



Renfrew
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MA-TE-WAY THIRD PARTY REVIEW DRAFT FINAL REPORT

Presented To: Town of Renfrew Council

Presented By: Tammy Carruthers, BA CPA CGA CFE CICA PMP

CLSSB CCA MCITP CISA CCP

John Skorobohacz, Consultant

DATE: March 21, 2024



AGENDA

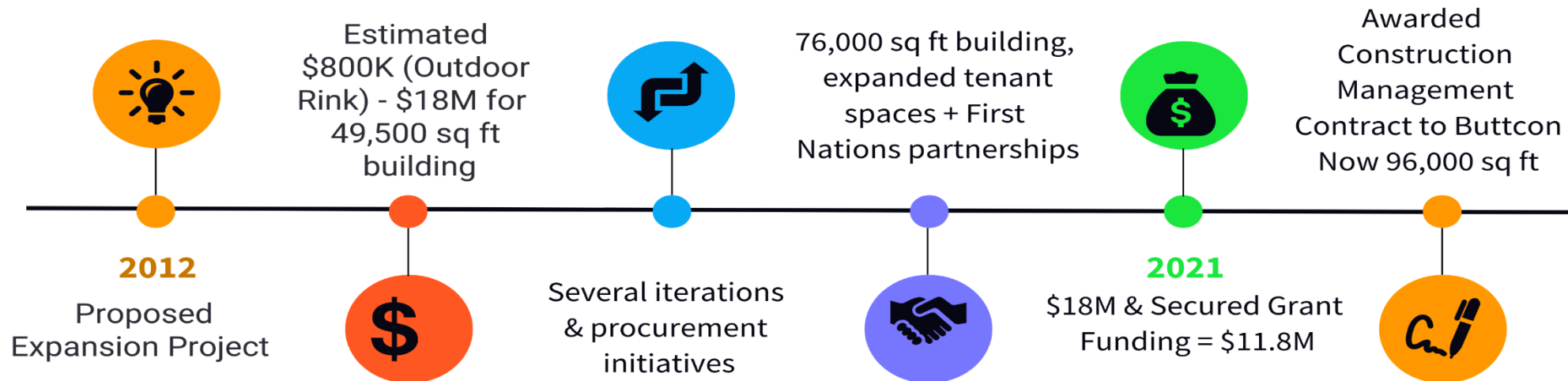




MA-TE-WAY EXPANSION – THIRD PARTY REVIEW SCOPE AND APPROACH

Ma-Te-Way Project

Problem Statement



SEVERAL DELAYS

- 2022** Original Opening Date - Fall 2022
- 2023** +\$17M Over Budget
- 2024** Expected Opening Q1 = 2 Year Delay
- =** Significant impact on the Town, partners & concerns from the public, Council and Town staff regarding processes, procurement and project management oversight

****3rd Party Review to provide objective assessment of project & recommendations****

Council Motion Passed - April 25, 2023

WHEREAS, the Town of Renfrew has pursued the current Ma-te-Way Expansion Project since November 2016 with Public Meetings held in May 2017 and February 2018; and

WHEREAS, the scope of the project includes the construction of a second ice surface, walking track, gymnasium, fitness centre, multi-purpose room, administrative offices, tenant spaces, and a cultural centre to develop our understanding of Indigenous history and culture; and

WHEREAS, the project was pursued to improve resident and visitor attraction, and support overall health and well-being through state-of-the-art recreation and community facilities; and

WHEREAS, the project was internally managed with oversight during the last term of Council by an Ad Hoc Committee of Council and the Parks, Recreation & Facilities Standing Committee; and

WHEREAS, the project was designed and engineered by N45 Architecture Inc. and originally costed in 2018 with Council directing that the project be paused for staff to explore revenue generation opportunities and efficiencies; and

WHEREAS, following confirmation of a federal-provincial infrastructure grant of over \$11 million, Council awarded a CCDC 5B Agreement (cost-plus contract) to Buttcon Limited for the project by unanimous vote at a cost of \$18 million in June 2021; and

WHEREAS, total project costs now exceed \$28 million with substantial completion now slated for summer 2023; and

WHEREAS, Council of the Corporation of the Town of Renfrew believe it is necessary and desirable to undertake a fulsome review to allow the Town to have a thorough lessons learned document that can be applied to future projects;

THEREFORE BE IT RESOLVED THAT Renfrew Town Council direct the CAO to appoint an independent third party to do a fulsome review of the Ma-te-Way Expansion Project, including procurement, funding, project management, and contract type. The assessment is to be managed by the CAO with full disclosure to council. The final report being brought forth to Standing Committee and Council by end of 2023.

Ma-te-Way Expansion 3rd Party Review Objectives & Deliverables

Objectives

- Assess governance oversight of the expansion.
- Review all policies, processes and procedures with respect to procurement and financial management.
- Assess project/contract management
- Consult and survey key stakeholders including council, staff, contractors, partners.
- Benchmark against other municipalities.
- Assess and map current state and make recommendations for future projects.

Deliverables

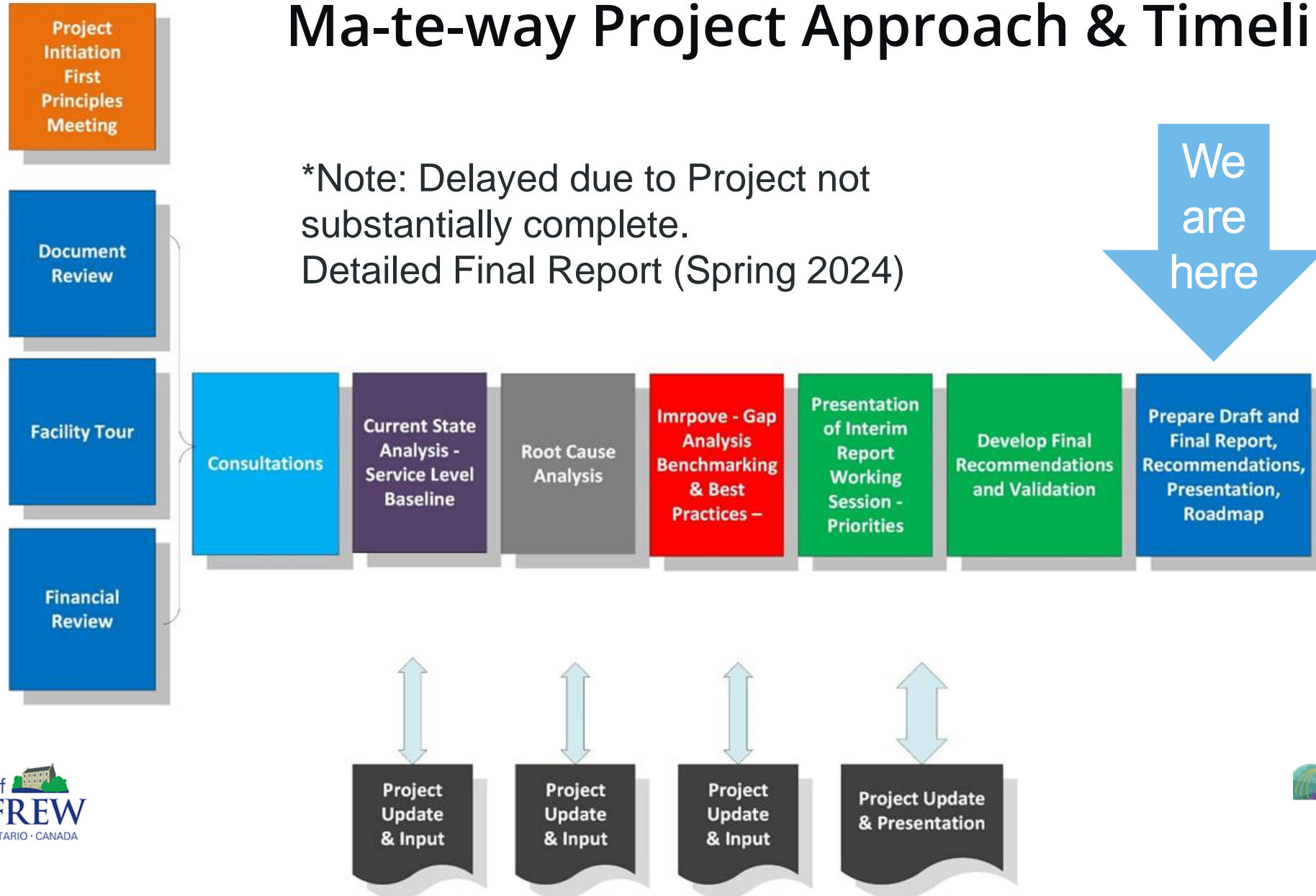
1. Problem Statement with key metrics.
2. Current state assessment, process maps, Cause and Effect Diagram, Failure Modes Effect Analysis, Input/Output Impact Matrix
3. Similar project analysis.
4. Total cost of the project.
5. Future state analysis & recommendations.
6. Interim and Final reporting including next steps & financial implications.



Recommendations

Ma-te-way Project Approach & Timelines

*Note: Delayed due to Project not substantially complete.
Detailed Final Report (Spring 2024)



Ma-te-Way Consultations & Document Review

- ✓ **Conducted over 200+ interviews**
 - All current and former Councillors (2018-2022 Term)
 - Current and some former Town Staff
 - Contractors, Consultants
 - Partners/Lessees/Sponsors
- ✓ **Reviewed over 80,000+ documents. Still awaiting documents requested from the Construction Manager and Town.**

***NOTE:**

- **Former Director of Parks and Recreation declined to be interviewed unless he was paid \$1,500/day for his time but asked that any information he provided be included in the report.**
- **Former Treasurer provided responses to some specific questions in writing.**
- **Other former staff requested for interview declined and further requests received no reply.**



MA-TE-WAY BACKGROUND & HISTORY



2010

Parks and Recreation
Master Plan



2012

Aug - MJMA Architect Preliminary Drawings
Dec - JF Presentation - Ma-te-Way to cost \$18.2M of 49,500 SF with increased annual subsidy of \$800K

July 2013 - New Director of Parks/Rec



2014

May - Presentation regarding Outdoor Rink (\$800k) with possible partnership with Sens Foundation and Fundraising. Pool Committee meetings.



2015

Jun - N45 Contacted for Outdoor Rink Drawings
Oct - Wentworth Landscaping Master Plan



2016

Feb-Staff directed to explore Recreation facility options to support partnership with Sens Foundation
Nov-Presentation to PR Committee on Exploratory Items



2017

Jan - Presentation - open house
Feb-Recreation exploration presented to Council. **May**-Public Meetings with 3 options-\$8.6M to \$12.8M



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Ma-Te-Way Expansion Conception to Contract Award

The project was first conceptualized over 20 years ago with a variety of options for a pool, second ice pad with the first commitment in 2015 with a newly appointed Director. Many iterations of procurement and negotiations occurred before awarded in June 2021.



