

# Operational Review - Artificial Turf Project 2003

Prepared by Cathie Osborne for  
Mike Labrecque, Director Real Property and Asset Management  
Dale MacLennan, Director Financial Services

Final Report with Appendices, November 26, 2003

July 31, 2003  
**Table of Contents**

Executive Summary . . . . .	<a href="#">-3-</a>
Summary Findings and Recommendations . . . . .	<a href="#">-4-</a>
Future Outlook . . . . .	<a href="#">-8-</a>
Project Outline . . . . .	<a href="#">-9-</a>
Acknowledgments . . . . .	<a href="#">-9-</a>
Organizational Background . . . . .	<a href="#">-10-</a>
Detailed Findings and Recommendations . . . . .	<a href="#">-11-</a>
1. Capital Estimating . . . . .	<a href="#">-11-</a>
2. Funding Sources . . . . .	<a href="#">-14-</a>
3. Procurement Process . . . . .	<a href="#">-14-</a>
4. Staff Assignments . . . . .	<a href="#">-15-</a>
5. Project Management . . . . .	<a href="#">-16-</a>
6. Perception of Conflict . . . . .	<a href="#">-17-</a>
Appendices . . . . .	
..-20-	

## Executive Summary

The process that occurred with the Mainland Common Artificial Surface Field, specifically and to some degree, the Mainland Common Baseball Diamond and the Auburn Sports field upgrade can generally be defined as projects without clear form and direction.

1. Figures presented in the Capital Budget are not well estimated which indicates a lack of planning and lack of design work. Staff has indicated that most capital work occurs on a "build to budget basis." There are very few formal design or building standards established for park development.
2. Staff's desire to achieve what became the revised outcome overrode the ability to pay for the project. A lack of planning and design led to an overly optimistic capital estimate and reliance on more speculative funding sources. Project staff appeared to expect Council to come through with additional funding.
3. Lack of planning and design created numerous problems during the RFP process. After the contract was awarded and signed, issues have arisen during the construction that can be attributed to factors associated with the RFP process.
4. Inexperience in the technical aspects of the project negatively affected the process.
5. In the early stages of the capital process (2001/2002) political and community involvement was very obvious. Staff expressed discomfort in their ability to provide individual Councillors with sufficient and appropriate information to manage community expectations.

Discussions with RPAMS Managers indicate an understanding of the challenges facing the unit and a willingness to improve. Understandably, this may take some time. The current work load, stretched resources and a lack of formal policies and procedures may make it difficult to gather, analyze, and implement appropriate procedures on an accelerated basis. It will be necessary to obtain EMT and Council's full understanding of the critical issues facing Capital Budgeting and garner their formal support in order to reach the corporate goals.

Respectfully submitted:

Cathie Osborne  
Team Leader, Business Systems and Control

## Summary Findings and Recommendations

Included in the January 21, 2003 report to Council was a recommendation that

“Staff undertake a review of the capital planning process used to scope the artificial turf project, with a view to making future improvements to the capital budget planning and implementation process.”<sup>1</sup>

Subsequent to the approval of the Parks and Recreation 2002-2003 Capital Budget, Council was asked to approve capital over expenditures for the Mainland Commons Artificial Turf Facility, the Mainland Commons Baseball Diamond and the Auburn Sports Field Development (irrigation). Consideration has been given to all these events and included in the analysis. A detailed review of numerous documents and one-on-one interviews with employees who were key to the projects support the following findings.

1. Figures presented in the Capital Budget have been categorized as “indicative.” This infers that the estimate should not be relied upon strongly. The underlying expectation is that Council and Senior Staff would recall that the figure was not intended to be a good estimate of the required funding, only indicative of the funding. Therefore, the difference between the budget figure and the actual outcome should not be a cause for concern.

Staff have indicated that capital development occurs on a “build to budget” basis, not on a “budget to build” basis. When the funds run out, the project ends or additional funds are sought. Given the unfinished state of many projects, many stakeholders are dissatisfied with the process. A recent example would be the Mainland Commons Baseball Diamond.

The Capital Parks Planning group has not been able to establish standards for common material or product. Few projects are pre-designed with detailed specifications completed prior to inclusion in the Capital Budget submissions. Staff attribute this to a lack of resources available for the workload, numerous unplanned projects, a short construction season and political intervention.

