

# Supply Ontario

## 2024/25 Annual Report



Supply  
Ontario

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# A Message from the Chair of the Board

On behalf of the Board of Directors, it is my pleasure to present Supply Ontario's 2024/25 Annual Report, highlighting our achievements over the past year.

This year has been pivotal for our agency's success and ongoing growth. Despite a provincial election and the complexities of the threat of U.S. tariffs, the agency was able to advance our transformation and procurement modernization strategies, demonstrate progress on our centralization and value delivery commitments, and strengthen our internal capabilities.

Supply Ontario successfully expanded the Enterprise Vendor of Record program, negotiated new mobile and telecommunications contracts, and sourced innovative procurement tools. Our long-term warehousing strategy to address how to store and distribute Personal Protective Equipment (PPE) and Critical Supplies and Equipment (CSE) was approved, and we welcomed the Ontario Government Pharmaceutical and Medical Supply Services (OGPMSS) to the Operations division of Supply Ontario. This work has delivered substantial benefits to Ontarians while streamlining procurement processes across the public sector.

I would like to extend the Board's and my appreciation to the Supply Ontario team, our partners, and stakeholders for their contributions over the past year. The agency continues to foster a culture of innovation, collaboration, and continuous improvement, positioning itself as a leader in public procurement transformation. I'd also like to express deep gratitude to Jamie Wallace, Chief Executive Officer, whose leadership continues to be instrumental in driving Supply Ontario's success and growth.

As we reflect on progress made over the last year, I'm confident that Supply Ontario will continue to harness the power of innovation to transform the way public procurement operates in our province and deliver exceptional value to all Ontarians.

Sincerely,

**Paul G. Smith**  
Chair, Board of Directors  
Supply Ontario

# A Message from the Chief Executive Officer



As we worked to strengthen supply chain management and procurement across the public sector, Supply Ontario has had a transformational year filled with tremendous

growth and bold opportunities for innovation and modernization.

We achieved several significant milestones this year, including the largest enterprise-wide Vendor of Record (VOR) expansion in our history, increasing the program's projected value to \$16.8 billion. We established a new mobile devices and services VOR arrangement for government ministries, agencies, and thousands of other public sector entities, expected to deliver \$2.1 billion in cost avoidance and \$431 million in cost savings across its life cycle. Our centralization efforts included the transfer of service delivery responsibility for the Ontario Government Pharmaceutical and Medical Supply Services (OGPMSS) from the Ministry of Health to Supply Ontario in March 2025. We procured \$30 million worth of vape detectors and other security upgrades for Ontario schools, enhancing youth safety. Additionally, we led critical category management work in the renal category, collaborating with Ontario Health on significant healthcare contracts.

In line with our commitment to digital transformation, we made progress towards implementing a Digital Procurement Solution, our planned one-stop portal for Ontario public sector

buyers and vendors. Finally, we built foundational capabilities to expand our services to the BPS and respond effectively to client needs.

Not only do these achievements reflect our evolution into an innovation-driven agency, they underscore our growing ability to lead transformation in public procurement and deliver significant value to Ontarians.

I would like to extend my thanks to Supply Ontario's Board, executive leadership team and our highly skilled team members for their invaluable contributions and dedication to building a smarter, stronger and more connected public sector supply chain. I am also grateful to the Province for supporting Supply Ontario in our effort to become the leading authority for public sector procurement.

This has been a foundational year for our agency's success and continued growth. I am confident in Supply Ontario's ability to move forward boldly, accelerate innovation across our operations, embrace challenges as opportunities, and remain focused on the transformative change we are here to create for public sector procurement and our stakeholders.

A handwritten signature in black ink that reads "Jamie Wallace". The signature is fluid and cursive, with a large loop at the end of the name.

**Jamie Wallace**  
Chief Executive Officer  
Supply Ontario

# Mandate, Vision, Mission and Values

## Mandate

Supply Ontario is a provincial agency established by regulation (O. Reg. 612/20) under the Supply Chain Management Act (Government, Broader Public Sector and Health Sector Entities), 2019 ("the SCMA").

The agency is mandated to improve procurement outcomes across the public sector by providing and supporting supply chain management and procurement activities for prescribed entities, including:

- **government** – such as ministries, provincial agencies, the Independent Electricity System Operator, and Ontario Power Generation and its subsidiaries
- **broader public sector (BPS)** – such as school boards, publicly-funded post-secondary educational institutions, children's aid societies and shared services organizations/group purchasing organizations controlled by these broader public sector entities that solely or primarily procure for these entities
- **health sector entities** – such as hospitals, the Ottawa Heart Institute, and those shared services organizations/group purchasing organizations that are controlled by and solely or primarily procure for these entities

Supply Ontario has authority under O. Reg. 612/20 to collect the following information from public sector entities:

- current inventories of any goods and future inventory requirements
- current and future procurement activities
- supply chain opportunities, contingencies, and constraints
- information about contracts related to the procurement of goods or services
- any other information related to supply chain management or vendor performance that Supply Ontario specifies

The SCMA provides Supply Ontario authority to direct and guide prescribed entities on supply chain management activities, including centralizing key procurement functions and contracts within Supply Ontario.

Supply Ontario collaborates with a number of different public sector entities, including municipalities to reduce duplication and support bulk purchasing opportunities. For example, as part of the "New Deal" between the Province and the City of Toronto, Supply Ontario is working with the City of Toronto to explore areas where the municipality can leverage provincial purchasing arrangements and resources to enhance value.

## Vision, Mission and Values

**Vision:** harness Ontario's buying power to enable **economic development**, province-wide **resilience** and produce **value** for Ontarians

**Mission:** bring cohesion to the public sector supply chain by embracing innovation and leveraging diverse partnerships and relationships with suppliers

**Values:** our values are driven by our commitment to our partners, stakeholders, and each other to achieve the best outcomes for the people of Ontario



**Excellence**

**Excellence**  
Delivering transformative solutions through innovation



**Collaboration**

**Collaboration**  
Working together to achieve results



**Trust**

**Trust**  
Building relationships with integrity and accountability

## Board of Directors

Name	Role	First Appointed	Current Term Expiry	Attendance (Attended/Held)	Total 2024/25 Remuneration*
Paul G. Smith	Chair	January 15, 2021	January 14, 2027	13/13	\$36,500
George Szewchuk	Vice Chair	January 15, 2021	January 14, 2025	6/6	\$10,288
Dr. Gillian Kernaghan	Member	January 15, 2021	January 14, 2027	9/9	\$8,000
Terri McKinnon	Member	April 11, 2024	April 10, 2027	7/9	\$7,700
Pamela Schott	Member	July 11, 2024	July 10, 2027	7/7	\$5,550
Allan MacDonald	Member	January 15, 2021	January 14, 2027	4/4	Waived
John Stipan	Member	January 15, 2021	January 14, 2025	5/6	Waived

\* Does not include expenses

During the 2024/25 fiscal year, the Supply Ontario Board of Directors, as part of its commitment to board governance excellence, approved and began implementation of a two-year strategic plan entitled *Board Governance Roadmap 2.0*. As Supply Ontario continues to mature, this key document builds upon earlier foundational efforts and outlines a strategic path to further strengthen board governance as the agency moves into its fifth year of operation. *Board Governance Roadmap 2.0* details planned initiatives, key measures of success, and the expected outcomes that reflect the needs and aspirations of a high-performing board of an effective and efficient public sector agency.

The Supply Ontario Board of Directors, with the leadership and support of the Office of the Corporate Secretary, have implemented several of these initiatives over the past year.

- The first initiative focused on strengthening the policy foundations of the Supply Ontario Board. Work was undertaken to establish a new Board Charter, develop a Board Policies and Procedures manual, and complete a comprehensive review of current board policies. This initiative helped to solidify the governance foundation and enhance the accountability of the Supply Ontario Board by evolving, streamlining, and harmonizing these policy documents, as well as addressing any identified policy gaps in the board governance framework.
- A second set of initiatives focused on ongoing Board development and renewal. To achieve this, the Supply Ontario Board established a robust board competency framework with a supporting skills matrix to inform training and succession planning efforts, and a comprehensive board evaluation framework that will support continuous improvement of the Supply Ontario Board's effectiveness and efficiency of its operation. Implementation of these new board programs will begin in fiscal year 2025/26.
- Finally, a third implemented initiative aims to strengthen board management processes and support timelier and better-informed decision-making within the Board. Baseline data is currently being collected for analysis and reporting across key board-specific performance indicators, including time and agenda management, board member composition and competencies, and decision-making. Going forward, these metrics can inform board planning and strategic agenda management. The information will also provide the Supply Ontario Board with qualitative data to compare and contrast with the qualitative data received from administering board evaluations.

The Supply Ontario Board is confident that the *Board Governance Roadmap 2.0* will continue to implement and entrench good governance practices into its operation and boardroom dynamics.

# 2024/25 Highlights





Each year, Supply Ontario publishes a business plan that sets out the organization's strategic goals, priorities and specific initiatives for the following three fiscal years. Our business plan is aligned with our statutory mandate and the annual letter of direction from the accountable minister.

Our 2024/25 highlights contain performance achievements and success measures against our 2024/25 to 2026/27 business plan and 2024/25 annual letter of direction.

## Our 2024/25 strategic framework

<b>STRATEGIC DIRECTION 1</b> Integration and centralization of procurement across public sector to create value.	<b>STRATEGIC DIRECTION 2</b> Transformation through modernization of procurement practices and processes.	<b>STRATEGIC DIRECTION 3</b> Build foundational capabilities and resiliency within the agency to support government objectives.	<b>STRATEGIC DIRECTION 4</b> Collaboration with partners to enhance Ontario's buying power.
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## Progress/Outcomes Legend


	Completing or progressing as planned
	Delayed or deprioritized but continuing
	On hold
	Cancelled


# STRATEGIC DIRECTION 1

Integration and centralization of procurement across public sector to create value.

**ANNUAL LETTER OF DIRECTION 2024/25:** Harness Ontario's purchasing power and deliver procurement and supply chain services for the public sector.



Priority 1.1: Continue to implement the category management strategy in key areas to better unlock value for Ontarians.