2017

Sep-Terms of Reference for Adhoc Committee
RFP-New Addition/Renovation - Architect/Prime Consulting Services
Nov- Partial Award to N45 - Bid - \$464K - Approved \$101K for pre-design, schematic and design development - No contract



2018

Apr-RFPQ - 5 Contractors Prequalified (11 received document)
May -Onsite meet with Contractors
Jun-Bids received -Lowest bid =\$10.47M (budget \$8M) - 49,500 sq ft
Jun-Look for revenue opportunities and cost savings



2019

Feb -Work with Contractors to find savings added tenant space \$11M
May-Additional Grant opportunities, N45 engaged to undertake redesign
RFT response - Sept 2019 - change to CCDC 5B



2020

Sept 2020 - RFT
Enlist Vendor to assist with pricing
Grant Application



2021

May - RFP - 2 Proposals Received
Jun- New RFP for Construction Management CCDC 5B (2010) - 3 Proposals Received, 2 Interviewed
89,633 sq ft



2021 - June 29 -
Buttcon Awarded Contract - Special Council Meeting

2021



2021 - Jul 5 - Bylaw Executed
CCDC B5 - Buttcon and Town (no legal advice)

\$18.9M



Jul 2021

Jul - Soil Turning Ceremony
CAO Model
Revised Lease Agreements - Drafted
Pre Construction Meetings held
96,014 sq ft - Additional space and elevated walking track



Aug 2021

Aug - Execute Grant \$11.8M
based upon **\$16.1M**
Expenditures

Buttcon - Council Meeting
Pre Construction Meetings



Sep 2021

Sep - Tennis Court
impacted by Expansion

Splash Pad Expansion
proceeds



Dec 2021

Changes from Lawyer to Town - Buttcon and Town
have not found signed/executed version
First Buttcon Progress Meeting - Winter costs
Generator - Increasing - Late Drawings greatly
impacting schedule
First Report indicated \$800K overage - winter heat



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Ma-Te-Way Expansion Contract Award to Election 2022

Contract awarded to Buttcon in June 2021 - Completion Date estimated to be September 2022 with a budget of \$18M. Considerable increases in costs and delays experience ahead of Election.

2022



Winter 2022

BEI - Procured by Town for Excavating

Town providing Generator and Fuel

Feb Report indicates **\$911K Over**
budget

Transformer - \$201K - Renfrew Hydro
'quote' - Misinformation to Council
Minor deficiencies

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Spring/Summer 2022
MyFMCentre named

May - CAO announced, late June start

Jun - Concrete Pour and testing

Jul-32 Site instructions - raising costs - structural deficiencies noted.
Frustration of delays for drawings.

Buttcon Budget to Completion: \$23.6M

Presentation by Buttcon to Council - \$26M

Leases \$300K annual (26,000SF - Fit up \$1.6M)

Sponsors: \$40K annual



Fall 2022

\$6.5M in Change Orders

Buttcon Budget to Completion \$25.5M +
\$500K Town paid Contractors
49 Site instructions

Ice Resurfacers Award - 2 quotes
Scoreboard Award - Eastern Rink Services to
Install - one quote (invoice over approved
amount)



Oct 2022 -
Municipal Election

2023



Winter 2023

Buttcon \$25.8M + \$500K Town Subcontractors

Ongoing deficiencies



Spring 2023

Changes at Director Level

Total of 120 lost days

Ongoing issues with delay in decisions and drawings

Buttcon \$26.4M with \$500K Town subcontracts



May 2023

Third Party Review Launched



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Ma-Te-Way Expansion 2023 - Third Party Review and New Leadership

Council requests Third Party Review, New Leadership and Project Management.
As at December 2023, the occupancy date is not set, estimated budget at \$35M+.



June 2023

Colliers hired to act as PM for Town

Buttcon \$27.3M + \$500K Town Sub
Contractors

Delays ice surface due to weather,
water meter, gas station and drawings,
engineering

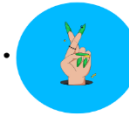


Aug 2023

Sub Committee formed with Regular Meetings -
Additional leadership assigned

Buttcon \$27.5M + \$1.3M Town subcontractors

Financials late
Waterline issues \$80K
Leases and naming rights agreements discussed



Fall 2023

Buttcon Budget to Completion \$27.8M +
\$1.3K Town paid Contractors

Town \$30.1M Estimated Total Cost +\$3M
additional costs

Presentation by Town staff:
Nearing completion in many areas -
Occupancy in Two Stages 2023, 2024



December 2023

Third Party Review - Interim
Report

WSCS estimates \$35M total Cost
including Tennis Courts

2024



January 2024

Buttcon \$25.M+\$1.5M
Town Subcontractors
WSCS Tour of Ma-te-Way with
M.Asselin
Ice Installed - First Tournament
Vote of Non-Confidence



February 2024

Occupancy
Tenants and lease agreements
with Exception
Fitness centre and Walking track opens



March 2024

Substantial completion posted by Buttcon
Closure of the Recreation Centre
Third Party Review Updated Report
Total Costs = \$52M with Debenture Interest



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Ma-Te-Way Expansion 2024 - Third Party Review Continues and Occupancy

Occupancy, Substantial Completion
As at March 2024 .

What's Next?



Spring 2024

Finalize Third Party Review
Remaining Earthworks
BAFN Occupancy



Summer 2024

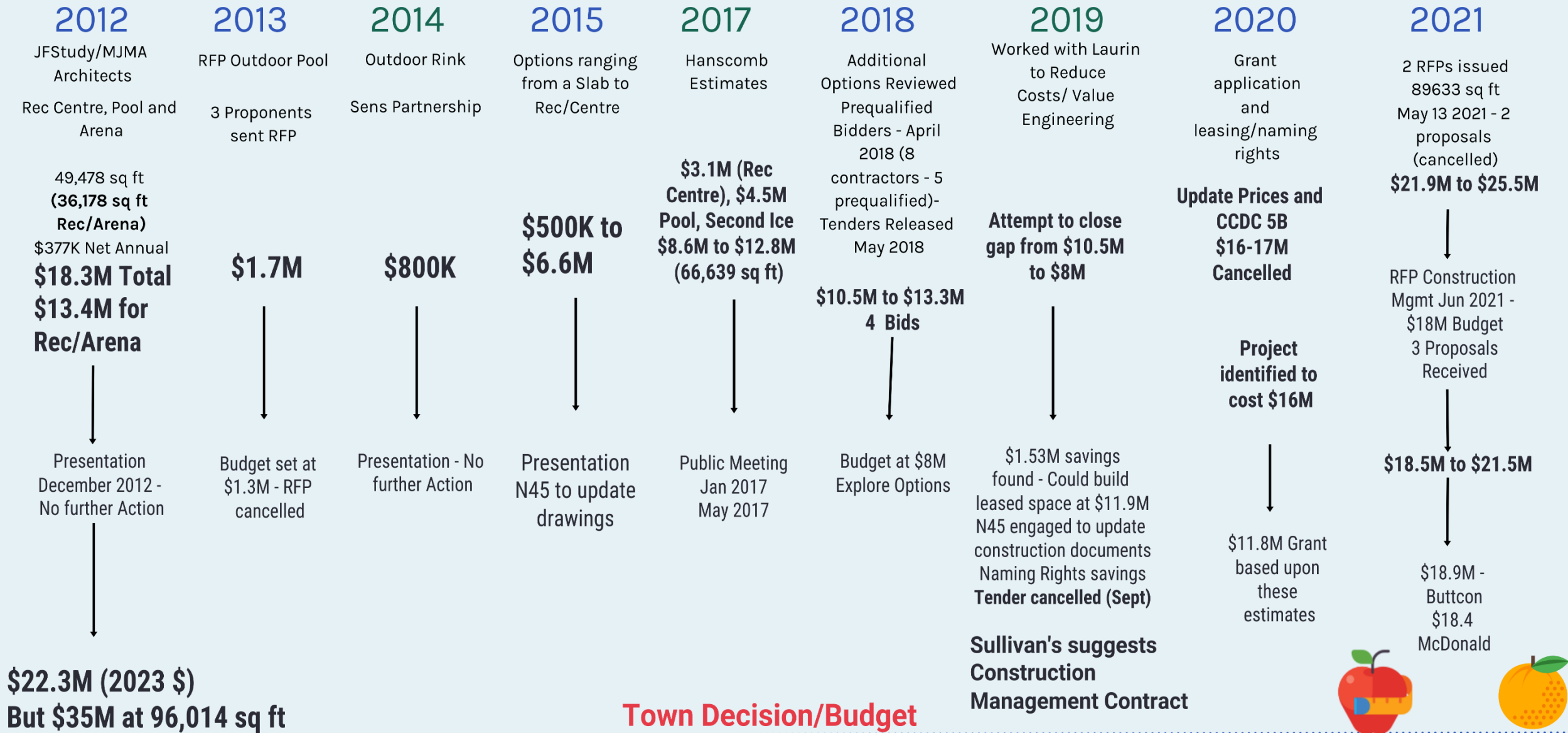
Issue Debenture
\$17M+



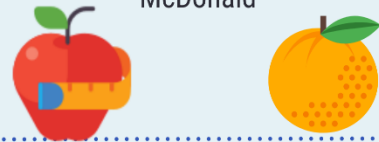
Fall 2024

Finalize Costing/Release Holdback?

Procurement/Contractor Bids



Town Decision/Budget



Ma-te-Way Estimates vs. Budget - Unrealistic



CCDC Changes - 2011

As of May 2011, the CCDC (Canadian Construction Documents Committee) and CCA (Canadian Construction Association) phased out the former construction management standard documents and replaced them with the new CCDC 5A and CCDC 5B Construction Management Contracts and the related CCDC 17 Trade Contractor Contract.

Selected Construction Contract Formats

Key Factors	Design-Bid-Build (CCDC 2)	Construction Management – Owner at Risk (CCDC-5A+17)	Construction Management – CM at Risk (CCDC-5B)	Design-Build (CCDC-14)	Integrated Project Delivery (AIA C191)
Design Responsibility	Owner's Consultant	Owner's Consultant (Input from CM)	Owner's Consultant (Input from CM)	Design-Builder	Entire Project Team including Trades
Contract Management Burden	Prime Manages Trades (Owner Manages Prime Plus Consultant)	Owner Manages CM, Trades, and Consultant	CM Manages Trades (Owner Manages CM and Consultant)	DB Manages Project Team (Owner Manages DB)	Owner Manages Entire Project Team
Pricing Format	Stipulated Sum in Advance of Project Start	Time and Materials for CM, Stipulated Sum for Trades on Rolling Basis	Time and Materials Default, Stipulated Sum Lock in Option	Stipulated Sum (Based on General Statement of Requirements)	Cost-Plus Open Book With Fixed Price and Agreed Profit Percentage
Innovation Incentive	Low (Based on Pre-Design)	Low (Work Starts Before Final Design)	Low (Work Starts Before Final Design)	Medium (Work Often Starts Before Final Design)	High (Pre-Build Off-Ramp Plus Performance Incentives)
Timing Incentive	Medium (No Default Incentives)	Low (Owner Carries Delay Risk)	Medium (Owner/CM Share Risk)	Medium (Early Start vs. Final Design)	High (Based on Shared Reward)
Cost Saving Incentive	Medium (No Default Incentives)	Low (Owner Carries Cost Risk)	Medium (Owner/CM Share Risk)	Medium (No Built-In Incentives)	High (Based on Shared Reward)

Source: The Procurement Office

TOTAL COSTS – WSCS ANALYSIS

Includes Town costs for Ma-te-Way Expansion before contract award,
Salaries and Wages with Tennis Courts Segregated- \$35M



