

## Chapter 2

# Transportation and Infrastructure Renewal: QEII New Generation Project – Halifax Infirmary Expansion and Community Outpatient Centre

### Overall Conclusions

- As of October 24, 2019, the Department of Transportation and Infrastructure Renewal (TIR) had not implemented all of its own consultant's recommendations meant to address gaps in governance and key project capabilities for the projects. While progress has been made towards many recommendations, gaps remain.
- TIR had not developed detailed plans and schedules to guide the implementation of its own consultant's recommendations to address gaps in governance and key project capabilities.
- TIR followed a thorough process to select qualified consultants to advise on the Halifax Infirmary Expansion and the Community Outpatient Centre projects.

### Why We Did This Audit

- The size of these projects, with projected costs of around \$2 billion, is simply too large for our Office not to look at now.
- We have identified many issues in the past around both P3 and traditional construction projects.
- We felt it important to report this first phase of our audit now due to the importance of getting the right resources in the right places as the projects move forward.

## Project Governance and Key Capabilities Assessment

- 11 of 18 consultant recommendations to address gaps in governance and key project capabilities were incomplete, including 7 identified as critical. These recommendations were given to the Department in January 2018.
  - Examples of incomplete recommendations include:
    - project controls not in place
      - risk assessments not completed for projects
    - need for more project human resources
      - only 40 of 49 project team positions filled
      - lack of succession planning for key project team member
    - need to clarify roles and responsibilities
      - no detailed project plan with milestones and responsibilities assigned
      - reassignment agreement not completed for 1 of 5 positions tested
      - terms of reference not completed for some project committees
  - TIR did not assign responsibility for monitoring these recommendations until June 2019
  - No plan or schedule was developed to guide implementation of consultant's recommendations
  - Examples of recommendations completed to date include:
    - addressing a lack of P3 experience on the project team
    - reaching an agreement with a jurisdiction with more P3 experience to share documentation
    - co-locating team members in one location
  - Project specific fraud risk management program not developed
  - Oversight of consultant needs improvement

## Procurement of Consultants

- Processes used to select consultants to advise on the Halifax Infirmary Expansion and the Community Outpatient Centre complied with provincial policies and guidelines
- Contract with one consultant was not signed until work had been underway for approximately 9 months