

**Ministry of Public and
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and Procurement**

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996-2025-1818

November 6, 2025

Mr. Paul G. Smith
Chair, Board of Directors
Supply Ontario
paul.smith@supplyontario.ca

Subject: Supply Ontario 2026–27 Annual Letter of Direction

Dear Mr. Smith:

As Minister responsible for Supply Ontario, I am writing to you in your capacity as agency Chair to set out my expectations for the 2026-27 fiscal year. This is pursuant to the requirements of the Agencies and Appointments Directive (AAD).

My four priorities for Supply Ontario — to complete its corporate operationalization, to execute a multi-year transformation plan, to deliver centralized procurement and achieve benefits, and to demonstrate results — will help the agency deliver its core functions on behalf of the Ontario public sector to help transform the public-sector supply chain to support the government's priorities:

- **Lead Centralized Procurement** — Coordinate purchasing across ministries and public-sector organizations.
- **Strategic Sourcing** — Manage procurement categories to maximize value and reduce duplication.
- **Aggregate Demand** — Leverage Ontario's buying power for cost savings and efficiency.
- **Support Local Economy** — Advance the Building Ontario Businesses Initiative (BOBI) and promote Ontario-based suppliers.
- **Modernize Procurement** — Deploy digital tools to streamline processes and improve transparency.
- **Manage Stockpile** — Oversee sourcing and distribution of Ontario's emergency supplies.

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In accordance with the AAD, agencies are required to align their goals, objectives and strategic direction with our government's priorities. As Chair, you are responsible for ensuring that Supply Ontario's business plan clearly demonstrates how the agency will fulfill these expectations. Progress and achievements must be reported through your annual report, and compliance with these requirements will be monitored and reported to Treasury Board/Management Board of Cabinet (TB/MBC) annually.

This letter sets out my expectations for 2026–27, with a focus on how Supply Ontario will contribute to protecting Ontario by delivering better services and driving innovation and value for money.

1. Corporate — Complete operationalizing Supply Ontario to become Ontario's leading public-sector supply chain authority:

- a. Strengthen Supply Ontario's operational capacity to fulfill its mandate to centralize and support public-sector procurement and supply chain management and effectively meeting client service expectations.
- b. Complete implementation of independent information and information technology (I&IT) and data systems infrastructure to support agency operations and enable robust reporting.
- c. Ensure sustainability and enhance operational effectiveness through:
 - Advancing accounting policies, processes and internal controls.
 - Proposing a sustainable funding model.
 - Demonstrating accurate forecasting and cash management.
 - Ensuring cost-effective delivery of provincial stockpile operations.
 - Comprehensive risk identification and mitigation.
 - Exploring revenue-generating opportunities.

2. Transformation — Establish and advance a multi-year plan to transform and modernize public sector supply chain and procurement that helps protect Ontario by delivering value, ensuring resilience and supporting economic development:

- a. Encourage adoption of an Ontario- and Canada-centric procurement approach that protects Ontario, supports opportunities for domestic industries, businesses and products, and embeds resiliency into public-sector supply chains.
- b. Establish procurement and category strategies that support economic development by ensuring opportunities for Ontario businesses and ensuring resilience by reducing supply chain risk.

- c. Support the ministry in assessing and streamlining the provincial procurement policy and legislative framework to support streamlining and modernization in alignment with Ontario's strategic objectives for supply chain centralization.
- d. Reduce fragmentation in Ontario's public-sector supply chain and establish strategies to work with Shared Services Organizations (SSOs) and Group Purchasing Organizations (GPOs).
 - Increase utilization of the Vendor of Record (VOR) program for Broader Public Service (BPS) entities.
- e. Enhance and modernize the procurement experience for buyers and sellers through the implementation of a Digital Procurement System (DPS) for the public sector.
 - Leverage leading technology — including artificial intelligence (AI) — to support streamlined processes, improved experience and advanced analytics while ensuring robust cybersecurity and I&IT governance.
- f. Accelerate the promotion of innovation procurement methods and other advanced procurement models to operationalize pathways for innovation adoption in the public sector, to provide opportunities for innovative Ontario businesses, and to enable greater value from procurement.
- g. Work with my ministry and relevant ministry partners to develop and implement plans to integrate and centralize where appropriate in priority sectors.

3. Delivery — Deliver centralized public-sector procurement and supply chain services that create value for Ontarians:

- a. Expand purchasing power by further centralizing Ontario's public sector spend:
 - Increase participation and the amount of spend through Supply Ontario's VOR program while pursuing strategic expansion.
 - Work with my ministry and key ministry partners to strategically expand to key sectors.
 - Keep my ministry and ministry partners informed in advance of any expansion.
 - Triage opportunities for ease of expansion.
- b. Sustain the Personal Protective Equipment/Critical Supplies & Equipment (PPE/CSE) stockpile, and deliver the following:
 - Implement a long-term warehousing and logistics strategy.
 - Ensure steady and stable access to critical supplies.
 - Demonstrate operations excellence and effective management of provincial stockpile operations.