Town Original budget	\$ 18,000,000	89,633	Square feet (RFP)	96,014	Square feet (Actual)	
BUTTCON	Buttcon Original Adjusted Budget	Change Orders to Date	Commitments	Buttcon Forecast	\$ Variance to Buttcon Budget	Percentage Variance
10 - SPECIALTIES	\$226,000	\$52,037	\$254,039	\$344,719	\$118,719	52.5%
11 - EQUIPMENT	\$184,000	\$1,400	\$223,700	\$223,700	\$39,700	21.6%
13 - SPECIAL CONSTRUCTION	\$0	\$0	\$37,000	\$37,000	\$37,000	
14 - CONVEYING SYSTEM	\$90,000	\$0	\$88,500	\$88,500	-\$1,500	-1.7%
15 - MECHANICAL	\$3,476,000	\$287,860	\$3,707,640	\$3,741,694	\$265,694	7.6%
16 - ELECTRICAL	\$740,000	\$111,331	\$1,231,077	\$1,236,196	\$496,196	67.1%
18 - ALLOWANCES/CONTINGENCY	\$450,000	\$6,339,714	\$0	\$69,980	-\$380,020	-84.4%
95 - FEE	\$428,322	\$192,258	\$0	\$629,336	\$201,014	46.9%
95 - MANAGEMENT FEE	\$301,272				-\$301,272	-100.0%
1 - GENERAL CONDITIONS	\$1,100,902	-\$6,240	\$75,346	\$1,963,241	\$862,339	78.3%
2 - SITEWORK	\$1,362,000	\$16,563	\$208,985	\$2,047,327	\$685,327	50.3%
3 - CONCRETE	\$2,322,000	\$614,858	\$2,588,372	\$3,329,021	\$1,007,021	43.4%
4 - MASONRY	\$2,200,000	\$26,595	\$2,008,030	\$2,014,262	-\$185,738	-8.4%
5 - METALS	\$2,530,000	\$776,956	\$4,903,689	\$4,912,395	\$2,382,395	94.2%
6 - WOOD AND PLASTICS	\$88,000	\$0	\$0	\$677,836	\$589,836	670.3%
7 - THERMAL AND MOISTURE PROTECTION	\$1,788,000	\$121,595	\$2,469,617	\$2,802,926	\$1,014,926	56.8%
8 - DOORS AND WINDOWS	\$762,000	\$18,856	\$977,479	\$1,110,145	\$348,145	45.7%
9 - FINISHES	\$1,218,500	\$324,272	\$2,983,794	\$2,998,885	\$1,780,385	146.1%
Grand Total	\$19,266,996	\$8,878,054	\$21,757,269	\$28,227,163	\$8,960,167	46.5%

**Change Orders
=\$8.9M
(47% over
Buttcon
budget)**

**Total Variance
= \$17.6M
(98% over
original \$18M
budget)**

Town Costs Mateway (INCLUDES \$1.56M PAID BY TOWN TO SUBTRADES THAT ARE SUBJECT TO BUTTCON MGMT FEE)				\$6,050,996		
Town Costs Mateway (Estimated Payroll not charged to project)				\$740,327		
Total Mateway Project (at March 18)				\$35,018,486	\$17,018,486	95%
Town Costs Tennis Courts (part of original budget)				\$592,374		
Town Costs (Estimated Payroll) Tennis Courts (part of original budget)				\$27,150		
Total Mateway Project Including Tennis Courts				\$35,638,010	\$17,638,010	98%
						Variance to Initial



Ma-te-Way Costs – Additional costs to be incurred – from Town - \$2.5M

Vendor	Description	Amount billed (before HST)	Amount Paid (before HST)	Left to Pay	Funding Source
9828745 Canada Inc.	Lindsay Field Watermain	74,763.05	74,763.05	-	Contingency
AAR	Structural Def	16,790.00	-	16,790.00	Funding Source TBD
AAR	Remedial	18,300.00	-	18,300.00	Funding Source TBD
ABC Group	Lockers	18,496.24	9,000.00	9,496.24	Funding Source TBD
Exel	Sod	93,425.00	-	93,425.00	2024 Capital Item
Goodkey	Commissioning	11,500.00	-	11,500.00	Funding Source TBD
Goodkey	Lighting Design	1,800.00	-	1,800.00	Funding Source TBD
Goodkey	Emergency Power	6,500.00	-	6,500.00	Funding Source TBD
Goodkey	Mechanical Engineer	17,800.00	-	17,800.00	Funding Source TBD
Greenwood Paving	Paving	500,000.00	-	500,000.00	2024 Capital Item
LTR Benches	Benches	191,021.38	73,286.21	117,735.17	Funding Source TBD
Novatech Civil	Grading, Asphalt Work	39,864.59	-	39,864.59	Funding Source TBD
Renfrew Hydro	Transformer	438,170.04	344,715.32	93,454.72	Unallocated Reserve
Run DMC	Fire/Evac Plans	2,100.00	-	2,100.00	Operating
Valley Automation	Temp Construction	2,306.80	1,062.50	1,244.30	Funding Source TBD
TBD	Generator	1,000,000.00	-	1,000,000.00	Funding Source TBD
TBD	Walking Track	175,000.00	-	175,000.00	2024 Capital Item
TBD	MyFM Centre Finishing Items	50,000.00	-	50,000.00	2024 Capital Item
REMAINING FORECAST AT MARCH 20,2024		4,280,340.22	2,125,330.20	2,155,010.02	

Ma-te-Way Funding Sources – from Town – Costs of Debenture over 30 Years = \$15.2M

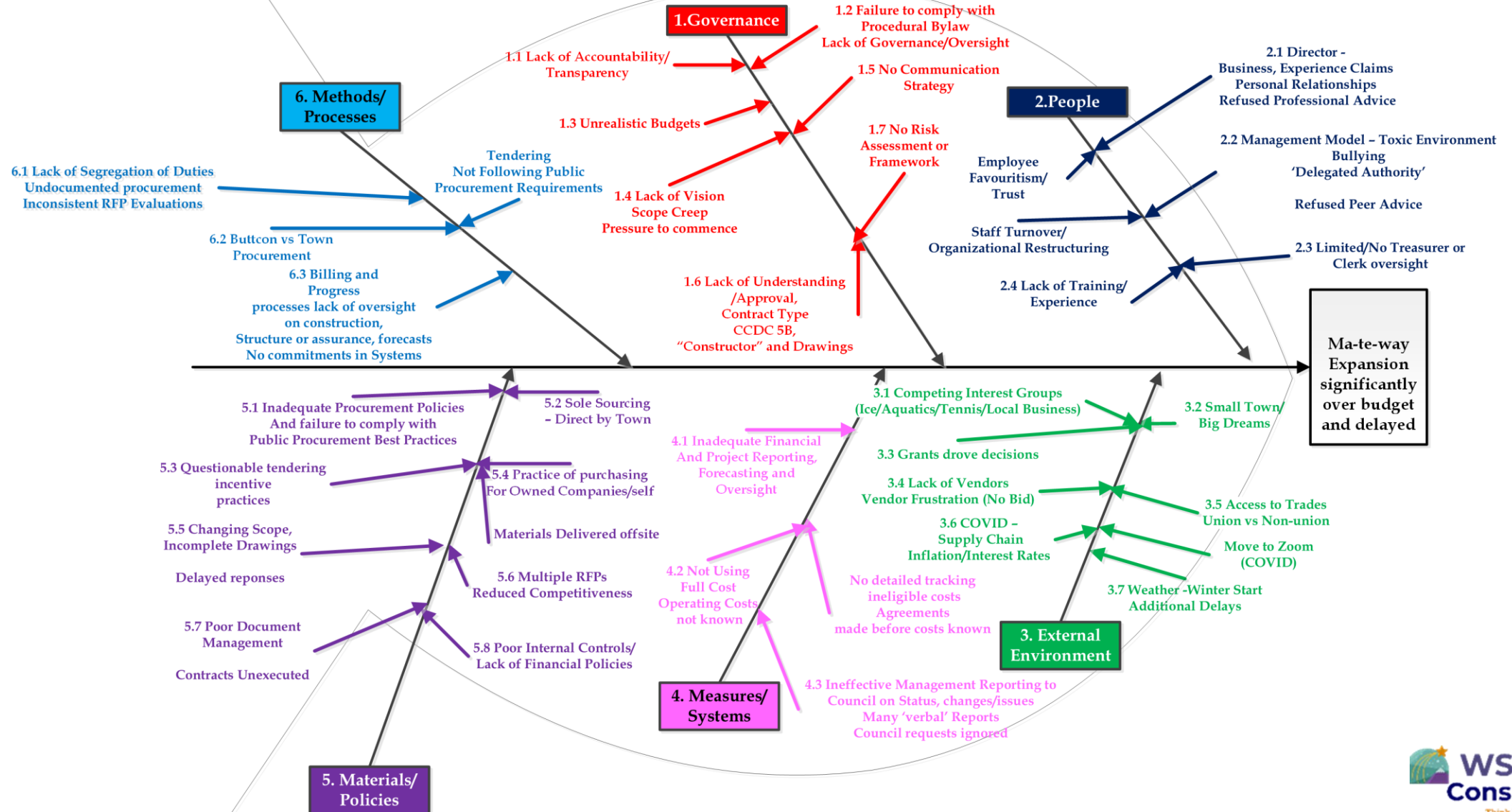
ADDITIONAL COSTS FORECAST				\$2,155,010		
Total Mateway Project Including Tennis Courts and additional costs				\$37,793,020	\$19,793,020	110%
Cost per square foot	96014	square feet		\$365	<div>Total cost \$37M, \$53M with debenture interest costs Total Variance = \$35M (195% over original \$18M budget)</div>	
FUNDING SOURCES - GRANTS	NON TOWN	ICIP GRANT - CANADA		-\$6,440,486		
		ICIP GRANT - ONTARIO		-\$5,366,619		
REMAINING TO BE FUNDED BY OWN SOURCE REVENUES				\$25,985,915		
OWN SOURCE REVENUES (TOWN)	TENNIS COURTS	RESERVE		-\$350,000		
		TAXATION		-\$269,524		
	MATEWAY	RESERVES (PRE 2023)		-\$522,599		
		RESERVE - EQUIPMENT		-\$13,228		
		RESERVE - RECREATION MATEWAY		-\$139,514		
		RESERVES UNALLOCATED		-\$438,170		
		RECREATION FUNDRAISING COMMITTEE		-\$46,844		
		CONTINGENCY		-\$499,564		
REMAINING TO BE FUNDED				\$23,706,472		
FUNDED BY DEBENTURE				-\$17,000,000		
REMAINING TO BE FUNDED				\$4,777,030		
DEBENTURE INTEREST COSTS			TOTAL DEBENTURE \$17M	\$15,220,000	30 YEARS INTEREST AT 4.83%	
Total Mateway Project Including Tennis Courts, Debentures and additional costs				\$53,013,020	\$35,013,020	195%
Cost per square foot with interest costs	96014	square feet		\$552		

