

January 28, 2010

Audit Committee
Edmonton City Council
2nd Floor, City Hall
1 Sir Winston Churchill Square
Edmonton, AB T5J 2R7

Dear Members of Committee,

RE: Audit of City Consulting Practices

The City Auditor's report regarding the hiring of consultants by City departments was recently brought to our attention, and we would like to take this opportunity to make comments and suggestions.

As Edmonton taxpayers, we find that this audit was truly performed in the best interests of the citizenry, and it is our hope that it will lead to a serious overhaul of the procedures and practices of hiring consultants in our city.

In the past, we have had experience and involvement with a number of consultants that were engaged by the Transportation Department, and those experiences were anything but satisfactory.

- In 2003-04, a number of our members dealt with a \$100,000 study conducted by the firm of Booz Allen and Hamilton on electric trolleybuses. No tenders were issued for this work, and the study was initially conducted with such secrecy that it took over six months just to obtain a copy of the Terms of Reference supplied to the consultant, which ought to have been public information. The Terms of Reference specified consultations were to take place with specific groups, including the ETS Advisory Board. The consultant failed to fulfill this and a number of other items specified in the ToR, but yet his report was accepted by administration.
- No secret was made of the fact that the Booz Allen Hamilton study was found to be heavily flawed, yet the same consultant was brought back in 2008 essentially to repeat the same study at further cost to taxpayers. Moreover, a second consultant was hired in 2008 to conduct another similar study: Dr. David Checkel of the University of Alberta was paid, according to city records available to us, \$159,000. In both cases, it was abundantly clear that these consultants were engaged as 'hired guns' to present a case developed by the administration, rather than to perform independent and unbiased analysis. What was not clear was why two consultants were required for this purpose, and why taxpayers needed to pay outside entities for essentially the same material THREE TIMES.

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- In 2008, the firm of Leger Consulting was engaged by the Transportation Department to conduct a survey of the public, again relating to the issue of electric trolleybuses. From its public presentation, it was clear that Leger Consulting had a poor understanding of what they were actually surveying. They had confused public feedback on new trolleybuses with the feedback concerning hybrid buses. In other words, the survey was absolutely useless as any kind of measure. Yet the public purse had to pay for it. Consultations with defined, engaged stakeholders such as the ETS Advisory Board, the Citizens for Better Transit and the Edmonton Trolley Coalition were required by the Terms of Reference as well as a joint review of the questionnaire before its release, but such consultations never took place. Administration was fully aware of problems with the report, but did nothing to see that they were corrected.
- In 2008, the Transportation Department engaged Dennis Fletcher of Entra Consulting to conduct a review on Strategic Ridership and how to attract riders to public transit. The results were presented to City Council. During the public hearing, there was strong public support for transit improvements and great concern expressed about continuing to provide transit service with the type of long, winding bus routes that consume excessive amounts of travel time. The Consultant's Report was "accepted for information" and little has come of its recommendations. Again, the public purse paid for detailed consulting work with little benefit. The material brought forward in this report to Council might just as well have been produced by our own administration.
- Much money has been spent in recent months on consulting work in connection with the proposed LRT expansion. At one point, a consultant was brought in to advocate for low floor, street boarding LRT vehicles, using information that could easily have been researched by Transportation staff, even if it would have necessitated a trip to another city.


Many more such instances could be cited.

We are not against the hiring of consultants. Indeed they can be very useful in cases where a truly unbiased, outside analysis and advice is called for, or where the expertise necessary to come up with a proposal or solution does not exist within the existing administration. But we are against the misuse of taxpayer dollars to pay consultants for such purposes as producing material specifically designed to support or lend credibility to a particular view, hiring multiple consultants to produce similar reports, and hiring them unnecessarily or to produce reports simply to line shelves.

As part of a way forward, we are suggesting that the City establish a central office that would oversee the hiring of consultants by any City department. Operating at arms length from the city administration like the OCA, this office would be responsible for ensuring that uniform procurement methods and contracts are used in each case. The office would be charged with determining whether or not a real need can be demonstrated for bringing in an outside consultant, and also for ensuring that the analysis is complete and the outcomes are not being influenced by the administration. In the case of major reports, the office could establish appropriate means to ensure that work was exhaustive and not biased, including the use of review panels with citizen members.

In the recent past, Council decisions have been made that reflected badly on our city. The manner in which the City has permitted consultants to be engaged is in part responsible for this. We ask you kindly to consider our suggestions in earnest in order to effect improvements.

Sincerely,



Brian Tucker
Chair
Edmonton Trolley Coalition



Michael Marriott
Chair
Citizens for Better Transit

Cc: Edmonton City Council, Office of the City Auditor, Office of the City Clerk; ETS Advisory Board