Planned Activities	Indicator	Progress/Outcomes
<p>I. Establishment of category steering committees for goods and services categories with representation of key customers</p> <p>Finalize category strategies in healthcare and related value creation initiatives</p>		<p>Through a category management approach and collaboration with key public sector clients, Supply Ontario achieved value creation through the establishment of Vendor of Record (VOR) Arrangements, including:</p> <ul style="list-style-type: none"> <li>• <b>Mobile Devices and Services</b> with an estimated \$431 in cost reduction and \$2.1B in cost avoidance for total benefits of \$2.5B over the life of the agreement.</li> <li>• <b>Workplace Print and Services</b> with an estimated cost avoidance of \$317M over the life of the agreement.</li> <li>• <b>Cleaning Supplies</b> with an estimated \$2.2M of cost avoidance over the life of the agreement.</li> <li>• <b>IaaS/PaaS</b> with an estimated \$60M of cost avoidance and \$30M in cost reduction over the life of the agreement.</li> </ul> <p>In addition, to support the needs of additional key public sector clients and entities, the following VORs were established:</p> <ul style="list-style-type: none"> <li>• <b>Vape Detector and Building Safety Provisions</b> to primarily support the Education sector.</li> <li>• <b>Onboarding and Administration Solution for earners</b> to primarily support the Health sector.</li> <li>• <b>Advertising &amp; Communication Services</b> VORs, which are available to all public sector clients.</li> </ul>

Planned Activities	Indicator	Progress/Outcomes
<p>II. Refine the plan for deep engagement with Shared Services Organizations (SSOs) and Group Purchasing Organizations (GPOs) to align in delivering best value for the province</p>		<p>We established Communities of Practice (CoP) sessions for the BPS. The communities meet quarterly and are divided by sector: Learning, Health-hospitals, Health-other, and Agencies, Boards and Commissions (ABCs).</p>
<p>III. Identify specific category opportunities, where economies of scale can deliver better value and efficiency within the public sector</p>		<p>Refer to progress/outcomes highlighted within Strategic Direction priority 1.1 (I).</p>


**Priority 1.2: Leverage the significant annual government spend on procurement to accomplish government objectives.**




Planned Activities	Indicator	Progress/Outcomes
<p>I. Support and monitor increased representation of Ontario businesses in government contracts including through fully implementing the Building Ontario Businesses Initiative (BOBI)</p> <p>Continue to promote BOBI strategies in procurement practices</p>		<p>This year, the CoP sessions provided a forum to foster conversations regarding BOBI.</p> <p>Supply Ontario shared how we have incorporated BOBI into our procurements and the best practices that have been developed. Public sector buyers used these sessions to share their experiences with implementing BOBI, as well as ask questions related to implementation.</p>

Planned Activities	Indicator	Progress/Outcomes
<p>II. Complete a full evaluation of current programs (e.g. VOR, risk framework, ease of contracting, customer service) and develop a phased plan for improved action</p>		<p>In FY 2024/25 we expanded the Enterprise-wide VOR Program significantly. We identified 28 new enterprise-wide VOR Arrangements and the replacement of 14 VORs, projected to increase the program value to \$16.8B – a remarkable 126% increase over the previous year. This strategic expansion not only underscores our commitment to growth and efficiency but is projected to create substantial value over the life cycle of the contracts through an incredible \$1.2B in cost avoidance, \$615.5M in cost reductions, and \$30.9M in cost recovery by driving impactful results.</p> <p>We continue delivering exceptional support, impactful supply chain advisory services and driving successful outcomes to public sector clients through our Supply Chain Advisory Services. We delivered support to over 700 procurement requests annually, valued at an impressive \$3.5B over the life of our contracts.</p> <p>Each year, we assess over 1,200 Interim Measures requests from public sector clients. We deliver tailored recommendations to each of these requests through our system of strategic categorization.</p> <p>Through these Interim Measures requests, Supply Ontario uncovers emerging opportunities to enhance the existing Enterprise VOR Arrangements through a refresh process. We also pursue new VOR opportunities to drive significant outcomes, create substantial value and boost efficiencies while ensuring we meet the needs of our public sector clients.</p>
<p>III. Increase use of innovative procurement models that reduce burden and red tape for businesses in selling to the public sector</p>		<p>This year, we increased the use of innovative procurement models, including increased use of Early Market Engagement to gather vendor output.</p> <p>We have significantly amplified the application of the Early Market Engagement model within the public sector by actively supporting public sector entities in their quest for vital marketplace information. This approach fosters meaningful conversations with vendors, leading to successful and transformative outcomes that benefit both clients and vendors alike. Engaging in this proactive</p>

Planned Activities	Indicator	Progress/Outcomes
		<p>approach not only enhances collaboration but also drives innovation and effectiveness in addressing the needs of our public sector clients.</p> <p>We also actively promoted and expanded the use of outcome-based procurement among public sector clients. This approach delivered superior results for our clients while significantly benefiting our vendors, creating a win-win situation in the marketplace. Further embracing this strategy will drive greater outcomes and foster stronger partnerships for everyone involved in the future.</p> <p>We have also streamlined end-to-end procurement. We reduced the burden on our vendor community by utilizing autoscore, and online submissions and evaluations for most procurements, as well as utilizing best practices for the end-to-end procurement process.</p>

**Priority 1.3: Ensure customer service excellence is embedded through interactions with vendors and partners.**

Planned Activities	Indicator	Progress/Outcomes
<p>I. Develop a long-term warehousing strategy for Personal Protective Equipment (PPE) and Critical Supplies and Equipment (CSE)</p>		<p>We have made significant progress in developing a long-term warehousing strategy for PPE/CSE in FY 2024/25. Accomplishments include:</p> <ul style="list-style-type: none"> <li>• Onboarding Emergency Management Ontario to the Stockpile Program to support emergency 24/7 coverage.</li> <li>• Establishing Public Health Table governance to provide input into new products for the stockpile.</li> <li>• Managing 47,000 customer orders (approximately 3,900 per month) to ensure PPE, testing, and other critical supplies are distributed to sectors across the province.</li> </ul> <p>We also went to market with a Long-Term Warehousing Strategy to consolidate our footprint and deliver a more efficient and effective model. We have completed the design, posting, evaluation, and inventory rationalization; the contract award is underway, setting the stage to transition in early 2025/26.</p>

Planned Activities	Indicator	Progress/Outcomes
<p>II. Develop accessibility guidelines to help vendors and purchasers make accessibility a priority at the early stages of the procurement process</p>		<p>We continue to have accessible guidelines for vendors and ensuring that AODA compliance/guidelines are included when required.</p>
<p>III. Design the procurement concierge program framework</p>		<p>Based on stakeholder needs and Supply Ontario's goals and objectives, the program scope has been modified to a one-window approach that prioritizes access and information through a variety of channels. The focus is on customer experience and using a number of channels, including the website and the doingbusiness email address, to provide enhanced consistent information. The program continues to be defined as needs are assessed.</p>
<p>IV. Use industry forums to gain insight into improvement opportunities in vendor engagement and build an action plan to address gaps</p> <p>Continue to provide vendor training for BOBI/Building Ontario Businesses Initiative Act (BOBIA) and doing business with Ontario; identify additional training opportunities</p> <p>Expand planning on vendor engagement and training on public procurement processes in Ontario</p>		<p>In FY 2024/25, we participated or attended over 40 meetings, conferences and events hosted by key industry stakeholders and partners. Notable engagements aligning with our priority areas – health and learning – as well as municipalities and innovation included:</p> <ul style="list-style-type: none"> <li>• OCI DiscoveryX Conference</li> <li>• OPBA Conference</li> <li>• OCPMA Conference</li> <li>• OHA Financial Leaders Network</li> <li>• Public Health Table on Pandemic Stockpile and Preparedness</li> <li>• GTHA Municipalities Table</li> <li>• Learning Sector Table</li> <li>• City of Toronto Procurement User Group</li> </ul> <p>To increase Supply Ontario's brand awareness and public profile in the ecosystem, we leveraged social media, speaking engagements, announcements and training.</p> <p>We also expanded the use of our social media platforms to grow our reach, share our success stories, and leverage opportunities to cross-promote content with government and stakeholders. This included launching an informative</p>

Planned Activities	Indicator	Progress/Outcomes
		<p>video series to educate stakeholders on how to engage and do business with Supply Ontario, and a “Did you know?” social series geared to enhancing Supply Ontario's external presence, building our brand, and showing who Supply Ontario is and what we do in brief highlights.</p> <p>We also executed a multi-phased website strategy that focused on the migration of updated and relevant content onto supplyontario.ca – to create a trusted, easy-to-navigate source of information and resource for buyers, vendors and other stakeholders. This included dedicated pages for buyers and vendors, linking to essential instructions, information, and resources.</p> <p>We are committed to improving opportunities for vendor engagement and providing training on public procurement processes in Ontario. Vendor education events Supply Ontario attended included those for the Ontario First Nations Economic Developers Association; IDEA Mississauga; City of Toronto; and the Ontario Ministry of Agriculture, Food and Agribusiness (OMAFRA) Food Week. In addition, we participated in a number of reverse trade shows (i.e. events where buyers set up booths, and vendors rotate through them to present their products and services), including ones hosted by the Ontario Public Buyers Association, the City of Barrie, and the Government of Canada.</p> <p>Supply Ontario also hosts monthly Vendor Education webinars on “How to do Business with Ontario” and “How to Register and Navigate the Ontario Tenders Portal,” in addition to providing individual support through email inquiries.</p> <p>We also presented to several stakeholders throughout the year to provide updates and additional information on BOBI/BOBIA.</p>
<p>V. Design/evolve customer service excellence measurement for partners and stakeholders, representing a wide range of OPS and BPS public entities</p>		<p>To improve the customer experience and response time to inquiries, we launched a user-friendly 'Contact Us' page on supplyontario.ca.</p> <p>This page automated the categorization and distribution of emails within the agency, significantly reducing the volume of manual sorting from the info inbox.</p> <p>The enhanced workflow facilitated accurate routing of inquiries to one of seven specialized inboxes, ensuring</p>


Planned Activities	Indicator	Progress/Outcomes
Begin to measure against the designed metrics and set targets for improvement as required		inquiries were correctly directed.  As a result, 70% of email inquiries were redirected to the appropriate inboxes instead of defaulting to the 'info' inbox, significantly reducing time spent triaging messages, thus improving response times.
VI. Begin addressing identified and prioritized opportunities for improvement		Refer to progress/outcomes highlighted within Strategic Direction priority 1.3 (IV and VI).



## STRATEGIC DIRECTION 2

Transformation through modernization of procurement practices and processes.


**ANNUAL LETTER OF DIRECTION 2024/25:** Transform Ontario's public sector supply chain and modernize public sector procurement.


Priority 2.1: Respond to stakeholder and partner feedback on modernizing the procurement process and channels to support government objectives.

Planned Activities	Indicator	Progress/Outcomes
I. Operationalize new risk framework  Adopt new risk framework and continue to adjust liability and associated terms and conditions in Supply Ontario-led procurements (such as VOR or stockpile procurements)		Supply Ontario established an internal working group with representatives from across the agency to review existing risk frameworks and to discuss stakeholder-identified challenges. This work will continue in 2025/26.



