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January 22, 2014

Chair and Members
Executive Policy Committee
The City of Winnipeg
510 Main Street
Winnipeg MB

Re: Executive Policy Committee – 9:00 a.m. Wednesday, January 22, 2014

(a) Reports
Item No. 4 Quarterly Status Report – Public Service response to the Report on New Fire Paramedic Stations Construction Project

I am appearing this morning in opposition to the motion to just receive this Report "as information."

I have some questions for you to consider:

1. When will Ernst & Young report publicly on its follow-up interviews with the Mayor and Councillors regarding their roles and responsibilities in the subject matter of the New Fire Paramedic Stations Construction Project Audit?
2. Who has been retained as external legal counsel to review the original Audit Report and to advise on the legal implications, and when will their report be made public?
3. Why is this Administrative Report authorized by Deepak Joshi as Department Head and Mike Ruta as Acting Chief Administrative Officer? Mr. Ruta is in fact the City's Chief Financial Officer, and I understood that Mr. Joshi is the Interim Acting Chief Administrative Officer.
4. In any event, does "the Public Service" referred to by this Administrative Report mean Mr. Joshi and Mr. Ruta, in consultation with Corporation Finance; Planning, Property and Development; Legal Services; and the City Auditor?
5. If so, will EPC and Council now forcefully advise "the Public Service" that it is not up to them to agree or disagree with Council's decision to accept and implement all 14 recommendations of the original Ernst & Young Audit Report?
6. In the opinion of Ernst & Young and all of City Council, and the general public, I might add, the Public Service failed to accept the recommendations of council, and to follow existing City of Winnipeg by-laws, Council policies, administrative standards and practices in a fair manner, per due process and best intentions."

7. I also have some comments on the individual recommendations:

Recommendation #1

EPC should decide today to recommend that Council reduce the award authority for single source contracts to no more than $1 million, and preferably $100,000.

Why is it going to take Corporation Finance up to six more months to recommend improved policies and procedures for single source contracts?

Recommendation #2

It appears that notwithstanding Council's approval, the "Public Service" does not agree with, and is refusing to implement, Council's decision to change the City's approach to bidding substitutes and meet the requirements for "a truly open and transparent process."

This is probably not overly surprising, since the finding of Ernst & Young and the decision of Council necessarily means that the identified "Public Service" violated the City's Code of Conduct for Employees.

Since the present "Public Service" won't follow Council's direction, EPC should hire a new one.

Recommendation #3

In contrast to Recommendation #2, the "Public Service" agrees, in effect, that the Code of Conduct for Employees was violated in the Fire Paramedic project, and proposes to amend RFP procedures accordingly.

Recommendation #4

Why will it take up to nine months more to agree with the recommendation that the City change its recent practice and start acquiring acceptable sites in advance of issuing RFP's or tenders for construction on those sites?

Recommendation #5

The inability of the Planning, Property and Development Department to oversee/manage major real estate construction projects has not been addressed by the hiring of a couple of new Project Officers. A major review of the City's capacity and performance is required, as has been amply demonstrated by the Fire Paramedic Project and the New Police Headquarters project, and as will be shown in the Real Estate Management Audit Report yet to come.

The response of the "Public Service" to this recommendation and decision is completely inadequate.

Recommendation #6

Why does Corporation Finance need up to six months more to revise procedures so as to prevent "contract-splitting" to avoid the need for Council or SPC review and approval?

Recommendation #7

Where is the text of the proposed CAO letter to all staff? Does it refer to the obligations and protection of whistle-blowers pursuant to the City's Code of Conduct for Employees?

Recommendations #8 and #9

It probably will take six months to thoroughly review and overhaul the City's land transaction policies and procedures, especially after the Real Estate Management Audit Report is received. The sooner the better.

Recommendation #10

Why will it take up to three months to give the City Solicitor the authority and responsibility to report directly to City Council?

Recommendation #11

Why will it take up to six months to implement this procedural change?

Recommendation #12

The "Public Service" offers to report on this within nine months. No doubt the review will involve the upcoming Real Estate Management Report. But perhaps Council should clarify things for now by requiring that Council approve each stage of all real estate transactions, until such time as specific recommendations are made.

Recommendation #13 and #14

Why will it take up to six months to prepare amendments to Administrative Standard FM-004, if the changes have already been made?

Finally:

a) When will the Ernst & Young Real Estate Management Audit Report be received and made public?

b) If the Mayor and members of EPC have now agreed that a forensic audit should be undertaken with respect to the entire New Police Headquarters Redevelopment Project, will you present and approve that recommendation to Council today?

Thank you,



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