### **Recommendation:**

- 1.1 Appropriate standards for common materials, services or products should be established for similar projects. This would include but not be limited to standards for fencing, lighting, subbase preparation for various facilities, landscaping material, directional and facility signage, furnishings (benches, barriers, litter containers,) and hard surfaced materials for

---

<sup>1</sup> Excerpt from Report to Council, January 21, 2003 - “Award RFP #02-079 - All Weather Turf Facilities” - see appendices, page 23 for full report

walkways and trails. This would reduce the time to design and tender approved projects.

- 1.2 A phased in approach to projects should be implemented. Preliminary design work should occur prior to submission of a project for Capital approval. This will provide better costing information reflective of the proposed design. Client needs must be fully developed before a capital submission occurs. This will have a direct impact on the Capital Budgeting and RPAMS's operating budget.
  - 1.3 Costs directly associated with scope and design should be capitalized as the project is completed. Costs associated for projects that do not receive Council approval should remain as operational costs. Reliable estimating, appropriate reporting and strict monitoring controls must be adopted to ensure that only capital related costs are transferred from the operating to capital budget.
  - 1.4 A policy should be developed and approved by Council, which articulates the criteria used to establish construction dates and project priorities. The policy should also state the procedure available to change a project's priority or construction date.
  - 1.5 The Mainland Common Master Plan, 1992, should be reviewed in light of the on-going development that has occurred since its acceptance to ensure that the concepts adopted by Halifax City Council have been met or ascertain the need to review and revamp the original plan.
2. Funding sources for the project, at the end, were overly optimistic and speculative. The primary funding source for this project was the net proceeds from the sale of the Halifax West School site. Secondary funding was expected from the Federal Government Infrastructure Funding Program.

The primary assumption used to develop the original estimate of \$2.7 million gross proceeds from the sale of the Halifax West School Site was based on medium to high density construction (apartments, R3) in an ideal market. The request to estimate the sale proceeds occurred verbally and without the exchange of full information.

Early in 2003, it was determined that the community would not support R3 zoning and the property will most likely be re-zoned for low to medium density housing. It is now estimated that the HRM may only realize gross proceeds of \$1.25 million, before demolition of the building. This would have been identified as a risk had Planning and Development been consulted earlier.

Federal Infrastructure Funding of \$800,000 was identified as a potential funding source. However, as pointed out by the CAO at a Committee of the Whole meeting in February 2002, it was unlikely, until very recently, that the Federal Government would fund an athletic facility of this nature. In the past, Federal Infrastructure Funding has been reserved for recreation related buildings, not land development.

Budget estimates to build an artificial turf surface in the Eastern Region for the 2003-2004 Capital Budget rely upon \$1.6 million in federal infrastructure funding. Confirmation that this money will be forthcoming has not been received.

**Recommendation:**

- 2.1 Funding sources should be confirmed to the extent possible and directly linked to project scope prior to the commencement of a capital project if Council approval is contingent upon receiving the stated funding. If funding goes down, project scope must go down; or
  - 2.2 Council should direct staff at the time the approval is requested on the appropriate source of funding should anticipated funding fall short. This could include funding through debt, operating or non-government external sources or change in project scope.
3. The RFP, as choice of procurement process (RFP, EOI, Tender) appeared appropriate due to the absence of detailed design plans and specifications for the artificial turf surface. The choice of a "design and build" approach was considered appropriate, given the urgency of the project. As well, there was some optimism that the business community would present an innovative solution that would achieve the original goal. However, the absence of clear design criteria would have hampered the RFP review team as each proponent could provide different concepts and materials. The bidding proponents recognized this shortcoming and requested more detailed specifications upon which to bid.
- The Weir field design and specifications should have been the basis for the tender specifications as it was the basis for the capital submission.

**Recommendations:**

- 3.1 Design and specifications should be developed prior to engaging the procurement process for projects of this nature where staff has past experience with most or all aspects of the design.
4. The methodology used to assign staff to the project did not give due consideration to the technical aspects, size of the project or work load of the individuals. Discussions were held regarding the contracting of an external

project manager. However, the guiding factors used to assign staff to the project appear to have been the lack of available resources in the Capital Projects section and the personal private interest of the assigned project manager.

