresholds, maintaining the use of exemptions under the trade agreement and reducing the use of bid securities all while creating good value to taxpayers.

The *Newfoundland and Labrador First* strategy also focuses on new suppliers and helps them strengthen their ability to participate in government procurement processes. We offer opportunities for knowledge and training through supplier-focused information sessions – what's known as reverse trade shows – and consultations on more significant procurements. The sustainable Procurement Strategy builds sustainability considerations into processes for procuring goods and services and construction, along with traditional considerations such as price, quality, service and technical considerations.

Applying a sustainable approach to procurement ensures that the purchasing power held by government departments and agencies is utilized to help achieve broader social, environmental and economic goals. Both strategies complement a change in the *Public Procurement Policy*, made in 2020, to better support local suppliers with a local supplier allowance added to *Public Procurement Regulations*, mandating a 10 per cent advantage in pricing evaluations for provincial suppliers for all procurements to the maximum permitted under the *Canadian Free Trade Agreement*. While some may ask why don't we go higher, we are bound by much extent under the *Canadian Free Trade Agreement*.

With uncertainty at our doorstep in the form of tariff threats from the United States, our country's biggest trading partner, our foresight and intention in modernizing the purchasing processes that predated these particular circumstances have served us exceptionally well in this unprecedented time. The *Newfoundland and Labrador First* and sustainable procurement strategies are already working to ensure Newfoundland and Labrador companies have the greatest opportunity to seek out contracts here at home.

As the Premier stated, now more than ever, we support local and Canadian-made products, where possible, and continue reviewing and stopping immediately, where possible, procurement from the United States. The Public Procurement Agency is in active discussions with the federal, provincial and territorial counterparts on the implications of the ongoing trade dispute between Canada and the United States, which may be paused at the moment but it's always a shadow that is lurking. This includes collaborative work to identify common definitions of Canadian and US suppliers and Made in Canada and Product of Canada designations.

I just want to take a moment, if I could, to really kind of emphasize creating common

definitions of Canadian and US suppliers. As we know, many products we purchase are products that are constituted of both Canadian and US parts within the product. How do you create definition as to what is actually a blended product, what is Canadian and what is US, and how do you differentiate the two? These are the kinds of questions that, while are not easy, we work towards defining.

These efforts tie into the work of ongoing Buy from Newfoundland and Labrador, Canada campaign in response to the threats of US tariffs on Canadian products entering the American market. Our province is identifying new export markets for Newfoundland and Labrador products with a series of market development and expansion initiatives. I'd like to highlight the \$5,75 million fisheries market diversification fund, which was recently mapped out and made available to Newfoundland and Labrador fish exporters. These are the kinds of initiatives that we are using to win this war.

We continue robust collaborations with industry, community and labour organizations through the Premier's round table on Canada-US trade relations and round tables with the province's renewable resource sectors to advance mutually beneficial economic growth in our sectors. I am currently chair of not only a fisheries and aquaculture round table but, as well, as a forestry and agriculture round table.

So I want to talk a little but about the Public Procurement Agency in the act. The Public Procurement Agency is the central procurement unit of the Government of Newfoundland and Labrador, with responsibility for managing the procurement process on behalf of all government departments. The agency is an independent branch of the Newfoundland and Labrador Public Service and operates under the authority of the *Public Procurement Act*. The *Public Procurement Act* of 2018 established a statutory framework that enables public

bodies to achieve best value, transparency and accountability in procurement.

The statutory framework applies to all public bodies, including municipalities, with limited exceptions for Newfoundland and Labrador Hydro Corporation, and the Oil and Gas Co. The 2018 *Public Procurement Act* established a Procurement Advisory Council to advise and make recommendations on matters relating to procurement to myself as minister. The council is comprised of the chairperson, the Chief Procurement Officer of the Public Procurement Agency, and a maximum of 14 members, and just recently we refreshed and renewed that advisory body.

The council's composition is determined by the Procurement Advisory Council regulations and includes representatives from relevant public bodies such as Newfoundland and Labrador Health Services, a school board, a municipality, a city and either Memorial University of Newfoundland or CNA. The minister may also appoint other persons knowledgeable on procurement matters to this council. Members are appointed for a minimum two-year term, which may indeed be renewed.

So the agency's two lines of business: procurement, and strategic sourcing. It acquires commodities for the Government of Newfoundland and Labrador and other public bodies. It manages the procurement cycle from the planning to post-award in accordance with the *Public Procurement Act* and regulations, trade agreements, and established policies and procedures. It ensures that procurement undertakings are conducted in an open and competitive environment while maintaining fair and equitable opportunities for suppliers. It achieves value-added opportunities for government and the broader public sector. It continuously identifies opportunities for increasing value and procurement spending by analyzing supplier, market and internal spending profiles and leading cross-

departmental teams to execute these sourcing strategies.

It audits. It also provides information and training. It administers training programs to facilitate compliance with the government's procurement framework, and facilitates interpretation of the procurement framework, which leads to the development and delivery of training programs for three public bodies, and provides advice and expertise to the internal and external stakeholders relating to the procurement framework and manages the procurement reporting system.

I want to take a moment just to talk briefly about the evolution of the *Public Procurement Act*. This is something I find most interesting.

The 2018 *Public Procurement Act* replaced the *Public Tender Act*, the *Government Purchasing Agency Act* and the *Intergovernmental Joint Purchasing Act*. Among the changes brought about by the act, the Government Purchasing Agency became the Public Procurement Agency to increase focus on its monitoring and compliance role. A Chief Procurement Officer role and a Procurement Advisory Council were established to oversee all public procurement activities throughout the province.

The Chief Procurement Officer is selected through the Independent Appointments Commission process and the Advisory Council is comprised of officials from provincial public bodies.

The purchase of engineering services, architectural services, accounting, land surveying, voice telephone services, most banking services, insurance and other services previously not included in the *Public Tender Act* are now subject to greater oversight than ever before under the new act. New regulations and policies were established to make the procurement process more transparent for vendors and

to give public bodies more opportunity to hold suppliers accountable for their performance.

The previous thresholds for requiring open calls for bids were considered too low. This increased the red tape involved in small-scale procurement and inhibited the ability to buy local. So I'll just repeat that again. The previous thresholds for requiring open calls for bids were considered too low, and that increased red tape involved in small-scale procurement and inhibited the ability to buy locally. The new act created the opportunity to respond to these issues.

Thresholds were increased at the time to align with the Canadian Free Trade Agreement and are reflected in our new regulations. The previous approach was prescriptive in that it encouraged tenders over request for proposals. The new act made it easier to use additional approaches for, such as RFPs and calls for expressions of interest by removing the requirement for prior approval from Cabinet or Lieutenant-Governor in Council.

In conjunction with the shift towards the use of RFPs, the move to a best-value approach is a balance of cost, quality, performance and support rather than simply a lowest, up-front bid price approach gave the agency a wider policy scope.

This approach facilitates inclusion of additional considerations when evaluating RFPs, including environmental, social and local economic considerations. With respect to considerations such as timeliness for the procurement process, sharing of information between buyers and suppliers and applications of procurement policies, the new act promotes greater consistency in the approach used by all public bodies.

So how exactly does procurement work? While public procurement legislation lays out the processes that government departments must follow in making purchases, it is the public bodies and not

the PPA which are responsible for their own procurements, an important distinction. Information on the procurement is posted on an electronic notification system called MERX. It's maintained by the Public Procurement Agency which facilitates posting of open calls on behalf of public bodies.

The agency also coordinates strategic procurements for multiple public bodies, such as, for example, managed print services. Procurements that are below established thresholds would typically be subject to three quotes. With no requirements for an open call, opportunities for out-of-province bids are limited to where there is limited capacity to provide a good or service in this category in this province.

That's a little bit of strategic overview of the Public Procurement Agency and what is new and exciting, which predates the current circumstance we are in, and why I think that those who help design and build this new Procurement Strategy were very, very thoughtful and foresighted in doing that. I think it's left us with better opportunities for success as we operate in the real time in this current environment, this trade environment.

So with that, Madam Chair, thank you very kindly for that opportunity.

CHAIR: Thank you for that Mr. Byrne.

Now we will start with the first round of questions. The first round of questions will be 15 minutes and after the first round, it will be 10 minutes.

I'm starting with MHA Forsey.

P. FORSEY: Thank you.

Thank you, Minister, for your preamble. Another glass of water and we might have been here all night.

G. BYRNE: You're cheeky – a cheeky guy.

P. FORSEY: Anyway, 1.1.01: Given the renewed call for increased internal trade within Canada as a response to the American tariffs, what has the PPA done to reduce internal trade barriers within Canada?

G. BYRNE: Within the context of the federal-provincial-territorial interactions committee work, there is active work in terms of removing trade barriers within the Canadian context.

The hon. Member, is that the context in which you seek? Is that within the Canadian environment or are you speaking specifically internally, domestic within Newfoundland and Labrador?

P. FORSEY: Mostly domestic, yes. We'll go with domestic.

G. BYRNE: Well, there have been a number of issues. The buy Newfoundland and Labrador campaign itself rolled out with great enthusiasm. I think that's a highlight.

When the Premier, myself and Minister Coady launched the buy Newfoundland and Labrador and buy Canada with the distinctive logo, it was really jumped upon. A lot of Newfoundlanders and Labradorians wanted to be part of this but also, most importantly, appreciated that the identification was there to be able to help make good consumer choices. That's one initiative that expands on provincial free trade or better buying and sourcing of goods from within the province.

I want to take this opportunity if I can, Madam Chair, to talk a little bit about competitiveness for Newfoundland and Labrador. It's not unknown to anyone, I think, in this Chamber and in this Committee of my particular penchant about our ferry services. It struck me that there was a public pronouncement – this is to dilute or limit any kind partisan context to this – all public leaders in this federal campaign announced that \$75 per return

trip for a tractor-trailer going to and from the Province of Prince Edward Island; \$75 as a cost was \$75 too much.

They said, collectively and independently, that \$75 killed jobs on the island of Prince Edward Island. It killed export competitiveness. It created inflation. It reduced consumer spending. It had negative consequences, and all political leaders, to the best of my knowledge, pronounced that either tolls on the Confederation Bridge would either be substantively reduced or eliminated in totality.

I raised the spectre that if that is the truth for Prince Edward Island, it is significantly more so for Newfoundland and Labrador. The current cost of a return fare for a transport trailer and truck to go across the Confederation Bridge is \$75. Not including accommodations, that cost is over \$1400 to Newfoundland and Labrador to get across the Gulf of St. Lawrence on our Marine Atlantic ferry services.

So one of the things that we have been working on through the round table is to stimulate, especially during this election campaign in a conversation, citizens to candidates, people to parties, is to get that same effect in place for Newfoundland and Labrador and our gulf ferry. This is an election campaign; this is not the time. While we have made interventions, this is not a government-to-government conversation during the writ period of a federal election, but we have done so. We have made that comment, made that effort to not only the current executive but, as well, to all the political parties.

