

Monday, December 23, 2019

The Honourable Lloyd Hines
Minister of Transportation and Infrastructure Renewal
2nd Floor, Johnston Building
1672 Granville Street
P.O. Box 186
Halifax, NS B3J 2N2

Dear Minister Hines:

We read with interest the December 10th Auditor General's report. Of concern are the AG's comments on the QEII New Generation Project regarding project governance and capability assessment.

The AG noted that the Department of Transportation and Infrastructure Renewal (TIR) had not implemented all its own consultant's recommendations. These 11 of 18 recommendations were meant to address gaps in governance and key project capabilities for this project. This is particularly troubling after TIR went through a process to select qualified consultants to advise on the Halifax Infirmary Expansion and the Community Outpatient Centre projects.

Minister, as you well know, this is a \$2 Billion dollar – once in a lifetime – initiative on behalf of the taxpayers of Nova Scotia. A project of this size could easily drift without careful attention to timelines and cost measures. We need only look to the Bar Harbour ferry terminal construction project as a small initiative that seemed to get away from the department in terms of timing and projected cost. To many Nova Scotian's that project seemed to lack the due diligence of timelines and cost controls necessary when spending taxpayer dollars.

After having secured expert advice on the QEII project, it would seem appropriate to be paying careful attention to the recommendations provided by those consultants.

With this mind, we would like to see a prompt response to the AG to address the concerns noted and to allay concerns from the NS taxpayer that this project is being well managed from a governance and capability perspective.

The questions we as Nova Scotian's and representatives of over 1,700 businesses and over 65,000 employees represented by those businesses in the Greater Halifax Area would ask are the ones suggested by the Auditor General:

1. What is going to be done ensure all recommendations from the government's own consultant to address gaps in governance and key project capabilities are implemented?

2. Have timelines been established for implementing the remaining recommendations?
3. What will be done to ensure the risk of fraud around the projects is reduced?
4. What processes will be established to oversee the work of private sector partners to ensure they are meeting their obligations?
5. What steps have been taken by Government to address the long-standing issues identified in previous audits relating to weaknesses in contract terms and contract management?

I look forward to your response.

Sincerely,



Patrick Sullivan
President and CEO
Halifax Chamber of Commerce

CC: The Honourable Stephen McNeil, Premier of Nova Scotia
Michael Pickup, Auditor General of Nova Scotia