**Recommendations:**

- 4.1 For projects of greater than \$100,000 or bundled projects of greater than \$50,000 project management assignments should be based on sound past experience and technical knowledge. Should internal resources not be available, external resources should be acquired.
- 4.2 For succession planning purposes staff less experienced in project management should only be assigned when there is sufficient coaching and advisory support available.
- 5. Project management best practices were not followed. The project started with a specific goal to design and build two artificial turf surfaces at a cost of no more than \$1.2 million each. Since the requirements of the project were not clearly defined, potential problems were not identified on time and the progress of the project was delayed due to insufficient planning.

The original communication to Council was a request to fund and build one single size field in the Western Region with lights, standard fencing and a gravel parking for \$1.2 million, similar to the Weir Field built in 2001.

Ironically, the RFP costs to build one single artificial field surface only came in \$300,000 higher than the original "indicative" estimate. The difference in the final price can be attributed to the increased size of the surface, the additional and upgraded lighting, the "invisible" vinyl fencing, and the sub-surface preparation.

**Recommendations:**

- 5.1 Sound project management practices should be utilized to reduce the risk of scope creep and higher unplanned costs. The writer recognizes that there is an inherent level of risk associated with any project and contingencies may not always cover all the unknowns. However, better design, planning and execution of the project would help to mitigate the unknown to an acceptable level.
- 6. Perception of Conflict:

In reconstructing the path of this project, the writer identified a number of factors, which, when assembled may lead to a perceived conflict of interest.

**Recommendation:**

6.1



Consideration should be given to the fact that some employees may not be aware of or understand the Conflict of Interest Policy.

6.2

It is also suggested that Human Resources review the Ethical Conduct Policy to ensure that it appropriately reflects the highest standard of behaviour expected of HRM employees.

**Future Outlook**

The recent re-organization of real property assets under one business unit, effective January 2003, should provide improved synergy as the merger integrates all activities relating to property - acquisition, operations and sales. Organizational change will provide the management team with opportunity to improve upon or develop processes and procedures established under former managers.

Discussions with RPAMS Managers indicate an understanding of the challenges facing the unit and a willingness to improve. Understandably, this may take some time. The current work load, stretched resources and a lack of formal policies and procedures may make it difficult to gather, analyze, and implement appropriate procedures on an accelerated basis. It will be necessary to obtain EMT and Council's full understanding of the critical issues facing Capital Budgeting and garner their formal support in order to reach the corporate goals.

## **Project Outline**

A review of the process undertaken by staff in the planning and development of two artificial field surfaces was requested by the Directors of Financial Services and Real Property and Asset Management with full support of the CAO and Council. The primary objective of the review was to ascertain that accountability for the process(es) were appropriately assigned and carried out and by whom and to confirm that the facts presented at the various approval points were fairly represented.

The scope of the review included:

1. The process used to determine the need and scope of the capital project.
2. The definition of the original capital parameters and ,if modified, what were the drivers that led to the modifications.
3. The procurement process and/or approach used in the selection of vendor(s.)
4. The project management process used and related factors.

The methodology of the review included detailed analysis of over 247 documents from various files and one-on-one interviews with all employees involved in the process. Interviewees included members of the RFP Team, Financial Consultants and various managers responsible for some aspect of the project. Individual responses are confidential as to source. Evidence supporting the responses is obtained prior to inclusion in the report.

### **Acknowledgments:**

The writer would like to acknowledge the positive support and participation received from staff throughout the review process. Files and documents were readily available for review and staff participated cooperatively during the lengthy interview process.

## Organizational Background

Since amalgamation on April 1, 1996, operational and capital development responsibility for athletic fields and park land has transferred between divisions and business units a number of times. As of January 1, 2003 responsibility for athletic fields and land, in general, resides with Real Property and Asset Management. Management responsibilities for operational and capital activities have been assigned to separate management teams within RPAMS.<sup>2</sup>

Prior to Alignment 2000, (April 1, 1996 to December 31, 1999) responsibility for these activities resided in Regional Operations, Works and Natural Services. During the period of January 1, 2000 and December 31, 2002, Parks and Recreation carried the responsibility for parks and open spaces, with one manager assigned to both operational and capital development of parkland.<sup>3</sup>

Based on this background information, the review focuses on the outcome of the artificial surface project - identification of facilities built, identification of the final funding sources and project management.