We encourage user groups, business groups and logistics groups to encourage all parties to do exactly what is about to happen in Prince Edward Island for Newfoundland and Labrador. So I would ask that this august group join with us, join with me in making that case. I will continue to do so before and after the election but it

would be excellent if all political leaders would make that as a clear statement of intent that, should they be elected, they will do exactly that for Newfoundland and Labrador or better than what they do for Prince Edward Island.

I don't know, Mr. Forsey, Madam Chair, if there's anything else that you wanted, I could turn the floor over to Mr. Dutton to talk about any other initiatives domestically.

S. DUTTON: I think that the beginning of the question was in respect of the *Canadian Free Trade Agreement*. The Minister for Intergovernmental Affairs is the lead as a member of the Committee on Internal Trade, and that is the Premier. They've been participating in those discussions.

So they will involve respective departments on an as needed basis depending on the topics that are under discussion. Again, as the minister alluded to in his opening remarks, we also have a council of deputy heads of public works and procurement. That's a federal-provincial-territorial table and that's where we were also having discussions separate from the CFTA but looking at the CFTA's definitions as they currently stand.

At this point in chapter 5, the procurement chapter, which is online, they simply define a Canadian good as a good which, if exported outside of Canada, would qualify as a good of Canada under appropriate rules of origin. A Canadian supplier means a supplier that has a place of business in Canada, which is a pretty basic definition.

So there's a lot of debate going on about what constitutes a Canadian good or service or a Canadian supplier. We have many examples of companies that are active across both sides of the border. Maybe they have headquarters in Canada, or they are employing people in Canada. So we are taking due care to make sure that whatever measures are taken, that we're

not inadvertently impacting local workers and employers.

P. FORSEY: Okay, thank you.

That's where we were on this at this point in time was the tariffs and trades and that stuff, and what are we doing trying to boost local products, local purchasing, that sort of stuff.

Other than that, we've got one more question, I guess. I'm going to ask this one. The province has a number of contracts with American companies. Has the PPA done a review on how many contracts there are, their value and an assessment of which ones can be cancelled in favour of a local Canadian alternative?

G. BYRNE: Thank you, Madam Chair.

I'll just start and pass over to Mr. Dutton, but to put this into context, this is very important, to do that analysis, and we have been doing that analysis and Mr. Dutton will report on what we have so far. With that said, we also recognize that there are some products that are so specialized or so technical that they are actually supplied by a very, very few number of vendors. To simply take the position that we will not buy them because they come from the United States would be, in effect, biting off our nose to spite our face.

We would actually lose the ability to have the product, and some of those are pharmaceuticals, health care products. Medical products, you know, highlight in my mind some of the things that, while we would like to just simply say we're not buying anything, on principle, from the United States, that would be in effect an exercise that would be effectively biting off our own nose to spite our own face.

With that said, Mr. Dutton, I'll leave it over to you.

S. DUTTON: Thank you.

We did take a look at how much procurement spending across government and the main agencies, boards and commissions was being done. Again, to determine what constituted a US-based business, we had to look at where the invoices were resulting in a payment going to a United States address. So that may not capture cross-border enterprises, but the total spend we had in 2024 was \$227 million. Of that, \$190 million was just for Newfoundland and Labrador Hydro, which I understand was primarily Bunker C fuel.

The amounts, other than that, were a relatively small number. People have probably seen the CBC article that Newfoundland and Labrador Health Services had explained they were looking at their activities. All the public bodies are doing the same thing. One thing to keep in mind is that the Premier's statement on March 4, talked about moving away from American purchase, where possible. So there are, maybe, some existing contracts that are in place that haven't yet expired. If you terminate a contract early without cause, there could be penalties. But where contracts are up for expiry, maybe, instead of renewal, they may go back to market to see if there's a Canadian alternative.

Again, besides the examples the minister raised, like in IT sector, we're heavily reliant on services like Microsoft that is a US-owned business, but there's no Canadian alternative. So that's pretty critical to operating our government programs because it's the basis of all our operating systems for the government.

That's what really, basically, where we are today, and we'll have further engagement with the Procurement Advisory Council on that as well. The minister referenced that the appointments are just being refreshed and so we're looking forward to meeting them very soon to have a more comprehensive discussion. We've had lots of outreach on a one-off basis with individual public bodies to discuss how to

carry out their review based on the Premier's direction of March 4.

CHAIR: Okay.

MHA Forsey.

P. FORSEY: One other question. Could we get a list or copy of those companies that you're dealing with now from the United States or some of the contracts that you have? Can we get a list of that?

S. DUTTON: Yes, I don't have the list here.

P. FORSEY: No, fine, but if you could provide it with the –

S. DUTTON: As I said, I have the totals but not the list.

P. FORSEY: You can get that to us as soon as possible, that'll be fine.

CHAIR: Any further questions?

P. FORSEY: All right, with that, I am good on questions from here.

CHAIR: Okay.

MHA Brown.

MR. BROWN: Thank you, Chair.

Just a couple of questions there. Currently, how many people are employed in the PPA and how many vacancies are currently not filled in the Public Procurement Agency?

G. BYRNE: Madam Chair, I'll ask Mr. Dutton to just take a moment; we have that information handy.

S. DUTTON: Yes, we have 31 employees, counting myself, and there are four vacancies.

J. BROWN: Thank you, Chair, and thank you to Mr. Dutton.

Also, how many audits of municipalities have been completed in the last year?

S. DUTTON: There have been 24 audits completed in the '24-'25 fiscal year. Of those, 18 were for municipalities and five were for core government departments, and one was for another agency, board or commission.

J. BROWN: One last question, with the switch-over, I guess, and the implementation of the MERX system and all that in the last couple of years, have there been any issues or anything like that, given that it's a tech-based system, or has it been – no issues or anything with the MERX system.

S. DUTTON: Since I've been in this role in December, I haven't received any complaints about the MERX system. I think it's working fine, to my knowledge. Most public bodies are on the MERX; I believe Hydro uses a different platform, but it's all publicly available. As far as I am aware, it is working fine.

G. BYRNE: We've had no cyber attacks.

S. DUTTON: Don't jinx it.

J. BROWN: That is all.

Thank you, Chair.

CHAIR: I see no further questions, so I will ask the Clerk to call the subheading, seeing as it's only one.

CLERK: 1.1.01, Public Procurement Agency.

CHAIR: Shall 1.1.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subhead 1.1.01 carried.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Public Procurement Agency, total heads, carried.

CHAIR: Shall I report the Public Procurement Agency Estimates carried.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Estimates of the Public Procurement Agency carried without amendment.

CHAIR: This is the end of this part of this session, so we'll take a five-minute break and have the other staff members come in. We will reconvene in five minutes.

Recess

CHAIR (Stoyles): (Inaudible) session, and we're going to be doing Estimates for the Department of Transportation and Infrastructure, and just a few housekeeping items. We ask everybody, when they're speaking, to wave and identify yourself each and every time. Wait for your tally light to come on before you speak. We ask you not to adjust your chairs. Water coolers are here behind us.

When we start, the first round will be 15 minutes, and it would be 10 minutes then for every speaker afterwards.

I'm going to ask the Clerk to call the first subheadings.

CLERK: 1.1.01 to 1.2.04 inclusive, Executive and Support Services.

CHAIR: 1.1.01 to 1.2.04.

I'm going to ask Minister Hutton to introduce his team first.

F. HUTTON: Great, thanks.

Well, I'll get everybody to go around the table.

My name is Fred Hutton. I'm the MHA for Conception Bay East - Bell Island and the Minister of Transportation and Infrastructure.

C. GRANDY: Cory Grandy, Deputy Minister of Transportation and Infrastructure.

D. SPRACKLIN-REID: Darlene Spracklin-Reid, Assistant Deputy Minister for Infrastructure.

J. GARRETT: Justin Garrett, Assistant Deputy Minister, Strategic and Corporate Services.

B. EVANS: Brian Evans, Associate Deputy Minister.

M. O'NEILL: Melony O'Neill, Director of Communications.

D. MICHIENSEN: Dan Michielsen, Assistant Deputy Minister of Roads.

R. BURSEY: Robyn Bursey, Assistant Deputy Minister of Building Operations.

K. MAYNARD: Keith Maynard, Departmental Controller.

M. VARDY: Mark Vardy, Manager of Budgeting.

D. ENGLISH: Dana English, Executive Assistant.

CHAIR: Thank you very much.

I ask Minister Hutton now to start opening remarks, please.

F. HUTTON: Thank you, Madam Chair.

I should mention that I do have an earpiece in, so if anybody needs one, just let us know. Sometimes it is a little bit difficult to hear from across the aisle. So if there are some available, I don't know, if you need one, just let us know. And likewise, on the other side, obviously.

Thank you, Madam Chair.

I just have a very brief opening statement in the interest of time because I know it is late in the day. As Minister Responsible for the Department of Transportation and Infrastructure, I want to provide a few opening remarks prior to the review of our Estimates for this department. I came into this role in the middle of July and building on the work of my colleague and former minister of Transportation and Infrastructure, Minister Abbott, this year will see the continuation of record-level investments in provincial highways, roads, education, justice and health care facilities.

I'm pleased to report that while we may have had to transfer funds between program areas to respond to emerging priorities throughout the year, the department was able to live within its means. Last year, the department spent \$1.29 billion of its \$1.42 billion budget.

Budget 2025 includes \$1.1 billion for infrastructure, generating close to \$690 million in economic activity as was pointed out in the Budget Speech yesterday, and creating hundreds of new jobs for the

province's skilled trades people. Infrastructure investments will include \$316.8 million to continue to support thousands of kilometres of new paving, brush cutting, as well as new culverts and bridges; \$188.7 million to help towns and communities deliver strong municipal services and meet their infrastructure needs; \$70.5 million for several school infrastructure projects, including new schools in Cartwright, Kenmount Terrace, Portugal Cove-St. Philip's, Paradise, the extension and redevelopment of Dorset Collegiate on Pilley's Island and \$150,000 in planning for the potential expansion of schools in Goose Bay, Pasadena Elementary and here in St. John's; \$39.5 million for health care infrastructure projects, including the replacement of the Bay St. George Long Term Care facility, the advancement of the new downtown health and well-being centre and planning and development for the new acute-care hospital campus at Kenmount Crossing; \$19.3 million for the ongoing redevelopment of the Martin Gallant Building in Stephenville Crossing which houses the Provincial Court and some government offices; \$17.5 million to continue the procurement of the replacement of Her Majesty's Penitentiary and address temporary infrastructure enhancements at the current site until the replacement is complete; \$4.5 million to complete the redevelopment of the Labrador Corrections Facility.

Through Estimates, you will notice that a trend across all lines of business within the department. This is, of course, the rising cost of goods and services, not unique to Transportation and Infrastructure but, of course, being felt by many people in their homes or businesses, not just in this province, but across the country and around the globe.

This past year, we also continued to see general labour rate increases and high fuel process driven by inflation and, in many cases, supply chain issues. I'm pleased to report that the department absorbed these

pressures without impacting service delivery or our commitment to Newfoundlanders and Labradorians through our provincial roads plan, public building projects, marine services, and our water bomber and air ambulance services.