Planned Activities	Indicator	Progress/Outcomes
<p>II. Initiate the marketplace engagement for the digital procurement system/solution (DPS) in line with the OPS Digital Accessibility Standard</p> <p>Finalize OPS and BPS business requirement gathering and go to market for DPS</p>		<p>In September of 2024, we held a Market Day for DPS Early Market Engagement that brought together over 100 vendors, included one-on-one meetings, and generated invaluable marketplace insights. This collaborative effort not only showcased impressive outcomes but also played a crucial role in shaping and reinforcing the DPS strategy.</p>
<p>III. Launch a multiyear procurement modernization workplan to transform and modernize legacy practices and systems across the public sector</p> <p>Begin implementing 'quick win' recommendations from the procurement modernization workplan</p>		<p>Significant work has been done to enable Supply Ontario to better achieve our mandate, including proposing a Procurement Modernization Authorities strategy document to recommend legislative/regulatory amendments.</p> <p>We also initiated engagement with Invest Ontario on potential opportunities with regards to assessment of the Industrial Regional and Technology Benefit's (IRTB) economic development submissions that could be used to operationalize our Resiliency Strategy.</p> <p>The development of a Resiliency Strategy is the first step to push the agency towards adopting and supporting sustainability within the procurement ecosystem.</p>

## Priority 2.2: Support an innovation pathway to allow government to explore high-potential solutions with partners


Planned Activities	Indicator	Progress/Outcomes
<p>I. Support an innovation pathway starting with the health sector by working with key partners, including Ontario Health (OH), Treasury Board Secretariat (TBS), Ministry of Health</p>		<p>Modernization and innovation are key priorities in the 2024 Ontario Budget and letter of direction commitments. The development of an integrated innovation framework in collaboration with government partners and industry stakeholders in the innovation ecosystem is an important achievement in FY 2024/25.</p> <p>Underpinned by a whole-of-government approach, we established robust governance and internal accountability frameworks through Supply Ontario internal governance to</p>


Planned Activities	Indicator	Progress/Outcomes
<p>(MOH) and the Ministry of Economic Development, Job Creation and Trade (MEDJCT)</p> <p>Facilitate conversation with partners participating in launching of the pathway (create terms of reference and identify key problems to solve)</p>		<p>ensure a fair and transparent approach to supporting public sector buyers and innovators in addressing unmet system needs.</p> <p>We also engaged with key government partners, including the Ministry of Public and Business Service Delivery and Procurement, MOH, MEDJCT, OH, Intellectual Property Ontario, and Invest Ontario, and innovation hub stakeholders like the Ontario Council of Innovators, Canadian Council of Innovators, CAN Health, and the Ontario Bioscience Innovation Organization (OBIO), to better understand key barriers and challenges impacting innovators as part of Supply Ontario's Innovation Pathway.</p> <p>Where there were promising opportunities, we initiated pilots for innovative procurement strategies and procurement implementation planning. We were then able to take the learnings from these pilots to inform our innovation program for 2025/26.</p> <p>Additionally, over the course of FY 2024/25, Supply Ontario supported the program development of the MOH Health Innovation Pathway, and the MEDJCT Life Sciences Strategy, ensuring an integrated approach to supporting Ontario innovators.</p> <p>When launched, Supply Ontario's role in the Health Innovation Pathway will focus on leading procurement strategy and implementation, as well as providing procurement advisory support to innovators as part of the pathway's Concierge function.</p> <p>The Life Sciences Scale Up Fund (LSSUF) provides financial support to help small-to-medium sized enterprises (SMEs) in the Life Sciences sector scale their business. The goal is to help build a pipeline of strong innovative SMEs based in Ontario (or intending to relocate to Ontario) that are ready to respond to procurement opportunities. As part of the public launch of LSSUF in January 2025, Supply Ontario played a leadership role in assessing the procurement readiness of participating innovators.</p>

**Priority 2.3: Work closely with government partners to shape policy, regulations, and legislation impacting public sector procurement.**

Planned Activities	Indicator	Progress/Outcomes
<p>I. Support the government in supply chain-related policy, regulation, and legislation, including identifying consequential and/or unintended risks and sector impacts</p>		<p>To support the government in supply chain-related policy, regulation, and legislation, Supply Ontario conducted a thorough analysis of Ontario's legislative supply chain landscape, identifying potential amendments to support a centralized approach to public sector procurement.</p>
<p>II. Explore legislative and regulatory amendments to reduce barriers and red tape to make doing business with Ontario easier</p>		<p>In FY2024/25 we also began to modernize how clients access our agreements. We rolled out a new Master Acceptance Agreement that introduces enhanced Enterprise-wide VOR Agreements. This streamlined approach empowers public sector entities and qualified vendors to efficiently access our VORs, enjoying the same beneficial provisions as the Master contract. Public sector clients can now leverage the VORs through a simplified process to maximize efficiencies.</p>

**Priority 2.4: Leverage data from within government and with partners to strengthen the agency's ability to respond to procurement challenges and opportunities with market informed and current intelligence.**

Planned Activities	Indicator	Progress/Outcomes
<p>I. Continue the implementation of data governance program through the establishment of formal structure, policies and processes</p>		<p>To foster informed, data-driven decision making, Supply Ontario enhanced our data and analytics platform to consolidate and standardize data from external partners and internal departments in a secure and governed landscape.</p> <p>In addition, the agency also implemented a data governance framework through the establishment of formal internal Data Council structures and the development of enterprise-wide data policies and processes. This resulted in enterprise-level governance over our agency's information assets and ensures data integrity, confidentiality, privacy, and regulatory compliance.</p> <p>The agency also delivered an enterprise-wide educational Data Literacy Program that will equip Supply Ontario employees to support data-driven initiatives.</p>





Planned Activities	Indicator	Progress/Outcomes
<p>II. Initiate a reporting and dashboard development program focused on the core functions of the agency</p> <p>Provide targeted analytics support value creation initiatives</p>		<p>Refer to progress/outcomes highlighted within Strategic Direction priority 2.4 (III).</p>
<p>III. Collect targeted data to support value creation initiatives</p> <p>Initiate a strategic data collection program to collect data from a variety of different partners on an ongoing basis</p>		<p>In FY 2024/25, Supply Ontario made significant strides in a data collection program to improve market-informed decision making and strategic steering by expanding the breadth and depth of our understanding of the public sector procurement landscape. Supply Ontario collected over 22.8M invoices and 18.5K contracts from SSO/GPO partners.</p> <p>To provide targeted analytics support for value creation initiatives, Supply Ontario created analytical dashboards on SSO/GPO partners' data to enable self-service analysis of contract repository and spend analysis.</p> <p>The agency also launched a Data Inventory campaign to capture all datasets that Supply Ontario creates, utilizes, and manages, ensuring compliance and enhancing data governance purview.</p> <p>In addition, Supply Ontario also used targeted data collection to help inform potential action and recommendations in anticipation of tariffs imposed by the United States (U.S.). This included collecting data from the Learning and Health sectors related to contracts held with U.S. vendors, as well as future procurements planned for the next 3-6 months. The data was useful in determining risks and opportunities as tariffs were imposed.</p>
<p>IV. Ensure business records are accessible and governed by appropriate policies and standards automatically</p>		<p>Refer to progress/outcomes highlighted within Strategic Direction priority 2.4 (I).</p>


## STRATEGIC DIRECTION 3

Build foundational capabilities and resiliency within the agency to support government objectives.



**ANNUAL LETTER OF DIRECTION 2024/25:** Continue to operationalize Supply Ontario as a delivery organization.



**Priority 3.1** Continue evolving the agency from legacy structures and processes in addition to completing the merger of Supply Chain Ontario into Supply Ontario.

Planned Activities	Indicator	Progress/Outcomes
I. Implement processes and solutions to autonomously perform financial transactions		Supply Ontario successfully implemented a new financial system in October 2024, enhancing financial transaction processes through automation and system controls. The platform introduced advanced reporting, standardized workflows, and built-in compliance measures, ensuring accuracy and efficiency. With the new system in place, Supply Ontario has established a scalable and autonomous financial management system, positioning us for greater efficiency, transparency, and long-term operational success.
II. Establish a risk appetite framework for Supply Ontario		Supply Ontario has made significant progress in developing our risk appetite framework. In summer 2024, we conducted a Risk Appetite Questionnaire with leadership to assess risk tolerance across key categories. The findings have been reviewed and the agency is working with our partners to finalize the Risk Appetite Framework.
III. Stand-up agency's internal audit and freedom of information (FOI) functions		Throughout 2024, Supply Ontario prioritized the establishment of its FOI function while managing significant startup and integration challenges. The transition of FOI files from government required careful coordination, along with efforts to recruit a dedicated Freedom of Information and Privacy Lead. During the summer of 2024, an FOI lead was onboarded, leading to improved processes and compliance. Work to stand up the internal audit function is underway.
IV. Implement agency's business continuity plan		We are advancing our business continuity planning by engaging an external consultant as Business Continuity Lead. We are prioritizing the finalization of the contract and resuming the recruitment process, ensuring continuity planning efforts remain on track for successful implementation.

Planned Activities	Indicator	Progress/Outcomes
V. Complete transfer of corporate employee files Integrate Supply Chain Ontario (SCO) into Supply Ontario (SuO) organizational structure for better alignment		Supply Ontario successfully completed the transfer of corporate employee files, ensuring seamless integration into the agency's systems. This transition enhances organizational alignment by streamlining financial processes and improving data accessibility across departments.


**Priority 3.2: Establish a methodology and platform for monitoring and reporting on agency accomplishments and progress.**




Planned Activities	Indicator	Progress/Outcomes
<p>I. Stand up an internal agency dashboard to centralize the tracking of key agency outcomes based performance measures</p> <p>Development of evidence- and data-informed methodology to calculate savings and cost avoidance</p>		<p>Throughout FY 2024/25, Supply Ontario advanced our Benefits Realization (BR) capabilities by extending our BR framework across the agency's key initiatives.</p> <p>Specifically, the BR framework was embedded within the VOR Program, strengthening the measurement and tracking of its outcomes and benefits.</p> <p>The roll out of the framework enabled the development of a consistent methodology for measuring and tracking spend under management, savings and cost avoidance achieved, establishing baselines, and identifying targets. It also provided a platform for monitoring and reporting on agency accomplishments and progress.</p> <p>In FY2024/25, Supply Ontario engaged a third party to review the agency's methodologies. With completion expected in FY2025/26, the findings of the review will be extended throughout the entire procurement lifecycle: estimation, confirmation, and realization, which will support more accurate and consistent reporting of benefits at every stage of procurement.</p> <p>To support internal and external communications, an agency dashboard was developed which centralizes the tracking of key agency outcome-based performance measures.</p>
II. Develop a reporting framework for the purposes of reporting on agency progress		We have successfully completed a year of tracking and internal reporting on the agency's progress through Corporate Goals and Priorities against our mandate.

Planned Activities	Indicator	Progress/Outcomes
		<p>Supply Ontario reported steady progress throughout the year on 5 Corporate Goals, 29 Corporate Priorities and 190 Deliverables.</p> <p>We gained maturity and valuable lessons were learned throughout the year to continue to fuel our growth.</p>
<p>III. Establish cyber security key performance indicators (KPIs) to measure the effectiveness of security controls and support informed decision-making</p>		<p>To measure the effectiveness of security controls and to support informed decision making, Supply Ontario established internal KPIs in FY 2024/25:</p> <ul style="list-style-type: none"> <li>• Key metrics for Supply Ontario technology assets <ul style="list-style-type: none"> <li>• Tracking and measuring the patching status of Supply Ontario assets to ensure timely and accurate updates.</li> <li>• Enabling data-driven decision-making to enhance overall asset security and minimize vulnerability exposure.</li> </ul> </li> <li>• Collected cyber education metrics to assess cyber hygiene among staff <ul style="list-style-type: none"> <li>• Tracking cyber security education/simulation results</li> <li>• Analyzing trends and gaps in staff knowledge to identify areas for improvement and measure the overall effectiveness of cyber hygiene initiatives.</li> <li>• Using this data to enhance future training and foster a culture of continuous security awareness within the organization.</li> </ul> </li> <li>• Enhanced threat intelligence data collection to understand evolving threat landscape <ul style="list-style-type: none"> <li>• Expanding threat intelligence capabilities by gathering more granular data on emerging threats, attack vectors, and tactics used by cyber adversaries.</li> <li>• Implementing enhanced threat data feeds to improve proactive threat identification and response.</li> <li>• Strengthening collaboration with external threat intelligence providers to ensure timely and accurate intelligence sharing.</li> </ul> </li> <li>• Tracked risks identified from threat risk assessments <ul style="list-style-type: none"> <li>• Tracking and prioritizing risks identified during threat risk assessments, ensuring timely mitigation actions are taken.</li> </ul> </li> </ul>


Planned Activities	Indicator	Progress/Outcomes
		<ul style="list-style-type: none"> <li>Enabling continuous risk monitoring and reporting to senior leadership for ongoing risk management.</li> </ul>

