National Defence Défense nationale

Chief Review Services

REVIEW OF DND'S CONTAMINATED SITES REMEDIATION PROGRAM

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SYNOPSIS

This report presents the results of a review of DND's program for the remediation of contaminated sites. Clean-up and prevention efforts are fundamental to the Department's December 2000 Sustainable Development Strategy which states that: "Contaminated sites are remediated, under remediation or risk-managed".

This review, undertaken by the Review Services Branch, was designed to respond to specific questions posed by the Assistant Deputy Minister for Infrastructure & Environment. Attention to these questions has resulted in specific recommendations. Key to these is a requirement to raise the visibility of contaminated sites, associated remediation targets as well as funding and performance. It is necessary to better ensure that pertinent expectations and commitments are appropriately followed-through.

A management action plan has been formulated; it includes initiatives planned, underway or completed. Central to these is the introduction of a new system to track information about contaminated sites, landfills and fuel storage tanks. This tracking capability, known as ECONET, was approved for issue in December 2001 and released to the field in January 2002. Additional management actions appear in Part III of this report.

This review was conducted as part of the approved Branch Work Plan. The review conclusions do not have the weight of an audit and must not be regarded as such. While sufficient to enable the development of recommendations for consideration by management, the assessments provided, and conclusions rendered, are not based on the rigorous inquiry and evidence required of an audit. Accordingly, they are not represented as such, and the report reader is cautioned.

REVIEW RESULTS IN BRIEF

Part I: Introduction

Further to a request from the Assistant Deputy Minister for Infrastructure and Environment (ADM(IE)), the Review Services Branch, in collaboration with PriceWaterhouseCoopers, performed a review of DND's Contaminated Sites Remediation Program. A three-year period (1995/96 through 1997/98) was reviewed. Detailed work was conducted at five bases and at National Defence Headquarters (NDHQ).

Part II: Summary of Review Findings

The following is a summary of the review findings addressing four specific questions posed by ADM(IE):

- **Does the contaminated sites management framework result in the most appropriate allocation of funds?**

  We *found the Contaminated Sites Program to be fully funded each year. Since the quantity of allotted funds corresponded directly to the level of effort Bases/Wings intended to implement, the distribution of funds was equitable. When considered in terms of sufficiency of effort to achieve a defined target, however, the overall appropriateness or adequacy of the funding allocation is in doubt. Comprehensive plans detailing all projects, with estimated costs, that would need to be completed to achieve the stated objective/target, have not been prepared at either the corporate or Base levels. Without such a forward-looking corporate plan, the main basis for measuring performance and monitoring progress toward accomplishing an objective/target is absent.*

- **Are the Incremental Environmental Program (IEP) funds being expended appropriately and as intended?**

  Funds approved for the Environmental Program at the Command/Base level were being expended appropriately and in accordance with the "controlled allotment" policy. However, during the period reviewed, more than $27M of the funds allotted to the Environmental Program was returned to the Director Budget (DB). Rather than permit the unexpended funds to lapse, the Program Management Board (PMB) redistributed the returned funds to other accounts where additional funding was needed. This may have occurred for pragmatic reasons, but this reallocation was not in accordance with the intent that allotted funds were to be used for environmental projects.

- **Is DND obtaining "value for money" in its Contaminated Sites Program?**

  We cannot demonstrate categorically that "value for money" was being achieved. We found no obvious indications of systemic conditions detracting from the achievement of "value for money". However, we did note that contracts placed by the Bases/Wings participating in the

review, were being awarded through a competitive process designed to obtain the best cost for services rendered. Additionally, the Bases/Wings were implementing processes similar to those recommended in DND's Contaminated Sites Remediation Framework (CSRF). In this context, the five Bases/Wings reviewed appeared to be taking reasonable actions to obtain "value for money" with their projects. More importantly, the completion of the "historical review and site assessment" stage of DND's Contaminated Sites Remediation Framework is considered to represent significant progress.

- **Are there opportunities for improvement that will reduce costs?**

  In general, we believe that the greatest opportunity for improvement exists in streamlining and rationalizing the business planning process and the implementation of viable performance measurement systems.

Part III: Review Recommendations and Management Actions (Planned/Undertaken)

The Infrastructure and Environment Group has agreed with the conclusions of the review and has described the following actions relative to the principal recommendations of the review:

- **The requirement to achieve the Sustainable Development Strategy (SDS) objectives and targets should be embedded permanently in the Defence Planning Guidance.**

  ADM(IE) reports this has occurred in Defence Plan 2001.

- **Each Base/Wing should obtain funding for their Contaminated Sites Remediation projects through the Defence Business Planning process, and the Groups/ECSs accountable should report performance against these plans.**

  ADM(IE) reports that projects are funded through two sources - the Corporate Environmental Program(CEP) and the normal Defence Business planning process. Director General Environment (DGE) initiated a study to identify the short and long-term environmental pressures on DND, their related costs and to make recommendations on funding sources. Defence Management Committee (DMC) endorsed the following course of action 25 October 2001: Level 1s to use the business planning process for routine environmental issues for 2003/04 and beyond; Continue a new CEP mandate to provide funds for corporate projects and major projects over $5M; and ADM(IE) to include the new CEP in his business plan starting 2002/03. Project performance reporting should commence in 2003-2004.

- **Every effort should be made to encourage and enable Bases/Wings to increase their investment in the Environmental Program by planning and implementing sufficient projects to achieve established objectives/targets. If comprehensive Base/Wing plans demonstrate that the required increase is impractical, the SDS objectives/targets should be reconsidered and revised accordingly.**

ADM(IE) reports that Sustainable Development Strategy 2000 includes adjusted Contaminated Sites Remediation targets as a result of lessons-learned from SDS 1997. The above-mentioned 2001 DMC decision also refers. Furthermore, a new environmental directive on the management of contaminated sites (DGE draft ED 4003-03) is scheduled for release in 2002 and will include the requirements for yearly management plans to be produced based on the proposed Treasury Board Federal Contaminated Sites Management Policy.

- **The ADM(IE)/DGE role should shift from the scrutiny of Base/Wing level activities to the strategic monitoring of SDS activities and major environmental projects.**

  ADM(IE) reports that DGE has developed a national Environmental Capacity Oversight Program that will focus on strategic monitoring of the performance of Level 1s. DND is required to identify, quantify and report on environmental liabilities by end of 2001/2002. DGE Functional Direction (1262-1 (DEnvP 3 14 Aug 2000) requested all contaminated sites be registered in the Aladdin database by 31 March 2001. Registration is not yet complete. The information collected through this exercise will allow DGE to consider the adequacy of any proposed processes. The 1996 Contaminated Site Remediation Framework has been updated and is in translation. The updated framework will be released by DGE in early 2002.

- **All parties sharing responsibility for the Contaminated Site Remediation Program must co-operate in the use of a common Information Technology tool for planning, reporting and monitoring.**

  ADM(IE) has developed a new application that will track information about contaminated sites, landfills and fuel storage tanks. This application, called ECONET, has been accepted by DND authorities for inclusion on the Department Wide Area Network (DWAN). Aladdin data has already been fully converted to ECONET.