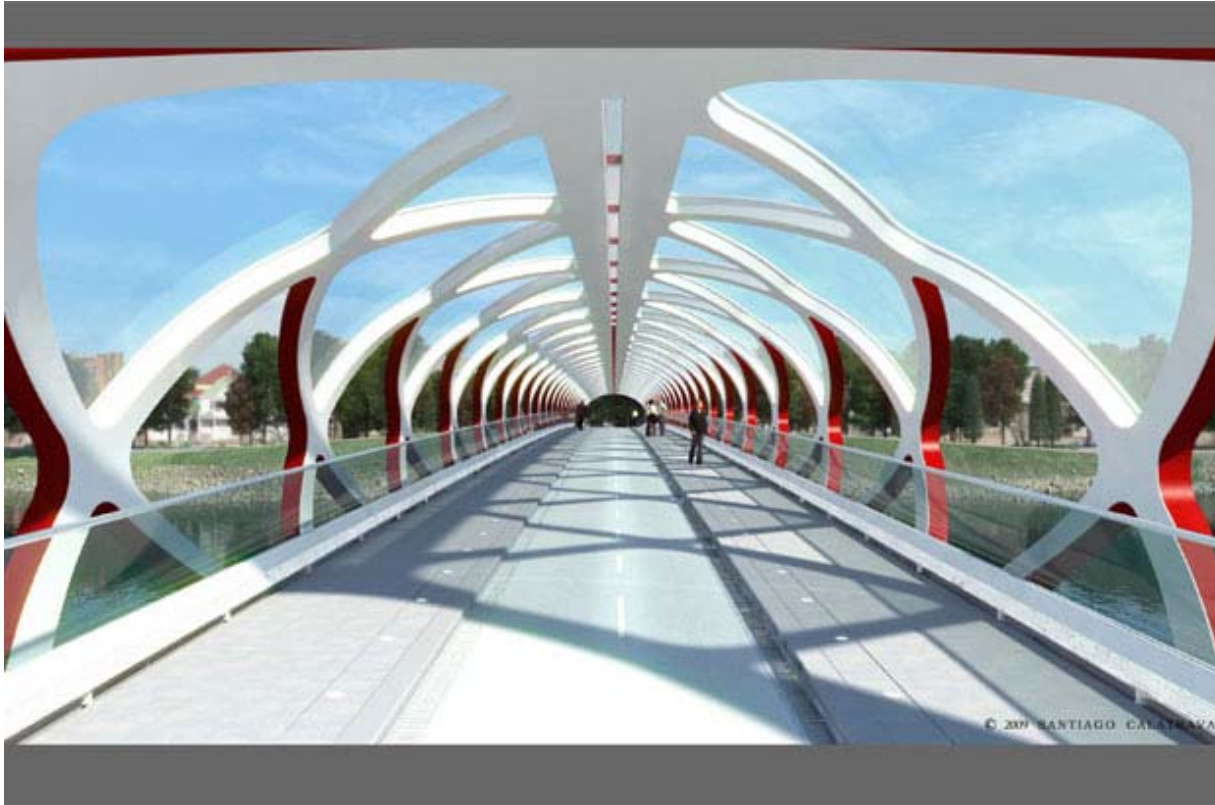


Auditor raps city over tenders; Calatrava bridge among projects being reviewed

BY KIM GUTTORMSON, CALGARY HERALD FEBRUARY 19, 2010



Design concept of the \$24.5-million Peace Bridge in Calgary.

Photograph by: Courtesy, Santiago Calatrava

The city will review 100 contracts -- including the deal to design a controversial pedestrian bridge -- after realizing it has no comprehensive policy to guide purchasing decisions.

"What we're seeing is consistent with an absence of rules," city auditor Tracy McTaggart says of an upcoming report. "There were different practices in place in different areas, and there's a need to consolidate and get everybody playing by the same rules."

McTaggart said the audit was split into two phases once her office realized last year there wasn't an overriding policy being applied across the corporation, which issues about 46,000 purchasing orders a year worth more than \$1.35 billion.

"It was very surprising to us," she said. "It's very unusual for that area not to be up to date."

Clear rules around putting goods and services out to tender is key to preventing corruption, said Scott Hennig, Alberta director of the Canadian Taxpayers Federation.

"It isn't rocket science that you should have a procurement policy," he said. "It's dangerous when there's not that level of oversight and rules required for tenders and proper reporting mechanisms."

The initial audit report calls the procurement policy "piecemeal, dated and informal" with "no comprehensive, complete, accurate and authoritative repository available to employees with responsibilities for procurement.

"Without the necessary procurement framework in place, there is no real assurance that the city's procurement activities are always being conducted in a fair, open and transparent manner, and whether procurement activities are cost-effective."

Chief financial officer Eric Sawyer said a new policy, approved by city manager Owen Tobert and incorporating practices that had been in use but never formalized, is being drawn up and implemented.

While the itemized report will look at dozens of purchasing examples between 2006 and 2009, the focus at Thursday's audit meeting was the new pedestrian bridge over the Bow River.

The design contract was handed to architect Santiago Calatrava without a competition. Its construction was put out to tender.

Ald. Diane Colley-Urquhart tried but failed to have the report come to committee a month early, at the same time city bureaucrats receive it.

"I think it's important the committee be updated as soon as possible," she said. "It's a ticking time bomb.

"It all relates to how a sole-sourced contract got attributed to the whole (Calatrava) bridge."

She said she's concerned the report could be delayed and, with council not sitting in August or September, delayed until after the October election.

Ald. Ric McIver, who asked that the request for an earlier report go to council next month, said "it's important for council and the public to know what the background circumstances are for procurement and particularly in regards to the decision for the bridge."

But some aldermen on the audit committee called demands for an early report playing politics.

"Is audit about risk or is audit about politics?" Ald. Gord Lowe said, voting against bringing the report back earlier. "I'm more interested in a quality document arriving here in May than having a partial document arrive in April."

Focusing on the Calatrava bridge, Lowe said, "is to focus on one tree in a forest. It's better to take a broad look."

Ald. Brian Pincott, chairman of the audit committee, agreed, saying the bigger concern is whether the lack of policy meant the city wasn't "getting the best service, best product, best price. This review is looking at about 100 different contracts and that's the important part. They're looking right across the corporation, instead of just one (project). It's meaningless if it's only one contract."

While he hasn't seen the second report, Sawyer imagines it will find a number of contracts that were sole sourced during the period in question.

"There's no question that over 2006-2007 and into 2008 there was a huge amount of work going on at the city," he said, adding that during the boom some tenders were returned with no one bidding on them and direct contracts were a way to ensure firms would commit.

"There's no question we sole sourced more than we probably should have."

McTaggart said she plans to have the second phase of the procurement audit complete by the end of March and sent to city staff for their response, which they have 30 days to provide.

The report will then go to the audit committee in May, unless council decides to bump that date up to April.

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