**Total cost
\$37M, \$53M
with debenture
interest costs
Total Variance
= \$35M
(195% over
original \$18M
budget)**

Estimated Operating Costs/Revenues – 10 years

EXPENSE/REVENUE	Sum of 2024 BUDGET	Sum of 2025	Sum of 2026	Sum of 2027	Sum of 2028	Sum of 2029	Sum of 2030	Sum of 2031	Sum of 2032	Sum of 2033
EXPENSE	\$1,718,437	\$1,855,266	\$1,855,266	\$1,855,266	\$1,855,266	\$1,855,266	\$1,855,266	\$1,855,266	\$1,855,266	\$1,855,266
1. SALARIES AND WAGES	\$193,046	\$193,046	\$193,046	\$193,046	\$193,046	\$193,046	\$193,046	\$193,046	\$193,046	\$193,046
2. DEBENTURE INTEREST	\$697,500	\$815,425	\$815,425	\$815,425	\$815,425	\$815,425	\$815,425	\$815,425	\$815,425	\$815,425
2.DEBENTURE PRINCIPAL	\$239,691	\$258,595	\$258,595	\$258,595	\$258,595	\$258,595	\$258,595	\$258,595	\$258,595	\$258,595
3. MATERIALS AND SUPPLIES	\$199,700	\$199,700	\$199,700	\$199,700	\$199,700	\$199,700	\$199,700	\$199,700	\$199,700	\$199,700
4. CONTRACTED SERVICES	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500	\$327,500
7. TRANSFER TO RESERVES	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000	\$61,000
REVENUE	-\$929,800	-\$929,800	-\$929,800	-\$929,800	-\$929,800	-\$929,800	-\$929,800	-\$929,800	-\$929,800	-\$929,800
ADVERTISING REVENUES	-\$70,000	-\$70,000	-\$70,000	-\$70,000	-\$70,000	-\$70,000	-\$70,000	-\$70,000	-\$70,000	-\$70,000
CANTEEN LEASE REVENUE	-\$6,800	-\$6,800	-\$6,800	-\$6,800	-\$6,800	-\$6,800	-\$6,800	-\$6,800	-\$6,800	-\$6,800
FACILITY RENTALS	-\$22,000	-\$22,000	-\$22,000	-\$22,000	-\$22,000	-\$22,000	-\$22,000	-\$22,000	-\$22,000	-\$22,000
ICE RENTAL REVENUES	-\$475,000	-\$475,000	-\$475,000	-\$475,000	-\$475,000	-\$475,000	-\$475,000	-\$475,000	-\$475,000	-\$475,000
PROPERTY RENTAL	-\$327,000	-\$327,000	-\$327,000	-\$327,000	-\$327,000	-\$327,000	-\$327,000	-\$327,000	-\$327,000	-\$327,000
PUBLIC SKATING REVENUE	-\$2,500	-\$2,500	-\$2,500	-\$2,500	-\$2,500	-\$2,500	-\$2,500	-\$2,500	-\$2,500	-\$2,500
MISCELLANEOUS REVENUES	-\$26,500	-\$26,500	-\$26,500	-\$26,500	-\$26,500	-\$26,500	-\$26,500	-\$26,500	-\$26,500	-\$26,500
NET DEFICIT (SURPLUS)	\$788,637	\$925,466	\$925,466	\$925,466	\$925,466	\$925,466	\$925,466	\$925,466	\$925,466	\$925,466


Ma-Te-Way Expansion – Root Cause Analysis





GOVERNANCE FRAMEWORK IN THE MUNICIPAL SECTOR

Municipal Act – Roles Defined



Purpose of Municipalities	•Section 2
Role of Council	•Section 224
Role of Council Head	•Sect 225
Role of the Chief Administrative Officer	•Section 229
Role of Officers and Employees	•Section 227
Role of Treasurer	•Section 286
Role of the Clerk	•Section 228
<i>Role of the Auditor</i>	• <i>Section 296</i>
Role of the Chief Financial Officer	•The <i>Municipal Act, 2001</i> makes no reference a "Chief Financial Officer" role or officer.

Municipal Act – S. 224 Role of Council

It is the role of council,

- (a) to represent the public and to consider the ***well-being and interests of the municipality***;
- (b) to develop and evaluate the ***policies and programs*** of the municipality;
- (c) to determine which services the municipality provides;
- (d) to **ensure that administrative policies, practices and procedures and controllership policies, practices and procedures are in place to implement the decisions of council**;
- (d.1) to ensure the ***accountability and transparency*** of the operations of the municipality, including the activities of the senior management of the municipality;
- (e) to maintain the financial integrity of the municipality; and
- (f) to carry out the duties of council under this or any other Act.



Role of Councillors - The Board of Directors in a Municipality – Responsible to the shareholders (taxpayers)

- **Duty of Care** —legal responsibility to participate actively in making decisions on behalf of the organization and to exercise their best judgment while doing so.
- **Duty of Loyalty** — Each board member must put the interests of the organization before their personal and professional interests when acting on behalf of the organization in a decision-making capacity. The organization's needs come first.
- **Duty of Obedience** — Board members bear the legal responsibility of ensuring that the organization complies with the applicable federal, provincial and local laws and adheres to its mission.

Accountability, Authority, Responsibility & Transparency

- **Accountability** is to be answerable for a particular activity or action to a particular entity or citizens
- **Authority** is the right to make a decision or take an action
- **Responsibility** is the obligation to ensure that an action is taken
- **Transparency** is the principle that governments will conduct its business in an accessible, clear and visible manner and that its activities are open to examination by its stakeholders.



Due Diligence

- **Municipalities are business corporations**
- **Council ~ Board of Directors**
- **Mayor or Head of Council ~ Chair of the Board**
- **Councillors must exercise their duties with the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.**
- **Good Due Diligence practice includes:**
 - **making informed decisions, asking the right questions**
 - **Understanding governing legislation and municipal policies**
 - **seeking reliable professional advice when appropriate**



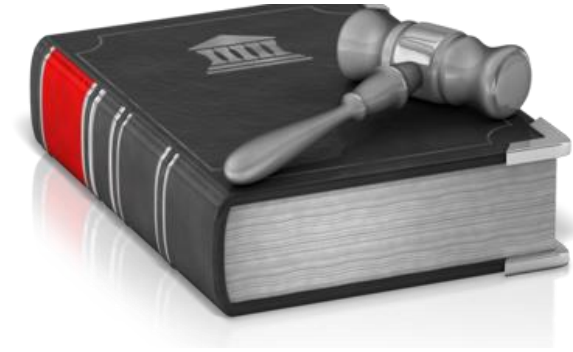
Council Fiduciary Responsibilities

Fiduciary Duty requires One:

- To act honestly and in good faith
- To act with the same degree and skill as an ordinary person (objective standard)
- Avoid conflicts of interest
- Act in the best interest of the municipality
- Make decisions in accordance with legislation and in the best interests of the municipality



Municipal Act – S. 225 Role of Head of Council



It is the role of the head of council,

- a. to act as chief executive officer of the municipality;
- b. to preside over council meetings so that its business can be carried out efficiently and effectively;
- c. to provide leadership to the council;
 - c.1) without limiting clause (c), to provide information and recommendations to the council with respect to the role of council described in clauses 224 (d) and (d.1);
- d. to represent the municipality at official functions; and
- e. to carry out the duties of the head of council under this or any other Act.

Municipal Act – S. 223.2 Code of Conduct

May establish codes of conduct for members of the council of the municipality and of local boards of the municipality



Municipal Act – S.270 – Required Policies

- sale and other disposition of land
- hiring of employees
- **procurement of goods and services**
- when and how to provide notice to the public
- **how the municipality will try to ensure accountability and transparency to the public delegation of powers and duties**
- the relationship between council members and municipal officers and employees
- the manner in which the municipality will protect and enhance the tree canopy and natural vegetation in the municipality
- pregnancy leaves and parental leaves of members of council



Municipal Act – S. 229 - Role of the Chief Administrative Officer

A municipality may appoint a Chief Administrative Officer who shall be responsible for:

- a) exercising general control and management of the affairs of the municipality for the purpose of ensuring the efficient and effective operation of the municipality; and
- b) performing such other duties as are assigned by the municipality.



Municipal Act

S. 228

Role of the Clerk

- (1) A municipality **shall** appoint a clerk whose duty it is,
- (a) to record, without note or comment, all resolutions, decisions and other proceedings of the council;
 - (b) if required by any member present at a vote, to record the name and vote of every member voting on any matter or question;
 - (c) to keep the originals or copies of all by-laws and of all minutes of the proceedings of the council;
 - (d) to perform the other duties required under this Act or under any other Act; and
 - (e) to perform such other duties as are assigned by the municipality.

Key Amendments – Municipal Freedom of Information and Privacy Act

Measures to ensure preservation of records

- Municipalities **MUST** ensure that reasonable measures respecting the records in the custody or under the control of the municipality are developed, documented and put into place to preserve the records in accordance with any recordkeeping or records retention requirements, rules or policies, whether established under an Act or otherwise, that apply to the municipality.

Offences

[48. \(1\)](#) No person shall,
...(c.1) alter, conceal or destroy a record, or cause any other person to do so, with the intention of denying a right under this Act to access the record or the information contained in the record;

➤ SUPPORTS OPEN DATA



Municipal Act – S. 227 - Role of Officers & Employees

It is the role of the officers and employees of the municipality,

- to ***implement council's decisions*** and establish administrative practices and procedures to carry out council's decisions;
- to undertake research and provide advice to council on the policies and programs of the municipality; and
- to carry out other duties required under this or any Act and other duties assigned by the municipality.



Municipal Act – S. 286

Role of the Treasurer...

A municipality ***shall*** appoint a treasurer who is responsible for ***handling all of the financial affairs of the municipality*** on behalf of and in the manner directed by the council of the municipality, including,

- (a) collecting money payable to the municipality and issuing receipts for those payments;
- (b) depositing all money received on behalf of the municipality in a financial institution designated by the municipality;
- (c) paying all debts of the municipality and other expenditures authorized by the municipality;
- (d) maintaining accurate records and accounts of the financial affairs of the municipality;
- (e) providing the council with such information with respect to the financial affairs of the municipality as it requires or requests;***
- (f) ensuring investments of the municipality are made in compliance with the regulations made under section 418.