Our staff across all areas of the province are to be commended for their professionalism and caring. As minister, I'd never be able to achieve the goals and objectives without these dedicated staff members behind me. It is a rather large department, Transportation and Infrastructure, which is why there are so many people here this evening. These are the folks who were helped by many others in achieving the goals that we have over the past year.

So, Madam Chair, that's it for my opening statements.

Thank you for your time.

CHAIR: Okay.

MHA Petten.

B. PETTEN: Thank you, Chair.

As I said earlier, Minister, we're going to just stick to some questions with regard to subheadings, as opposed to going line by line. It's a little more wide open.

I've got a question on the first couple. In 1.2.04, I know you just said about the Land Acquisition – you may have already said this, so I apologize if you did. Was there any funding allocated under the subheading for the Kenmount Road Crossing development in Land Acquisition? Is there any funding included here for the land acquisition on Kenmount Crossing?

F. HUTTON: Yes, and the land has been purchased.

B. PETTEN: For the development.

F. HUTTON: Oh, for the development – I'm sorry.

Yes, I think I referenced it in here. Cory, if you have got it quicker, the amount that's been designated for the new acute-care hospital.

C. GRANDY: I don't actually have my finger right on that, it was in a different activity, but I want to say it's \$20-something million –

OFFICIAL: \$23 million.

C. GRANDY: \$23 million has been allocated for the continued development of that site. That would be some civil works in terms of some site grading, levelling, basic civil works, water infrastructure that we've been talking about with the two cities and the town, as well as the beginning of the road development that has been discussed publicly as well. So three elements to that development.

B. PETTEN: Which subheading would that money be located? Under what subheading?

C. GRANDY: It's under 3.2.03, Building Infrastructure, Capital.

B. PETTEN: Okay, thank you.

We also understand approximately \$24 million will be paid to H3 for remaining land. So where in the Estimates is this accounted for?

C. GRANDY: When we're developing a project, we try to charge off any land costs to the project itself. So that would be in that activity we just referenced, 3.2.03, and in particular the line object that is called Property, Furnishings and Equipment.

B. PETTEN: Okay.

Under 1.2.04 in Land Acquisition, why do we just have the nominal figures of half a million dollars there, as opposed to – like,

obviously they look like just placeholder amounts.

C. GRANDY: Yes, that activity is where we fund outstanding land claims. So there's a long history when we're doing land expropriations for highways – I'll use the Team Gushue Highway as an example, the Torbay bypass road as an example. There are some historical claims, so they've been on the books for years. As we work through those with the landowners, that's the activity, the one that you referenced earlier, 1.2.04.

That \$500,000 there is where we fund those historical claims, but as we're developing new projects, our current practice is to charge it against the project and so you would find it in the Building Infrastructure, Capital, 3.2.03. But we do use that activity, the previous activity for dealing with outstanding older claims.

B. PETTEN: Okay, thank you.

Has there been any formal agreement with H3 for the purchase of remaining land?

F. HUTTON: It's done. The land has been purchased.

B. PETTEN: So the full purchase, it's all completed and –

F. HUTTON: That is correct, yes.

B. PETTEN: – signed, sealed and delivered?

F. HUTTON: Yes.

B. PETTEN: Okay.

I'm almost done here now. Anyway, that amount is already out of the budget for this year, done in this fiscal year just completed, right?

F. HUTTON: In 2024.

B. PETTEN: Right.

Did that also come out of 3.2.03?

C. GRANDY: Yes, so again, in 3.2.03, Property, Furnishings and Equipment, in our projected revised numbers you will see a figure of \$26,640,000. There are two property acquisitions in that \$26.6 million, the Kenmount Crossing land, as well as the land that was purchased for the new high school in Paradise.

B. PETTEN: Okay.

That's all I have up to that section, Chair.

CHAIR: MHA Brown.

J. BROWN: Thank you, Chair.

Right now, what is the current amount of employees in the department and how many vacancies are currently in the department?

F. HUTTON: The data as of March 31 of this year, 2025, is 2,534 and that includes the 800 staff members from the former Newfoundland and Labrador English School District which joined the TI fold in 2024.

J. BROWN: Thank you, Chair, and thank you, Minister.

How many vacancies are currently right now? Also, are there any identified recruitment issues due to, I guess, a lack of certain trained or skilled professionals right now? I know there was a historic problem recruiting mechanics in the garages. Is that still an issue within the department?

F. HUTTON: Sure, I can speak to the vacancies and then, in terms of the recruitment issues, I'll defer to the deputy.

We have 176 vacancies right now and that is in the NL schools portion of Transportation and Infrastructure which would include folks who work in the schools.

We're not talking about teachers, obviously; we're talking about people who work in different roles other than the actual education of students – transportation, for example, our busing.

There are 262 funded vacant positions excluding seasonal and I think Cory could go down through the longer list of the breakdown but also the recruitment issue.

C. GRANDY: The area you mentioned are heavy equipment mechanics. That has been a historical problem. We've done a market adjustment, through Treasury Board, to improve the salaries as one of our recruitment initiatives in that. I think, as of the end of the year, we had 32 vacancies in heavy equipment mechanics.

J. BROWN: Thank you, Minister, and Deputy Minister.

Right now, I guess, when we talk about choosing areas and the matrixes used for determining which roads in the road scheduling, would the department be able to provide the most updated list of roads and their grade which they are marked at for (inaudible) – would the department be able to provide that?

C. GRANDY: I just want to make sure I understand your question correctly. So the list of projects that we're doing this year in the Roads Plan is what we released last week, and it was amended that we release the full list of roads.

We select roads based on a bunch of factors, and I guess the first factor, I would say, is our own assessment, from our own staff, our engineering staff in the depots. They compile a score that helps guide our discussion, but that is not the only factor in choosing the roads. We do a public consultation every year. That forms an important piece, as well as an exercise that we engage with through the minister's office with all MHAs.

So I think of it as three inputs, and the scoring that you referred to that comes from our staff is one aspect of that.

J. BROWN: Would the department be able to provide that internal one with the scoring? Would the department be able to provide that to us?

C. GRANDY: Yes, I think we can provide the score associated with the projects that were selected. With 10 kilometres worth of lanes, it's not possible every year to evaluate every road, so you won't see a full matrix with every kilometre of every road listed, but it is possible to provide the scoring associated with the projects that have been selected.

J. BROWN: Much appreciated. Thank you so much.

Right now, to talk about transportation and that, is there any work being done inside the department right now on public transportation or anything like that within the northeast Avalon, but also other areas? Is any work being done inside your department on that?

F. HUTTON: I can speak to that from an MHA's perspective. I know that on the Northeast Avalon, MHAs met with Metrobus at one point. Is that what you're referring to in terms of public transportation?

J. BROWN: Well, just in general, because I know Corner Brook has public transportation, I know Goose Bay is wading into public transportation and we're looking at a study in Labrador West on public transportation. I was wondering if there was any work or anything being done inside your department regarding public transportation.

F. HUTTON: Sure.

So specific to public transportation in other communities, municipal infrastructure funding is available for folks to come forward and avail of that, but that would be

by an individual basis coming forward, like each town and community.

J. BROWN: Perfect.

That was my final question.

F. HUTTON: If needed, if warranted.

J. BROWN: Oh, that's perfect. Thank you so much, Minister.

That's my final question for this section.

Thank you, Chair.

CHAIR: MHA McKenna.

J. MCKENNA: Minister, what is the total complement of staff for the summer maintenance program?

C. GRANDY: Hold on, just give me one second. We don't have that breakdown by summer maintenance. I'm going to refer to my ADM of Roads. Dan, in the breakdown, can you decipher that for me?

D. MICHIELSEN: We don't have a breakdown of summer/winter; we have (inaudible).

C. GRANDY: So in the Roads Branch, there are 959 in operation, but I don't have a split here in terms of summer versus winter. That's something we can follow up on, if that's helpful to you.

J. MCKENNA: Okay, thank you.

How many depots, both year-round and seasonal, are operating in the province?

C. GRANDY: Dan? Raise your hand up.

D. MICHIELSEN: We have 67 depots across the province, 23 of which are seasonal.

J. MCKENNA: Thank you.

How many contractual and short-time employees are in your department, like 13-weekers?

F. HUTTON: So we've got 712 permanent, 247 are seasonal, 673 are temporary, 32 contractual and we have 134 13-week employees.

J. MCKENNA: Thank you, Minister.

Last year we had 261 seasonal, 674 temporary, 29 contractual and 110 13-week employees. Are there any vacancies across the province for summer positions?

D. MICHIELSON: We haven't done our winter/summer switch over yet. What we normally do with the process is our winter employees get laid off and then a portion of those are recalled to summer positions. Then once we recall those positions, we determine the number of vacancies and then we post for competitions to recruit. That will be actively happening towards the end of April as we move from winter season to summer season.

CHAIR: Just a reminder to repeat your name each time for recording purposes, so they can record who is speaking.

Thank you.

J. MCKENNA: Money here provides for the department's summer highway maintenance program, highway cleanups, provincial road upgrades, et cetera. Last year, the department was \$1.59 million over budget in Purchased Services. What was this for?

F. HUTTON: Could you give a code on that, MHA McKenna?

J. MCKENNA: 2.1.02.

F. HUTTON: 2.1.02

Could I ask you to repeat the question again, just while we were trying to get to that page?

J. MCKENNA: Okay, sorry about that.

MHA Petten, do you want to speak to this?

F. HUTTON: No, it's our fault.

Go ahead.

J. MCKENNA: Money here provides for the department's summer high maintenance program, highway cleanups, provincial road upgrades, et cetera. Last year, the department was \$1.59 million over budget in Purchased Services. What was this for?

B. PETTEN: Thank you.

Would brush cutting be included here in this section, 2.1.02?

C. GRANDY: Thank you for repeating the question.

F. HUTTON: 2.1.02?

B. PETTEN: Yes.

In Purchased Services, the \$1.592 million overrun was mostly due to Consumer Price Index increases for highway maintenance contracts in Labrador, as well as other contract increases throughout the Island.

F. HUTTON: Okay.

D. MICHELSEN: Our brush cutting isn't included in our provincial roads current program. The brush cutting is done by contractors, which is a contracted current expense, so the money associated with that would be in Provincial Roads, Current, 3.1.01.

J. MCKENNA: Okay.

B. PETTEN: Okay.

Thank you, Deputy Minister.

Why is it tendered out? I guess a general question, why don't we do that ourselves, brush cutting? It's probably been tendered for a long time, but I'll pose the question.

CHAIR: MHA McKenna, are you finished your questions?

J. MCKENNA: That's it for now.

CHAIR: Any further questions?

C. GRANDY: The contracting industry is well more equipped to tackle it than we would be in-house, is my simple answer, MHA Petten. We do have a couple of smaller machines throughout the Island where we do minor brush clearing, but those are relatively small pieces of equipment compared to the heavy equipment that contractors would have. So it's a much more efficient operation for us to be able to contract that work without having to own and maintain that equipment.

I ask the Clerk to call the subheads, please.

CLERK: 1.1.01 to 1.2.04 inclusive, Executive and Support Services.