---

<sup>2</sup> Real Property and Asset Management Organizational Chart, April 2003 - Appendices page 32

<sup>3</sup> Summary of changes can be found in Appendices, Page 39

## Detailed Findings and Recommendations:

### 1. Capital Estimating

#### Project Development:

The property located on the Halifax Peninsula and known as the "Mainland Commons" acquired as part of a development agreement was set aside for future sports, recreation and leisure usage after a lengthy public consultation process. The Mainland Commons Strategy was approved, in principle, by the former City of Halifax Council in 1992. Since that time limited development has occurred, primarily due to financial constraints and other development priorities. Roads, water and sewer services must also be installed to accommodate each new recreational development.

Development had consisted of a small natural athletic field and a number of nature trails until the opening of an indoor soccer training facility in May 1996. The HRM has issued a 35 year lease to Soccer Nova Scotia for the nominal fee of \$100 per year for the use of the land. The Keshen Goodman Library, opened in 2001, is also located on the Mainland Commons. In late 2002 land was set aside for the construction of a high school to replace the Halifax West High School site which was returned to the HRM in 1999. The construction of an artificial turf field is expected to be completed in the summer of 2003 with the construction of a baseball diamond started by the fall of 2003. This diamond will replace a diamond being removed from the North Commons facility.

Deteriorating field conditions and extensive lobbying by the sports community precipitated the presentation of a number of Council Reports from Parks and Open Spaces. The strategy included upgrading certain fields by including in-ground irrigation and developing new artificial turf fields to alleviate the use on the natural turf fields. In a report titled, "Athletic Field Servicing Strategy Halifax Regional Municipality," P Bigelow writes:

" The effort to improve HRM's athletic fields will take several years. Since there is no singular cause, the efforts to improve the service must occur on several fronts. HRM's fields are under maintained and overused. The strategy to overcome this involves improvements in HRM's maintenance levels on its existing facilities...Develop manage two artificial surfaces in HRM within three years with one located in the Eastern Region and one in the Western Region.<sup>4</sup>

In an Information Report to Council, February 6, 2001, Director Karen MacTavish, responding to a public presentation by the soccer community to HRM Council, stated:

---

<sup>4</sup> HRM Athletic Field Access Level 1 Business Plan, November 5, 1999 - Appendices Page 40

" while the initial outlay is substantial at \$1.1 million, an artificial turf field has been tentatively identified in next years capital budget 2002/03 and another in future years."<sup>5</sup>

In a discussion paper presented to Council on February 6, 2001, staff point out:

"The cost to construct a full size filled artificial surface is approximately \$1.1 million dollars. This again assumes that there are no land purchase costs necessary."<sup>6</sup>

On March 14, 2001, HRM Council approved the capital submission for an artificial turf surface for the Western Region, as outlined in the HRM Athletic Field Servicing Strategy and capital funding submission for \$1.1 million, contingent on the sale of two parcels of land, the former Halifax West School Site and a lot sold to Clayton Development.

The Capital Budget submission for 2002/03 included funding for a second artificial turf surface for the Eastern Region, bringing the full capital funding request to \$2.4 million. Discussions during the Committee of the Whole on February 25, 2002 focused on the funding opportunities, or lack thereof. CAO George McLellan identified two alternatives to achieving this goal.

"In tender specifications, proponents can provide innovative way to achieve goal. We will tell them we want to build two this year, here is the money. It's thoroughly known. If tenders, competitively, don't come in line, we would ask them how we can achieve it. So our intention will be to try and rely on the private sector to innovatively show us how this could happen. This is all the worst case and that the infrastructure money is not there or the tender can't be done at \$1.6 million. But if (the suggested innovations) these aren't acceptable under our policies, we would try to use the money available to bring us that much closer so that the completion of the 2<sup>nd</sup> field will be that much earlier, in the next fiscal year."<sup>7</sup>

In summary, the project articulated by staff to Council consisted of two artificial turf surfaces, one located in the Western Region and the other in the Eastern Region. The majority of funding was to be achieved through the Sale of Land Account and the Halifax West School site, with inter-governmental contributions and minimal HRM debt. This would complement the existing field centrally located in Upper Sackville and provide

---

<sup>5</sup> Excerpt from report to Council February 6, 2001 HRM Athletic Field Service Strategy - Appendices Page 81

<sup>6</sup> A Staff discussion Paper Comparing Four Types of Sport fields Surfaces for Use As "A" Level Fields of HRM, February 2001, page 9 - Appendices Page 105

<sup>7</sup> Excerpt from February 25, 2002 Community of the Whole, Capital Budget Discussion, spoken by CAO George McLellan.

capacity to upgrade existing fields.<sup>8</sup> If need be, development of the two fields would be phased in, pending sufficient funding.