Principles - Administrative Fairness

Things To Look For



Service Fairness

Communication

- Public information is available and understandable
- Forms are in plain language
- Clients are given information they need
- Clients are treated with courtesy

Facilities and Services

- Telephones are answered promptly
- Voicemail, answering machines or toll-free numbers are available
- Premises are easily accessible and suited for wheelchairs
- The environment is safe and healthy for workers
- The public's right to privacy is respected

Decision Procedures

- Those affected by a decision have a chance to give information and evidence to support their position
- Decisions are made within a reasonable time
- Reasons are given for decisions

Appeal, Review, and Complaint Procedures

- At the time of decisions, people are told of any existing appeal or review procedures
- Complaint procedures are clearly defined
- The public is asked for ideas on improvements in service

Planning Processes

- The public is invited to participate in planning programs
- How decisions will be made is clear from the beginning
- Statistical information needed to evaluate and improve performance is recorded and maintained

Organizational Issues

- Staff are respected
- Clear guidelines
- Codes of Conduct
- Health and Safety
- Roles are defined



1.0 GOVERNANCE ROOT CAUSE ANALYSIS

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.1 Lack of Accountability and Transparency	1.1.1 Limited Reporting and Decisions made without Full Disclosure. Unkept promises. Regular detailed written reporting was not provided to the Committee(s) or Council. Staff were not held accountable under requirements of Procedural Bylaw for written reports. Council requests for details were ignored.	1.1.1 Poor decision making, no understanding of final costs and impacts on the Town long term and Unkept promises.	1.1.1 Implement a project management model for the Town which requires monthly or more frequent WRITTEN reporting to Committee(s) and Council - Without exception.
1.1 Lack of Accountability and Transparency	1.1.2 Public and stakeholders were not sufficiently consulted throughout the Design Phase – and there was a ‘promise’ for an Aquatic Facility in Phase 2.	1.1.2 Resulted in a much larger project and unhappy stakeholders. The 'concept' design for an Aquatic Centre was never produced. The tennis courts 'had to be moved' adding a cost of more than \$600K to the project.	1.1.2 For every project, require stakeholder consultation exercise along with communication strategy to be approved by Council before commencing.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.1 Lack of Accountability and Transparency	1.1.3 Tenders and results did not follow an open public procurement process. Tender/RFP evaluation criteria, analysis not completed, and often not shared with Council. Total size or costs were not included nor approved by Council.	1.1.3 Lack of competition = higher costs. Council made decisions without full understanding of the impacts and costs of the project.	1.1.3 Update Procurement Policy and Procedure Manual to include requirements with respect to advertising, and timelines in line with Trade Agreements. Standard Tender/RFP criteria and analysis should be outlined with the Treasurer and Clerk as part of the opening process. Complete results along with evaluation criteria to be presented in a report.
1.1 Lack of Accountability and Transparency	1.1.4 Type of contract was not 'approved' and fully disclosed in Open Council – email request. The final contract was not reviewed by Council or professionals. Legal advice (narrow) was focused only on what was directed by staff.	1.1.4 Cost plus contract - resulted in significantly higher costs and delays - limited incentive to complete. Allowed the 'dragging' out of the drawings and decisions.	1.1.4 As part of the Committee Terms of Reference, require that reports regarding procurement and contracts be reviewed BEFORE award. As part of the tender/RFP process, to attach the sample contract.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.1 Lack of Accountability and Transparency	1.1.5 Type of contract was not 'approved' in Open Council – email request. The final contract was not reviewed by Council or professionals. Legal advice was focused only on what was directed by staff.	1.1.5 Cost plus contract - resulted in significantly higher costs and delays - limited incentive to complete. Allowed the 'dragging' out of the drawings and decisions.	1.1.5 Require all those with purchasing responsibilities to attend project, procurement contract management training with regular updates. New Purchasing Coordinator to oversee contracts and Treasurer to analyze impacts.
1.1 Lack of Accountability and Transparency	1.1.6 Limited public sponsorships and public leasing. No policy or tender. Council provided too much authority and lack of oversight relating to; project design, decisions, stakeholder spaces, lease rates and sponsorships.	1.1.6 Lack of competitive process to secure sponsorships and leasees may have contributed toward lower revenue opportunities.	1.1.6 Develop a Sponsorship and leasing policy that requires open procurement. Ensure that all conflicts of interest are declared. Consider a 'Fairness Monitor' outside firm to evaluate these types of procurement.
1.1 Lack of Accountability and Transparency	1.1.7 All public information indicated it would be A ZERO impact to the taxpayer.	1.1.7 Basis on which the calculations were completed were not transparent ('debentures as revenues'). Operating costs and rates unknown. No sensitivity analysis or meaningful risk assessment.	1.1.7 As part of the project/procurement management manual, require the Treasurer to provide analysis and/or seek professional assistance in evaluating revenue streams.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.2 Failure to comply with Procedural Bylaw Lack of Governance/Oversight	1.2.1 Ad Hoc Committee for Ma-te-Way expansion was formed in 2017 with partial Terms of Reference - updated to full Terms of Reference in 2019. Did not fulfil the mandate but shut down without final report or formal transfer to the Parks and Recreation Committee.	1.2.1 Lack of oversight of the design, tenders and project. Should have continued to the end of the project including construction phase. Significant reason for cost overruns.	1.2.1 Clerk to enforce the Procedural Bylaw and ensure that Terms of Reference are followed and any Committees have 'sunset' clauses.
1.2 Failure to comply with Procedural Bylaw Lack of Governance/Oversight	1.2.2 Many reports to Ad Hoc, PR Committee and Council were verbal, in emails and not in writing as required by the Procedural Bylaw. This was not enforced by the Chairs or the Clerk.	1.2.2 Many decisions made that were not documented or approved. Allowed for staff to proceed without following policies.	1.2.2 Require all reports to be written and minutes of Committees to reflect appropriate verbal discussions and staff direction. Committee Chairs should require staff to follow up with reports on any project information and incorporate outstanding staff directions.
1.2 Failure to comply with Procedural Bylaw Lack of Governance/Oversight	1.2.3 Reports were incomplete, no status reports or approvals of change orders/cost overruns by Committees or Council. Staff knew of cost overruns, issues with weather and materials at the outset but did not inform Council. No questions by approving authorities when signing cheques.	1.2.3 No way for Council to address scope creep, decisions regarding proceeding with changes or timelines resulting in significant cost overruns (eg. Weather = \$800K minimum).	1.2.3 Any project Manager should be required to follow PM fundamentals with Monthly reports which includes Earned Value Analysis.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.3 Unrealistic Budgets	1.3.1 JF Group Study budget in 2012 was \$18.3M for a 49,478 sq ft recreation centre with a pool and arena \$369/sq ft with a cost of \$377K annual deficit. Presentations in 2017 to open houses by staff indicated \$8.6M to \$12.8M based upon 66,639 sq ft. Tenders received in 2018 ranged from \$10.5M to \$13.3M for X sq ft. 2019 and 2020 prices range \$16.1 TO \$17.9M, 2021 (May) prices ranged from \$21.9M to \$25.5M, 2021 (June) prices ranged from \$18.5-\$21.5M. Staff continued to present unrealistic budgets to Council. NOTE: the Town unilaterally changed from a Stipulated Price to a Cost Plus Construction Management Contract in 2019.	1.3.1 This gave the community and Council unrealistic budgets and likely caused prices to increase. If one were to future value the arena from 2012, the cost would have been \$22M for 36,178 sq ft or \$35M for 96,014 sq ft or \$47M in 2021. This prompted the Town to go out for several tenders and ultimately, the CCDC 5B contract. NO ONE WOULD LISTEN to the professionals. It was going to cost more and the decision to proceed was ill founded.	1.3.1 There should be consideration of a risk assessment or a similar exercise to the JF Group prior to the undertaking of project's of this magnitude.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.3 Unrealistic Budgets	1.3.2 Presentations made by the Director to the public and Council illustrated a ZERO percent tax increase based upon unsubstantiated numbers and unrealistic cost projections. The concept that the debenture was 'revenue' was ill conceived and should have been disputed by the Treasurer. Council did not adequately challenge staff on the revenue numbers and did not request a sensitivity analysis. These were not updated when the contract was awarded at \$19M + or the CCDC 5B. The additional costs of the Tennis Court move were not factored into the equation. Operating costs were not calculated effectively and the debenture calculations were for 'one year' based upon 2-3%. No inflationary costs were factored into any of the financial information.	1.3.2 Decisions made to proceed were based upon incomplete, inaccurate information. The Council committed the Town to 30 years of costs without understanding the impact on the tax base. The arena will need replacing or major upgrades by the time it is paid for.	1.3.2 Risk Assessment and sensitivity analysis required.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.4 Lack of Vision/Scope Creep and Pressure to commence and complete	1.4.1 The original scope started at 49,478 sq. ft for a second ice pad, aquatic and recreation centre in 2012. That continued to grow based upon the submission of pricing with the belief that if there were partners, rental space, that the overall revenues would cover the costs. As time went on, the scope creep was evident all the way until occupancy. The actual final drawings have never been approved by Council.	1.4.1 The lack of final drawings and the scope creep added at least	1.4.1 Prior to the commencement of a project is to establish a clear vision for the project and a well articulated outcome to help guide and steer the Project Manager and project committee.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.4 Lack of Vision/Scope Creep and Pressure to commence and complete	1.4.2 The original project scope started at 49,478 sq. ft for a second ice pad, aquatic and recreation centre in 2012 with 36,000 sq. ft for the arena and recreation centre. That continued to grow based upon the submission of pricing with the belief that if there were partners, rental space, that the overall revenues would cover the costs. As time went on, the scope creep continued until occupancy. In 2018, the plan was for a 48,500 sq. ft building with plans for a future pool. In 2021, the actual final drawings sent to the bidders was 89,633 sq ft. The final drawings currently at 96,014 sq ft have never been approved by Council.	1.4.2 It is estimated that the scope creep has cost between \$18M and \$23M since the vision in 2012 (more than double). The additional 6,381 sq ft plus the move of the tennis courts added \$2.3M and \$600K respectively to the cost.	1.4.2 Professional project management along with a committed project governance structure will help future projects to avoid any curtail scope creep and cost overruns.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.4 Lack of Vision/Scope Creep and Pressure to commence and complete	1.4.2 The pressure to commence/complete the project was evident. There was evidence that one of the partners threatened to pull funding if the project did not commence by September 2022. Staff incorrectly indicated to Council that the grant funding had to be spent by 2023. All grant information indicated that the project had to be complete by 2027 as stated in the agreement. There was some indications that there was a desire to complete before the election in 2022 and the pending retirement of staff.	1.4.3 This ill advised RUSH to commence and complete resulted in incomplete drawings, improper procurement and contract selection without full knowledge or thorough understanding of the risks.	1.4.3 In future, the Town should only proceed with projects and contracts when the vision is documented, drawings are complete, documents are vetted by legal and risk assessment undertaken with full cost analysis from professionals. The approval of the grant SHOULD have provided relief and more time to complete the drawings. It was clear from the agreement that the Town had until 2027 to complete the project.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.5 No Communication Strategy	1.5.1 While there was a requirement for a communication strategy to be developed, it was not done nor was it followed up.	1.5.1 The community, as well as stakeholders (including future tenants) were not informed of plans, progress or costs throughout the project. Scope was not confirmed and there was no plan for additional open houses as promised.	1.5.1 All projects of this nature should include a Communications Plan. It is important to note that Project Management Professionals know this and it is part of a Project Management Plan. In future, the Town should follow the PMP process and provide training.

1.0 Governance –

Good governance ensures that the organization is Accountable, Transparent and Responsive to the constituents while operating with integrity and demonstrate stewardship of resources.

Root Cause	Findings	Impact	Recommendation
1.6 Lack of Understanding/Approval, Contract Type CCDC 5B, “Constructor” and Drawings	1.6.1 The change from a Stipulated Price contract to a CCDC 5B was suggested by a vendor who was bidding on the project as well as the architects. This was done via email and following a meeting with one of the vendors. There was no attempt to provide training or a risk assessment when moving to a Construction Management Approach. This was not approved in open forum by Council. It was not re-tendered or put to RFP until the final version. At which time, it was not reviewed by legal. The criteria in the RFP was not evaluated.	1.6.1 The move to a CCDC 5B contract without an analysis of the impact has had a huge implication for the project. There were options in this type of contract to move to a stipulated price.	1.6.1 As part of the training on procurement, all types of Contracts should be covered. As part of a risk assessment, the type of contract should be one criteria to assess and establish mitigation strategies.