**Priority 3.3: Develop best-in-class HR practices to enable cultural growth within the organization.**

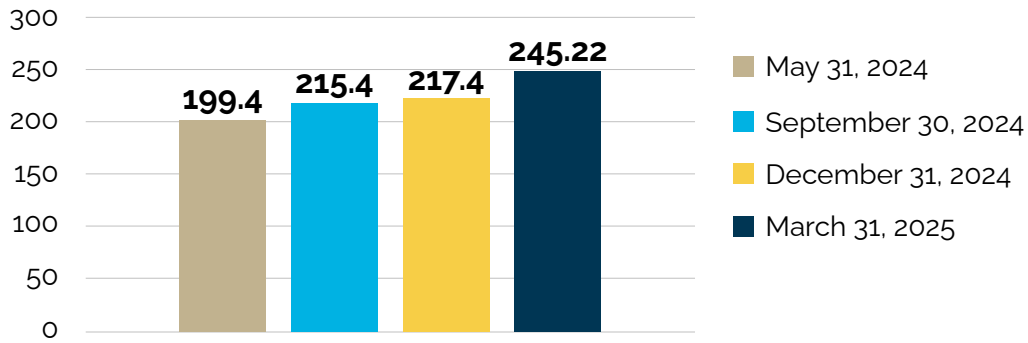
Planned Activities	Indicator	Progress/Outcomes
<p>I. Implement a human resource management system in phased approach</p> <p>Develop talent acquisition programs for co-op students and diverse employment groups</p>		<p>In FY 2024/25, Supply Ontario continued to operationalize, reconfigure, and optimize the interim solution (implemented in FY 2023/24) to meet the agency's basic needs in managing basic employee information, schedules, and payroll processing, independent from OPS payroll services.</p> <p>Concurrently, the agency initiated work on assessing our business needs and the available market offerings for a more permanent human capital management system (HCMS) and payroll solution with greater functionality. We also determined the technical and functional requirements necessary to support the procurement and implementation of a new system in FY 2025/26.</p> <p>Over the course of FY 2024/25, Supply Ontario conducted research and analysis aimed at determining which talent acquisition programs were feasible and operationally-aligned with Supply Ontario's current needs. The outcomes of this work have now initiated the design and development of a proposed summer student program to be launched in the summer of 2026.</p> <p>As part of our Supply Ontario's talent outreach strategies to hire high potential candidates, we also developed and implemented a Veteran Outreach Program. The strategy for the program, which was heavily informed through research and partnership with Veteran Affairs Canada (VAC), relies on targeted job advertising, tailored outreach, self-identification and data collection initiatives, and hiring manager education. Several elements of the strategy have already been implemented, including Supply Ontario successfully becoming certified as a "Veteran Ready Employer," and being advertised on the Centre for Career Innovation's website as such. Supply Ontario is one of the first organizations within</p>

Planned Activities	Indicator	Progress/Outcomes
		<p>the public sector to achieve this certification, demonstrating commitment to supporting Canada's veterans interested in transitioning to civilian careers, and leveraging this unique pool of talent and transferable skills to further the achievement of Supply Ontario's objectives and mandate.</p>
<p>II. Develop occupational health safety (OHS) and wellness programs, including mandatory learning to ensure legislative compliance</p> <p>Develop and implement accessibility plan, including any identified programs, policies and intended outcomes</p> <p>Build KPIs and other data related to the accessible procurement plan</p>		<p>Supply Ontario implemented a workplace inspection process, planned and conducted a workplace violence risk assessment, and developed and implemented remote worksite health and safety guidelines. We also implemented a mandatory employee training program, as well as a multi-year wellness strategy which will commence in FY 2025/26.</p> <p>The agency also established a multi-department Accessibility for Ontarians with Disabilities Act (AODA) Committee, drafted and implemented a new AODA Policy, Accessibility Plan, and other required accessibility documentation. We also implemented AODA training, and prepared and submitted the agency's response to an AODA "Desk Audit."</p>
<p>III. Implement a labour relations strategy, pay equity plan, and prepare for collective bargaining with two bargaining groups</p>		<p>As part of the labour relations strategy, Labour Relations 101 training was prepared and delivered for Supply Ontario's management staff and established a collective bargaining team in preparation for collective bargaining with the two bargaining groups.</p>
<p>IV. Continue to develop and implement culture building programs and people strategy (organizational values, diversity/equity/inclusion and belonging, employee engagement, learning and development, leadership competencies, and succession plans)</p>		<p>We had a number of key achievements throughout FY 2024/25 in regard to culture building programs and people strategy.</p> <p><b>Multi-year employee engagement strategy</b></p> <p>Supply Ontario developed a multi-year employee engagement strategy to measure and enhance employee engagement across the agency over the next three years. This will be achieved through:</p> <ul style="list-style-type: none"> <li>targeted initiatives and leadership involvement to better predict areas at risk for attrition;</li> </ul>

Planned Activities	Indicator	Progress/Outcomes
		<ul style="list-style-type: none"> <li>• improved programs and services for employees;</li> <li>• developing leaders;</li> <li>• increasing team effectiveness and;</li> <li>• making progress towards optimizing people strategies such as diversity and inclusion and values aligned behaviours.</li> </ul> <p>The strategy also includes preparing for the procurement and launch of an employee engagement survey in FY 2025/26.</p> <p><b>Learning and Development (L&amp;D) strategy</b></p> <p>Supply Ontario also implemented a L&amp;D strategy to provide improved training to deepen and enhance leadership competencies. The L&amp;D strategy builds on our current programming and further enhances Supply Ontario's approach to L&amp;D with the formalization of three key learning categories: corporate learning, leadership development and professional development. It also includes an annual learning needs assessment to ensure that programs align with our priorities and budget, as well as the introduction of a centralized L&amp;D calendar.</p> <p>We launched the Leadership Development Program using a leadership competencies framework to identify, develop and evaluate the skills and behaviours necessary for effective leadership. It included a phased approach, launching to executives first, followed by leaders at all levels, and included leader sessions, formal learning, and self-reflection opportunities. The framework roll-out will be completed in FY 2025/2026 with competencies built into Supply Ontario's performance management program.</p> <p><b>Management Foundational Program for people leaders</b></p> <p>We introduced Supply Ontario's new Management Foundations Learning Program -- a targeted training initiative designed to equip leaders with essential knowledge and skills to enhance their effectiveness in managing day-to-day operations. The program is tailored to provide fundamental training on Supply Ontario's internal and operational processes and provide leaders with the tools and knowledge needed to make informed decisions, streamline workflows, and ensure compliance with our internal policies..</p>

Planned Activities	Indicator	Progress/Outcomes
		<p>The course offerings include foundational financial processes (e.g. payroll, credit card and financial management, etc.) and human resources processes (e.g. labour relations, health and safety, disability management, etc.). The first two courses in the program are Talent Acquisition (the end-to-end process) as well as an Introduction to Labour Relations. Future courses will be scheduled in Q1 of FY 2025/26.</p> <p><b>Succession management planning framework</b></p> <p>The succession management planning framework establishes a structured approach to identifying and developing future leaders for critical and hard-to-fill leadership positions at Supply Ontario. The process focuses on ensuring business continuity, mitigating succession risks, and strengthening leadership pipelines across executive and senior leadership roles. The program will be launched in FY 2025/26.</p>
<p>V. Launch inaugural Diversity, Equity, Inclusion and Belonging (DEIB) Council</p> <p>Create a feedback mechanism to ensure consistent improvement and accountability</p>		<p>The inaugural DEIB Council made up of cross-functional employees completed its first year of membership in October. Through the Council, Supply Ontario aims to ensure all voices are heard and provide feedback on the agency's various DEIB initiatives, Days of Significance programming. Members are also expected to be DEIB champions in their respective areas.</p> <p>Supply Ontario continued our DEIB journey and action items in FY 2024/2025. We celebrated and observed four key days of significance: Black History Month, International Women's Day, Pride Month and National Day for Truth and Reconciliation. This recognition included learning opportunities, panels and educational guest speakers, interactive activities, spirit days, awareness, and reflection opportunities. Feedback surveys provided useful insights for optimizing programs and learning outcomes.</p> <p>We also implemented mandatory DEIB education through e-learning modules on DEI fundamentals, Unconscious Bias and Respect in the workplace to grow foundational DEI knowledge to be applied in the workplace.</p>


## Workforce Headcount by reporting Period





## STRATEGIC DIRECTION 4

Collaboration with partners to enhance Ontario's buying power.

Priority 4.1: Establish the agency as a trusted and reliable leader in public sector procurement.



Planned Activities	Indicator	Progress/Outcomes
I. Ensure the agency is represented at key partner and stakeholder forums and has a visible presence and voice in the public sector procurement communities		<p>Supply Ontario worked closely with our stakeholders when the U.S. government threatened tariffs on Canadian goods.</p> <p>In response to the threat, Supply Ontario collaborated and engaged with key stakeholders and supply chain leaders in healthcare, education and other public sector entities to address risks that the intricate provincial procurement ecosystem would face if U.S. tariffs and Canadian countermeasures took effect.</p> <p>This included establishing or participating in:</p> <ul style="list-style-type: none"> <li>• <b>Health Sector Task Force</b> – established to support the Health sector and provide updates to the government</li> <li>• <b>Learning Sector Task Force</b> – established to support the Learning sector and provide updates to the government</li> <li>• <b>Greater Toronto and Hamilton Area (GTHA) Municipalities Table</b> – attended as a member in FY 2024/25. Supply Ontario aims to lead, establish terms of reference, and membership cadence in FY 2025/26.</li> <li>• <b>Ontario Health Association (OHA) Financial Leadership Network</b> – relationship building in FY 2024/25. Aiming to build formal partnership in FY 2025/26.</li> </ul>

Planned Activities	Indicator	Progress/Outcomes
		<p>This year we also participated in multiple conferences held for the Learning and Health Sector – including those held by Ontario College Procurement Managers Association (OCPMA) and Ontario University Procurement Managers Association (OUPMA). Over the year, the CoPs became another forum for us to build relationships with public sector clients. We used these opportunities to share updates on key Supply Ontario initiatives and the Enterprise VOR Program, as well as to solicit feedback on upcoming VOR development.</p>
<p>II. Implement change management strategies as procurement modernization initiatives are under development</p> <p>Establish effective and responsive procedures to communicate to stakeholders on any operational impacts because of procurement modernization initiatives</p>		<p>Supply Ontario also provided guidance and support with procurement-related questions and policy development in the face of incoming U.S. tariffs and retaliatory measures. We supported MPBSDP in the development of the U.S. Procurement Restriction Policy in February and March 2025, and worked closely with MEDJCT, which is leading the tariff response on behalf of the province.</p> <p>We also developed and prepared information sessions for public sector entities to ensure compliance with the Procurement Restriction Policy for when the policy was released.</p> <p>Our COPs were also used to engage with stakeholders and update them on any government initiatives and work that Supply Ontario is doing to further procurement modernization.</p>
<p>III. Consult with stakeholders on how Supply Ontario can support public procurement based on a robust data strategy</p>		<p>Refer to progress/outcomes highlighted within Strategic Direction priority 2.4 (I. and III.) and 4.3 (II.)</p>
<p>IV. Establish a robust cybersecurity model that ensures integrity and confidentiality of Supply Ontario's information assets through stringent security and privacy standards</p>		<p>A robust cybersecurity strategy to protect the integrity and confidentiality of Supply Ontario's assets was a priority in FY 2024/25. As such, we strengthened strategic relationships with key cyber security entities across federal and provincial domains to enhance collaboration, information sharing, and a coordinated threat response.</p> <p>To achieve this federally, we engaged in bi-weekly Threat Intel Briefings with the Canadian Centre for Cyber Security.</p>

