

**Treasury Board Secretariat**

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November 10, 2022

Paul G. Smith  
Chair of the Board of Directors  
Supply Ontario  
250 Dundas Street West, Suite 605  
Toronto, ON M5T 2Z5

Dear Mr. Smith,

As Minister newly responsible for Supply Ontario, I am pleased to write to you in your capacity as Chair of Supply Ontario to set out my expectations for the 2023-24 fiscal year, pursuant to the requirements of the Agencies and Appointments Directive.

As Chair, you are accountable to me for the agency's performance in fulfilling its mandate. It is important that your agency's goals and objectives align with our government's priorities and direction. As part of the Government of Ontario, agencies are expected to be economical, efficient and effective. Agencies are also required to adhere to government policies and directives.

Supply Ontario was created to enable a whole-of-government approach to purchasing goods and services – leveraging the province's buying power to ensure consistent access to high-quality and reliable products at the best value for the people of Ontario.

As Supply Ontario concludes strategy setting and completes its planning activities to reset and refocus its priorities, I expect Supply Ontario to deliver on its core mandate to provide and support supply chain management on behalf of Ontario public sector organizations, making concrete, iterative progress towards creating value for Ontario by pursuing opportunities to centralize procurement across Ontario Public Service and the Broader Public Sector.

To facilitate focus and delivery, and in recognition of the different roles Supply Ontario will need to play in order to be successful, I have categorized my expectation of Supply Ontario's role in three distinct capacities: As *Lead* (taking initiative), as *Partner* (working together with government and other partners) and as *Support* (providing input and assistance).

Specifically, I expect Supply Ontario to deliver on the following priorities in the 2023-24 fiscal year:

### **Supply Ontario as Lead**

Supply Ontario is responsible and accountable to lead the following, consistent with its founding mandate:

#### **Create Value and Deliver Results from Centralized Procurement**

- Identify and execute on opportunities to integrate purchasing activities that are currently fragmented across Ontario's public sector, including:
  - Implementing Category Management, for sectors reflecting input from TBS and other ministries
  - Increasing uptake on existing bulk purchasing practices, as an immediate avenue for consolidating spend
  - Seizing opportunities for Contract Harmonization

Note: I may issue additional direction to Supply Ontario, including specific targets, through subsequent supplementary Letters of Direction

#### **Build Capacity**

- Acquire necessary operational capability to deliver on government expectations through hiring, partnerships and organizational development, with a focus on producing tangible results

### **Supply Ontario as Partner**

I expect Supply Ontario to deliver, working with my ministry and others to achieve the following objectives in the true spirit of collaboration and partnership:

#### **Secure supply chain stability**

- Develop and then implement a plan for Supply Ontario to assume operational responsibility for the personal protective equipment (PPE) and critical supplies and equipment (CSE) supply chain (including warehousing and logistics management), in accordance with the government's commitment to the Office of the Auditor General. To ensure a seamless transition, partner with Treasury Board Secretariat ('the Ministry'), the Ministry of Public and Business Service Delivery and the Ministry of Health.
- Develop an emergency stockpiling strategy to ensure readiness for future emergencies, based on lessons learned from the COVID-19 pandemic and leading practices. In this regard, partner with Emergency Management Ontario/TBS, the Ministry of Health and the Chief Medical Officer of Health.

#### **Build relationships and promote healthy markets**

- Maximize participation in Ontario's procurements by partnering with the Ministry to conduct vendor outreach and engagement,
- Partner with the Ministry in stakeholder outreach and engagement, in order to inform and enable transformation

## **Execute** sector-specific action plans

- Develop and then execute sector-specific action plans, including:
  - Multi-year plan to implement Category Management, specifying target categories
  - Multi-year plan to address decentralized supply chain organizations and purchasing activities for each sector
  - Methodology for measuring value, establishment of baselines and identification of specific targets with timelines

Consult with the Ministry, the Ministry of Public and Business Service Delivery, the Ministry of Health, the Ministry of Education and the Ministry of Colleges and Universities, as well as other ministries as appropriate.