CHAIR: Shall 1.1.01 to 1.2.04 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

Again, what we do with our own equipment, I think there are a couple of pieces throughout the province that we do on our own, but that is small compared to what the contractors do for us.

CHAIR: Carried.

On motion, subheads 1.1.01 through 1.2.04 carried.

CLERK: 2.1.01 to 2.5.03 inclusive, Operations.

B. PETTEN: Have there ever been any cost analysis done, or any assessment done on

CHAIR: All right.

that? Because I noticed our workers and workers throughout the province have expressed to Members, some of our colleagues and what have you, that that would be something that they would be willing – you know, anyone can be trained for anything, but has there been a cost analysis done? Contracting out anything, as we both know, is not always the cheapest route.

C. GRANDY: We haven't done any analysis in my time since I've been deputy. I wouldn't be able to speak to what happened before me but I can say that we haven't done any analysis of that since 2020.

B. PETTEN: The practice of hiring on staff, I guess, during the winter, then summertime comes – because I did have a past with the department and I understood the way things worked and I know it's been going on for a long time.

The hiring on of staff as snow clearing ends, rehiring them for the summer as opposed to having year-round staff being able to do both operations, I know that they're two succinct different things that there's changeover happens – I think it might be just after happening in the last couple of weeks – the winter changes over to summer, why isn't that a 12-month-a-year affair; because, actually, as a matter of fact, I know people who are working with the cities and it's a common occurrence but it just begs the question why we, the province, don't have more continuation.

There is a lull; there is a changeover and heavy equipment operators go to labour and what have you, why isn't that more mainstream? Keep the pay the same. Keep them hired. Basically, park the plow and get into, what have you. Maybe a brush cutting machine; I don't know. Are there more efficiencies to have them year round?

C. GRANDY: It's a good question. I can't speak to it in great detail because I wasn't the ADM responsible at the time. I know

prior to me being deputy and probably back two or three deputies ago, there was some analysis to look into that and we did in partnership with our colleagues in Collective Bargaining.

Again, I have to be careful how I speak to it because I wasn't involved with the details but in the end, it didn't come to fruition. I know it was an active topic of conversation and contemplation in the department, of not having two different classifications, not having two PCNs that the same employee might fill winter versus summer.

At the end of the day, they couldn't find a way to make it work, but it has been looked at in the past, not recently.

B. PETTEN: Do you know if there's a cost savings? Is there savings as a result of this practice?

C. GRANDY: I think that was part of the problem at the time. It was going to be a cost increase.

Again, I do have to be careful speaking to it because I wasn't involved in the deep analysis. I'm gone back at least five years if not closer to eight or nine, but from what I recall and what I know, there weren't any cost savings associated.

B. PETTEN: I guess what I'm trying to get to with it is, you have a situation where I know back in the day, and certain officials are no longer there, but I used to have the conversations with a lot of them at the time when I was the critic. I had a vested interest in a lot of roadwork throughout the province as you are well aware, me and you have had many conversations.

There's a problem that exists within TI. I know there's a mechanic shortage. You run into a lot of summer maintenance, and the staffing is an issue, right? But the City of St. John's as an example and there are other – my own municipality actually. The Town of CBS are on par with the city in regard to

wages. The point of the matter I'm getting to is they drop back in wages if they go from operator to a labourer. You're not competitive with the municipalities that have smaller – they don't have the billion-dollar budgets like your department.

So I guess the point I'm trying to make: Isn't this a better way of trying to maintain staffing and keeping your staffing levels up? Do you know what I mean? That poses a problem. We hear that every day and we ask questions in the House and we constantly talk about it is always staff. Well, I'm health most times but it's always about staff.

Isn't that a real problem that exists, being competitive with those other municipalities to do similar work? Do you get where I'm going with the question? Is that something you've looked at? That's what I'm trying to get to.

C. GRANDY: So part of the answer to that is what we spoke to earlier when your colleague was asking the question about – and we have done a market adjustment for our heavy equipment technicians, our HETs. The input of the salaries from the municipalities, the City of St. John's being one example, was something that led into that.

Would it help with retention? That's possible, but I think an answer to another of your questions is buried in there as well: It would cost government more because the wages would be higher.

B. PETTEN: Yeah.

I guess the question, though, comes back to, I suppose, the cost analysis. How much would it really cost, because I don't know if you've really ever done that. That was originally my loop of my first question, I'm going around in circles around it, but there's no cost analysis done so I know you're estimating.

Obviously there may be more cost, but isn't that money well spent when you have staff that, I suppose, feel they are being adequately paid and providing the service that we so desperately need.

F. HUTTON: Madam Chair, if I can.

If I could just jump in there. I just want to reference one thing that you mentioned, MHA Petten, about towns like CBS and cities like St. John's that don't have the billion-dollar budgets. They also don't have the same level of commitment that we have. Commitments in terms of the 1,300 bridges and the 9,700 kilometres of lane roads. We have to work within a – while it might seem like this huge budget, there is so much that we have to try to do every year.

That is not to say that is not worth, perhaps, looking at that and not laying off staff from one season to the next and keeping them, because it has become incredibly difficult to maintain and retain staff; not just in Transportation and Infrastructure but in other departments on this side, as you know.

When you're competing with large industrial projects in Labrador where people pay double what the provincial government would pay, when you get these megaprojects going, and you have towns like the ones you've mentioned or cities that are paying higher wages as they try to attract people, but again, they don't have the same billion-dollar commitments that we have, I mean, it sounds like a lot of money but the money is spent on – as I say this year, we'll spend \$88 million on just some of our 1,300 bridges that require critical maintenance and the paving that needs to be done.

Still it could be more, if we had more money, as you know. You've driven around the province, and I'm sure your colleague has as well.

CHAIR: I think your time is up now, MHA Petten.

MHA Brown, do you have any questions on this section?

J. BROWN: Yep. Thank you, Chair.

I guess what I'll first start with is, given the repair budget, and you've just mentioned about priorities and different things, right now, how much has inflation eaten into the cost of road maintenance? How much value are we getting for what we're paying for right now?

C. GRANDY: That's a tough question to answer on the global. As we go through this section by section, I might be able to answer that question a little better. Some of the variances that you see from budget to projected revised is a direct result of inflation, but in terms of being able to provide an overall roll-up number, I don't have that to speak to. It's fair to say that it is in the tens of millions of dollars.

There was a question earlier on Purchased Services for Summer Maintenance, that was attributed to contracts in Labrador – sorry, that was winter maintenance. We see it on our salt and sand. We see it on fuel. We see it on heat and light in buildings. So as you go through our Estimates on an activity basis and you see a difference in our budgeted number and projected revised, in many instances, that variance on activity-by-activity basis is due to inflation.

J. BROWN: Thank you, Deputy Minister.

Right now, how big is the list for deferred maintenance, and is there a dollar value been calculated on what the deferred maintenance on our assets are right now?

C. GRANDY: When you're talking about deferred maintenance, I assume you're talking about our building assets.

J. BROWN: That's correct.

C. GRANDY: We are just implementing now a new system to track that. So we don't have a great baseline number, that's something that we've recognized and I think has been discussed here in Estimates in years past.

We have just recently invested in a new asset management plan system, so I think we'll be able to better track that in the future.

J. BROWN: When the school facilities got absorbed by the department, how much did that affect the deferred maintenance, or is that going to be part of the calculations, or were they able to give you data when they got absorbed about their deferred maintenance on the school buildings?

C. GRANDY: They didn't have a formalized asset management plan either, so that number is not something that we could speak to, but they will be part of what we're doing with this new system over time. It will take some time to populate that type of system. There are a lot of buildings, hundreds and hundreds.

J. BROWN: Okay.

I know that the contracted-out snow clearing for the Trans-Labrador is not done internally; it's done externally by a contractor. Right now, I guess it's usually piled into the number for Snow and Ice Control. What is the value of that contract for this coming year?

C. GRANDY: In 2.1.03 you'll see Snow and Ice Control, that full activity, so what we self-operate, our salaries in that, you'll see our projected revised number for '24-'25 at \$2,230,000 and then when you go to the Operating Accounts in that activity, that's \$45,794,000.

So contracted services would be in that number as well as what we self-operate. The overall total for that activity for

projected, revised for the year ending is \$72,824,000.

J. BROWN: So what was the value of the contract for the Trans-Labrador – what was the total value of that contract for this coming snow season?

C. GRANDY: Trying to get the mic to go to our ADM of Roads.

D. MICHELSEN: If you look at 2.1.03, that's our contracted services. We have four separate contracts for the Trans-Labrador Highway and those contracts, plus a few smaller contracts that we might have around the Island, total about \$15 million that was in the revised from last year. That include all their CPIs – the bulk of that \$15 million is for those four Trans-Labrador Highway contracts.

J. BROWN: So it's safe to say that line item, basically, is the four Trans-Labrador contracts?

D. MICHELSEN: Yes.

J. BROWN: Okay.

D. MICHELSEN: Purchased Services under Snow and Ice Control.

J. BROWN: I know now that the purchasing on the Island, for the majority on the Island, fleet renewal, like I said, last year was \$31 million and this coming year is projected \$42 million. What's going to be included in the \$42 million for the fleet renewal?

D. MICHELSEN: That \$42 million will include an order of another 44 plow trucks. We ordered 64 last year. So that would be another 44 on top of that, as well as a bunch of other equipment including loaders and tag trucks, we call them, to bring things around. We also recently ordered four brand new paint trucks. We'll receive those this coming year, so they'll be included in those 44 and those are close to a million dollars each.

J. BROWN: Perfect.

Under Student Transportation, is there any purchasing for new school buses that belong to the provincial fleet and how many new school buses will be purchased this year for the provincial school fleet?

R. BURSEY: Yes, we are going to be purchasing approximately 33 new school buses to put into our fleet, to take out the older ones that are no longer able to be on the road.

J. BROWN: That was my final question for this section.

Thank you.

CHAIR: MHA McKenna.

J. MCKENNA: 2.1.03, Snow and Ice Control: Minister, yet again another budget where 24-hour snow clearing hasn't been put back into place. Safety is paramount for the first responders and workers. Has the department undergone an analysis?

F. HUTTON: I just want to say that we actually do have 24-hour snow clearing. There is the availability of snow plows to be on the road at any point in time throughout the day, 24 hours a day. We have 390 routes in Newfoundland and Labrador that we clear of snow and ice. Fourteen of them were the only ones that ever had dedicated 24-hour snow clearing to them. We still have that. We have crews who are available at a moment's notice, if you will, to go out and clear snow at any point in time throughout the evening.

We've got shifts that start early in the morning. At roughly 5 a.m., the first trucks hit the road and they go right through the evening. There was never 24-hour snow clearing across the province, ever, for the entire province. The cost to do that for 390 routes in every community of Newfoundland and Labrador would be impossible.

In terms of the analysis of the cost, it was something that was changed in 2016, whereby the overnight crews were no longer kept overnight, but they are now on call, and they are paid to be ready to go. We watch the weather very closely to make sure that we know if there's going to be a weather system, that those crews stay on the road and communities have full access through 911 to get plows or assistance, should there be an emergency, for the need of an ambulance or a fire truck or somebody who needs to get to a hospital, if they are even an employee there – if a doctor needed to get there, or a nurse or a nurse practitioner.