2.0 PEOPLE AND ORGANIZATION ROOT CAUSE ANALYSIS

2. People and Organization

Root Cause	Findings	Impact	Recommendation
2.1 Director - Business, Experience Claims Personal Relationships Refused Professional Advice	<p>2.1.1. Council indicated that it thought retaining a project manager would be "too expensive" and add to delays in oversight and decision making. Council were convinced that the Director and staff could oversee the project while still delivering regular recreational services. When the project started going sideways, the decision should have been reviewed. There was an attempt to move the Director, full time, to the project but refused. The decision should have been to bring in a PROJECT MANAGEMENT PROFESSIONAL, not assign the Director full time. Director had a 2 year diploma in Sports Administration which is a program focused on programming, management and operations. There were suggestions made that the former Director was involved in the management/construction of the Strathcona Paper Centre in Napanee when he was employed there. However, there is no evidence that the Director has any formal project management, procurement, or construction training/certifications. There is evidence that the Director had a Certified Ice Tech (CIT suspended Dec 2023) and a Certified Recreation Facilities Professional from ORFA. These programs do not include facility construction. It was clear, based upon way the project delivery (time and delays, cost overruns, and limited formal written documentation) that this was not the most prudent decision.</p>	<p>2.1.1 There was an over abundance of trust placed in the Director and belief that he had similar experience in other projects. The project in Napanee was reported to have been received with mixed reaction. Its cost \$9.8M in 2004 for a 93,315 sq ft building with two ice pads and retail space in a Town with a population of 16,000. The costs of staff serving as PM should have been included in the costing of the project to provide accurate comparison. If the Town had hired a professional PM, there is reason to believe that it would have improved the project oversight and likely reduced both time and overall costs. As well, other areas would have been managed such as contract management, risks, billing and 'constructor'.</p>	<p>2.1.1 In future, the Town should consider the retention of a professional project manager whenever any projects with the financial implications and complexity of scope that this particular project contained.</p>

2. People and Organization

Root Cause	Findings	Impact	Recommendation
2.1 Director - Business, Experience Claims Personal Relationships Refused Professional Advice	2.1.2 The former Director operated several businesses while employed by the Town and established personal relationships with a number of vendors which impacted both competition and pricing. The Code of Conduct at the time for employees required disclosure, reporting and refraining from businesses that interfere or benefit the employee and certainly should not participate in any recommendation that would benefit them financially or personally. The Code also refers to prohibitions against gifts, benefits and entertainment.	2.1.2 The awarding of contracts to businesses whereby personal relationships existed likely resulted in higher costs and reduced competition.	2.1.2 The Procurement Policy as well as the Code of Conduct should be updated and signed off annually. A fraud prevention/Whistleblower policy should be implemented.

2. People and Organization

Root Cause	Findings	Impact	Recommendation
2.1 Director - Business, Experience Claims Personal Relationships Refused Professional Advice	2.1.3 Over the course of the project, professional advice with respect to costs, contract type, procurement and project approach was either not sought, or ignored. A few examples would be the recommendation from vendors to 'wait until drawings are complete before proceeding' and 'delay construction until spring to avoid winter heat costs'. Section 1 also shows that budgets were unrealistic.	2.1.3 Increased costs were evident - at least \$800k for winter heating. The reason the Town opted for a CCDC 5B contract was due to the fact that the drawings were not ready. The original project vision continued to evolve throughout the build.	2.1.3 The Town should hire a PMP for all major projects, similar to its Development and Works projects and ensure the project vision is solidified early in the exercise.

2. People and Organization

Root Cause	Findings	Impact	Recommendation
2.2 Management Model – Toxic Environment, Bullying ‘Delegated Authority’ - Staff Turnover Refused Peer Advice	2.2.1 The Management Model was in decline and a toxic environment was becoming more evident. There were instances where questions about the project were not welcome and no ability for peers to offer suggestions or provide advice. It is rather unfortunate that the Town did not recognize that it needed the Senior Team's skills and input to make the project successful. Director Asselin did identify issues, particularly at the outset of the project that were ignored (including by elected officials). The CAO model was about to be rolled out at the time of the contract award which likely added to the problem. The project experienced turnover and retirements. It is also noted that the old structure created a false sense of delegated authority. We noted evidence of favouritism in both the level of expectations and actual performance of the Directors. One area in particular was the requirement for written reports (per the procedural by-law). Given the lack of a 'boss' prior to the arrival of the CAO, the Directors felt their hands were tied in trying to hold each other accountable.	2.2.1 The toxic environment made it very difficult for staff to challenge the project and provide proper oversight. There was no 'boss' to ensure that policies were followed and Council was kept informed/approved projects and expenditures.	2.2.1 The Town has moved to a CAO model. We recommend that Council adopt a more inquisitive approach to ensure that the appropriate level of information is provided for decision making and especially if requests are made to seek additional information before making any decision.

2. People and Organization

Root Cause	Findings	Impact	Recommendation
2.3 Limited/No Treasurer or Clerk oversight	2.3.1 The procurement policy, while extremely poor, was not followed. The Treasurer was not involved in the project procurement process, evaluation or analysis. The financial analysis of the project was also not supported by the Treasurer (past and subsequent). It is not clear if that was a choice or simply that the Director did not solicit the information. However, it was incumbent on Council to ask the questions and refer to the Treasurer to validate the financial information provided. Similarly, the Clerk at the time, was not able to instill oversight, partly due to the organization structure and Committee approach but also due to lack of process. In particular, the lack of document management/unsigned contracts is problematic and dates back to at least 2017 when the Director indicated that contracts for the architects was not 'required'. The requirement of the procedural bylaw for written minutes was also a challenge. There is evidence that PR minutes were held (3 sets of PR Committee minutes) and not delivered to the Clerk as required under the Procedural by-law. The attempts to monitor this by the Clerk was not well received.	2.3.1 It is clear that the lack of professional financial advice both in terms of procurement, the financing options, operating costs and ongoing oversight of the project has led to misinformation and increased costs. Document management and capturing of decisions is flawed. This project was very difficult as the existence of a project file was negligent. To this date, there is no copy of the updated, signed contract with Buttcon or N45 among many other tender documents.	2.3.1 It is recommended that all projects be supported by Finance/Treasurer and project files/resolutions be created in a formal document management system.

2. People and Organization

Root Cause	Findings	Impact	Recommendation
2.4 Lack of Training/ Experience	<p>2.4.1 It is clear that there was an overall lack of training and experience in project and contract management for this project. In fact, there was a procurement training program, hosted by AMCTO, set up by the CAO of Whitewater Region (now the Town's CAO) in 2017. This session was focused on the changes to public procurement and requirements under International Trade Agreements. NOT a single individual from the Town of Renfrew attended that session. In fact, we have been unable to locate any evidence of Renfrew Staff undertaking such training at any time. It seems that the Town did not require this type of ongoing training. Very few staff have indicated that they were encouraged to take training or participate at municipal conferences.</p>	<p>2.4.1 The lack of training coupled with the resistance to accept advice from professionals, oversight by the Treasurer, resulted in a significant failing with respect to project management. The PMP skill set would have been extremely beneficial to the Town in the execution of this project.</p>	<p>2.4.1 Future investment in staff training as it relates to project management and procurement would be a wise investment on behalf of the Town of Renfrew</p>



3.0 EXTERNAL ENVIRONMENT ROOT CAUSE ANALYSIS

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.1 Competing Interest Groups(Ice/Aquatics /Tennis/Local Business)	<p>3.1.1 For decades, the Town has been reviewing options with respect to the Ma-te-Way Activity Centre. To much extent, these are competing interests - Aquatic Committee, Second Ice Pad Committee, Tennis Club. In 2010, the Parks and Recreation Master Plan confirmed previous plans (1980, 1985, 1995,2004, 2005 etc) provided recommendations to confirm Ma-te-Way as the location for a future pool and ice pad. There was a recommendation to update the Vision and develop an indoor pool and second ice surface as well as relocate the Recreation Centre. The tennis club has operated as a separate entity to some extent until recently and really only impacted by this project due to the design - and 'had to move' without any consultation or rationale. It is clear that the competing interests created challenges for the Town. It would appear that the analysis of utilization of 'ice' and Renfrew as the birthplace of the NHA weighed heavy on the decision. There appears to be a large network of hockey interests. However, the open houses, while not well documented, appeared to have support of the aquatic community. The Town affirmed that, there would be a 'conceptual design' for a future Aquatic Centre - that has not happened. This will not benefit the Town in promoting the new facility if it is not dealt with. Further, the lack of communication likely was due to the lack of desire to answer questions from those opposed to the second ice pad. We also note that the Second Ice Pad Committee indicated that their funding \$130K would no longer be available to the Town if it delayed. At no time, was there a VISION articulated for the Town to house such a large commercial building.</p>	<p>3.1.1 The negative 'press' experienced as well as the vision issues can point to the lack of meaningful consultation and delivering on the promises made over the years. This points to a lack of accountability and transparency highlighted in 1.1. The negative reactions to the financial implications of this project will likely impact community discussions related to future recreational options.</p>	<p>3.1.1 The Town should review the commitments made to the public and the stakeholders and develop a strategy to address the long term vision for Recreation. HOWEVER, it is absolutely critical that an honest approach with real costs and impacts be developed for any future endeavors so that both the public and Council can make decisions based upon facts as opposed to 'feelings' and personal agendas.</p>

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.1 Competing Interest Groups(Ice/Aquatics /Tennis/Local Business)	3.1.2 On the one hand, the Town has always indicated that it wants to support local business, yet clearly through this project it is now in competition with local businesses as it takes on a sizeable presence in the commercial property leasing space (landlord). Although throughout the previous Council term it was evident that there was a desire to support local procurement where possible. With the award to Buttcon the "salespitch" articulated by those who interviewed the successful project bidder suggested that Buttcon would use local contractors/suppliers as much as possible and that seemed to resonate with Council. However, public procurement practices does not allow for local preference and requires open transparent bidding practices. The Town has ignored that requirement in many cases.	3.1.2 The 'local' preference issue needs to be clarified and addressed in the procurement policy and practice. Buttcon had very limited responses to tenders and the Town also sole sourced in some cases which may have resulted in higher prices.	3.1.2 The Town needs to evaluate its role in the community and address, going forward, its business development and retention strategy, recognizing that it must meet International Trade regulations and provisions.