Planned Activities	Indicator	Progress/Outcomes
<p>Safeguard Supply Ontario's security posture and evolve existing infrastructure to increase efficiencies and agility in delivering operations</p>		<p>Provincially, we took part in monthly Community of Practice sessions with MPBSDP's Cyber Security Division.</p> <p>We also introduced and operationalized a robust Cyber Risk Management Framework and a Privacy Impact Assessment Framework to support proactive risk identification and compliance. This included the launch of a variety of Cyber/Privacy services for internal consumption to support risk identification/tracking and informed decision making:</p> <ul style="list-style-type: none"> <li>• Threat Risk Assessment</li> <li>• Privacy Impact Assessment</li> <li>• Security Advice</li> </ul> <p>To support consistent governance and operational excellence, Supply Ontario established and deployed comprehensive IT and cybersecurity standards and policies – 12 policies and standards have been launched thus far.</p> <p>Our strategy also significantly improved visibility into the evolving cyber threat landscape. We implemented a Threat Intelligence Platform (TIP) to aggregate multiple feeds of threat intel for visibility into Indicator of Compromise (IoCs):</p> <ul style="list-style-type: none"> <li>• Internet Protocol (IP) Addresses</li> <li>• Uniform Resource Locators (URLs)</li> <li>• Hashes</li> <li>• Domains</li> </ul> <p>Additionally, Supply Ontario launched a Cybersecurity Education and Awareness Program to promote a security-first culture across the organization. This was achieved by conducting regular phishing simulations to measure awareness and improve user behaviour and deploying an annual training campaign with recurring training modules.</p> <p>To strengthen incident response procedures, we enhance the organization's capability to effectively manage and mitigate security incidents.</p> <p>We also ensure that cybersecurity requirements are embedded in all of the procurements that we support. Every Enterprise-wide VOR Arrangement is designed with robust cybersecurity provisions and standards to safeguard the</p>


Planned Activities	Indicator	Progress/Outcomes
		integrity and confidentiality of all public sector clients using the program. By prioritizing these essential measures, we ensure a secure and trustworthy environment that clients can depend on.

**Priority 4.2: Establish stakeholder working groups on core areas for the agency.**

Planned Activities	Indicator	Progress/Outcomes
I. Develop Terms of Reference and launch Indigenous, Education, Health, Sustainability, SSO/GPO, Innovation and Digital Tables		<p>In FY 2024/25 we established a number of stakeholder working groups, focusing on core areas for the agency.</p> <p>We built relationships with the Ministry of Indigenous Affairs and First Nations Economic Reconciliation (IAFNER) and Indigenous leaders by participating in the Indigenous Prosperity Table, as well as with the Chiefs of Ontario and Anishnabek through monthly meetings to identify priority projects to support Indigenous business.</p> <p>The Learning Sector Table was established to identify centralization opportunities and emerging priority projects within the Learning Sector.</p> <p>We strengthened our collaborative relationship with our public sector procurement counterparts in Québec by creating the Québec Table to share learnings and best practices.</p>
II. Engage with Ontario Health and Ontario's Chief Medical Officer of Health (OCMOH) to support a resilient and predictable supply of key medical and pharmaceutical needs for Ontario, including medications subject to seasonal supply stressors		<p>More than ever, creating a resilient and predictable medical and pharmaceutical supply chain is crucial to supporting the key delivery of critical health and other public services.</p> <p>Last year, we established terms of reference to work with the OCMOH and partners to strengthen pandemic and emergency resiliency through the Public Health Table on Pandemic Response and Stockpile.</p> <p>Part of our engagement with the marketplace and the Health sector also includes ensuring readiness for each upcoming respiratory season. Supply Ontario actively ensures all stakeholders understand the supply projections to get the marketplace ready.</p> <p>In March 2025, we successfully executed the transfer of service delivery responsibility for the Ontario Government Pharmaceutical and Medical Supply Services (OGPMSS), from the MOH to Supply Ontario without any interruption to</p>

Planned Activities	Indicator	Progress/Outcomes
		<p>business continuity. This transfer advances our centralization efforts supporting effective delivery of supply chain services across the province.</p> <p>Supply Ontario is now responsible for service delivery of over 182 active catalogue products, including vaccines, therapeutic and pharmaceutical products and other supplies while serving approximately 3,800 clients across the province, including the MOH, Ministry of the Solicitor General, Ontario Public Health Units, Primary Care Clinics, and hospitals.</p>

**Priority 4.3: Drive greater value in contracts and bulk purchasing by focusing on the BPS and other covered entities.**

Planned Activities	Indicator	Progress/Outcomes
I. Securely manage the PPE/CSE supply chain to provide Ontario's healthcare and other sectors with ongoing supply		Refer to progress/outcomes highlighted within Strategic Direction priority 1.3 (I.) and 4.2 (II.).
II. Engage with BPS entities to secure adoption of centralized arrangements and to develop a better sightline as to their procurement and contracting needs		<p>When the Provincial government signed new deals with the City of Toronto and the City of Ottawa to improve their procurement processes, Supply Ontario was named in both deals to assist each municipality.</p> <p>We streamlined processes through data sharing and VOR arrangement uptake in each municipality, focusing on instances where they could shift to using our VOR arrangements instead of individual contracts or through using SSOs/GPOs. Extensive work was done with the City of Toronto agencies to onboard them onto Supply Ontario's VOR arrangements.</p>
III. Cultivate innovation by partnering with startups and vendors to advance public sector supply chain solutions		Refer to progress/outcomes highlighted within Strategic Direction priority 1.2 (III.), 1.3 (IV.), 2.2 (I.), 4.1 (I.) and 4.2 (I.).

# Key Performance Indicators

**ANNUAL LETTER OF DIRECTION 2024/25:** Demonstrate progress and success.

The following measures from the 2024/25 Business Plan have resulted in progress toward intended outcomes.

Strategic Framework	
<p><b>1. 2024–25 integration and centralization of procurement across public sector to create value.</b></p>	<p><b>Intended Outcomes:</b></p> <ul style="list-style-type: none"> <li>Expanded category management program.</li> <li>Strengthen resiliency of PPE/CSE provincial stockpile.</li> <li>Greater uptake of the Enterprise-wide VOR Program among public sector entities.</li> </ul> <p><b>Performance Measures: (FY 2024/25 targets)</b></p> <ul style="list-style-type: none"> <li>Supply Ontario forecasts to manage \$7.4 billion worth of enterprise contracts.</li> <li>Supply Ontario will target further estimated savings and cost avoidance of \$322M based on the 2024 VOR Program.</li> <li>Supply Ontario will continue to strengthen the resiliency of its provincial stockpile.</li> <li>Supply Ontario anticipates increasing BPS access to Supply Ontario procurement contracts by 10% in the categories of mobile devices and computing devices.</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>98% of stockpile contracts were awarded to Ontario businesses, supporting resiliency of the provincial stockpile.</li> <li>In March 2025, we advanced the agency's centralization efforts to support the effective delivery of supply chain services across the province by successfully executing the transfer of service delivery responsibility for the OGPMS, from the MOH to Supply Ontario without any interruption to business continuity. This transfer advances our centralization efforts supporting effective delivery of supply chain services across the province.</li> <li>Supply Ontario is now responsible for service delivery of over 182 active catalogue products, including vaccines, therapeutic and pharmaceutical products and other supplies while serving approximately 3,800 clients across the province, including the MOH, Ministry of the Solicitor General, Ontario Public Health Units, Primary Care Clinics, and hospitals.</li> </ul>

Strategic Framework	
<p><b>2. Transformation through modernization of procurement practices and processes</b></p>	<p><b>Intended Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Reduced barriers and red tape to make doing business with Ontario easier.</li> <li>• Enhanced capability to receive and generate insights based on data from across Ontario's supply chain and procurement landscape.</li> <li>• Establishment of internal agency dashboard to centralize key agency outcome-based performance measures and work towards standardizing procedures for reporting.</li> </ul> <p><b>Performance Measures: (FY 2024/25 targets)</b></p> <ul style="list-style-type: none"> <li>• Supply Ontario anticipates that four organizations will be onboarded to the Supply Ontario data collection framework.</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• Three data streams from three different organizations in the health and education sectors were added to Supply Ontario's data collection framework in FY 2024/25. This enhances the agency's capability to receive and generate insights based on data.</li> <li>• Supply Ontario has also established a Corporate Dashboard which tracks key metrics related to our services and activities, such as estimated value of contracts under management, advisory services intake, and stockpile order volume.</li> </ul>
<p><b>3. Build foundational capabilities and resiliency within agency to support government objectives.</b></p>	<p><b>Intended Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Advanced Human Resources policies, practices, processes and programs to support employee attraction, retention and engagement.</li> <li>• Establish strategy for tracking and measuring value delivered through Supply Ontario's priority projects.</li> <li>• Continue to undertake the merger of SCO and SO.</li> </ul> <p><b>Performance Measures: (FY 2024/25 targets)</b></p> <ul style="list-style-type: none"> <li>• Supply Ontario will be responsible for holding inventory of its own books. Throughout FY 2024/25, Supply Ontario will continue to develop its own standalone Financial System while renewing, completing, and expanding Service Level Agreements with the Government of Ontario associated with Supply Ontario's expansion and the merger with SCO.</li> </ul> <p><b>Progress</b></p> <ul style="list-style-type: none"> <li>• As part of our Supply Ontario's talent outreach strategies to hire</li> </ul>

Strategic Framework	
	<p>high potential candidates, we also developed and implemented a Veteran Outreach Program. The strategy for the program, which was heavily informed through research and partnership with Veteran Affairs Canada (VAC), relies on targeted job advertising, tailored outreach, self-identification and data collection initiatives, and hiring manager education. Several elements of the strategy have already been implemented, including Supply Ontario successfully becoming certified as a "Veteran Ready Employer," and being advertised on the Centre for Career Innovation's website as such.</p> <ul style="list-style-type: none"> <li>• We had a number of key achievements throughout FY 2024/25 in regard to culture building programs and people strategy: <ul style="list-style-type: none"> <li>• Developed a multi-year employee engagement strategy to measure and enhance employee engagement across the agency over the next three years</li> <li>• Implemented a Learning and Development (L&amp;D) strategy to provide improved training to deepen and enhance leadership competencies</li> <li>• Introduced the Management Foundations Learning Program – a targeted training initiative designed to equip leaders with essential knowledge and skills to enhance their effectiveness in managing day-to-day operations.</li> <li>• Established a succession management planning framework for a structured approach to identifying and developing future leaders for critical and hard-to-fill leadership positions.</li> </ul> </li> <li>• In FY 2024/25 Supply Ontario operationalized its strategy for tracking and measuring value delivered through its priority projects. This approach includes extensive project planning before activation, including benefit identification from the outset. Monthly cross-collaboration sessions with teams foster alignment and continuous improvement, while executive leadership remains actively engaged, leveraging insights to inform decision-making and identify potential efficiencies. These structured processes enhance transparency, accountability, and the overall impact of Supply Ontario's initiatives.</li> <li>• Supply Ontario successfully implemented a new financial management system in October 2024, enhancing financial transaction processes through automation and system controls. With the new system in place, Supply Ontario has established a scalable and autonomous financial management system, positioning us for greater efficiency, transparency, and long-term operational success.</li> </ul>

