

# Summary of the New National Stadium Project Process Investigation Panel Report

## Background

The third party panel was established under the Ministry of Education, Culture, Sports, Science and Technology(MEXT) on August 4<sup>th</sup> 2015, in order to investigate the 3 and a half year construction process before the recall of the new National Stadium Maintenance project on July 17<sup>th</sup>

## Member

【Chair person】 Noboru Kashiwagi (Professor emeritus, University of Tokyo / Former Professor, Chuo University law school)

【Member】 Takashi Kunii (Certified public accountant)

【Member】 Yutaka Kuroda(Lawyer)

【Member】 Dai Tamesue (Representative Director, General Incorporated Association Athlete Society)

【Member】 Shuzo Furusaka (Professor, Graduate School of Engineering, Kyoto University)

【Vice Chair Person】 Keisuke Yokoo (President,Japan Association of Corporate Executives / Adviser,Mizuho Securities)

( Other than the above stated member the investigation was performed with the cooperation of Ms. Ikuko Kishi (Lawyer) )

## Subject

All the actions made regarding the construction process of the New National Stadium Maintenance Project during the period indicated below;

December 13,2011(Cabinet agreement on the participation of Tokyo to the bid for the 2020 Olympic and Paralympic Games)~July 7,2015( 6<sup>th</sup> meeting of the National Stadium Future Design Expert Committee's approval on the design of the stadium at a construction cost of 252 billion)

## Method of Investigation

① Analysis of the documents disclosed by the concerned parties based on the request of the panel

② Interview to the concerned parties (Total of 34 individuals and organizations)

③ Location Inspection

It should be noted that as the panel has no official authority and the investigation is based on voluntary corporation., therefore the result of the report has certain limitation

### (1) Premise of the Investigation

- The project itself was originally very complicated provided that the construction of the stadium had to be completed by the 2019 Rugby World Cup while meeting high demand specification and realizing world highest level design. In addition, the special condition in the construction market which led to the unexpected increase in prices and wages and the numerous negotiations needed among concerned parties increased the complexity of the project. *【Difficulty and complexity of the project】*
- In comparing the various planned construction cost which are provided through the project, it has to be taken to account that each cost was calculated by different parties based on different assumptions *【Difficulty in handling different construction cost】*

### (2) Main factors which lead to the recall

- The decision making process was top heavy and lacked the mobility and the flexibility necessary for the project *【A group-oriented decision-making system】*
- Although the construction project was massive and complex, the project was conducted by usual organization and staffs *【Problem in organization building】*
- Effort to provide information and to increase transparency was not enough to nurture people's understanding on the project *【Problem of information sharing】*

### (3) Timing to reconsider the project

- Reduction plans were considered among concerned parties when the design joint venture estimated the construction cost of the stadium based on Zaha Hadid Design at 300 billion in August 2013
- There were chances to give the project a "zero-based review" between September 2013 and that year-end after Tokyo was selected as the venue for the Olympics and Paralympics Game

### (4) Responsibilities

- The Japan Sports Council (JSC) and its Chief Director are responsible for failing to put in place a proper organizational structure to handle this complex project
- The minister and the vice minister are equally responsible for not clarifying the responsibilities of departments involved and put in place an organizational structure that could deal with the project

### ( 1 ) Cost

- There was no common understanding on the meaning of the construction cost posted at the design competition *【Difference in the understanding on construction cost at the planning phase】*
- Structure was not put in place so that expert would warn the possibility of the increase in constructing cost during the design competition *【Lack of cost analysis and warning by expert】*
- Attentive and accurate explanation about the differences of the estimation of construction cost from various parties and the possibility in the increase of cost was not made to people *【Lack of sufficient explanation】*
- There was no clear agreement on the maximum cap on the construction cost *【Ambiguous acknowledgment of maximum construction cost】*
- There was no clear incentives for each concerned parties to clarify the maximum construction cost as various source of budget were available for the project *【Existence of various source of budget and diluted consciousness of ownership of concerned parties】*

### ( 2 ) Planning

- Priority setting among specification, construction period, and construction cost which were in a trade-off relationship was not consistent *【Challenge on priority setting】*
- Although the stadium specification requirement was very high due to the various needs of the users, revision during the entire project period were limited to minor change in scale and specification *【Challenge on specification】*
- Common understanding on the meaning of the project as a national project was not nurtured among the concerned parties and although the schedule was very tight, each parties made individual negotiation based on their usual position which led to a loss in time *【Challenge on construction period】*

### ( 3 ) Procurement

- A procurement plan for the entire project in consideration of different parties was not made at an early stage of the project *【Adoption of a coping therapy procurement method】*
- The role allocation between the design supervisor and the designer was not clear *【Unclear allocation of role among the concerned parties】*

## Analysis Result (Detailed Remarks):

- JSC could not make good use of the technical expertise of the construction supporter *【Lack of good use of construction supporter】*
- The participation of the general contractor was delayed and didn't lead to the reduction of construction time and period *【Late participation of general contractor】*
- The adoption of the engineering district split led to the stretch of the construction period *【Increase in the negotiation process due to engineering district split】*

### (4) Information sharing

- Insufficient explanation as a national project to the taxpayers especially on the increase in cost *【Insufficient explanation to the taxpayers】*
- Insufficient communication to the people on the uses and attractiveness of the new stadium *【Passive communication】*
- A spokesman with technical expertise to explain the entire project to the people was not placed and the information sharing structure was insufficient *【Insufficient information sharing structure】*

### (5) Project promotion system

- The JSC Chief Director asked for an increase in human resources to MEXT but failed to put in place a proper organizational structure to handle this national project *【JSC structural problem】*
- The minister and the vice minister are responsible for not putting in place an organizational structure that could deal with this national project as well as not breeding an organization climate where report and consultation was carried out thickly *【MEXT structural problem】*
- A project manager with the mandate and power befitting this national project was not placed and staffs which could have fulfilled this role was moved according to usual human resources allocation *【Lack of proper project manager】*
- The responsibilities allocation among the numerous concerned parties and organizations was not clear and the decision-making process transparency was not secured *【Decision-making process distortion】*
- Experts familiar with large-scales and complicated project was not allocated and a robust organization which could check the entire project from choosing the design to promoting the project was not built *【Lack of expert】*

## Concluding note

- Numerous interviews showed that the people involved in this project made sincere effort for the construction of the stadium
- On the other hand, the entire system to conduct the project was weak and finally resulted to the recall of the project due to the lack of support from taxpayers concerning the ballooning cost
- The construction of the new national stadium which would become the main stadium for the 2020 Olympic and Paralympic Games will be carried out under a severe schedule but the panel hope that concerned parties would restore the trust of the people and that the stadium would become a sports stadium loved by all the nations in the coming future