- c. Continue to provide quality services to Ontario Public Service (OPS) ministries, while effectively scaling to broaden support for other entities covered under the Supply Chain Management Act, 2019.
- d. Support and advance broader government priorities, including:
 - Supporting delivery and reporting for BOBI.
 - Advancing accessibility in Supply Ontario's services and enhancing public-facing marketing and communications to ensure more individuals and businesses are aware of upcoming procurement bidding opportunities.
 - Supporting initiatives related to AI and cybersecurity.
 - Supporting government priorities through innovative procurement approaches.

4. Demonstrate — Reporting on progress and successes:

- a. Utilize a benefits realization methodology that is aligned with leading supply chain practices and standards.
- b. Establish and implement a robust framework for performance management and benefits realization that is outcome-focused and drives continuous improvement.
 - Performance measures must directly align with my strategic direction for all themes in this letter.
 - Quarterly reporting — provided to the Minister no more than 15 days after the last day of the quarter — that demonstrates progress toward delivering on this annual letter of direction and includes:
 - Performance measures.
 - Risks and mitigation strategies.
 - Financial reporting.
 - A communications outlook and emerging issues.

Government-Wide Priorities for Agency Sector

Agencies are a part of government and are expected to act in the best interests of the people of Ontario. In a time of economic uncertainty, agencies play a critical role in supporting our commitment to protect Ontario by improving service delivery, driving innovation, and ensuring responsible stewardship of public resources — all while adhering to government policies and directives.

I am pleased to share our government's 2026–27 priorities.

Protect Ontario

1. Expand domestic partnerships within Canada, to promote the development of supply chains and economic opportunities across Canada and support economic resilience, particularly in light of ongoing U.S. tariff threats and economic uncertainty.
2. Procure from Ontario and Canadian businesses whenever feasible.
3. Provide economic relief for Ontario families, consumers and businesses by freezing government fees and fares, unless approved by the oversight Minister.

Deliver Better Services

4. Focus on a user-centered client/customer experience by simplifying interactions, improving satisfaction, and expanding and optimizing digital service offerings.
5. Identify opportunities to enhance efficiency, improve services, drive innovation, and achieve cost savings for the people of Ontario, including through the use of AI and other advanced technologies.
6. Eliminate unnecessary bureaucracy and red tape by applying lean methodologies or other modalities to achieve operational efficiency.

Drive Innovation & Value for Money

7. Find innovative solutions to use public resources efficiently and to effectively deliver on the agency's mandate while operating within agency's financial allocation, supported by accurate financial reporting, effective internal controls, and proactive fraud management practices.
8. Manage agency workforce with careful responsibility to stabilize expenditures and preserve long-term financial viability by:
 - Strictly adhering to the hiring control parameters, including ceasing hiring for non-business critical and non-public-facing positions, including the use of consultants.
 - Operating within a defined maximum workforce size (including consultants).
 - Ensuring compliance with the Broader Public Sector Executive Compensation Act (BPSECA).
 - Enhancing productivity and efficiency by using technology whenever possible.
9. Create a span of control policy that recognizes different streams of work within the organization and sets minimum span of control benchmarks, and provide it to the Minister for approval by March 31, 2026.

10. Provide to your oversight minister by November 1, 2025, the amended human resource policy, guideline or directive that adheres to the OPS in-office standard of four (4) days per week effective October 20, 2025, and five (5) days per week effective January 5, 2026, and work with your oversight ministry to address any office space constraints.

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority and the accompanying outcomes and performance measures that can be utilized if measurements are not currently in place.

At our next meeting, I would be pleased to discuss these priorities, and I look forward to hearing how they will be reflected in the agency's upcoming business plan and in ongoing agency operations.

Thank you and your fellow board members for your continued commitment to the Supply Ontario. Your work and ongoing support is invaluable to our government and the people of Ontario. We look ahead to an exciting future where Supply Ontario is fully able to deliver on its mandate.

Should you have any questions, please feel free to contact Samantha Poisson, Deputy Minister, at samantha.poisson@ontario.ca or 416-704-2358.

Sincerely,



The Honourable Stephen Crawford
Minister of Public and Business Service Delivery and Procurement

Enclosure

c: Jeremy Wittet, Chief of Staff, Minister's Office, Ministry of Public and Business Service Delivery and Procurement

Jordan Adair, Deputy Chief of Staff and Director of Policy, Minister's Office, Ministry of Public Business Service Delivery and Procurement

Samantha E. Poisson, Deputy Minister, Ministry of Public and Business Service Delivery and Procurement

Chris Gonsalves, Assistant Deputy Minister, Ministry of Public and Business Service Delivery and Procurement

James Wallace, Chief Executive Officer, Supply Ontario

Erin McGinn, Chief Administrative Officer, Ministry of Public and Business Service Delivery and Procurement