SUBJECT: City of Hamilton 2014 Commonwealth Games - Post Bid Report (PED06125) (City Wide)

RECOMMENDATION:


b) That Sport Canada be requested to conduct an independent, formal review of the domestic bid process for the 2014 Commonwealth Games.

c) That the 2014 Commonwealth Games Bid Committee, through Tourism Hamilton, be directed to request a meeting with Ontario Minister of Health Promotion to share learning from both the bid and bid de-brief processes.

Lee Ann Coveyduck
General Manager
Planning and Economic Development Department

EXECUTIVE SUMMARY:

On December 15, 2005, Commonwealth Games Canada (CGC) awarded the domestic bid for the 2014 Commonwealth Games to the City of Halifax, Nova Scotia. That decision concluded a six month formal domestic bid phase. As part of the bid process, CGC committed to providing a de-brief meeting to all bid cities. Hamilton’s 2014 Commonwealth Games Bid Executive Committee met with the Chair of CGC’s Bid
Review Committee, Mr. Wayne Hellquist, the CEO of CGC, Mr. Thomas Jones, and CGC’s Bid Director, Mr. Eric Savard, on February 22, 2006. Subsequently, the Hamilton Bid Executive Committee commissioned an analysis of the information provided at the de-brief meeting, specifically to provide a context for the bid evaluation information against the bid process guidelines. The report from this analysis is attached, and marked as Appendix A.

Overall, the combination of the bid process, the de-brief meeting and the analysis of the de-brief information has created a number of concerns for the Hamilton Bid Executive Committee. The Committee is clear that its concerns are not with the City of Halifax, and the Committee is not requesting nor wanting a reversal of the bid decision. However, the Committee recognizes that substantial resources have been expended on a questionable bid process by not only Hamilton, but also two other unsuccessful cities.

The Hamilton Bid Executive Committee believes that the bid process did not accomplish what it was meant to do. The Hamilton Bid Executive Committee is concerned that another national or provincial sport organization may, in the absence of a review, adopt the same onerous bid process for a future national or international event. Some of the key concerns of the Hamilton Bid Executive Committee include:

- The bid process was neither transparent nor equitable;
- The level of detail and work requested was inappropriate at this stage of a bid as determined by Hamilton’s lead bid consultants;
- How and which factors were being weighted was not communicated to bid cities until the bid de-brief session;
- The number of categories and sub-categories that were weighted was onerous; and,
- The bid process did not measure what the bid cities were told it would measure, namely overall bid quality and the likelihood of a bid leading to an international victory.

Moving forward from the bid, it is clear that Hamilton, and other cities in Ontario, need support from the provincial government, in the bid process and in hosting national and international sport events. While the Ontario Government has endorsed bids and has provided financial support to hosting sport events, other provincial governments have more clearly pronounced their support for their cities in bidding for, and hosting sport events. The Hamilton Bid Executive Committee would like to share its learning from this bid with the new Ontario Ministry of Health Promotion to assist in helping to develop a comprehensive and clear Ontario Sport Hosting Policy.

The Hamilton Bid Executive Committee wants to ensure that there is a legacy left to Hamilton from having bid for the 2014 Commonwealth Games. The Committee points to three legacies from the bid for the 2010 Commonwealth Games. One, it created a strong core partnership between the City of Hamilton, McMaster University, and The Hamilton Spectator as well as links with other community organizations that provided financial and services-in-kind support to the bid. Two, it led to the creation of the Hamilton Sport Tourism Action Plan. And three, the bid provided the impetus for the start up of sports schools in the elementary and secondary schools.
The bid for the 2014 Games had a broader vision for Hamilton than the 2010 bid, including a compelling Facilities Plan, particularly for aquatics. Significant time and resources were spent in both the 2010 and 2014 bids on their Facilities Plans. The Bid Executive Committee suggests that Council refer the Facilities Plan to staff in order that those plans are considered as part of the City’s Facilities Management Program and Capital Plan for new sport and recreation facilities.

The bid for the 2014 Commonwealth Games, along with content from the 2010 bid, has provided Tourism Hamilton and its partners with core information to assist with the preparation of future bids for single and multi-sport events. The information gathered will provide efficiency for creating future sport events bids.

