

December 9, 2014

TO: THE MAYOR AND MEMBERS OF THE CITY COUNCIL, THE CITY OF BRAMPTON

INVESTIGATION BY THE INTERIM AUDITOR GENERAL – STATUS UPDATE

Dear Mayor Jeffery and Members of Council:

First of all, may I introduce myself: I, George Rust-D'Eye, was appointed by the previous City Council as Interim Auditor General for the City, "for the purpose to investigate the process and administration on the Southwest Quadrant (SWQ) project with all powers, duties and protections provided under the Municipal Act, [s. 223.19], effective September 10, 2014..." .

The Southwest Quadrant project, ("Southwest Quadrant Revitalization Plan), was the project undertaken in 2009-2011 by the City to deliver a mixed-use revitalization of that part of downtown Brampton (south-west of the "Four Corners" of Main Street South and Queen Street West), involving, principally, the construction of the West Tower and other facilities, (currently still under construction), for City administrative offices to the west and north of City Hall, on land owned by the City.

The subject-matter of the investigation is the process leading to the award of the contract for construction to Dominus Construction Group with Zeidler Partnership Architects, through a Request for Proposals, ("RFP"), competitive dialogue procurement process, and selection of Dominus as the preferred Respondent . The project, a long and complicated one, involving tens of thousands of documents, is the subject of current litigation in the Ontario Superior Court of Justice, in proceedings brought against the City by Inzola Group Limited, one of the three Respondents to the RFP, whose bid was disqualified from the process.

I have been involved in the investigation, (quite separate from the Court proceedings, which are being handled by counsel for the City's insurers), on a virtual full-time basis, since September 10th.

In accordance with Council's instructions, I delivered my Interim Report to the Council, dated October 8, 2014, a copy of which is attached as Schedule "A" to this Report. In that Report, I advised that "I expect to have a final report to Council before the end of 2014."

In view of the unforeseen quantity and volume of additional relevant material and information which I have received since the commencement of my investigation, and am continuing to receive on a daily basis, I now realize that the predicted timing of my report was overly optimistic. I must therefore advise the Council that it appears that my final report will not be completed until at least the end of January, although I will certainly do everything possible to deliver it before then.

I regret the length of time that the investigation is taking, but assure the Council that such is inevitable in order for me to conduct the required investigation, give consideration to all information and evidence relevant to its subject-matter, and fulfil the responsibilities mandated to me by the Council.

George Rust-D'Eye,


Interim Auditor General for the City of Brampton