- Establish an improved model for clinical supply chain management between Supply Ontario and Ontario Health to ensure clinical needs, patient safety requirements and health sector operations interface appropriately with supply chain activities at a provincial scale. Partner with the Ministry and the Ministry of Health to ensure alignment.

## **Supply Ontario Supporting Government**

In order to ensure business continuity, the government will continue for the time being to make decisions on essential procurements but will invite Supply Ontario's input and collaboration to ease transition for when the agency will eventually take on the categories as it achieves its centralization mandate.

The Ministry will also lead the development of policies and regulations related to implementing the Building Ontario Businesses Initiative and to advancing the Ontario Public Sector Supply Chain Strategy, supporting the government's larger commitment to create jobs, unlock savings and create opportunities for Ontario businesses. However, the government will invite Supply Ontario's input in the development of these program and policy initiatives.

Supply Ontario's plan to address these priorities must be outlined in Supply Ontario's 2023-26 Business Plan, due in January 2023 and meeting the requirements of the Agencies and Appointments Directive.

## **Broader Government Priorities for Agency Sector**

As part of the government of Ontario, agencies such as Supply Ontario are also expected to act in the best interests of Ontarians by being economical, efficient and effective. Below are the government's broader priorities for all board-governed provincial agencies:

### **1. Competitiveness, Sustainability and Expenditure Management**

- Identifying and pursuing opportunities for revenue generation through partnerships, where appropriate.
- Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.

- Operate within the agency's financial allocations.
- Complying with applicable direction related to supply chain centralization, including contract harmonization for planned and pending procurements, accounting practices and realty interim measures for agency office space.
- Leveraging and meeting benchmarked outcomes for compensation strategies and directives.

## 2. **Transparency and Accountability**

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhering to accounting standards and practices, and responding to audit findings, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

## 3. **Risk Management**

- Developing and implementing an effective process for the identification, assessment, and mitigation of agency risks, including COVID-19 impacts and any future emergency risks.

## 4. **Workforce Management**

- Optimizing your organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Supporting the implementation of the Community Jobs Initiative (CJI) by identifying opportunities to relocate new or existing agencies to lower cost communities.

## 5. **Diversity and Inclusion**

- Developing and encouraging diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace.
- Adopting an inclusion engagement process to ensure all voices are heard to inform policies and decision-making.

## 6. **Data Collection**

- Improving how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

**Note:** 'data sharing with Supply Ontario' is one of the government's broader priorities for all board-governed provincial agencies. This means that Supply Ontario should expect to engage with agencies across government in 2023-24.

## 7. **Digital Delivery and Customer Service**

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.

- Using a variety of approaches or tools to ensure service delivery in all situations, including pursuing delivery methods that have evolved since COVID-19.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority.

I look forward to learning how these priorities will be addressed in Supply Ontario's upcoming 2023-26 Business Plan.

I would also like to receive regular ongoing updates as Supply Ontario completes its reset and refocus, seizing early opportunities to create value.

Thank you and your fellow board members for your continued commitment to Supply Ontario. Your work and ongoing support is invaluable to me and the people of Ontario.

Should you have any questions, please feel free to contact Deborah Richardson, Deputy Minister of Treasury Board Secretariat, at [Deborah.Richardson2@ontario.ca](mailto:Deborah.Richardson2@ontario.ca) or 416-325-1607.

Sincerely,



Prabmeet Singh Sarkaria  
President of the Treasury Board

c. Jenna Bhandari, Chief of Staff, Treasury Board Secretariat

Deborah Richardson, Deputy Minister, Treasury Board Secretariat

Martha Greenberg, Interim CEO, Supply Ontario

Chris Gonsalves, Assistant Deputy Minister, Supply Chain Transformation Office

Ali Veshkini, Associate Deputy Minister, Office of the Treasury Board

Sandy Yee, Chief Administrative Officer, Treasury Board Secretariat

Attachment: Government Priorities for Agency Sector Chart