**BACKGROUND:**


**ANALYSIS/RATIONALE:**

The Hamilton Bid Committee commissioned an analysis of CGC’s de-brief information. That analysis report is attached as Appendix A. In reviewing this report, the Hamilton Bid Committee believes that a request for an independent and formal review of the bid process is warranted given the resources expended on the bid and the questions that the de-brief process has raised.

**ALTERNATIVES FOR CONSIDERATION:**

Council could decide not to proceed with the request for a formal review of the bid process, and receive Report PED06125 for its information purposes.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial** - In Report PED05070, Council approved a bid budget of $400,000, of which the City would provide $340,000, and $60,000 would be generated from community contributions.

The bid for the 2014 Commonwealth Games cost a total of $425,000. The Committee generated $120,000 in contributions from the community, resulting in a net bid cost to the City of $305,000.
The community bid funds were generated from the core bid partners McMaster University and The Hamilton Spectator who both provided substantial monetary contributions as well as services in kind.

Staffing - N/A
Legal Implications - N/A

**POLICIES AFFECTING PROPOSAL:**

N/A

**RELEVANT CONSULTATION:**

The Hamilton Bid Executive Committee met with Commonwealth Games Canada for a de-brief meeting and commissioned an analysis of CGC’s information.

The Culture and Recreation Division was also consulted regarding future Capital Budget and planning for sport and recreation facilities.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

Community Well-Being is enhanced. ☑ Yes No

The Bid for the 2014 Commonwealth Games was a partnership between the City of Hamilton, McMaster University, The Hamilton Spectator and a number of local organizations and businesses that committed support to the bid. Resolution of outstanding issues relating to the bid process is important to foster the partnership within the community for future bid opportunities.

Environmental Well-Being is enhanced. Yes No

N/A

Economic Well-Being is enhanced. ☑ Yes No

Tourism Hamilton is in the business of bidding for conventions and sport events, and it is important that factors that may impede Tourism Hamilton’s ability to compete fairly for business are addressed.

Does the option you are recommending create value across all three bottom lines? Yes No

N/A

Do the options you are recommending make Hamilton a City of choice for high performance public servants? Yes No

N/A

:da
Attach. (1)
BACKGROUND

Introduction
The City of Hamilton was one of four (4) candidate cities competing in the fall/winter of 2005 to represent Canada as the Candidate City for the 2014 Commonwealth Games. Subsequently the Hamilton bid was unsuccessful and Halifax was awarded the right to go forward as Canada’s representative.

After a debriefing session with Commonwealth Games Canada representatives and the receipt of certain documentation, the Hamilton Bid Committee still has questions that remain unanswered particularly concerning the overall process and assessment of each bid. The Bid process in 2005 (Hamilton also bid successfully in 2002 for the 2010 Games at the domestic level) was more labour intensive and required a level of often excruciating detail to support the bid.

The Bid Committee retained a consultant to review the overall process as stipulated by the CGC and the published documentation, in order to critique the effectiveness of the overall bid process and to identify potential shortfalls and flaws in the process.

Scope of Work
- Analyze the information provided with particular emphasis on ranking and the domestic bid assessment sheet (Hamilton).
- Review overall process for effectiveness, transparency, clarity and equity.
- Identify possible inconsistencies and key factors within the weighting process.
- Critique process vis a vis CGC’s objectives.

Review Process
- Review and analyze provided documentation from Commonwealth Canada.
- Spreadsheet created based on domestic bid assessment (dba) for Hamilton.
- Formula input to account for category and sub category weighting factors
- Cross check for arithmetic accuracy
- Calculate individual sub category contribution to Hamilton’s score
- Identify key categories and in turn sub categories
- Compare Hamilton’s score to ranking sheet
- Compare Hamilton’s ranking to weighted categories (order of importance)
- Review Hamilton’s sub category scores to weighted sub categories
- Segregate key weighted categories and sort by sub category weight in order to assess Hamilton’s scores.
- Based on rankings and Hamilton scores estimate “winning” score.
- By assessing inconsistencies – as generated by spreadsheet analysis and comments from bid review specialists – generate a project ranking spreadsheet
that shows the marks that Hamilton might have to have achieved to win domestic bid.