Strategic Framework	
	<ul style="list-style-type: none"> <li>• Supply Ontario successfully completed the transfer of corporate employee files, ensuring seamless integration into the agency's systems. This transition enhances organizational alignment by streamlining financial processes and improving data accessibility across departments.</li> <li>• We also expanded the use of our social media platforms to grow our reach, share our success stories, and leverage opportunities to cross-promote content with government and stakeholders. This included launching an informative video series to educate stakeholders on how to engage and do business with Supply Ontario, and a "Did you know?" social series geared to enhancing Supply Ontario's external presence, building our brand, and showing who Supply Ontario is and what we do in brief highlights.</li> <li>• LinkedIn highlights include: <ul style="list-style-type: none"> <li>• <b>Engagement Strength:</b> With 5,484 total reactions, Supply Ontario's content resonates with our audience. This suggests that our network finds our posts relevant, engaging, or insightful.</li> <li>• <b>Content Strategy:</b> Posting 84 total posts throughout the fiscal year indicates a consistent effort to share updates and engage with our network.</li> <li>• <b>Visibility &amp; Reach:</b> With 332,248 impressions, our posts are reaching a significant audience.</li> <li>• <b>LinkedIn Traffic Impact:</b> 63,192 page views suggest Supply Ontario's LinkedIn presence is driving people to explore our page further, translating to increased brand awareness or deeper audience interest.</li> <li>• <b>Follower Growth:</b> An increase of 9,079 followers, a 98% increase from the previous year, is a strong indicator of our growing influence and prominence in the public sector procurement landscape. This uptick can correlate to effective content strategies and visibility from key posts.</li> </ul> </li> </ul>
<p><b>4. Collaboration with partners to harness Ontario's buying power.</b></p>	<p><b>Intended Outcomes:</b></p> <ul style="list-style-type: none"> <li>• Advance Supply Ontario's position on innovation through ongoing consultations with stakeholders</li> <li>• Strengthen partnerships with supply chain ecosystem stakeholders.</li> <li>• Cultivate innovation by partnering with Small-Medium Enterprises to advance public sector supply chain solutions.</li> <li>• Drive service excellence for Supply Ontario clients and vendors.</li> </ul>

Strategic Framework	
	<p><b>Performance Measures: (FY 2024/25 targets)</b></p> <ul style="list-style-type: none"> <li>• Six new partnerships are formed, and collaboration opportunities identified.</li> <li>• Supply Ontario will achieve a minimum target of 80% in client satisfaction with the overall quality of services provided.</li> <li>• Supplier Ontario will meet a minimum target of 80% in vendor satisfaction with the procurement services provided.</li> </ul> <p><b>Progress:</b></p> <ul style="list-style-type: none"> <li>• 12 partnerships/collaboration opportunities have been identified, focusing on sectors such as health, education, and municipalities.</li> <li>• We engaged key government partners (e.g., MBBSDP, MOH, MEDJCT, OH, Intellectual Property Ontario, Invest Ontario, etc.) and innovation hub stakeholders (Ontario Council of Innovators, Canadian Council of Innovators, CAN Health, OBIO etc.) to better understand key barriers and challenges impacting innovators as part of Supply Ontario's Innovation Pathway.</li> <li>• The Life Sciences Scale Up Fund (LSSUF) provides financial support to help small-to-medium sized enterprises (SMEs) in the Life Sciences sector scale their business. The goal is to help build a pipeline of strong innovative SMEs based in Ontario (or intending to relocate to Ontario) that are ready to respond to procurement opportunities. As part of the public launch of LSSUF in January 2025, Supply Ontario played a leadership role in assessing the procurement readiness of participating innovators.</li> <li>• In FY 2024/25, 82% of clients were satisfied with the overall quality of services provided by Advisory Services (against a target of 85%), and 75% of vendors who bid on a procurement opportunity were satisfied with the procurement process (against a target of 80%).</li> </ul>

# Enterprise Risk Management

## Risk Identification, Assessment and Mitigation Strategies

Supply Ontario maintains a well-structured Enterprise Risk Management (ERM) program that aligns with OPS requirements and supports informed decision-making and organizational resilience. The ERM framework provides a consistent and integrated methodology to identify, assess, mitigate, and monitor risks that may impact the agency's ability to deliver on its mandate, support government priorities, and achieve its business plan objectives. The goal of the ERM program is to embed a risk-based approach into decision-making across all levels of the organization, enabling Supply Ontario to proactively manage risks while advancing cost savings, procurement efficiency, and public sector value.

In FY 2024/25, Supply Ontario's Risk Oversight Committee (ROC), chaired by the Chief Executive Officer, convened quarterly to review the agency's enterprise risk profile and evaluate the effectiveness of mitigation strategies. Key risk updates were reviewed and approved by the Board of Directors prior to disclosure to the Ministry.

The ERM program continues to evolve to meet the agency's operational maturity and is aligned with OPS expectations for prudent risk oversight, transparency, and accountability. The agency continues to build internal risk management capabilities in partnership with the Office of the Chief Risk Officer, including through targeted training for key staff and executive leadership.

**Risk Rating:**  
 Low Medium Medium-High High

**Risk Trend:**  
 Up Down Steady New

Key risks identified under the ERM framework include:

Risk Title	Description	Risk Rating	Mitigation
<b>Measurement of benefits realized through agency initiatives</b>	Risk in measuring the benefits realized through initiatives, impacting the agency's ability to demonstrate delivery on its overall mandate (value creation, resiliency, economic development).	Medium →	Supply Ontario advanced work to support a more consistent and structured approach to measuring the outcomes of our initiatives. Initial efforts focused on developing tools and processes to enable tracking of results aligned with the agency's mandate. A Benefits Realization plan will support ongoing monitoring and help demonstrate the agency's contributions to value creation, resiliency, and economic development over time.
<b>Delayed implementation of a supply chain data management program</b>	Risk of delayed implementation of a supply chain data management program due to the complexity of the public sector data ecosystem and the high degree of data fragmentation across Ontario's supply chain.	Low ↓	Engaged with key public sector partners to identify opportunities for improved data collection and alignment. Continued work to strengthen internal data practices and support more consistent and coordinated data use. Supply Ontario will continue to advance efforts toward a standardized and sustainable approach to data management.

Risk Title	Description	Risk Rating	Mitigation
<b>Inadequate IT back-office solution</b>	Inability to effectively and efficiently provide critical, back-office HR and Finance functions due to the absence of an integrated IT solution that can meet Supply Ontario's growing needs, resulting in significant manual business processes and reliance on third party contracts.	Medium ● ↑	Supply Ontario successfully implemented a new finance system in October 2024 to support growing operational needs.  Planning continues toward a more integrated back-office solution, including improvements to HR and payroll systems. These efforts aim to reduce manual processes and enhance the efficiency of core administrative functions.
<b>Environmental impact</b>	Risk of adverse environmental impacts arising from supply chain operations, which can lead to disruptions, regulatory/contractual challenges, reputational damage, and increased costs.	Medium-High ● →	Supply Ontario initiated a preliminary assessment of environmental risks associated with its operations, including a tabletop exercise designed to simulate disaster scenarios and highlight areas for potential mitigation. These efforts support more informed decision-making and help strengthen the agency's ability to anticipate and respond to disruptions, contributing to greater supply chain resilience and service continuity.

# Management Discussion and Analysis

## Overview

Supply Ontario continues to evolve as a Crown agency with an expanded mandate to modernize and centralize procurement across the broader public sector and the Ontario Public Service. In the 2024–25 fiscal year, the agency made significant progress in consolidating operations and transitioning financial systems, strengthening its supply chain capabilities, and supporting value-for-money procurement through innovation, optimization, and accountability.

This MD&A is intended to provide an overview of Supply Ontario's financial performance for the year ended March 31, 2025, and should be read in conjunction with the financial statements and related notes.

# Operating Results

## Year-ended March 31, 2025 vs. Budget

For the fiscal year ended March 31, 2025, Supply Ontario reported an operating surplus of **\$213.78 million**, driven primarily by a one-time net asset transfer of existing PPE and Critical Supplies and Equipment (CSE) from the Ministry of Public and Business Service Delivery and Procurement and the Ministry of Health. The transferred inventory was valued at **\$172.18 million** after the write-off of expired items.

Excluding the impact of this one-time transaction, Supply Ontario continued to fulfill its government-directed mandate to manage, store, and steward provincially owned PPE and CSE inventory on behalf of the broader public sector. The Agency's operating costs reflect the ongoing requirements of this stewardship role, supporting provincial readiness and the availability of critical supplies. As this inventory transfer is non-recurring, the resulting surplus is not indicative of ongoing operational performance.

### Revenues

Total revenue for 2024–25 amounted to \$439.60 million, which includes a one-time net asset transfer of PPE and CSE inventory valued at **\$172.18 million**, **\$7.19 million** from new federal and provincial PPE inventory transfers, as well as **\$0.47 million** in interest income. Transfer payments continued to be issued based on cash flow needs, with \$113 million received during the fiscal year and the remaining balance covered expenses paid directly by MPBSDP on Supply Ontario's behalf.

### Expenses

Actual expenditures were **\$143.86 million** below budget reflecting differences between budgeted and actual activity across Supply Ontario's programs as activity levels evolved during the year. Major variances include:

- **Enterprise VOR Program:** Underspent by \$7.77 million due to lower program activity than planned across enterprise-wide Vendor of Record arrangements, including lower volumes of vendor onboarding, contract management, and support services.
- **Inventory Management:** Underspent by \$136.47 million as program demand continued to be met through efforts to deplete existing inventory, lowering the volume of new purchases and associated logistics activity.

## Year-ended March 31, 2025 vs. March 31, 2024

Supply Ontario's surplus increased from **\$1.99 million in FY2023–24** to **\$213.78 million**, largely driven by the net asset transfer of **\$172.18 million** in PPE/CSE stockpile inventory and other inventory transfers from the Federal and Provincial governments.

### Revenue Trend

The agency's total revenue increased significantly in the fiscal year, driven by the approved operating allocation, and a one-time substantial boost from inventory assets transferred from the Federal

Government, the Ministry of Public and Business Service Delivery and Procurement (MPBSDP), and the Ministry of Health (MOH). These asset transfers materially elevated the agency's financial position and reflect the scale and complexity of its expanding role in public sector supply chain management.

## Expense Trends

Year-over-year increases in operational spending reflect Supply Ontario's expanded scope and responsibilities, including the assumption of oversight for Ontario's PPE stockpile and warehousing operations. The integration of these functions resulted in higher warehousing and logistics costs, and increased enterprise procurement activity, including work to expand and refresh enterprise-wide Vendor of Record arrangements.

## Statement of Financial Position

### Cash

- On March 31, 2025, Supply Ontario's cash balance was **\$78.86 million**, an increase of **\$70.98 million** from the previous year's balance. This rise was primarily driven by larger transfer payments from the Province to support operational requirements following the agency's transition of the government's financial system (IFIS).

### Accounts Receivable

- As of March 31, 2025, the total accounts receivable balance was **\$5.81 million**, an increase of **\$3.70 million** from the prior year's balance of \$2.111 million. This variance is mainly attributable to HST recoverable amounts which remain outstanding pending CRA approval of the agency's application for tax-exempt status.