J. MCKENNA: Thank you.

How many service agreements does the department have with municipalities to clear their local roads in the province?

F. HUTTON: I think that's a Dan question.

C. GRANDY: We'll have to follow with that number. We don't have that number in terms of the number of communities that we do it in with us tonight.

J. MCKENNA: Thank you.

Why has Purchased Services under this heading doubled from \$6 million to almost \$13 million? Is this due to all the private contracts to private garages to repair TI equipment?

C. GRANDY: Which activity?

J. MCKENNA: 2.2.01. Sorry about that. Maintenance of Equipment.

C. GRANDY: Just to be clear, it's 2.2.01 and were you looking at Purchased Services?

J. MCKENNA: That's correct.

C. GRANDY: Under Purchased Services, yeah okay.

The \$6.9 million, those expenditures are consistent with prior years even though it is a \$6.9 million over budget, it is consistent with prior years: \$3 million of that is an increase to reflect the cost of light vehicle maintenance and light vehicle rentals; \$3.5 million was an increase to reflect the added cost of sending more equipment out for service; and a \$500,000 increase to reflect additional charges associated with the road weather information contract and highway camera upgrades in Labrador.

J. MCKENNA: Thank you, Deputy Minister.

That's it for me.

CHAIR: That's it for you.

MHA Brown, do you have any further questions?

J. BROWN: No.

CHAIR: All right.

I ask the Clerk to recall the grouping.

CLERK: 2.1.01 to 2.5.03 inclusive, Operations.

CHAIR: Shall 2.1.01 to 2.5.03 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 2.1.01 through 2.5.03, Operations, carried.

CHAIR: I ask the Clerk to call the next subheadings.

CLERK: 3.1.01 to 3.4.01 inclusive, Infrastructure.

CHAIR: Who was going to speak to this one?

MHA Petten.

B. PETTEN: (Inaudible.)

CHAIR: Take your time.

B. PETTEN: Minister, can you provide an update on the road carry-overs, which contracts were affected and what the total value of those are?

C. GRANDY: Could you repeat the question again just to make sure I got it?

B. PETTEN: Provide an update on the roadwork carry-overs and what contracts were affected and what the total value were.

C. GRANDY: I don't have a specific carry-over number. It's difficult to pull it out.

Some of the projects, when they're tendered, they're tendered as multi-year projects. Other projects, when they are tendered, we tender them as a single-year project and they might carry over, so just want to make a discrepancy between a planned two-year project versus an unplanned two-year project.

The best way for me to answer your question on the whole is, our roads plan funding is spread across four different activities, 3.1.01, 3.1.02, 3.1.03 and 3.1.05, so you've got to look at all four of those activities in order to look at the program holistically. On the whole last year, those activities add up to a total of \$288 million. Our expenditure last year was \$264 million against that \$288.

So I think that's the simplest way, MHA, that I could answer that question.

B. PETTEN: What's the status of the \$20 million 15-kilometre passing lane project near Port aux Basques?

D. MICHIELSEN: Yes, so we're on the design and preparing our procurement for that passing lane. There was significant work done last year in terms of procuring the survey so the entire route was surveyed. All the information was gathered, engineers have been continuing to gather information on the route over the winter and we're now in the process of preparing final design. It's in tenders to go to tender with the intention to tender an award and start work this year on that passing lane.

B. PETTEN: How much money has been directly allocated for brush cutting in this year's budget?

D. MICHIELSEN: Brush clearing comes, like I said earlier, out of our Provincial Roads Current Account. We do that through our Road Asset Management Division. We've allocated approximately \$4 million which, prior to last year, we used to allocate \$2 million.

Last year and this year we're allocating \$4 million, as well as an additional million for moose fencing. Last year also, there was an additional \$3 million on top of the \$4 million for clearing of the twinning sections of the highway which has now been completed.

B. PETTEN: How many brush cutting contracts were issued last year?

D. MICHIELSEN: I don't have the exact number, but I can certainly bring it back to you. It would have been in the dozens – in the tens, for sure.

B. PETTEN: What's the status of Team Gushue? Where we to with that?

F. HUTTON: It's been chugging along pretty good all winter believe it or not. I was just up there a couple of weeks ago myself and did an interview. There was absolutely no snow up there.

The contractor who has been working through the winter to prepare it and getting

ready for the paving aspect said that they lost most of November because of a heavy rain and, obviously, trying to work in that condition is not good; not because the workers don't want to be out there, because it's not conducive to moving around equipment. They lost part of February which was our snowy month here on the Avalon Peninsula, but otherwise they've been working along.

The one thing that I did say in the interview that I did about it is that we're not going to change the anticipated completion date because the weather is unpredictable between now and then. While they did get to work through the winter and do that grade work and get the road preparations done, we're still saying that it'll be the fall of 2026 when that road is open and complete.

B. PETTEN: Thank you.

F. HUTTON: But they did have a very good winter in terms of the ability to be able to work in more favourable conditions, rather than having to make their way around in four feet of snow, which they normally would a few years ago.

B. PETTEN: Yeah, really.

What about the twinning of the Trans-Canada Highway, any update on that?

F. HUTTON: So we've completed the RFQ process and we're reviewing the proposals that came in. We have this summer. We will be analyzing them and trying to determine when we put out the RFP.

One of the things that we will be doing this summer will be moving about 300 utility poles that have to be moved in advance. If anybody has driven out there, if you've seen it – perhaps MHA McKenna has – there's a cleared area but there are still a lot of utility poles right through the centre of it. Obviously, they're going to have to be moved back.

So outside of the cost of the twinning project, that's part of what we have to negotiate with the utilities, to get those moved. Of course, there's also the fibre optic cable in some areas of the land that's been cleared, that will also have to be moved so that it's not underneath the new part of the highway.

So that's the plan for this summer, is to continue the engineering work and work on the RFP, but also to move those poles. Three hundred poles are a pretty mammoth task.

B. PETTEN: It is.

What about Canning Bridge, Minister?

F. HUTTON: Canning Bridge: Work has been continuing through the winter and maybe, Dan or Cory, you can pick that up from there, but work has been ongoing all winter as well.

D. MICHELSEN: Yes, so a lot of the preparation civil work, with the rock and everything, is prepared. The contractor has ordered the temporary bridge, which is en route. The plan this summer is to have the temporary bridge in place and functional.

Design work continues on the permanent bridge, and we will be out to tender on the permanent bridge within this fiscal year, to start work on the permanent bridge next year.

B. PETTEN: Thank you.

I got a couple of general ones that are probably behind in the headings but if you don't mind, just –

F. HUTTON: Sure.

CHAIR: Go ahead.

B. PETTEN: These are on school facilities, actually. I'm looking basically, I guess, for updates on these projects, if you don't mind:

Paradise high school – I'll give you them all: Dorset, Paradise, Portugal Cove-St. Philip's, the new school in Cartwright and Kenmount Terrace school. Is that still expected to open 2026?

I'll throw them all at you and you can –

F. HUTTON: So I can speak to some of this, and maybe Robyn or Cory can jump in.

As you know, we just selected the site not too long ago for the Paradise high school, which is right across from the current intermediate school. We are going through the process now of trying to figure out the design and the size of that school.

I know that they're clearing land down at Portugal Cove-St. Philip's at the Portugal Cove-St. Philip's high school. The Dorset Collegiate on Pilley's Island, the reconfiguration there, which is basically the amalgamation of two schools – the smaller school will become a bigger school for everyone – that contract has been let and I believe the work has already started.

The others you mentioned were Cartwright –

B. PETTEN: Yes.

F. HUTTON: – and Kenmount Terrace.

Cory, do you want to take those?

C. GRANDY: Cartwright tender has closed; we're in the evaluation stage. We expect an update on that in the weeks ahead in terms of contract award, but it has been tendered and closed. In Kenmount Terrace, we had issued an RFP over the winter that has also closed, and we are also in the evaluation process of the results.

I'll just add as well, just on those, great interest in the industry in terms of the number of bidders on all those projects.

B. PETTEN: Is it still expected to open in September of 2026?

C. GRANDY: The evaluation of the Kenmount Terrace RFP includes evaluation of the tender, and so in evaluation of their proposals, every contractor was able to propose their own work schedule. The evaluation will inform the answer to your question, so short answer is I can't answer that right now.

CHAIR: All right, your time is up.

MHA Brown, do you have some questions on this set?

J. BROWN: Perfect, thank you for that.

Of the school projects and stuff that were just listed by the minister, which ones are regular builds and which ones are P3s? If possible, just to say which of these builds are P3s and which ones are just regular, government-owned build.

C. GRANDY: The highway twinning project is a P3. I don't know if your question was specific to schools; I didn't hear the beginning of your question.

J. BROWN: All the projects that were listed.

C. GRANDY: Yeah, so the twinning project is being procured as a P3. All of the school projects, none of those are P3. Some of them are what we refer to as Design-Bid-Build. That's the more traditional tender process. Some others, such as Kenmount Terrace and Portugal Cove-St. Philip's, we did using a design-build model. Whereas Cartwright and Pilley's Island, as two other examples, they were the more traditional Design-Bid-Build. None of the schools are P3.

J. BROWN: Thank you.

Could we also get an update on the Francophone school expansion in Happy

Valley-Goose Bay as well, that was also announced in this budget?

F. HUTTON: I actually visited the school and the one in Lab West in the last few months – I can't remember exactly when – and met with the chair and some other folks at both schools who are on the boards. And the money that's there is to look at what could potentially be done. It's basically to scope out with engineers and consultants on what could be done, given the existing facility.

J. BROWN: I'm glad you visited that and also the one in Lab City. By the way the one in Lab City is the first school in Lab West; it's one of the oldest buildings in Lab West.

On the health care infrastructure, we've seen that, especially in 3.2.02, there was a significant increase in the budget this year. Is this due to the rising the cost of the P3 model or is this other effects?

F. HUTTON: Sorry, did you say 3.2.02?

J. BROWN: That's correct, Minister.

C. GRANDY: What you see in 3.2.02 is the operating payment for the projects that we've delivered under the P3 model. So the increase from '24-'25 to '25-'26, that relates to the new mental health facility completing construction and going into operations mode. So then the 30 years of lease payments kick in.

J. BROWN: Perfect. Thank you so much for that.

Can we get an update also on the Labrador Correctional Centre's work. I know, over a number of years, they've been some work there. Can we get an update on where it's to right now?

D. SPRACKLIN-REID: Work has recently resumed at the Labrador Correctional facility. As you're aware, we had a delay because of the presence of asbestos, the

abatement of that, but the contractor is back on site and work has resumed.

J. BROWN: Thank you.

Can we get a rough completion date on that work, please?

D. SPRACKLIN-REID: We are estimating the fall of '26 for that.

J. BROWN: Thank you.

Can we get an update on the procurement process for the replacement for HMP and where we're to right there with that? I know it's been an up and down journey. Where are we to right now with it?