- Draw conclusions

**REVIEW AND FINDINGS**

**Relevant extracts from CGC provided documentation**

**CGC Bid Procedure and Assessment Guidelines issued August 29, 2005**

Part 2 – Bid Process, “1.1 Objective – The process of selecting the Canadian Candidate Bid City is focused on one primary objective: to select and endorse the best possible Canadian Candidate Bid City to win the right to host the 2014 CWG.”

Part 2.5

“Assessment Guidelines

In the second phase, each proposal will be evaluated and ranked on the basis of **specific assessment guidelines** noted in Appendix 2.

Appendix 2

“Candidate Bid City proposals will be evaluated by the BRC on the basis of mandatory and **specific assessment guidelines** and related questions.”

Part 3 – Bid Template and Structure

“1.0 CGC intends to create a comparative grid analysis to evaluate the bids. Bid Cities are advised to respect the order and numbering of each template.”

“1.3 All costs cited in the budget should be according to an estimate of the 2014 prices in effect and not the current assessments.”

Appendix 3 - 2014 Bid Decision-making process

“3. In addition, the BRC (Bid Review Committee) will include a ranking of cities, a detailed summary of the BRC’s evaluation of each Bid City against **the published assessment guidelines** and comments from the BRC regarding the perceived strengths and weaknesses of the overall proposal for the 2014 Games submitted by each short-listed Bid City.”

Appendix 4 – 2014 Bid Review Committee – Terms of Reference

“Role

The CGC Bid Review Committee (BRC) shall conduct a review and assessment of all applications submitted by the Bid Cities to serve as the Candidate Bid City for the 2014 CWG and shall make a recommendation to the CGC Board of Directors as to the preferred bid based on the application of **established assessment guidelines**”
“Responsibilities…….
(ii) Assessing all submissions against established assessment guidelines in a fair, impartial and transparent manner”

“Decision-making
The BRC shall arrive at a decision on the preferred Candidate Bid City as follows:
I. All bid submissions shall be reviewed against the stated assessment guidelines;
II. Submissions shall be ranked ordered based on their ability to meet stated assessment guidelines;
III. As appropriate, a short list of candidates may be prepared by the BRC, eligible for the final round;
IV. The BRC shall consult and take into consideration the report elaborated by the BRS (Bid Review Specialists on each bid city;
V. Following the collection of additional information, the candidate submissions shall be reviewed again against the stated assessment guidelines and rank ordered. The BRC shall note where each submission met the stated assessment guidelines, and where the submissions were deemed not to be sufficient. The BRC will provide the CGC Board of Directors with its preferred choice for Candidate Bid City with other submissions listed in rank order. The BRC shall submit a report that indicates where the submissions fully met the stated assessment guidelines and the strengths and weaknesses of each short-listed submission.”

Questions from Bid Cities
Question from Hamilton August 30, 2005 #18
“In the domestic phase of the bid process is the focus on National or International “winability.”
Response from CGC – “On the International winability.”

Question from Calgary August 26, 2005 #1,
“What is the Grading and Selection Criteria (including weighting) for the Canadian Bid?
Response from CGC – “Please refer to Appendix 2 of the BIP for more information. The weighting of each assessment guideline.”

Note: On referring to Appendix 2 no weighting is given. It is only noted that “certain topics will have more importance than others.”

Documentation
• Background materials provided by CGC from website.
• Process description from CGC.
• Bid Review Specialist comments.
• Ranking sheet provided immediately after the decision was announced.
• Domestic Assessment by Section for Hamilton received circa debrief.
Documentation Created

- Appendix A – Full analysis of Hamilton marking by category and sub category with weighting of each.

- Appendix B – (a) Category weighting analysis listing from highest to lowest
  (b) Hamilton’s ranking (highest to lowest) vs. other bid cities and compared to category weighting.
  (c) A scenario that “estimates” what the winning score might have been using Hamilton’s marks and the relevant finishing position in each category.

- Appendix C – Facilities category sorted by sub category weighting (highest to lowest) with Hamilton’s marks and the bid city rankings for this category.

- Appendix D – Domestic Legacies as per appendix C

- Appendix E – Operations as per appendix C.

- Appendix F - Finance, Administration and HR as per appendix C

- Appendix G – Support and partnerships as per appendix C

- Appendix H – Hamilton’s mark with adjustment of areas of inconsistency and \\ or could be deemed questionable.