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.2 Small Town/Big Dreams	<p>3.2.1 The Town of Renfrew has been working to improve its downtown while also encouraging greater tourism. Ma-te-Way is definitely part of the equation. BUT the vision of Ma-te-Way was not articulated nor approved and, while Ma-te-Way will serve as a hub in the community, it was much more than simply an Activity Centre. Sooner rather than later the vision for Ma-te-Way needs to be articulated to ensure it maintains the focus that the Town desires for it. It is unclear if the current direction is the vision that the Town wants or is just the dream of some select individuals. It will be a challenge for the Town to maximize utilization of the Centre given its resources. There is a lot of space that, the Town needs to ensure is appropriately utilized in order to recover its costs.</p>	<p>3.2.1 The project was a result of a few select individuals, some of whom no longer work or represent the Town. There is a significant investment in time, resources that will be needed to fill the space.</p>	<p>3.2.1 A strategy through consultations with stakeholders. A future fee study should be undertaken to understand the true costs and look at a marketing strategy to maximize the use of the space.</p>

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.3 Grants drove decisions	<p>3.3.1 While Ma-te-Way was decades in the making, it was not until a grant was announced that pushed the Town to act quickly (too quickly). Partnerships were quickly initiated. Without the clarity of a vision for the expansion project the rationale to include 'non-eligible' grant recovery space is unclear. The challenge with grants is that eligible costs are capital only and clearly, will not cover all the costs, and certainly do not help with operating costs or the future replacement costs. In 10 years, the Town will have equipment replacement, the facility systems (HVAC/ROOF/BOILERS, etc...) will require replacement as well as potentially some of the structural components in 25-30 years. The need to establish replacement reserves and plans will need to happen sooner rather than later. We also noted that there was misinformation communicated with respect to the grant - that it had to be spent by 2023. The other issue is that the project was NOT shovel ready.</p>	<p>3.3.1 The prospect of a grant tends to impact decision makers and far too often changes municipal priorities without a clear understanding of the impact. The grant also accelerated the timeframe in which the Town expedited the project.</p>	<p>3.3.1 In future, it is recommended that all costs and revenues be analyzed before moving forward on grant requests. Further, the priorities need to follow the Asset Management Plan, the key document and requirement under O.Reg 588/17, for decisions regarding capital investments. Setting priorities and planning for them provides greater certainty and clarity for the organization and your taxpayers.</p>

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.4 Lack of Vendors Vendor Frustration (No Bid)	3.4.1 Due to the lack of utilization of public procurement processes, then the multitude of RFT/RFPs (at least 8 instances) the Town experienced frustration and potential bidders withdrew from the project citing fatigue and uncertainty that the Town would ever proceed with the project. This factor likely impacted the Town's reputation among contractors.	3.4.1 Some contractors spent a significant amount of time (money) providing responses, meetings with the Town over the last 10 years. Vendor fatigue with no hope of winning the contract is evident by the fact that the 2021 proposal, awarded to Buttcon, only had 3 bids for an \$18M+ contract (2 of which had not prequalified previously).	3.4.1 Develop procurement plans as part of the PM plan and analyze the best option for contract type BEFORE engaging contractors. Ensure the process follows public procurement practices to get the most competition and best prices.

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.5 Access to Trades Union vs Non-union	3.5.1 Buttcon tendering is based upon union contracts and therefore, accessing non-union contractors fell to the Town.	3.5.1 This added complexity and the 'Constructor' issue to the project.	3.5.1 Issues with respect to type of contract and tendering should form part of the initial offering and clearly articulated in the PM plan.

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.6 COVID – Supply Chain Inflation/Interest Rates and Zoom	3.6.1 Ma-te-Way project was awarded in the middle of COVID. This should have alerted staff and Council of the risks related supply chain, inflation, interest rates etc. Further, meeting over Zoom for a facility project is challenging and there appears to have been some reluctance by certain members of Council to ask questions during those live broadcasted sessions.	3.6.1 Supply chain delayed the project and resulted in soaring prices. As soon as the tenders were received, these should have been brought to Council (early fall 2021) for review and assessment. More detailed reporting would have allowed Council time ahead of meetings to review impacts ahead of Zoom meetings.	3.6.1 Supply chain delayed the project and resulted in soaring costs which negatively impacted the project. More detailed reporting would have allowed Council time to review these impacts and identify the concerns ahead of Zoom meetings.

3. External Environment

Root Cause	Findings	Impact	Recommendation
3.7 Weather -Winter Start, Additional Delays	<p>3.7.1 In the fall of 2021, the foundations for the building were being poured. The contractors ran into significant issues with respect to winter construction challenges and the requirement to heat the concrete to ensure it cured appropriately. Recommendations were made by construction professionals to delay the start to spring, however the advice was not taken seriously and Council was not made aware of that option in time to make a decision to delay. This was partly due to the fact that the drawings were late and incomplete as well as poor planning processes.</p>	<p>3.7.1 Winter heating requirements and other unplanned requirements added to the cost and time to complete (at least \$800K). Drawings not complete had huge impact on the delay into winter.</p>	<p>3.7.1 Proper planning including Gantt charts with progress and predecessors are required to reduce likelihood of these types of delays. Complete drawings would mitigate the delays as well as costs.</p>



4.0 MEASURES AND SYSTEMS ROOT CAUSE ANALYSIS

4. Measures and Systems

Root Cause	Findings	Impact	Recommendation
4.1 Inadequate Financial and Project Reporting, Forecasting and Oversight	4.1.1 Prior to making the award, the Council relied upon financial forecasts and information assembled by the Director which was not based upon experience or professional advice. The current construction reconciliation of the Buttcon invoices is extremely difficult to follow and contained some inconsistencies. We have yet to receive answers to those issues which have been identified. The back-up supporting details have been difficult to trace to ensure no duplicates and to ensure that the work was performed or materials delivered. These were 'certified' by N45 however with "caveats". No Town analysis was undertaken to validate the invoices. It was not uncommon to receive invoices from sub contractors that were over 9 months old. It is impossible based upon the documentation to determine if the work was completed.	4.1.1 The Financial assessment of this project has been fraught with innumerable challenges. The oversight and accountability from the very outset has been challenged by the lack of a professional project manager. The number of staffing changes (Finance and Parks and Recreation) and turnover has added to the issues respecting this matter. The reliance upon Buttcon to provide the necessary documentation has also impacted our ability to accurately respond to this issue. Ongoing efforts continue to be made between Buttcon, N45, Renfrew Finance Staff (current professional project manager - Colliers) and the 3rd party reviewer.	4.1.1 The Town needs to implement a new financial management software system that would enable it to address project management financial tracking to accurately record invoices and supporting documents for accurate project payment certificates and provide the appropriate level of analysis.

4. Measures and Systems

Root Cause	Findings	Impact	Recommendation
4.1 Inadequate Financial and Project Reporting, Forecasting and Oversight	4.1.2 Buttcon provided the Construction Management reports commencing December 2021. This was the first time that it was forecasted that the project would be \$800K over budget - but no analysis from the Town or reporting to Council. As well, the Gantt chart was not updated. The February 2022 report showing a \$1M deficit was forwarded to Council without a report but was discussed at Council. The questions did not focus on what to do to manage the variances (the purpose of variance reporting). Nor did Council request the tender commitments, change orders or process regarding changes. These reports were not analyzed or presented again until August 2022 The Town is still waiting for the final report.	4.1.2 The lack of forecasting and insisting Earned Value reporting did not allow for early resolution and discussion of options, such as waiting for spring. There also was no analysis of the tendering undertaken to see if Buttcon was expanding its searches. However, the delay in delivery of drawings also impacted the ability to tender adequately. We also noted that the Town was undertaking its own procurement and no mechanism was in place to bring both reporting mechanisms together. The Town does not use commitments (purchase orders) in its current purchasing process. Further, there is no central repository of all tenders/RFPs, their status or performance evaluation.	4.1.2 As part of future projects, the Town needs to put together project files and processes to analyze invoices, forecasts. The Town must implement purchase orders/commitments with the implementation of its new financial system.

4. Measures and Systems

Root Cause	Findings	Impact	Recommendation
4.2 Not Using Full Cost, Operating Costs not known, No detailed tracking ineligible costs Agreements made before costs known	4.2.1 The Town did not capture full costs of this project (or many others) such as equipment, payroll costs, lifecycle costs. PSAB requires that full costs be allocated to assets. As part of this project, all of the work done to date including studies, drawings, consultations should be allocated to the fixed asset. O.Reg 588/17 Asset Management Plan require that life cycle costs be captured.	4.2.1 The assets will be undervalued from the Asset Management Plan perspective and will impact future replacement cost and OMPF funding. Further, when Councils make decisions without full costs, these future costs will be borne by future generations.	4.2.1 In future, processes need to be put in place to assign costs to assets and projects to meet the requirements of O.Reg 588/17 and make decisions based upon full cost. The Treasurer should develop a Net Present Value approach (all current and future cash flows) to project evaluation.

4. Measures and Systems

Root Cause	Findings	Impact	Recommendation
4.2 Not Using Full Cost, Operating Costs not known, No detailed tracking ineligible costs Agreements made before costs known	4.2.2 The tenant spaces are considered to be 'ineligible' under the ICIP grant but are needed in order to develop appropriate pricing for lease agreements. No process exists to allocate costs by area, for capital or operating. Further, costs associated with the expansion such as utilities have not been segregated. Leases were negotiated but not documented based upon assumptions prior to construction.	4.2.2 Cost of retail space is not known with the exception of direct fit up costs and hence, the lease rates are not based upon costs. Ultimately, the revenue generated will not cover the costs. These leasehold spaces will also be subject to municipal property taxes. Council should make itself familiar with the potential of bonusing a commercial operation. It is important that the lease rates at the Ma-te-Way facility are consistent with market rates in the community to avoid any concerns or arguments that the Town is bonusing certain businesses.	4.2.2 Undertake a detailed fee study for rates (recreation as well as leases). Council should be made aware of subsidies and make fact based decisions and a recreation subsidy policy.

4. Measures and Systems

Root Cause	Findings	Impact	Recommendation
4.3 Ineffective Management Reporting to Council on Status, changes/issues, Many 'verbal' Reports, Council requests ignored	4.3.1 Reporting to Council was substandard, inadequate and infrequently in written format. Verbal reporting is challenging at best and does not afford adequate opportunity for Council to prepare in advance of the meetings. We are aware of specific requests by Council to provide reports in writing following verbal updates. There was also a request on June 29, 2021, the Council meeting awarding the Buttcon contract, where Councillor Heins requested the evaluation criteria for the RFP, was assured that it had been done and would be provided. These requests were ignored.	4.3.1 Decisions were made based upon verbal information and not substantiated.	4.3.1 In future, Council reports on status, procurement results and recommendations should follow the procedural bylaw, be in writing ahead of the meeting supported with facts and financial analysis.



5.0 MATERIALS AND POLICIES

ROOT CAUSE ANALYSIS

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.1 Inadequate Procurement Policies and failure to comply with Public Procurement Best Practices	5.1.1 There were 8+ Tenders/RFP processes for the Ma-te-Way Activity Expansion plus a variety of tender processes for services and equipment over the past 10 years in the Parks and Recreation Department. In all cases, the processes did not follow public procurement processes with open advertising, proper specifications, bidding, evaluations and timelines. Quotes were sometimes requested of vendors over text messages, emails and release of improper information to vendors. Contacts between vendors and the Town were not properly documented. In most cases, the procurement policy was not adhered to, single point of contact and no panel to receive, review or evaluate tender results.	5.1.1 A lack of open procurement leads to reduced competition and higher prices.	5.1.1 Procurement and contract manual should be developed including mandatory scoring with established criteria, timing and contract performance evaluation.