C. GRANDY: We are near the end of the procurement process. There's not a whole lot more we can say tonight by way of update, other than the proposal is in the process of being received from the proponent and we've received that in a technical submission, as well as a financial submission.

So we have received the technical submission, we're in the process of reviewing that, and the financial submission will be submitted very soon and then we'll be able to complete our evaluation.

J. BROWN: I know that there was a new overpass and that announced for off Kenmount Road for the new health campus and everything like that. Is there any date of the start and finish construction of that project or is that still in the design phase?

C. GRANDY: We are going to start some preliminary work. You won't see concrete being poured this construction season but, similar to what you've seen on the TCH twinning project, you might see some clearing up there this year as we complete our routing. Heavy construction not likely to begin until the 2026 construction season and I think premature to pick the target date.

It'll be a two- or three-year build, is what we expect at this point.

J. BROWN: Perfect.

F. HUTTON: Could I add to that, Madam Chair?

CHAIR: Go ahead.

F. HUTTON: Sorry, MHA Brown, if I could just add to that.

One of the things further to what the deputy was just talking about is, with that land and where it's situated up on Kenmount Crossing, it is literally between two of the biggest cities and one of the biggest towns in the province. One of the things that's really appealing about it just for transportation purposes, if you've ever tried to get out of Paradise in the morning, if anybody lives up in that area, or tried to get back to home – there isn't one way in and one way out of Paradise, there are others but a lot of people choose to use that because it connects to Route 1, which is the Outer Ring Road.

If you are heading towards the Confederation Building from out of town, on the right-hand side where the hospital will go, there is an ability to put some sort of roundabouts or bridges or overpasses there that would connect in to Paradise, and equally, obviously, the area will need more water infrastructure. So I've struck a committee of the deputy minister and CEOs from the Town of Paradise and the Cities of Mount Pearl and St. John's; they meet regularly.

I meet once a month or once every two months with the mayors of those communities to talk about the potential for – while we're going to build a hospital there, how we can unlock the issues that Paradise faces with water needed for the other side of the Outer Ring Road to expand any development over there, but also, the infrastructure for roads and the need for

development in the Kenmount Terrace area in terms of more water and road infrastructure, and equally for Mount Pearl, who are desperately trying to expand as well.

If you've driven up Kenmount Road at any point in time in the last little while, you'll notice on the left-hand side past Avalon Ford, they've cleared just about all the land up there to continue to develop. So as the city moves out, we want to make sure that this is done as more of a regional approach that would help all those communities. Rather than just in a silo, build a hospital and nothing else would be impacted, we'd rather have the ability to unlock some of those other problems that are there.

Again, to Cory Grandy's answer, it's going to be a while. You may see some prep work this summer, but the road won't be open this summer.

J. BROWN: Perfect. Thank you so much, Minister.

Can I get an update on the work with the pre-feasibility study for the road to the North Coast. I know that was gone to the Indigenous groups for review and that, have they come back on anything on that yet or is that still with them?

F. HUTTON: Sure.

We are still respectfully waiting for input from the Indigenous groups to proceed and to release that report.

J. BROWN: Perfect. Thank you so much.

Under Municipal Infrastructure, I know in the past we've asked about, you know, adjusting the program, allowing municipalities that are facing growth issues to be able to apply and for more consideration for new builds and expansion of infrastructure and expansion of, I guess, services to accommodate that. I know it's been an issue in our region and that, has

there been any consideration talking to larger municipalities that are experiencing growth on how to adjust the programs to allow them to do more with that kind of infrastructure money?

F. HUTTON: I'm not sure if I completely understand your question, but I can tell you this: We've met extensively with Municipalities Newfoundland and Labrador over the last several months since my arrival in this portfolio and, as a matter of fact, prior to that, because they were really keen on my previous portfolio of Housing as well, one of the issues that some of the smaller municipalities face is they don't have the staff to apply for the funding, to go through the – is this what you're getting at?

J. BROWN: Kind of – partially, but we'll expand. Keep going.

F. HUTTON: Yes, sure.

So one of the difficulties of small communities of 1,500 people or 300 people, they don't have the staff to fill out the federal forms to get the federal portion of funding. That would, perhaps, unlock some provincial funding as well. I mean, we've been dealing with them and individual communities but I'm not sure if I've answered your question.

J. BROWN: No, it partially did. I thank you for that.

The other part is, for example, like in Labrador City, they have land that was cleared off and ready for development and it was, you know, under the expectation that a developer would build the street, put the road, water and sewer stuff in; that fell through. There's a need for housing and that but there's such an incurred cost to build, especially in a region like Labrador, so the problem is that a lot of their hands are tied in the sense that, well, if they can't apply through the way some of the programs are set up, is to go and apply for a road, water, sewer, street to be built under

some of the infrastructure programs and that.

So what I guess they're wondering, is there any consideration for the department to be more forgiving or more open to the concept of allowing a municipality to build a brand new street with water and sewer and everything like that in the anticipation of trying to alleviate some of the cost for housing?

F. HUTTON: Yes. I mean, we would be open to that.

We've just signed off on the Canada Housing Infrastructure Fund, CHIF, which is the new version of ISIP. I should mention as well, and I raised this with the former federal minister of Infrastructure, Sean Fraser, when I visited him a while back, that it's about one quarter of what the ISIP program was, which is frustrating to us as a very large province with a lot of needs and a lot of municipalities like Labrador West, Lab City or Wabush or like many other communities that require upgraded infrastructure to maintain their economy for the ability to grow as a community.

That's very frustrating, but what I would say to any community that wants to do that kind of thing is, get in contact with the office and we can have the team sit down with them to see what potential funding is available for what their plan is. We've done that with several already, maybe half a dozen or a dozen in the last few months. They proactively reach out to us or just by happenstance, if I run into them as I did in MNL in Marystown, an urban conference down there just a couple of weeks ago. We landed there and got in there and spoke to a couple of folks. As a result, we'll be chatting with them about the exact thing you're talking about.

CHAIR: MHA Brown, your time is up for now. If you have more questions we can certainly come back to you.

MHA Petten.

B. PETTEN: Thank you, Chair.

To continue on with a few more questions, Minister, the budget had \$150,000 for planning work for the school in Goose Bay and Pasadena Elementary, but it also had unspecified schools in St. John's. Is there any idea what schools are part of that planning?

C. GRANDY: We're going to take our lead from the Department of Education mostly on that. There are some concerns with capacity issues in some city schools. That's what that is trying to get at, schools that have capacity. We don't have the specific, outright finite list of schools to look at, but we'll be doing our collaboration with the Department of Education and taking our lead from them and assisting. They identify the school who were having pressures in them and we'll work with them then to do some analysis as to what the solutions may be.

B. PETTEN: Busing contracts: How many busing contracts are currently in place?

R. BURSEY: I don't have a complete list here with me, but we can certainly get that for you.

B. PETTEN: Sorry, I didn't hear you.

R. BURSEY: I don't have the complete list with me here tonight, but I can certainly get that for you.

B. PETTEN: Okay, thank you.

Minister, you'll appreciate this question. It's not my question, but what's the status of the Trepassey breakwater?

F. HUTTON: So –

B. PETTEN: Yeah. You know whose question it is.

F. HUTTON: We met with the Town of Trepassey a while back. We agreed to do a study on what would need to be done in order to fix the issue, which is an ongoing issue down there because of the geography and the changing climate. There was something done after Hurricane Larry, was it? Earl or Larry. It was damaged a couple of years ago; it was fixed. There was another storm. There's been another problem.

Obviously, weather is changing in this province. We don't have winters like we used to have. It seems we have a lot more rain and strong winds. Growing up, we didn't have hurricane season or pay as much attention to it as we now do.

But we're in the middle of doing a study to figure out – is the study finished now? I think it is. It's completed, and we're reviewing it, with a view to what is actually going to have to be done in order to stop this from happening repeatedly.

B. PETTEN: Minister –

F. HUTTON: But happy –

B. PETTEN: Oh, sorry.

F. HUTTON: – to work with the town, and have been working with the town.

B. PETTEN: Okay, thank you.

Minister, in February, CBC reported issues with, I guess, infrastructure in the past, the issues with the youth centre in Whitbourne. Has there been any actions taken to repair that facility?

C. GRANDY: We've been working with our colleagues at the Department of Justice – short answer is yes. So there's three different buildings with two housing units each, in the buildings out there. One of those housing units was taken out of commission several years ago, so it leaves a total of four. The other four units in two

buildings, the main issue there is that the roof needs to be replaced.

Our staff are completing a design now for a tender to replace the roof. It's not – I wish it was – a simple shingled roof, so it's a fairly involved project and it's going to be an expensive one to implement, but we'll be issuing a tender for that later this year. Then, once the work is complete on the roof, we'll be able to conduct some repairs on the inside.

Three, I think, of those four units are operating now.

B. PETTEN: So capacity has obviously been reduced as a result of these conditions, correct?

C. GRANDY: There is one living unit that is not usable at this time, is our understanding.

B. PETTEN: Unit 3, it was reported that it was without water. Has that been fixed?

C. GRANDY: Can you repeat that?

B. PETTEN: This is based on a report. There was a unit 3 that had no water. Has that issue been fixed?

C. GRANDY: I think the –

B. PETTEN: Unit 3.

C. GRANDY: Yes. So trying to make sure I'm not misunderstanding the question. Water infiltration through the roof is a problem, but water sounds like water supply, that has been rectified to the best of my knowledge.

B. PETTEN: Yeah, it was water supply.

Under Health Care Infrastructure, 3.2.02, what's the status of Downtown Health and Well-Being Centre? Has the site been secured and is it operational? And what are the timelines, I guess, in a nutshell?

C. GRANDY: Did you say the Downtown Health and Well-Being Centre?

B. PETTEN: Yes.

C. GRANDY: The site has been selected as the former Grace site. The project development has been mostly led by the health authority. That is moving over to us now to execute as a project. That is the stage we're at now is taking their concept and bringing it to fruition, so we are expecting some activity on that site later this year in this construction season.

B. PETTEN: What about the urgent care centre on Stavanger? Is this operational yet?

C. GRANDY: Those urgent care centres are done through the health authority. They're not TI projects, so I would not be able to answer that question.

B. PETTEN: The funding doesn't go through Infrastructure either? Straight through to health –

C. GRANDY: It doesn't. It's in the health authority's operating budget.

B. PETTEN: Okay.

And the same thing for the ambulatory care hub? Is that health?

C. GRANDY: That's the health authority.

B. PETTEN: Okay.

We're going to go quick through these. So all these are health.

Under Ferry Terminals, can you give a breakdown of what repairs and maintenance projects are under way this year?

F. HUTTON: Is it 3.3.01?

B. PETTEN: Yes, 3.3.01.

C. GRANDY: So there was some lapsed funds there from our budget to revised. There was work for the Flanders jog on the Bell Island run, so I think, MHA, that was the question you asked.

B. PETTEN: Yes.

Under 3.3.02, Ferry Terminals, there's only one ramp, only one built. Why is only one ramp being built at Farewell is the question. Why is there only one ramp being built?

F. HUTTON: I can take a stab at it, but historically there was only one there, I guess, because of the size. Are you talking about the one at Change Islands? Oh, the one in Farewell.