- Appendix I – analysis of weighting factors and % spread.

- Appendix J – analysis and break out of 16 critically weighted factors.

Findings

CGC Documentation

1. There is a continual reference made to “specific assessment guidelines” or variations of the same such as the “published assessment guidelines.” These guidelines cannot be found in any of the documentation provided to the bid cities. Without such guidelines being given to the Bid Cities there is no reference point or benchmark from which to assess the scoring allotted to sub category. Simply put there is no guide as to what merits a score of 10, a score of 0 and any scores in between. Normally such a guideline would consider such factors as to how an existing facility would be ranked compared to a non-existent facility.

2. The categories (revered to as “topics” in the Bid Procedure and Assessment Guidelines) that were eventually marked \ ranked were further broken down into sub categories and in some cases these sub categories or factors expanded beyond those beyond those listed.
3. Although it was indicated in an answer to a question from Calgary that a weighting of “each assessment guideline” was contained in Appendix 2 of the BPG) this was not the case. No weighting scale was provided at the category (topic) level or at the sub category level.

4. The absence of such weighting information to each Bid City means that the possibility of a Bid City “getting lucky” and emphasizing the heavily weighted categories increases significantly particularly if there are only a relatively few heavily weighted categories \ sub categories within a high population of categories \ sub categories.

5. Initially Hamilton received a ranking sheet that listed each of the Bid Cities 1, 2, 3, or 4 in each category. The assumption is that this information was provided in order to substantiate the award decision. The ranking seems to be in line with the described process in the documentation. However, there is no record of the CGC describing a weighting process for each sub category or for that matter each category (topic). The weighting information was provided later and it is not clear how this fitted into the overall process.

6. It appears that the BRS’s comments were only considered after an initial ranking (method not clear) by the BRC. If that is in fact the case then it would substantially diminish the role played by the BRS. Again, if the case, it would pose the question why the people with the greatest level of game experience and knowledge had such a minor role to make in a major decision. Particularly when the one primary objective was “to select and endorse the best possible Canadian Candidate Bid City to win the right to host the 2014 CWG.”

7. If the BRS’s findings were largely academic it would however explain an apparent series of “disconnects” between the BRS comments provided to the bid city and the actual final rankings.

**Spreadsheets**

1. Appendix A
   This spreadsheet authenticated the category (14) and sub category (122) rankings, sub totals and totals and listed the city ranking per the distributed sheets. It compared the actual mark to the possible mark as a percentage which then highlighted good and poor marks benchmarked against the overall category and total average. The spreadsheet also helped to isolate the heavily weighted sub factors for further analysis.

2. Appendix B
   (a) Ranked the weighted categories from high to low and listed to bid city rankings in each. It also includes Hamilton’s % mark in each category. The conclusion drawn is that within the seven most highly weighted categories that constitute 83% of the entire total Hamilton ranked first in only 1 out of
7. In the next five categories that consist of 15% of the entire total Hamilton has three #1 rankings.

(b) This spreadsheet compares Hamilton’s marks from the highest percentage to the lowest against the weighting applied to each category. Hamilton’s four lowest marks came in categories that combined to 58% of the total weighting.

(c) This spreadsheet uses a combination of Hamilton’s marks and the city ranking to estimate the marks that might have been required to rank number 1 in each category. The intent is to “estimate” what a winning score might have been.

3. Appendix C, D, E, F and G
These spreadsheets consist of the four categories that Hamilton marked poorly in – Facilities, Support and Partnerships, Operations and Finance – as well as Domestic Legacies, a category that Hamilton finished a surprisingly low third in. Each is ranked by sub category and by heaviest weight to lowest and then compared to Hamilton’s % mark in each.

More often than not Hamilton marked below “average” on heavily weighted sub categories while generally marking above average in lightly weighted categories.

4. Appendix H
The spreadsheet projects a scenario whereby Hamilton receives a moderate increase in marks in the heavily weighted categories. A total increase of 9.5 marks (within a limited number of heavily weighted sub categories) would have lifted the Hamilton mark from 983.00 to 992.50. This is an exceptional moderate increase of less than 1% overall. This in turn would have increased Hamilton’s overall mark from 804 (80.4) to 833 (83.3) which “may” have been good enough rank #1 overall.