Estimating:

Capital estimates (2000-2001 and 2002-2003) were based on a fully prepared subsurface and past experience with Weir Field adjusted for the increase in square footage for turf and improved lighting. It was not until June 2002, prior to the issuance of the RFP that research occurred on the sub-surface, national standards for lighting, goals, nets and field surface sizes for various sports (rugby, football, soccer.) During the RFP process, HRM Engineering suggested tighter specs for seating, lighting, fencing.

The Capital Parks Planning group has not been able to establish standards for common material or product. Few projects are pre-designed with detailed specifications completed prior to inclusion in the Capital Budget submissions. Pre-design work would include need analysis, site analysis and applied standards. Staff attribute this to a lack of resources for the work, short construction season and political intervention. There are approximately 250-300 capital projects of various sizes approved for construction. This works out to the assignment of approximately 40 projects per employee in the technical area. Each employee is responsible to design, tender and manage the construction project.

The Capital Planning group has established informal criteria for inclusion in the Capital Budget. In order of priority:

1. Public Safety
2. Age of Request (may be accelerated if community provides additional funding which enhances the project)
3. Political Sensitivity
4. Deliverability - short construction window means field work has 1<sup>st</sup> priority.
5. Capital District
6. Development Community

**Recommendation:**

- 1.1 *Appropriate standards for common materials, services or products should be established for similar projects. This would include but not be limited to standards for fencing, lighting, subbase preparation for various facilities, landscaping material, directional and facility signage, furnishings (benches, barriers, litter containers,) and hard surfaced materials for walkways and trails. This would reduce the time to design and tender approved projects.*
- 1.2 *A phased in approach to projects should be implemented. Preliminary design work should occur prior to submission of a project for Capital approval. This will provide better costing*

---

<sup>8</sup> Listing of Capital Budget Project Time Lines compiled February 2001 - Appendices, Page 121

*information reflective of the proposed design. Client needs must be fully developed before a capital submission occurs. This will have a direct impact on the Capital Budgeting, RPAMS's operating budget.*

- 1.3 *Costs directly associated with scope and design should be capitalized as the project is completed. Costs associated for projects that do not receive Council approval should remain as operational costs. Reliable estimating, appropriate reporting and strict monitoring controls must be adopted to ensure that only capital related costs are transferred from the operating to capital budget.*
- 1.4 *A policy should be developed and approved by Council, which articulates the criteria used to establish construction dates and project priorities. The policy should also state the procedure available to change a project's priority or construction date.*
- 1.5 *The Mainland Common Master Plan, 1992, should be reviewed in light of the on-going development that has occurred since its acceptance to ensure that the concepts adopted by Halifax City Council have been met or ascertain the need to review and revamp the original plan.*

## **2. Funding Sources**

Funding sources for the project, at the end , were overly optimistic and speculative, given the scope creep. The primary funding source for this project was the net proceeds from the sale of the Halifax West School site. Real Property and Asset Management staff have been working on preparing the site for sale since approximately June 2002.

The primary assumption used to develop the original estimate of \$2.7 million gross proceeds was based on medium to high density construction (apartments, R3) in an ideal market. The request to estimate the sale proceeds occurred verbally and without the exchange of full information. Chemical, engineering or appraisal studies were not completed. Nor was Planning and Development approached until after the RFP process was begun regarding any potential zoning issues that should have been considered in the estimation.

### ***Recommendation:***

- 2.1 *Funding sources should be confirmed to the extent possible and directly linked to project scope prior to the commencement of a capital project if Council approval is contingent upon receiving the stated funding. If funding goes down, project scope should also go down; or*
- 2.2 *Council should direct staff at the time the approval is requested on the appropriate source of funding should anticipated funding fall short. This could include funding through debt, operating or non-government external sources, or project scope should change.*

## **3. Procurement Process**

The RFP as choice of procurement process (RFP, EOI, Tender) appeared

appropriate due to the absence of detailed design plans and specifications for the artificial turf surface. The choice of a "design and build" approach was considered necessary, given the urgency of the project. As well, there was some optimism that the business community would present an innovative solution that would achieve the original goal. However, the absence of clear design criteria would have hampered the RFP review team as each proponent could provide different concepts and materials. The bidding proponents recognized this shortcoming and requested more detailed specifications upon which to bid.

