

# Project Risk Management – Political Risks

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At the completion of this workshop the participant will be able to:

- Apply the stakeholder engagement matrix to identify a stakeholder's state of agreement with project objectives and determine a strategy for movement of the stakeholder to a more favourable state
- Accept that politics is a function of human interaction and cannot be avoided, should not be ignored, and is best managed.
- Develop a strategy for communicating the ownership of project risk
- Apply a risk matrix to a design-construction program.

# 600 Years of Experience

You aren't the first architect this has happened to!

## The Questions:

You have applied for a building permit, site plan approval, or rezoning on behalf of a client. A municipal official has made demands that you believe are beyond the scope of their authority, is intransigent, and/or wouldn't take the time to review your application, after weeks or even months.

## The Questions:

1. How did you communicate to the client the challenges of advancing the project forward when faced with this problem?
2. How did the client react to this situation?
  - a) Did they assume responsibility for this project risk?
  - b) Did they blame you?
  - c) What did they expect you to do in this situation?

## Contributors

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*Thank you*

## Stories Selected - Impacts

- Schedule delays
- Cost client money
- Cost architect money

## Categories – Sources of Risk

- Unresolved legacy non-compliance
- Corrupted approval process
- Unstated design requirements of AHJ
- Inappropriate Interpretation of Codes or Regulations



Unresolved legacy  
non-compliance

## Story #1

“What do you  
mean there was  
no road  
dedication?”

- Could not start building permit review until land transfer issue resolved
- All due diligence done; no missing survey information; no land transfer needed
- 35 years prior to project Board of Education was to have made road dedication to City.
- Road allowance land transfer made without formal dedication.
- Board and City lawyers held up building permit review for 8 weeks trying to resolve outstanding yellowing “3” x 5” file card.

Unresolved legacy  
non-compliance

## Story #2

“I dunno what the  
CBO is talking  
about.”

- Small institutional interior renovation; Architect hired to do drawings
- CBO wanted site plan showing fire truck access, fire hydrant locations, etc.
- Non-compliance from earlier project allowed to continue due to need for institution to keep operating.
- Client denied awareness of problem and refused to pay for additional services; Architect decided to eat additional costs

Unresolved legacy  
non-compliance

### Story #3

“What about over  
there?”

- Building inspector observes non-complaint situation outside of the project area in strata housing
- Client insists architect resolves building inspector’s issues at no additional cost to the client
- Client refused to acknowledge that architect is not responsible to resolve regulatory issues outside of the project area

## Corrupted Approval Process Story #4

“I disagree with  
earlier decision!”

- Preliminary zoning review approved minor variance for change of use from residential to day care
- Zoning examiner disagreed with earlier approval by other officials and blocked process; ghosted architect (stopped communicating)
- Later, called for resubmissions; blamed architect for deceitful conduct by “slipping something past them” with different requests for paper and digital documents
- Angry client; long delay; resolved by official complaint and new examiner

Corrupted  
Approval Process  
Story #5

“I don’t do specs.”

- Inexperienced Plans Examiner developed list of 20 items needed for permit approval; added 30 more; insisted on drawing perfection for single family residence
- Information included in specification book
- Refused to read specifications
- Not receptive to discussion
- Plans examiner’s superiors were bureaucrats with no technical knowledge; escalation fruitless

Corrupted  
Approval Process  
Story #6

“When is he  
coming back?”

- 6 weeks; no building permit and no status update.
- Mechanical Plans examiner on sick leave; City will not reassign review
- Returns from sick leave for two days then 6 weeks vacation
- Client calls elected councillor; permit set approved 2 hours later; plans marked in green with only “AS PER CODE”

Unstated Design  
Requirements of AHJ  
Story #7

“It’s not Miesian  
enough!”

- Plans examiner (arch. school graduate) refused to grant building permit for commercial building because design didn’t align with examiner’s perceived building function; wanted modernist aesthetic
- Compromised achieved after a 1 year delay and \$1 million design changes

Unstated Design  
Requirements of AHJ  
Story #8

“The building should have no recognizable character. It should disappear into the background.”

- Multiple reasons given for non-approval of infill project; no capable local trades; no local tradition of elaborate masonry
- Planning department wanted a homogenous urban fabric with no distinguishing architectural character
- Resolved through escalation to heritage planner.



Unstated Design  
Requirements of AHJ  
Story #9

“Why won’t you  
act like my  
lawyer?”

- Small town wanted different design approach to new big box store
- Client refused to make changes
- Client angry with architect that architect would not fight as client’s advocate against municipality; architect should act like a lawyer

Inappropriate  
Interpretation of  
Codes or Regulations  
Story #10

“They have to exit,  
don’t they?”

- Plans examiner insisted on exit hardware on half doors leading off ice rink surface.

Inappropriate  
Interpretation of  
Codes or Regulations  
Story #11

Post-disaster refers  
only to structural  
elements.

- Hospital client insisted that “post-disaster” meant that only building structural design needed to be considered
- Design budget and business plan did not account for additional costs to allow for hospital operation in a post-disaster scenario

Inappropriate  
Interpretation of  
Codes or Regulations  
Story #12

“Where is the  
drainage report?”

- Inexperienced plans examiner wanted soils analysis and storm water drainage report for single family residence
- House built on solid rock outcrop on Canadian Shield
- Common sense could not be applied
- Examiner’s superiors had no technical knowledge; escalation fruitless
- No one above plans examiner would take responsibly for a decision

Inappropriate  
Interpretation of  
Codes or Regulations  
Story #13

“Fire rated  
separation means  
Fire Rated  
***Separation***”

- CBO (a lawyer) interpreted code; no building services within walls rated as fire separation
- Interpretation letter from preeminent Canadian code consulting firm had no effect on decision
- Hospital client paid \$0.5 million to relocate services

## Summary – Sources of Risk

- Can we turn threats to project success into opportunities?

We know the sources of political risks.

We know the consequences of these threats to project success: schedule delays and additional expense