5. Appendix I
(a) This spreadsheet analyzes the 121 weighting factors (in ranges). The analysis clearly shows that the vast majority of sub categories are found in the lower weighted categories. One hundred and five (105) of the one hundred and twenty one (121) have weighting of 1.5 or lower with eighty two (82) 0.50 or lower.

(b) This spreadsheet breaks the sub category values (within ranges) into percentages. Over 86% of the sub categories fall within a weighting range of 0 to 1.5.

(c) This spreadsheet calculates the weighting of each range. Combined with (b) it shows how the vast majority of sub categories combine for a
relatively small amount of weighting. For example 76.86% of the sub categories have values of 1.00 or less but combine for a combined weighting of only 31.24%.

6. Appendix J
(a) This spreadsheet isolates the 16 sub categories or factors that constitute over 50% (actually 53.46%) of the weighting. These are the critical sub categories that very heavily influence the overall mark. It also shows how a relatively slight increase in marks in some of these areas can significantly influence the overall mark.

Note: The one sub category not included in the section was 7.1.3 Commitments from Public Institutions. The weighting of this sub category was only 0.25 but the mark of 5.5 assigned to it for inexplicably low.

(b) This spreadsheet reorders the 16 sub factors from the highest weighting to the lowest weighting.

(c) This spreadsheet isolates Hamilton’s “best” performers. These 9 sub categories from the total of 16 constitute 22.56 weighting of 53.46 or as a percentage 42.2%. This shows that in the heavily weighted sub categories where Hamilton did well, it still “underperformed”.

(d) Conversely in the sub categories where Hamilton did poorly (7) these sub categories constituted 30.9 of the weighting – or 57.8%. This indicates that within the heavily weighted categories Hamilton marked poorly in the areas that could have provided the largest impact on the mark.

Further the average of the poor performers was 74.72 against an overall weighted average of 80.37%. The average of the good performers was 87.10%. By “excluding” the poor performers the Hamilton mark would have increased to 83.40% from 80.37%.

Conclusions
General Process
The process actually implemented by the CGC was excessively detailed and did not support the premise of identifying the best bid to go forward internationally. There are numerous examples of sub categories where a significant amount of resources were dedicated to factors that ultimately made no difference to the overall score. A prime example is the development of staffing plans. In order to satisfy the CGC requirements a minimum of 25 hours was needed. The staffing plan after accounting for weighting constituted 0.25% of the total score.

If the weighting factors had been provided to all the bid committees then resources could have been reallocated to the prime categories and sub categories. Given that the
weighting factors were not provided at the start of the process to all the bid cities, it significantly increased the chance that a city could have inadvertently been alerted to a heavily weighted area through casual conversations with members of the BRC or staff attached to it.

The absence of published “assessment guidelines” constitutes a considerable problem given that there is know way of knowing what a bid city would have to do to receive a 10 or any other number. We know what the BRC was marking but we do not know how.

The relative lack of value placed on the BRS views and opinions call into question why such a group was formed. The marks given to Hamilton do not “line-up” with the comments provided by the BRS. The process adopted by the CGC appears to have relegated the most experienced and game knowledgeable people to a less than secondary role given that the BRC appears to have ranked the cities before the BRS comments and reports were considered.

The weighting, particularly in the area of partnerships, is inherently weighted against multi-bids from a province as was the case here.

Overall it is unlikely that the CGC process for selecting the winning city would pass a “transparent and equitable” test.

**Spreadsheets**

Hamilton appears to be in the unfortunate position of generally marking well in areas that represented relatively lowly weighted categories while marking poorly in heavily weighted categories. The number of sub categories used in this process is, in my experience, unprecedented at such a stage in a bid. The numerous sub categories constituted a series of multiple “red herrings” that only became apparent once the weighting grid was provided. The reality is that a small – no more than 16 of the 121 sub categories – actually were the major influences in the overall result and within these categories Hamilton was marked relatively poorly. An increase of only 7 marks in seven heavily weighted sub categories would have had a significant effect on the Hamilton mark. Based on a set of reasonable estimates it may have been enough to win.

**Overall**

Having experienced and analyzed the CGC bid process in my opinion it should not be adopted for future bids given the lack of clarity, the excessive complexity as well as not meeting a basic requirement of transparency and equity.