### Accounts Payable, Accrued Liabilities and Due to Province

- On March 31, 2025, the total accounts payable, accrued liabilities, employment benefit liabilities, and Due to Province balance was **\$41.68 million**, an increase of **\$24.10 million** from the prior year's balance of \$17.58 million. This increase is largely due to higher vendor payables, professional service costs, and compensation-related accruals associated with expanded operations and stockpile management
- For the first time, Supply Ontario reported an inventory balance of **\$173.20 million** as of March 31, 2025. This reflects an opening balance **\$172.18 million** in personal protective equipment and critical supplies transferred from the MOH and MPBSDP at the beginning of the year, \$92.84 million in purchases made during the year and \$52.93 million in distributions. Valuation write-offs and write-downs totaling **\$46.08 million** were recorded for expired inventory.



**Centralized Supply Chain Ontario (Operating as  
Supply Ontario) Financial Statements**

**March 31, 2025**

### **Management's Responsibility for Financial Reporting**

Management of Centralized Supply Chain Ontario is responsible for the integrity, consistency, objectivity and reliability of the financial statements. The financial statements were prepared by management in accordance with Canadian public sector accounting standards, and, where appropriate, include amounts based on management's best estimates and judgements.

Management maintains a system of internal controls designed to provide assurance that the assets are safeguarded, and that reliable financial information is available on a timely basis. The system includes formal policies and procedures and an organizational structure that provides for appropriate delegation of authority and segregation of responsibilities. The Board of Directors oversees management's responsibilities for financial reporting and internal controls.

The Office of the Auditor General, appointed by our Board, has audited the financial statements in accordance with Canadian generally accepted auditing standards, as stated in their Independent Auditor's Report. The Office of the Auditor General has full and unrestricted access to the Board to discuss their audit and related findings.

On behalf of management:

  
\_\_\_\_\_  
Jamie Wallace  
Chief Executive Officer

\_\_\_\_\_  
Robert Greene  
Interim Chief Financial Officer

## **DRAFT INDEPENDENT AUDITOR'S REPORT**

### **To Centralized Supply Chain Ontario**

#### **Opinion**

I have audited the financial statements of Centralized Supply Chain Ontario (operating as Supply Ontario), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Supply Ontario as at March 31, 2025, and the results of its operations, changes in its net financial assets and its cash flows for the year ended in accordance with Canadian public sector accounting standards.

#### **Basis for Opinion**

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of Supply Ontario in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing Supply Ontario's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Supply Ontario either intends to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Supply Ontario's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably

be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Supply Ontario's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Supply Ontario's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause Supply Ontario to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Toronto, Ontario  
March 5, 2026

Jeremy Blair, CPA, CA, LPA  
Assistant Auditor General

# Centralized Supply Chain Ontario Statement of Financial Position

As at March 31, 2025

(in thousands of Canadian dollars)	Note	2025	2024
<b>Financial assets</b>			
Cash		\$78,857	\$7,875
Accounts receivable	4	5,809	2,111
Due from province	12	1,702	10,221
<b>Total financial assets</b>		<b>86,368</b>	20,207
<b>Liabilities</b>			
Trade and other payables	5	40,347	14,484
Due to province	12	389	2,241
Non-pension post-employment benefits	6 (b)	940	854
<b>Total liabilities</b>		<b>41,676</b>	17,579
<b>Net financial assets</b>		<b>44,692</b>	2,628
<b>Non-financial assets</b>			
Inventories held for distribution	7	173,199	-
Prepaid expenses		2,158	3,482
Tangible capital assets	8	27	186
<b>Total non-financial assets</b>		<b>175,384</b>	3,668
<b>Accumulated surplus</b>		<b>\$220,076</b>	\$6,296

The accompanying notes are an integral part of these financial statements.

## Approved by the Board of Directors



Chair, Board of Directors



Chair, Audit and Finance Committee

# Centralized Supply Chain Ontario

## Statement of Operations and Accumulated Surplus

For the year ended March 31, 2025

		2025	2025	2024
	Note	Budget	Actual	Actual
(in thousands of Canadian dollars)				
<b>Revenues</b>				
Government transfers - Province of Ontario		\$316,684	\$259,861	\$75,305
Net assets transferred to Supply Ontario	3	-	172,078	-
Transfers of personal protective equipment (PPE)	7	-	7,191	-
Interest income		-	471	2,214
<b>Total revenues</b>		<b>316,684</b>	<b>439,601</b>	77,519
<b>Expenses</b>				
Inventory Management	9	323,313	186,840	49,677
Enterprise Vendor of Record (VOR) Program		23,956	16,190	7,389
Corporate Services		22,415	22,791	17,454
Net liabilities transferred to Supply Ontario	3	-	-	1,013
<b>Total expenses</b>		<b>369,684</b>	<b>225,821</b>	75,533
<b>Operating (deficit)/surplus</b>		<b>(53,000)</b>	<b>213,780</b>	1,986
<b>Accumulated operating surplus, beginning of year</b>		<b>6,296</b>	<b>6,296</b>	4,310
<b>Accumulated operating (deficit)/surplus, end of year</b>		<b>\$(46,704)</b>	<b>\$220,076</b>	\$6,296

The accompanying notes are an integral part of these financial statements.

# Centralized Supply Chain Ontario

## Statement of Changes in Net Financial Assets

For the year ended March 31, 2025

(in thousands of Canadian dollars)	<b>2025 Budget</b>	<b>2025 Actual</b>	2024 Actual
Operating (deficit)/surplus	\$(46,704)	\$213,780	\$1,986
<b>Tangible capital assets</b>			
Acquisition of tangible capital assets	-	-	(260)
Amortization of tangible capital assets	-	159	74
Changes attributable to tangible capital assets	-	159	(186)
<b>Other non-financial assets</b>			
Inventory held for distribution	-	(173,199)	-
Use of prepaid expenses	-	1,324	(3,429)
Changes attributable to other non-financial assets	-	(171,875)	(3,429)
<b>Increase (decrease) in net financial assets</b>	<b>\$(46,704)</b>	<b>42,064</b>	<b>(1,629)</b>
<b>Net financial assets, beginning of year</b>	<b>2,628</b>	<b>2,628</b>	<b>4,257</b>
<b>Net financial assets, end of year</b>	<b>\$(44,076)</b>	<b>\$44,692</b>	<b>\$2,628</b>

The accompanying notes are an integral part of these financial statements

# Centralized Supply Chain Ontario Statement of Cash Flows

For the year ended March 31, 2025

(in thousands of Canadian dollars)	<b>2025</b>	2024
<b>Cash flows from operating activities</b>		
Operating surplus	\$213,780	\$1,986
Adjustments for non-cash items:		
Non-cash balances transferred to Supply Ontario	(172,078)	1,013
Amortization of tangible capital assets	159	74
Non-pension post-employment benefits	86	854
Changes in working capital items:		
(Increase) decrease in accounts receivable	(3,698)	(757)
(Increase) decrease in due from Province	8,519	(10,221)
Increase (decrease) in trade and other payables	25,766	11,130
Increase (decrease) in due to Province	(1,852)	1,806
(Increase) decrease in inventories held for distribution	(1,024)	-
(Increase) decrease in prepaid expenses	1,324	(2,723)
<b>Net cash flows from operating activities</b>	<b>70,982</b>	3,162
<b>Cash flows from capital activities</b>		
Acquisition of tangible capital assets	-	(260)
<b>Net cash flows (used in) capital activities</b>	<b>-</b>	(260)
<b>Net increase in cash</b>	<b>70,982</b>	2,902
<b>Cash, beginning of year</b>	<b>7,875</b>	4,973
<b>Cash, end of year</b>	<b>\$78,857</b>	\$7,875

The accompanying notes are an integral part of these financial statements.

# CENTRALIZED SUPPLY CHAIN ONTARIO

## Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of Canadian dollars)

### 1. Nature of Operations

Centralized Supply Chain Ontario (operating as Supply Ontario) was established on November 5, 2020, under Ontario Regulation 612/20 pursuant to the *Supply Chain Management Act (Government Broader Public Sector and Health Sector Entities)*, 2019.

Supply Ontario's objective is to lead the public sector procurement to achieve best value and consolidate the purchasing power in support of a whole-of-government supply chain approach. Supply Ontario's operations are primarily comprised of inventory management and Enterprise Vendor of Record (VOR) program.

Inventory management includes end-to-end supply chain management activities including warehousing, logistics and distribution, along with the associated operational costs to manage the provincial stockpile of personal protective equipment (PPE) and other critical supplies and equipment (CSE).

The Enterprise Vendor of Record (VOR) program delivers procurement arrangements that allow one or more vendors to provide goods or services to Ontario Public Service (OPS) and Broader Public Service (BPS) entities.

Supply Ontario is primarily funded by the Province of Ontario. As a Crown Agency of the Province, Supply Ontario is exempt from federal and provincial income taxes under the *Income Tax Act (Canada)*.

Effective March 3, 2025, the Province transferred the property and responsibilities of the Ontario Government Pharmaceutical and Medical Supply Services (OGPMSS) division to Supply Ontario. No inventory was transferred to the agency as a part of this agreement.

Transferred responsibilities include:

- centralized ordering, inventory management and fulfillment of vaccines, therapeutics and pharmaceutical products and other supplies across the Province, and
- customer support.

See note 3 for further details on the transfer.

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

#### 2. Significant Accounting Policies

##### a) Basis of accounting

These financial statements have been prepared by management in accordance with public sector accounting standards (PSAS) established by the Canadian Public Sector Accounting Board.

A statement of remeasurement gains and losses has not been presented as there is nothing to report therein.

The significant accounting policies used to prepare these statements are summarized below.

##### b) Measurement uncertainty

The preparation of financial statements in accordance with Canadian PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include accrued liabilities, payroll liabilities, inventory costing (weighted average cost) and inventory obsolescence.

Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. By their nature, estimates are subject to measurement uncertainty. These estimates and assumptions are reviewed periodically, and adjustments are reported in the statement of operations and accumulated deficit in the year in which they become known. Therefore, actual results may differ materially from the estimates included in these financial statements.

##### c) Revenue recognition

###### (i) Government transfers

Government transfers from the Province are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that conditions give rise to an obligation that meets the definition of a liability. Funds received from the Province are recognized as deferred revenue when these conditions give rise to a liability.

#### 2. Significant Accounting Policies (continued)

###### (ii) Contributed assets

Transfer of inventory includes personal protective equipment by the federal and provincial government for no consideration and is recorded at the carrying amount.

###### (iii) Interest income

## **CENTRALIZED SUPPLY CHAIN ONTARIO**

### **Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)**

Interest income is recorded on an accrual basis and recognized as earned.

#### **d) Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed, and services received during the year are expensed.

#### **e) Inventories held for distribution**

Inventory includes personal protective equipment (PPE) such as medical equipment and supplies, masks, face shields, face coverings, gloves, ventilators, protective gowns as well as other supplies including cleaning supplies and rapid antigen tests.

Inventories held for distribution are measured at cost which includes the purchase price.

Supply Ontario determines the value of ending inventory as the lower of weighted average cost or current replacement cost. Replacement cost is the cost Supply Ontario would incur to acquire the same piece of inventory on the reporting date.

Inventories are written down to the lower of carrying value and replacement cost. The amount of any write-down is recognized as an expense in the statement of operations and accumulated surplus in the period the write-down occurs.

## **2. Significant accounting policies (continued)**

#### **f) Tangible Capital Assets**

Tangible capital assets are recorded at cost, less accumulated amortization less write downs, if any. The cost of tangible capital assets includes the cost directly related to the acquisition, design, construction, development, improvement or betterment of tangible capital assets.