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.1 Inadequate Procurement Policies and failure to comply with Public Procurement Best Practices	5.1.2 In the case of the Ma-te-Way Expansion specifically, it started with a Prequalification process (April 2018) that was based upon a General Contractor provision. This was not advertised on a public bidding site, simply sent to selected contractors by the Director, not copied to the Treasurer. The addenda and 'opening' was performed by the Director. It is important to note that the time to respond was only 15 days. Five of eight proponents (Hein, Laurin, MBC, Frecon, Sullivan) were prequalified. The Prequalification evaluation matrix or scores could not be located and the scoring was not shared with Council. The proponents were then required to submit their response to a Tender by May 28, 2018 for a 49,500 sq ft arena and recreation centre with future pool (Hein, Laurin, MBC, Frecon). This was followed by negotiations with Laurin Construction. That process was subsequently cancelled, and this tender was utilized again in 2019 (Hein, Frecon, Laurin, MBC, Sullivan, 2020 (Hein, Sullivan) and 2021 (Hein and Sullivan) were solicited to provide updated costs but also a change in contract to a Construction Management Contract (approved by email) all of which were cancelled.	5.1.2 These first four tender proposals were responded to by different vendors at different times. The lack of public procurement processes as well as so many iterations, clearly impacted competition and contributed to bidding fatigue. It is a costly exercise to provide competitive bids on projects. When you go to the well so many times eventually bidders lose hope of getting a contract and will drop out. The mechanism used was also not appropriate. Change to a construction management contract without changing the prequalification or posting raises questions.	5.1.2 Procurement plans should determine the best method to ensure competition. The tender should have been reissued as a RFP as soon as the change in contract was decided.

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.1 Inadequate Procurement Policies and failure to comply with Public Procurement Best Practices	5.1.3 In May 26, 2021, the tender was cancelled and a RFP was issued on June 8, 2021 (closing June 18, 2021) for a Construction Management Contract. Three bids were received MBC (the only prequalified contractor), Ball and Buttcon. The Director replied to questions, issued Addenda and received the proposals. Questions were posed by the Director after the proposals were received. On June 29, 2021, MBC and Buttcon were interviewed. No scoring has been located. Council meeting awarded this contract on this evening. CCDC 5B Contract was signed on July 5, 2021 and executed by the Clerk and Mayor. At that meeting, Councillor Hein requested the scoring and asked if that could be made available. Unfortunately it was not provided. Legal opinion was received December 21, 2021 but the final amended contract was not located.	5.1.3 The quick turnaround of this process did not allow for adequate analysis of the results or the consideration of the implications of the contract.	5.1.3 Contract review should occur BEFORE award and not executed until final legal review. Scoring and evaluations should be made public and references contacted to ensure the proponent has completed projects of comparable scope in a successful manner.

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.2 Sole Sourcing – Direct by Town	5.2.1 There is ample evidence that suggests that the Parks and Recreation Department had engaged in sole/direct source contracts both in this project as well as a number of others. These procurements were also above the threshold in the procurement policy which would have mandated some additional oversight. This includes some non arms length vendors. There were situations noted where the recommendation went to Council without a formal report.	5.2.1 Sole sourced contracts result in less competition. There are some situations that make sense (very specialized) but should be declared and documented.	5.2.1 Sole sourcing should be justified and ensure that the award is arms length. This process should be more rigorous to ensure that there is both transparency and accountability built into the process.

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.3 Questionable tendering incentive practices	5.3.1 Some of the tenders received during this project indicate incentives were offered which raise some questions.	5.3.1 Awarding contracts on the basis of incentive as opposed to merit.	5.3.1 Implement/update the policy with respect to evaluation of tenders.
5.4 Practice of purchasing For Owned Companies/self (Materials delivered to offsite)	5.4.1 The prior Director operates businesses that also provide services to the Town either directly or through Buttcon. In at least one instance, materials were delivered to the individual's home and when the equipment was installed the business utilized Town equipment during the installation process.	5.4.1 Non arms length transactions, sole sourced likely higher costs.	5.4.1 Eliminate practice of allowing non arms length transactions with employees. Enforce strict Code of Conduct.

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.5 Changing Scope, Incomplete Drawings	5.5.1 As the scope changed for the project, so did the drawings.	5.5.1 On many occasions, Buttcon indicated delays (up to 120 days) due to incomplete drawings.	5.5.1 Ensure complete drawings are available and approved before proceeding with projects.
5.6 Multiple RFPs, Reduced Competitiveness	5.6.1 Responses by the same vendors, several iterations and increasing each time.	5.6.1 Vendor fatigue, frustration and increased costs as well as impact to the Town's reputation.	5.6.1 Improved procurement practices with recognition of the cost both to the vendors and the Town.

5. Materials and Policies

Root Cause	Findings	Impact	Recommendation
5.7 Poor Document Management/ Contracts Unexecuted	5.7.1 This review illustrated the poor document management practices - very difficult to locate project files. Many verbal reports and agreements with lessees, sponsors, hand written notes, limited analysis, and lost contracts.	5.7.1 Unable to enforce decisions or agreements, Freedom of Information Act and Municipal Act violations.	5.7.1 Develop a document management strategy and implement a paperless document management system to ensure all resolutions, reports and contracts are accessible with version control.
5.8 Poor Internal Controls/ Lack of Financial Policies	5.8.1 All of the findings point to poor internal controls over approvals. This stems from poor policies, lack of training in financial management practices and understanding of the impact. The practice of simply signing the cheque register is not enough. Governance-related practices demand a higher level of scrutiny by Town Officials.	5.8.1 Inappropriate approvals and poor financial analysis. Poor reporting lack of reconciliation resulted in cost overruns and ability for staff to approve their 'own' expenses.	5.8.1 Implement a full set of financial policies and new internal control framework in conjunction with new financial system (paperless). Recommended in the Financial Services Review.



6.0 METHODS AND PROCESSES

ROOT CAUSE ANALYSIS

6. Methods and Processes

Root Cause	Findings	Impact	Recommendation
6.1 Lack of Segregation of Duties, Undocumented procurement, Inconsistent RFP Evaluations	6.1.1 Lack of Segregation of duties was evident - Director could purchase, award and pay for goods and services including 'vouchers'. No processes in place to validate invoices against inventory. In many cases, there was no adequate back up for expenses. There is no application of the 'four eyes' principle. There were instances whereby the department would purchase and build assets. There was a significant degree of delegated authority without the formal assignment of that authority as well as limited to no oversight as to how effectively the Director dealt with that authority.	6.1.1 Losses and increased costs. Approvals well above the delegated authorities. Opportunity for asset losses. No warranties on self built assets and possibility of injury/health and safety issues.	6.1.1 Implement an internal control framework including independent review of financial transactions.

6. Methods and Processes

Root Cause	Findings	Impact	Recommendation
6.1 Lack of Segregation of Duties, Undocumented procurement, Inconsistent RFP Evaluations	6.1.2 Many procurement processes undertaken in the Parks and Recreation Department were not adequately documented, had no evaluation processes or formal analysis to compare value of potential purchases	6.1.2 It would appear that the evaluation of the vendors was not based upon best value.	6.1.2 Implement independent processes to review procurement. All tenders and RFPS should include a detailed log of activities, receipt of questions, proposals, and evaluation. This evaluation should be done independently by each member of the panel. References should be contacted through independent sources.

6. Methods and Processes

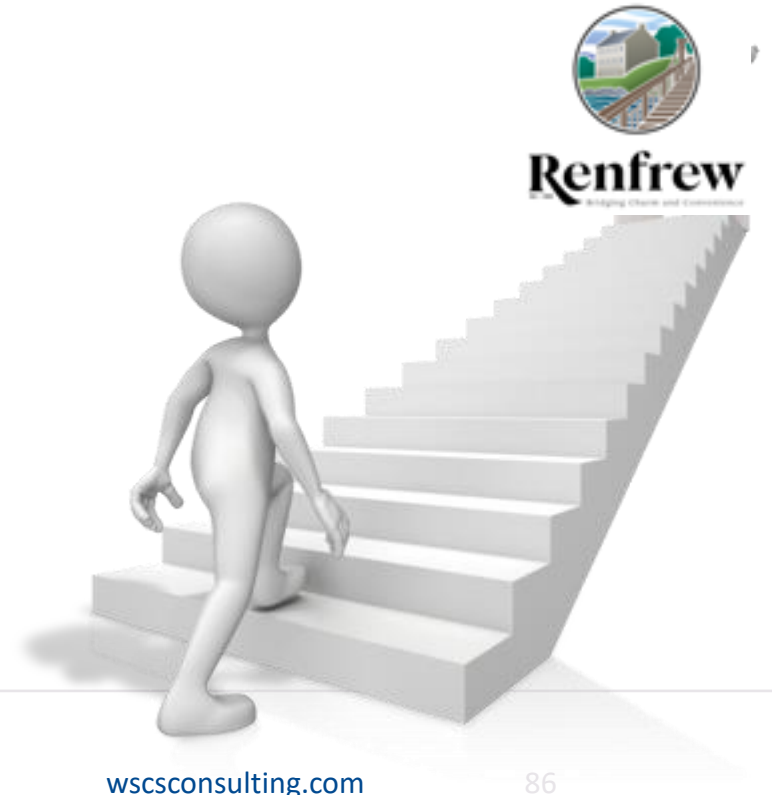
Root Cause	Findings	Impact	Recommendation
6.2 Buttcon vs Town Procurement - Tendering Not Following Public Procurement Requirements	6.2.1 Buttcon tenders were untaken by their company in their own manner. There was little oversight and we noted that, in many instances, there was limited response. There was no requirement in the RFP for the contract or agreement to follow public procurement practices.	6.2.1 We also noted that MOST of the tenders came in over budget with recommendations to proceed. These were not presented to Council for approval.	6.2.1 In future projects, the Town needs to implement a process of reconciliation, reporting and approvals by Council.
6.2 Buttcon vs Town Procurement - Tendering Not Following Public Procurement Requirements	6.2.2 Because Buttcon is a union contractor, any non-union procurement had to be handled by the Town. There was no strategy on how this would be handled. Further, the Town 'sole sourced' some large contracts through Buttcon to which Buttcon would receive their Construction Management fee.	6.2.2 This created some significant issues for project management onsite and increased costs due to a lack of understanding of the CCDC 5B contract and the Construction Management fees.	6.2.2 Any future projects should specifically identify the responsibilities of the Town versus the Construction Manager. A supplementary condition should be added to any CCDC 5B contracts. However, CCDC 5B contracts should be rarely used and any project should include a risk assessment.

6. Methods and Processes

Root Cause	Findings	Impact	Recommendation
6.3 Billing and Progress processes lack of oversight on construction, Structure or assurance, forecasts, No commitments in Systems	6.3.1 Buttcon billing and progress reporting was very substandard. While it provided the 'work' completed and any deficiencies, it did not provide sufficient analysis of the impact on the project. In many cases, recommendations did not include the delays or cost impacts. The Town over-relied on N45 for approvals, who admittedly stated that they did not certify accuracy. The invoices provided were too difficult to perform reconciliations to ensure that materials and labour were actually performed on the job. No full time PM from the Town meant that there was no proper oversight.	6.3.1 Without good Town oversight - onsite every day, one would not be able to adequately ensure that there were not double payments, undelivered materials or labour hours.	6.3.1 The Town needs to assign a full time PM in all future projects and its own system for evaluation of invoices, labour and materials.
6.3 Billing and Progress processes lack of oversight on construction, Structure or assurance, forecasts, No commitments in Systems	6.3.2 On several occasions throughout the project, there were delays due to 'waiting' for approvals from N45 or the Town, as well as 'waiting' for updated drawings.	6.3.2 There is no doubt that delays in the project stemmed from a lack of a dedicated, trained Project Management professional as well as delays in drawings. At one point, Buttcon indicated these delays amounted to 120 days.	6.3.2 In future, any delays should be analyzed by the Town with solutions recommended to address resource requirements.

Next Steps

- Detailed Final Report (Spring 2024)
 - Updated costs and Town response to recommendations



Questions?



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