



News Release

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Main Pan Am Security Contract Handled Properly; Security Co-ordination Needs Improvement, Ontario Auditor General Says

(TORONTO) The Ontario government's decision to award the contract for the bulk of the private security needed for the 2015 Pan Am/Parapan Am Games to Contemporary Security Canada (CSC) was fair and followed government procurement rules, Auditor General Bonnie Lysyk said in a Special Report released today. Questions were raised when the contract was awarded in March 2014 because CSC's bid for the work, at \$81 million, was \$14 million more than the bid of the runner-up competitor, Reilly Security.

"The selection processes used to procure CSC were fair and transparent, complied with government procurement policies and applied lessons learned from other similar sporting events," Lysyk said. "Our only concern was that the budget for security procurement was understated and should have been more accurate. And we are concerned that TO2015's security procurements are behind schedule."

The Report, entitled *2015 Pan Am/Parapan Am Games Security*, noted that the Ministry of Community Safety and Correctional Services, together with the OPP and the Integrated Security Unit (ISU) it leads, were responsible for procuring a private security contractor to secure the perimeter of Games venues, and to screen, patrol and manage crowds. The Games' organizing committee, TO2015, is responsible for procuring private security contractors to give athletes and officials secure access to playing fields and to protect assets, as well as for procuring all security equipment.

The Auditor General is issuing this Special Report at the request of the Legislature's Standing Committee on Public Accounts, which asked her in April 2014 to conduct a value-for-money audit of all security contracts, including the processes for awarding those contracts.

In the selection process, CSC scored much higher than Reilly on technical qualifications, experience and the quality of the proposal (accounting for 60% of total points) but much lower on price (accounting for 40% of total points). This 60/40 weighting of factors is the most common approach for Ontario government procurement of services, and it resulted in CSC having a slightly higher total score.

Other observations included:

- As of September 2014, Pan Am organizers estimated security costs to be \$247.4 million, up from the original Bid budget of \$121.9 million.
- Because TO2015 was not ready to procure its private-security contracts when the Ministry and the ISU procured CSC, an opportunity to reduce costs was missed. TO2015's procurements are still unfinished.
- The budget for security services has increased significantly as planning for the Games has progressed. It could increase even more depending on future risk and threat assessments, and changes in the scope of the Games.

- TO2015 has not consistently consulted with the Ministry and the ISU on security matters, which may have contributed to some security procurements being behind schedule.

The 2015 Pan Am Games will be held in Toronto and 15 surrounding municipalities from July 10 to 26, followed by the Parapan Am Games from August 7 to 15. About 10,000 athletes and officials from 41 countries and territories will be attending the Games.

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