B. PETTEN: Yeah, the mobile ramps.

F. HUTTON: Oh. I'm sorry, I missed the –

B. PETTEN: You can fill it in if you want to.

F. HUTTON: Are you talking about the temporary ramp, or –?

OFFICIAL: The temporary ones we were supposed to put in were taken out, yes.

F. HUTTON: Right, okay. Sorry.

I thought you meant the actual berth for the boats. Because of the different sizes of boats that are used, be it the *Veteran*, be it the *Sound of Islay*, *Flanders* or *Beaumont Hamel*, or the *Qajaq W*, we – or is it the Kamutik?

OFFICIAL: Kamutik.

F. HUTTON: Kamutik, sorry, the Qajaq is the one across the Strait – and because of the timing of day and the levels of water, it would be impossible for all those boats to be able to get on the one side, on the Farewell side.

On the other side, the Fogo side, there are two jogs. So we can put one there and we

know that at one point in time any of those boats can go in without the ramp, the movable ramp. And we did that in consultation with – sorry.

J. MCKENNA: So you're going to put one on the Farewell side – or the Fogo Island side, I'm sorry, right?

F. HUTTON: That is correct.

J. MCKENNA: Because there's another option there for other vessels, okay.

F. HUTTON: That is correct.

J. MCKENNA: So what happens when the large transport trucks gets on, on the Fogo Island side, and they can load there, but when they get to Farewell they can't get off because there's no ramp there to accommodate the up and down tide.

F. HUTTON: They are still able to get off, it just takes a little bit longer. With the movable ramp that we are designing – well, we're not designing it – that the company's bringing in, it will mitigate the amount of time getting on, at least on the Fogo side, and then on the Farewell side, it will unfortunately still take a little bit longer, but they can still do it.

J. MCKENNA: So we're still going to have problems there with regard to tides and winds, like we did today, right? The crossings were cancelled today for the same reason.

What's the status of that mobile ramp?

C. GRANDY: We're working with the contractor, LMI. Last update I had, as of last week, we we're waiting for them to complete their engineering drawings. They had a concept but they're executing that work and we're still waiting and putting as much pressure as we can on them to get that in place.

CHAIR: All right. Your time is up now, MHA McKenna.

MHA Brown, do you have any further questions?

J. BROWN: Not for this section, no.

CHAIR: Not for this section. All right.

MHA Petten's going to speak now. Okay, go ahead.

B. PETTEN: A couple of more on this section, yeah.

Under Municipal Infrastructure, 3.4.01, what portion of municipal capital works funding has been carried over? Was that a challenge as well?

C. GRANDY: MHA Petten, I'm going to try and answer that one along the same lines I answered your earlier question on the roads program.

You can see on the total in that activity that we had budget \$176 million and some change. Our projected revised was \$135 million, so I think the simple analysis is that that work then carried over into another year, '25-'26 and beyond.

B. PETTEN: What were the total number of requests versus awarded?

C. GRANDY: Sorry, can you repeat the question?

B. PETTEN: What was the total amount that was requested versus being awarded?

C. GRANDY: We don't have that information. We're trying to recall the number between myself and the ADM in terms of in our recent call, what that number was, but we don't have that at the ready. We can provide that information to you in follow-up.

B. PETTEN: Could we get the breakdown of the \$31 million in multi-year capital works announced in *Budget 2024*? Can we get a breakdown of that, it's part of the \$70 million three-year commitment?

C. GRANDY: Do you mean breakdown of how the multi-year is spread across the – I can't remember the exact number of communities –

B. PETTEN: Fourteen and 13.

C. GRANDY: – is that by community? Yeah, we'll have to follow-up and provide that to you.

B. PETTEN: That money is usually spent – that's over the bigger communities, correct? That's only the larger municipalities, right?

C. GRANDY: That's correct, yeah.

B. PETTEN: There are 12 or 13 or eight or 10 – I can't remember the number.

C. GRANDY: Yeah, it's over a three-year program.

B. PETTEN: Could we get a breakdown of \$50 million over the five years for municipal capital works?

C. GRANDY: Again, that's a list that we'd have to provide.

B. PETTEN: Okay.

What's the status of the multiplex at Galway?

C. GRANDY: We've received some preliminary – sorry I just had to make sure I was thinking of the right project when you said that. Multiplex at Galway, yes, so we received some concepts from the consultant. We awarded the contract last year and we're still considering the scope and cost that came in with that. Work is ongoing.

B. PETTEN: What about the rehabilitation dome at Kenmount Crossing? Is that a health care project as well?

C. GRANDY: No.

The funds for that actually, you won't see it in any of our activities here because the funds for that have already been transferred to the Newfoundland Sports Centre Crown corp under TCAR. We've been assisting the Newfoundland Sports Centre in that procurement. We have a consultant that's been doing some design work and then the contract is being awarded and signed by the Newfoundland Sports Centre. It's a Sports Centre project that TI is assisting is the best way I could describe that.

B. PETTEN: That's it for that section for me, Chair.

CHAIR: That's it for that section. I ask the Clerk to recall the subheadings, please.

CLERK: 3.1.01 to 3.4.01 inclusive, Infrastructure.

CHAIR: Shall 3.1.01 to 3.4.01 carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 3.1.01 through 3.4.04, Infrastructure, carried.

CHAIR: I'm going to ask now for a short break. We're going to take maybe a five-minute break. We will come back in five minutes to resume Estimates.

Recess

CHAIR (Stoyles): I'm going to ask the Clerk to call the next headings, please.

CLERK: 4.1.01 to 4.2.02 inclusive, Air and Marine Services.

CHAIR: 4.1.01 to 4.2.02, Air and Marine Services.

MHA McKenna.

J. MCKENNA: Thank you, Chair.

Minister, what is the ferry plan for Fogo Island, Change Islands and Bell Island this coming summer season?

F. HUTTON: Thank you for the question, MHA McKenna.

As you know, both the *Veteran* and the *Legionnaire* are having their engines replaced. The *Veteran* is finished; the *Legionnaire* is still at Bull Arm. Currently, just for the record, I'll state that the Labrador marine ferries are both at the Fogo-Change Islands run, the Astron and the Kamutik. Right now, the *Veteran* is with the *Flanders* at Bell Island. The Beaumont is having its ramp repaired at St. John's Dockyard and the Kamutik is expected to have to go back to Labrador to do the North Coast run.

Last year it was, I think, around the first week, the first couple of days of June it left. It depends on ice conditions. We managed to keep it down there a little bit longer this year through December because ice conditions didn't move in. We're still working on the plan as to when the *Legionnaire* will have its engines replaced and the other remediation work that it has to have done to it at Bull Arm.

We're not exactly sure when it's going to come back, but we haven't made final decisions on what boats will be where at what point in time. We'll be doing that in the next couple of weeks, once we get a better sense of when the *Legionnaire* is going to be fixed, but the boats that we will be working with are the ones that I just referenced, minus the Kamutik which goes

back to the Labrador Coast run in very late May or early June, Sir.

J. MCKENNA: Okay, thank you.

Will the *Sound of Islay* continue to service Change Islands solely?

F. HUTTON: The Astron is there right now because the *Sound of Islay* had to go to Long Island for a little while, while one of those vessels had to come out for refit. As you know, through the winter months, we kept that boat there. Normally, there would only be one boat on the Fogo-Change Islands-Farewell run during the winter months; but to mitigate the problems associated with overnight call out, specifically, we asked, in consultation with the Ferry Users Committee, what would work best and we spoke to the folks at Change Islands as well, the mayor and another person who is part of the committee, what would work best. We worked out a schedule so that it would mitigate the larger vessel having to stay tied up, should there be an overnight call out for medical purposes.

Now, it hasn't always been perfect obviously because there are still times when the boats have to move or not move, but that was the purpose behind making this – I don't know if it's happened before – a two-run winter schedule versus what is normally just a one-run winter schedule – or one vessel, pardon me.

J. MCKENNA: Okay, thanks.

Which vessel will do the larger run for Fogo Island to Farewell?

F. HUTTON: Pardon me?

J. MCKENNA: Which vessel will do the larger run from Fogo Island to Farewell, which of the larger boats for the summer months?

F. HUTTON: The Kamutik.

J. MCKENNA: So you don't know that yet, basically?

F. HUTTON: No, the Kamutik – oh, for the summer months after June when the Kamutik goes back to Labrador.

J. MCKENNA: Yes.

F. HUTTON: Well, we're hoping to have the *Legionnaire* back sooner than the end of the summer, obviously. So we will make the decision within the coming weeks, once we know when the boat is going to be back.

J. MCKENNA: What is the short-term plan to address lineups and delays right now? I guess you basically answered that just now when you talked about the Astron being down there now.

F. HUTTON: Right, or to have a second boat.

J. MCKENNA: Yes, I didn't realize she was down.

F. HUTTON: It is. It's been down there for about a week and a half now.

J. MCKENNA: Okay.

F. HUTTON: Because the *Sound of Islay* had to leave to go to Long Island.

J. MCKENNA: Fogo Island-Change Island –

F. HUTTON: That vessel holds about 20 or 22 cars, I believe, which is actually more than double the *Sound of Islay*.

J. MCKENNA: Yes, and I understand she can take two tractor-trailers.

F. HUTTON: Yes, and still some passenger vehicles.

J. MCKENNA: Fogo Island-Change Islands was promised a shore-based manager position – both you and I talked about that a

while ago – during the by-election last year. When will that person be hired? Will it be an appointment or a public application process?

F. HUTTON: That final decision hasn't been made but we're going to be chatting, again, with the Fogo Island Ferry Users Committee in the next little while to look at that and to look at the potential. I met with the Shorefast Foundation when I was in Fogo back in the fall to talk about that. They thought that that was going to be a great idea as well to have somebody there.

The way it's worked on the Portugal Cove side of the Bell Island-Portugal Cove run has been great. It allows us to have an extra person there. I mean, the folks who are working the boats are keeping an eye on the boats and keeping an eye on the people who are trying to get on and off, but we also want to make sure that – and the other staff are onsite, of course, watching traffic.

J. MCKENNA: It will also be great for communications as well.

F. HUTTON: But it's for communications and customer service –

J. MCKENNA: Yes, for sure.

F. HUTTON: – which is basically what has been happening on the Portugal Cove side. We've had great feedback on it, and I think that the folks in your district would probably appreciate it as well. Not just the folks who live there but the many tourists who go back and forth.

J. MCKENNA: Absolutely.

What vessels will undergo refits this year and what is the contingency plan if other boats break down? Because that is the crucial time when the fishery is open and tourism and everything like that. We don't want to be in a situation like we have been in the past.

F. HUTTON: They're going to get the exact schedule there for you, but what I can tell you is that we are planning to keep the *Astro* as a swing vessel, which would service whatever ferry run would need to be done at any point in time, and at significant cost, I might add, to taxpayers to have that vessel there.

For specific work on the ferries, Cory has that list in front of him.