Amortization begins when capital assets are ready for use (i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management). For assets acquired or brought into use during the year, amortization is calculated for the remaining months.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives. Leasehold improvements are amortized of the remaining term of the associated lease.

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

Tangible capital assets are written down when conditions indicate that they no longer contribute to Supply Ontario's ability to provide services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. When a tangible capital asset no longer has full-service potential, the differential of its net carrying amount and any residual value, is recognized as a gain or loss, as appropriate, in the statement of operations and accumulated surplus.

#### **g) Financial Instruments**

Financial assets and financial liabilities are recognized on the statement of financial position when Supply Ontario becomes a party to the contractual provisions of the instrument.

The following is a list of Supply Ontario's financial instruments and their measurement basis:

<b>Financial assets</b>	<b>Measurement basis</b>
Cash	Amortized cost
Accounts receivable	Amortized cost
Due from province	Amortized cost
<b>Financial liabilities</b>	<b>Measurement basis</b>
Trade and other payables	Amortized cost

#### **2. Significant accounting policies (continued)**

Financial assets and liabilities measured at cost or amortized cost are initially recognized at acquisition cost, including transaction costs that are directly attributable to the acquisition or issuance. Financial assets at amortized cost are subject to impairment. At each financial statement date, Supply Ontario assesses financial assets to determine whether there is any objective evidence of impairment. Impairment losses are reported in the statement of operations and accumulated surplus.

#### **h) Employee Future Benefits**

##### **i. Pension plans**

Supply Ontario is a participating employer in the Public Service Pension Plan (PSPP) and the Ontario Public Service Employees Union Pension Plan (OPSEU-PP), which are multi-employer contributory defined benefit pension plans. When benefits are provided to employees through a multi-employer defined benefit plan, each entity participating in the plan, other than the sponsoring entity, is required to follow the standards for defined contribution plans. As a result, Supply Ontario recognizes an expense equal to the total required contributions provided for employees' services rendered during the period. Any outstanding contributions are recognized as a liability in the statement of financial position.

##### **ii. Non-pension post-employment benefits**

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

Post-employment benefits liability is based on management's best estimate assumptions for the severance plan and banked vacation entitlements plan. Adjustments to these costs arising from changes in assumptions are amortized over the estimated average remaining service life of the employees on a straight-line basis.

#### i) Inter-Entity Transactions

Inter-entity transactions are transactions occurring between commonly controlled entities. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by related parties.

### 3. Transfers to Supply Ontario

#### i) Ontario Government Pharmaceutical and Medical Supply Services Division

On March 3, 2025, the Province approved the transfer of the business functions and resources of the Ontario Government Pharmaceutical and Medical Supply Services (OGPMSS) division within the Ministry of Health (MOH) to Supply Ontario. The employees of OPGMSS were fully transferred to Supply Ontario for no consideration. Additionally, assets received were recorded with a net book value of zero.

#### ii) Personal Protective Equipment/Critical Supplies and Equipment (PPE/CSE)

Effective July 31, 2023, the business functions and resources of the Supply Chain Ontario (SCO) division within the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) were transferred to Supply Ontario. The employees, assets, liabilities, rights and obligations of \$1,013, were transferred to Supply Ontario for no consideration in fiscal 2023-2024.

On April 1, 2024, Supply Ontario received a transfer of PPE and CSE inventory from the Ministry of Health and Ministry of Public and Business Service Delivery and Procurement for no consideration.

The net effect of these transactions is as follows:

	MOH	MPBSDP	Total
<b>Liabilities</b>			
Trade and other payables	(97)	-	(97)
<b>Net Liabilities</b>	<b>(97)</b>	<b>-</b>	<b>(97)</b>

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

#### Non-financial assets

Inventories held for distribution	81,598	90,577	172,175
<b>Net assets transferred to Supply Ontario</b>	<b>81,501</b>	<b>90,577</b>	<b>172,078</b>

#### 4. Accounts receivable

	2025	2024
Recoverable HST	5,733	2,068
Accrued interest	76	43
<b>Total accounts receivable</b>	<b>5,809</b>	<b>2,111</b>

#### 5. Trade and other payables

Trade payables consist of amounts outstanding for purchases of PPE.

Accruals and other payables include amounts relating to other business transactions with third-party vendors and other miscellaneous accruals and purchases.

Payroll liabilities include salaries, wages and benefits, vacation entitlements, pension contributions and union dues.

	2025	2024
Trade payables	31,461	-
Accruals and other payables	3,827	10,794
Payroll liabilities	5,059	3,690
<b>Total trade and other payables</b>	<b>40,347</b>	<b>14,484</b>

#### 6. Employee future benefits

##### (a) Pension Plans

Supply Ontario provides pension benefits for all its full-time employees through its participation in the Public Service Pension Plan (PSPP) and the Ontario Public Service Employees' Union Pension Plan (OPSEU-PP), which are defined benefit pension plans for employees of the Province and many provincial agencies. The pension benefit formula is based on a member's best five-year average salary and length of service. Pension benefits are indexed to changes in the Consumer Price Index to provide protection against inflation. Plan benefits are funded by contributions from participating employers, employees, the Province, as well as investment earnings. As the sponsors are responsible for ensuring that the pension funds are financially viable, any surpluses or unfunded liabilities arising from statutory actuarial funding valuations are not assets or liabilities of Supply Ontario. There

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

were no significant changes to the plan during the period.

#### 6. Employee future benefits (continued)

Supply Ontario's required contributions to the PSPP and OPSEU-PP amounted to \$2,117 (2024 - \$1,114), which are included in expenses in the statement of operations and accumulated surplus.

##### (b) Non-pension post-employment benefits

The accrued employee benefit obligation includes severance and banked vacation entitlements for certain employees that were transferred to Supply Ontario in July 2023 (see note 3). Supply Ontario provides severance pay equal to one week's salary for each year of service, up to 26 weeks. Severance pay is not available to contract employees and employees who are terminated with cause. Severance payment on retirement is based on the salary at December 31, 2015 for permanent employees who have completed at least five years of continuous service (December 31, 2016 for OPSEU-represented employees). The assumptions used to determine the post-employment benefits liability are as follows:

- average discount rate of 3.35%; and
- estimated average years to retirement of 8.43 years.

Due to the curtailment of severance benefits in 2015, no assumption of wage and salary escalation was used. These assumptions are management's best estimates.

The changes in the assumptions for these entitlements amounted to \$85 (2024 - \$854), which are recorded in expenses on the statement of operations and accumulated surplus.

##### (c) Other non-pension post-retirement benefits

The cost of other non-pension post-retirement benefits is the responsibility of the province, a related party, and accordingly is not accrued for in the statement of operations and accumulated surplus.

#### 7. Inventory held for distribution

<b>Personal Protective Equipment Inventory</b>	<b>2025</b>
Available for Distribution at beginning of year	172,175
Purchases of inventory	92,840

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

Provincial donations	4,191
Federal donations	3,000
Distributions of inventory	(52,928)
Write-off of expired, damaged or obsolete inventory	(43,976)
Write-down to replacement cost	(2,103)
<b>PPE available for distribution at end of year</b>	<b>173,199</b>

#### 8. Tangible capital assets

<b>Net Book Value</b>	<b>2025</b>	<b>2024</b>
Leasehold Improvements	\$ 27	\$ 186

<b>Cost</b>	<b>Beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>End of year</b>
Leasehold Improvements	260	-	-	260
	260	-	-	260

<b>Accumulated Amortization</b>	<b>Beginning of year</b>	<b>Additions</b>	<b>Disposals</b>	<b>End of year</b>
Leasehold Improvements	74	159	-	233
	74	159	-	233

#### 9. Operating expenses by object

	<b>2025</b>	2024
Distributions of inventory	52,928	-
Write-off of expired, damaged or obsolete inventory	43,976	-
Storage and warehousing	41,977	22,470
Salaries and wages and benefits	33,297	24,090
Professional services	31,087	13,747
Freight Charges	15,798	11,059
Other operating expenses	3,855	2,573

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

Write-down to replacement cost	2,103	-
Rent	641	507
Amortization	159	74
Net liabilities transferred to Supply Ontario	-	1,013
<b>Total expenses by object</b>	<b>225,821</b>	<b>75,533</b>

#### 10. Contractual obligations

Supply Ontario has entered into various agreements and contracts for operational services. Total committed costs relating to these agreements are as follows:

	2026	2027
Medical and health care supplies	63,924	-
Distribution	72	-
Operations and IT	3,276	21
Lease	555	362
<b>Total contractual obligations</b>	<b>67,827</b>	<b>383</b>

#### 11. Financial instruments risks

Supply Ontario's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, and liquidity risk. There have been no significant changes from the previous year in the exposure to these risks or in methods used to measure these risks.

##### (a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Supply Ontario is exposed to credit

##### **11. Financial instruments risks (continued)**

risk on cash held with financial institutions and outstanding accounts receivable. Cash is held at major financial institutions that have high credit ratings assigned to them by credit-rating agencies minimizing any potential exposure to credit risk. The risk related to receivables is minimal as most of the receivables are from federal and provincial governments and organizations controlled by them.

##### (b) Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of financial instruments will fluctuate due to changes in market interest rates. Supply Ontario is only exposed to interest rate risk from its cash balances held with financial institutions and therefore, fluctuations in market interest rates are not expected to have a significant impact on its financial performance.

##### (c) Liquidity risk

## CENTRALIZED SUPPLY CHAIN ONTARIO

### Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)

Liquidity risk is the risk Supply Ontario will not be able to meet its cash flow obligations as they fall due. Supply Ontario mitigates this risk by not incurring debt and monitoring cash activities and expected outflows through budgeting processes.

The following table sets out the contractual maturities (representing undiscounted contractual cash flows) of financial instruments liabilities:

	0 to 30 days	31 to 60 days	61 to 90 days	91+ days	2025 Total	2024 Total
Trade payables	31,402	59	-	-	31,461	-
Accruals and other payables	3,827	-	-	-	3,827	10,794
Payroll liabilities	1,979	111	1,067	1,902	5,059	3,690
<b>Total trade and other payables</b>	<b>37,208</b>	<b>170</b>	<b>1,067</b>	<b>1,902</b>	<b>40,347</b>	<b>14,484</b>

### 12. Related party transactions

Related parties of Supply Ontario include the Government of Ontario ministries, agencies, and all other entities subject to common control of the Province. Supply Ontario enters into transactions with these entities in the normal course of business. Related party transactions during the period consisted of the following:

- The Ministry of Attorney General provided staff support of \$998 (2024 - \$1,068). As at March 31, 2025, due to Province includes \$182 (2024 - \$181) in respect of these services.
- The Ministry of Public and Business Service Delivery and Procurement provided shared services of \$338 (2024 - \$2,020). As at March 31, 2025, due to Province includes \$50 (2024 - \$476).
- Treasury Board Secretariat provided IT support services of \$705 (2024 - \$413). As at March 31, 2025, Due from Province includes \$1,702 (2024 - \$10,221) and Due to Province includes \$126 (2024-\$1,584)
- Transfer of PPE from the Province (note 3 and 7); and
- Employee future benefits funded by the Province (note 6)

### 13. Comparative figures

Comparative figures for expenses on the statement of operations and accumulated

## **CENTRALIZED SUPPLY CHAIN ONTARIO**

### **Notes to the Financial Statements For the year ended March 31, 2025 (in thousands of dollars)**

surplus have been reclassified to conform to the financial statement presentation adopted for the current year.