The RFP included design and construction from top to bottom (site/land preparation, turf installation, installation of amenities - lighting, goals, fencing, seating, scoreboard, parking, access roads, buffers ) for two field sizes - 165 yds X 110yrs, 165 yds X 80 yds. Three addendums were issued enlarging the field width and providing clear specifications for fencing, lighting and seating.

The proponents hindered the RFP process, some what, by not providing separate costing for the items, as requested. Staff spent much time trying to assign individual costs to items in order to do cost comparatives and when they began to pare down the project. By November 2002, staff were still trying to clarify and cost out the details for removal of unsuitable materials, warranties, design work and sub-surface preparation. Much of this confusion could have been avoided with better design and planning and had the proponents provided the required information.

**Recommendations:**

3.1 *Design and specifications should be developed prior to engaging the procurement process for projects of this nature where staff has past experience with most or all aspects of the design.*

#### **4. Staff Assignments**

The methodology used to assign Parks and Recreation staff to the project did not give due consideration to the technical aspects or value of the project. The guiding factors used to assign staff to the project appear to be the lack of available resources in the Capital Projects section and [REDACTED]

[REDACTED] This, and other facts that will be presented later in the report, provide a reasonable basis for the perception of a conflict of interest, [REDACTED]

[REDACTED] These facts were well-known to the division.

Team assignments to the RFP process was designed to ensure that both internal and external stakeholders were represented. Internal functions assigned to the team included two representatives from Sports and Community Events, a Civil Engineer whose expertise did not include sports facilities (Engineering consider this to be a non-staffed speciality) and an in-house park planner. Engineering expertise was provided

in an unofficial capacity in the area of storm and sewer requirements. External representation from the soccer community excluded other sports associations for which the artificial surface was also being developed.

The team was tasked with developing an RFP document, analyzing bids and making a recommendation on the successful proponent. After the cost envelope was opened, the majority of team members were no longer included in the process.

It should also be noted that all staff, including the Project Manager assigned to lead the RFP process, retained their full duties at a time when work load demands were at their highest. Some members of the team felt that anticipated support was not consistently available. Nor does the evidence suggest that it was requested or offered. A review of the email records does indicate that the Project Manager kept his supervisor apprized of the progress of the RFP process. In September 2002, after the impact of the costing was understood, the Manager interceded and carried the RFP process forward. The manager had retained responsibility for securing the funding sources throughout the project.

***Recommendations:***

- 4.1 *For projects of greater than \$100,000 or bundled projects of greater than \$50,000 project management assignments should be based on sound past experience and technical knowledge. Should internal resources not be available, external resources should be acquired.*
- 4.2 *For succession planning purposes staff less experienced in project management should only be assigned when there is sufficient coaching and advisory support available.*

## **5. Project Management**

Project management best practices were not followed. The project started with a specific project goal to design and build two artificial turf surfaces at a cost of no more than \$1.6 million each.<sup>9</sup> The requirements of the project were not clearly defined, potential problems were not identified on time and the progress of the project was delayed due to insufficient planning as a result of the imposition of artificial time lines.

There is evidence to suggest that artificial time lines were imposed on the project from the beginning. The delay in finalizing the RFP process did, in fact, create a real urgency, given the commitment of staff to host the National Under 14 Soccer Championships in October 2003. However, staff also advised that there were contingency plans should the field(s) not be ready. In practical terms, when the field is not booked for cross field sports, it is very large single field.

---

<sup>9</sup> Excerpt from February 25, 2002 Community of the Whole, Capital Budget Discussion, spoken by CAO George McLellan referencing capital submission estimates from Parks and Open Spaces for an artificial turf surface.

Scope creep and the high expectations of external stakeholders were not managed well. The delay in the project can be attributed to the lack of design specifications. The lack of design specifications can be attributed to the lack of planning. The lack of planning can be attributed to the lack of design experience which leads to the lack of control on the project.

The original communication to Council was a request to fund and build one single size field with lights and gravel parking lot in the Western Region for \$1.6 million, similar to the Weir Field built in 2001. The total approved project cost of \$2.1 million to build one double sized field, fencing, lighting and gravel parking is 75 % higher than the budget estimate. A small cost overrun is also expected. Field construction is almost complete and the Halifax West School Site has still not been sold.