C. GRANDY: At a high level, as the minister said, the *Beaumont Hamel* is in right now having work done in the St. John's Harbour. The *Hazel McIsaac*, the *Sound of Islay* and the *Grace Sparkes* are all due for refit work this year, and we'll be scheduling that in coordination with the other vessels that we have available.

F. HUTTON: Can I add something to that, Madam Chair?

CHAIR: Go ahead.

F. HUTTON: MHA McKenna, we've had this conversation before. This is part of a larger conversation that we're having because the ferries that Cory just referenced, two of them are approaching 40 years of age. I think the *Sound of Islay* is if not 50 years old, about to be 50 years old. An absolute workhorse but, obviously, 50 years old in terms of ferry life, it's a long time. It's still very reliable but only able to hold about nine cars.

The *Hazel* and the other vessel that has to go out – sorry, it's late in the day.

C. GRANDY: The *Grace Sparkes*.

F. HUTTON: – the *Grace Sparkes* are vessels that we rely on heavily as well but are getting up in age. So it's part of a larger conversation of how do we – and the two that we have, the *Veteran* and the *Legionnaire*, we've spent almost \$30 million in repairs on vessels that are 10 years old.

I've said this publicly before, at a certain point in time, we have to figure out are those the vessels we're going to keep and continue to put money in? Similarly, if you buy a car and it's always in the garage you wonder, am I going to continue to spend money on this car or am I going to go and get a new one and sell this and maybe take a – I don't know what the answer is right now but with the fleet that we have and many of them approaching 40 years old, one of them is 50 and a couple are 10 years old or 11 years old almost and requiring so much maintenance, we're still having a very close look at where we go in the future; a longer-term plan versus trying to just sort of plug holes from time to time.

J. MCKENNA: Understood. That was my next question.

Is government considering the purchase of new vessels?

F. HUTTON: Yeah. It's all part of a larger discussion.

I will say this as well, and I've told you this and said it publicly, it's very difficult to find used vessels if we wanted to buy something that was six, 10 or whatever years old because, in most cases, people would not want to sell them if they're using them. Secondly, if we did have \$50 million or \$60 million handed to me right now in this department, it would be three years before that vessel would show up at a dock anywhere. It takes a long time. It's not something that you can just run up to Kenmount Road and buy a new truck like that.

I know you know that. It's a very detailed thing and we would want to make sure that we do it right this time so that we're not buying ferries and bringing them down to a dock that they don't even fit, which was the case with the *Veteran* and the *Legionnaire*.

J. MCKENNA: Okay.

I going to move to 4.2.01, Government - Operated Aircraft.

F. HUTTON: Sorry, 4.2.01, Sir?

J. MCKENNA: Yes.

F. HUTTON: Okay.

J. MCKENNA: Is the fifth waterbomber operational? If not, what are the repair timelines and will it be available for this fire season?

F. HUTTON: We have just signed a contract with the company that's going to repair it. What has to be done at this stage is the aircraft is in Gander. I've actually physically seen it myself and seen the damage to the, I guess, the underbelly of the aircraft, if you will, the bottom part which scraped off the shoreline or the bottom of the pond that it landed on. It's quite significant.

There also has to be some other upgrades done to that aircraft. What we need to do is do the repair work out there which will allow Transport Canada to give the clearance for the pilots to fly it to St. John's where the actual, final repair work will be done. That includes deferred maintenance that hasn't happened in the last couple of years because the aircraft has been just sitting on the tarmac there.

In terms of timelines for having it ready for the summer of 2026, not this summer but next.

CHAIR: All right.

MHA Mckenna your time is up. We will come back to you with more questions.

MHA Brown.

J. BROWN: Thank you, Chair.

Can I get a breakdown of the cost for the contract for the 2025 season for the North

Coast run and the Strait of Belle Isle run, their contracts with the proprietor?

F. HUTTON: For the ferries?

J. BROWN: Yes, for the ferries. What is the operating cost that it will cost government this year?

F. HUTTON: I don't have the breakdown, but I'm happy to get it for you and have it delivered.

J. BROWN: Perfect, I appreciate that as well.

F. HUTTON: The ferry costs that we spend per year is, according to the budget yesterday, in the range of about \$90 million plus another \$13 million for maintenance costs.

J. BROWN: Yeah, I'm looking for just the breakdown with the contractor for the contracted-out ferries.

F. HUTTON: Oh sure, okay. We can get that for you.

J. BROWN: Thank you so much. That was one question.

With the changeover with the air ambulances going through a private contractor, what are the plans for the two provincially-owned planes? Are they going to be sold to the contractor, leased to the contractor or continued to be held by the province?

C. GRANDY: So the RFP that had been issued from the Department of Health provided the proponents with the option of acquiring those aircraft, if they want, in their proposals.

So given that that process is not complete yet, the Department of Health are still leading that, we will make decisions on those two aircraft following that after we

determine if they will be needed in the private service.

J. BROWN: Perfect. Thank you very much.

I guess, with MHA McKenna talking about the aircraft, what other work has to be done to the remaining aircraft prior to the 2025 fire season and what upgrades are required for the aircraft or are they ready to go and there's no need for this year?

C. GRANDY: Through the winter season, this downtime is a time for, in my non-aviation words, I'll say the regular upkeep of those planes. So they will be ready, those four tankers, for the 2025 season.

J. BROWN: Perfect.

I know that there was an upgrade done to all the government aircraft over the last couple of years for avionics and stuff, are all of those upgrades completed, I guess, minus the fifth waterbomber? I guess they'll get that done at this time?

C. GRANDY: The avionics upgrade is another piece. The aircraft are fully functional, fully compliant with current rules but the avionics upgrade, you're right, had been talked about but that is not a piece of contracted work yet, and not due to be done yet from a regulatory perspective. There's nothing looming. It is something to be done in the future but is not done yet. There is no contract yet for them.

J. BROWN: Perfect. That was my final question.

Thank you, Chair.

CHAIR: MHA Petten.

B. PETTEN: I have just three general questions, and I think that might be it for us.

Minister, there was a \$9 million increase in Purchased Services with Provincial Buildings. Is that because of 3P projects?

F. HUTTON: Sorry could you repeat –

B. PETTEN: Yeah.

It's a general question, actually, that got missed in the shuffle earlier there. It would be under 2.3.01 and I know we already voted on it but just a general question. There's a \$9 million increase in Purchased Services, I'm wondering is this because of 3P projects or, I guess, I'm wondering what is it?

F. HUTTON: 2.3.01?

B. PETTEN: Yes.

C. GRANDY: I'm just going to get to the right page.

Again, 2.3.01, Provincial Buildings, no, that is not the P3 project; you'll see that under a different activity in the three series. But the \$9 million there is due to inflationary pressures on items such as NL Power bills, service contracts, which include HVAC servicing, snow clearing, garbage collection, as well as building leases.

That activity is for all government-owned properties, as well as government leases that TI administers on behalf of all core government.

B. PETTEN: They are not the only ones with problems with the power bills. You're not the only ones with trouble with your power bills.

Stephenville Crossing, why was that chosen over Stephenville itself, for the courthouse?

C. GRANDY: So I'll make sure I understand your question, you're talking about the location of Stephenville versus Stephenville Crossing?

B. PETTEN: Yeah.

C. GRANDY: So the Martin Gallant Building in Stephenville Crossing had closed some

years ago after we completed the new heavy equipment centre of excellence for CNA – I might have gotten the name of that wrong, but it's close to that. The Martin Gallant Building had been unoccupied. So the public building in Stephenville that houses the court as the main tenant, DGSL are also a big tenant in that building, there have been long-standing issues with that building from an accessibility perspective, and there had been work 10-plus years ago, I guess, on a possible replacement for the court.

Then, in parallel with that, at the same time, we have a vacant building in Stephenville Crossing that we wanted to make use of. So the two things came together and our staff put together a plan to revitalize the Martin Gallant Building and make it the new public building for the area. Again, the court will be the main tenant and DGSNL and their service centre is another main tenant, and then TI occupies some space, I think Environment and Conservation, some small spaces there as well.

B. PETTEN: What's the status of the Atlantic Wildfire Centre in Gander?

C. GRANDY: We just recently awarded a contract following an RFP process – I think the name of the company was Resource Planning Group, if my memory is correct – just in the last several weeks and the scope of work for that RFP was a planning exercise to develop a functional plan for the Atlantic Wildfire Centre.

They're just starting that work now so there are some weeks and months ahead, as we talk to stakeholders, as to what would comprise that and we will build the project scope and budget following that activity.

B. PETTEN: How much was that RFP for? What value?

C. GRANDY: We will have to follow up, MHA. It's six digits, not seven. I think it's a 100-and-some-odd thousand.

B. PETTEN: Okay. That's it for me.

Thank you.

CHAIR: MHA Brown, you don't have any further questions?

J. BROWN: No, I'm done with questions. I just want to thank the department and the minister and all of that for being here. I appreciate their time, and I appreciate the time in the House there for this process.

Thank you, Chair.

CHAIR: MHA McKenna, no further questions?

MHA Petten?

B. PETTEN: I'll tell Minister Davis, behind me there, he should be thanking us and not the minister across. We could have went longer but we never – actually, I've done this department for years and I haven't done it the last couple but this is the quickest one yet.

Thank you all for your attention and your answers to questions. I appreciate it.

Thanks.

F. HUTTON: If I can just, as well, echo this sentiment from MHA Petten and McKenna and Brown – thank you for your interest here tonight. We'll attempt to get back to you on any of the things that we couldn't answer this evening. We appreciate your input, but I also want to say thanks to the staff who are here with me tonight and the many staff members who work tirelessly, not just in this building, but across Newfoundland and Labrador on a daily basis.

I often think about, you know, we talk about the snow plows and we talk about the ferries that run pretty well 365 days a year, all of the moving parts that are in Transportation and Infrastructure and when

things go wrong on the ground and we have to get our crews out to fix them, when we're at home in the mornings when school is cancelled or whatever, or they're wanting to get to school, these are the folks who are out in the dangerous conditions at night, and I have chatted with them.

So I just want to publicly thank the staff who work across Newfoundland and Labrador in this department and all the folks who help put this information together tonight and to you, as well, Chair and Clerk.

Thank you.

CHAIR: Thank you, Minister Hutton.

I ask the Clerk to recall the subheads.

CLERK: 4.1.01 to 4.2.02 inclusive, Air and Marine Services.

CHAIR: Shall 4.1.01 to 4.2.02 inclusive carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, subheads 4.1.01 through 4.2.02 carried.

CLERK: Total.

CHAIR: Shall the total carry?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Department of Transportation and Infrastructure, total heads, carried.

CHAIR: Shall I report the Estimates of the Department of Transportation and Infrastructure carried?

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

On motion, Estimates of the Department of Transportation and Infrastructure carried without amendment.

CHAIR: I also want to thank the minister and all the officials, especially the Clerk, for keeping us all on track here this evening.

The date of then next meeting is Monday at 9 a.m. and it's Labrador Affairs. I will ask for a motion to adjourn.

Moved by MHA Stoodley; seconded by MHA McKenna.

All those in favour, 'aye.'

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay.'

Carried.

Have a good evening. Thank you, again, for coming.

On motion, the Committee adjourned.