**Recommendations:**

- 5.1 *Sound project management practices should be utilized to reduce the risk of scope creep and higher unplanned costs. The writer recognizes that there is an inherent level of risk associated with any project and contingencies may not always cover all the unknowns. However, better design, planning and execution of the project would help to mitigate the unknown to an acceptable level.*

**6. Perception of Conflict**

In reconstructing the path of this project, the writer identified a number of factors, which, when assembled may lead to a perceived conflict of interest. The following points are provided as clarification to this position.

1. [REDACTED]  
[REDACTED] he supervising manager was aware of this when the assignment was made.
2. [REDACTED]
3. [REDACTED]
4. [REDACTED]
5. [REDACTED]
6. Early correspondence indicates that Soccer NS was prepared to provide some funding but only if a large field was constructed. Later correspondence, after the cost envelopes were opened, suggested that this was a new revelation that should be considered in the deliberations.
7. Opportunity to influence individual Councillors, inherent in nature of work which was to coordinate sports field usage for HRM.
8. A separate meeting was held after a Capital Budget session with a number of Eastern Region Councillors to ensure that they were in support of a double sized field prior to the beginning of the RFP process.

9. Strong stated belief that a double field was the only way to go. Parameters for financial analysis focused on double field even though approval from Council was for a smaller sized field.
10. Project urgency was initially established by the project manager in May 2002.

The current Human Resources Policies and Practices Handbook, July 2003 defines "Ethical Conduct" objectives as:

- 1) Promote high standards of professional conduct.
- 2) Provide guidelines for identifying potential conflicts of interest and breaches of trust or confidence.
- 3) Help ensure that municipal staff do not place themselves, or permit themselves to be placed, in a position which would constitute a conflict of interest or breach of trust or confidence.

The "Code of Ethics - Professional Conduct" states:

"...They must observe a high standard of professionalism in the conduct of their duties and faithfully fulfill the responsibilities of their offices, **regardless of their personal or financial interests.**" *(Emphasis mine)*

Under the "Conflict of Interest" Code of Ethics, employees are admonished to:

"not engage in any business transaction or have a financial or **personal interest**, direct or indirect which is incompatible with the proper discharge of their official duties or would impair, or **reasonably give the perception of impairing, their independence of judgement or action** in the performance of their duties."

"Where an actual or perceived conflict of interest arises, employees are required to declare a conflict and take appropriate action to remove themselves from the conflict situation."

[REDACTED]

[REDACTED] The policy goes on to spell out situations which constitute conflicts of interest. Unfortunately, the situations provided all relate to receiving a tangible benefit from the conflict of interest. There is no evidence to suggest that the [REDACTED] received any tangible benefit arising from [REDACTED] participation in this process. Such narrowly defined situations could be construed as an exclusive list and therefore, under these circumstances, no perceived conflict of interest would exist.

In contrast, the Halifax Regional Library applies a broader definition to Conflict of Interest which may be more reflective of the intent of the HRM Policy and which would help to ensure that all staff are held to a higher standard of ethical behaviour.

The following is an excerpt from the Regional Library's Conflict of Interest Policy:

" Conflict of interest encompasses situations where it may seem that the public interest has not been upheld when personal private interests conflict or when there is a reasonable basis for the perception of such conflict.

Example: Membership in an interest group seeking to influence policy."

**Recommendation:**

6.1

[REDACTED]

[REDACTED] Consideration should be given to the fact that some employees may not be aware of or understand the conflict of interest policy.

6.2

It is also suggested that Human Resources review the Ethical Conduct Policy to ensure that it appropriately reflects the highest standard of behaviour for HRM employees.

-103-	-104-	-105-	-106-
-107-	-108-	-109-	-110-
-111-	-112-	-113-	-114-
-115-	-116-	-117-	-118-
-119-	-120-	-121-	-122-
-123-	-124-	-125-	-126-
-127-	-128-	-129-	-130-
-131-	-132-	-133-	-134-
-135-	-136-	-137-	-138-
-139-	-140-	-141-	-142-
-143-	-144-	-145-	-146-
-147-	-148-	-149-	-150-
-151-	-152-	-153-	-154-
-155-	-156-	-157-	-158-
-159-	-160-	-161-	-162-
-163-	-164-	-165-	-166-
-167-	-168-	-169-	-170-
-171-	-172-	-173-	-174-
-175-	-176-	-177-	-178-
-179-	-180-	-181-	-182-