

**Ministry of Public and
Business Service
Delivery
and Procurement**

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September 2, 2025

996-2025-1469

Paul G. Smith
Chair of the Board of Directors
Supply Ontario
200 Front Street West, Suite 800
Toronto, ON M5V 3K2

Subject: Supply Ontario 2025-26 Annual Letter of Direction

Dear Paul G. 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 2025-26 fiscal year. This is pursuant to the requirements of the Agencies and Appointments Directive.

Per the requirements of the Agencies and Appointments Directive, agencies are required to align goals, objectives and strategic direction with our government's priorities and direction. As Chair, you must ensure that Supply Ontario's business plan demonstrates the agency's plans in fulfilling my expectations and government priorities below and that progress and achievements are reported through your annual report. Compliance with these requirements is reported to Treasury Board/Management Board of Cabinet, annually.

I would like to provide you with the following priorities specific to Supply Ontario focused on becoming operational, transforming the public sector supply chain, harnessing Ontario's purchasing power, and demonstrating progress and successes:

1. Continue to Operationalize Supply Ontario as Ontario's Leading Supply Chain Delivery Agency

- Continue to build capacity and ensure that Supply Ontario has adequate resources and capability to deliver on Supply Ontario's public sector procurement and supply chain mandate and meet client service needs.

2. Transform and Modernize Public Sector Supply Chain and Procurement

- a. Continue to implement a multi-year transformation roadmap for Supply Ontario to enable government objectives, further centralize procurement and deliver value across the public sector (i.e., the Ontario Public Service [OPS] and Broader Public Sector [BPS]):
 - Continue to evolve and implement strategies for working with delivery agents, including shared services organizations and group purchasing organizations.
 - Continue to evolve and implement sector-specific action plans that specify how Supply Ontario will address decentralized purchasing activities.
 - Follow an independently validated and consistent benefits realization methodology, comparable to that in use by similar jurisdictions and entities, for measuring and tracking value, with baselines, targets and timelines for the key priorities identified in this letter.
 - Promote resiliency across critical supply chains through risk mitigation strategies and relevant impact monitoring activities.
 - Consult with MPBSDP and other relevant ministries to support the implementation of action plans and roadmaps.
- b. Continue to collaborate with key partners to develop integrated supply chain models that support priority sectors and corresponding public procurement needs, determined in consultation with the ministry.
- c. Modernize public sector procurement to help Ontario become a best-in-class jurisdiction:
 - Promote innovation procurement, and other advanced procurement models to enable greater value from procurement.
 - Continue to support and implement supplier diversity and Indigenous procurement.
 - Continue to implement procurement modernization initiatives, including Vendor of Record (VOR) program modernization, digital and data optimization, vendor burden reduction, sustainable procurement practices and a customer-centric approach.

3. Deliver Centralized Public Sector Procurement and Supply Chain Services that Create Value for Ontarians

- a. Continue to grow Ontario's buying power by centralizing Ontario's public sector purchasing and increasing spend actively managed by Supply Ontario:
 - Achieve best value for taxpayers, while ensuring resilience and supporting economic development.
 - Expand category management plans and initiatives (including target categories, timing, and prioritized categories to demonstrate success).
 - Promote increased uptake of Supply Ontario's existing and new bulk purchasing arrangements and drive value through contract harmonization

- opportunities across the public sector, including with the BPS and other covered entities.
- Drive procurement planning efforts across the public sector to inform future opportunities.
 - Identify and promote provincial supply chain programs and activities to municipalities, leveraging active relationships with municipal procurement teams.
- b. Sustain, secure, operate and effectively manage the province's Personal Protective Equipment (PPE) and Critical Supplies and Equipment (CSE) supply chain, to ensure steady and stable access to, and appropriate provision of, critical supplies and equipment:
- Implement a long-term warehousing strategy to reduce warehouse footprint while delivering best-in-class PPE/CSE from the stockpile to public sector entities.
 - Develop, implement, and maintain an emergency stockpiling strategy in collaboration with Emergency Management Ontario, Ministry of Health, and the Chief Medical Officer of Health.
- c. Continue to provide quality supply chain services to Ontario Public Service ministries, and other existing customers:
- Manage and grow the enterprise VOR program.
 - Provide procurement advisory support to clients across the OPS and BPS, where applicable.
 - Work collaboratively with the ministry and OPS clients to ensure that enterprise operational needs and service levels are met or exceeded as centralization progresses.
- d. Support and advance broader outcomes on government priorities, taking direction and working in collaboration with ministry staff and other ministries:
- Monitor and evaluate the implementation of the Building Ontario Businesses Initiative.
 - Advance accessibility in public sector procurement.
 - Support initiatives related to Artificial Intelligence (AI) and cybersecurity.
 - Support other new government supply chain and procurement priorities as they emerge.

4. Demonstrate Progress and Successes

- a. Demonstrate Supply Ontario's progress using validated data and key performance indicators that support mandate delivery by participating in quarterly and regular reporting to the ministry on:
- Use of an independently validated and consistent benefits realization methodology.

- Key performance measures, targets, and timelines, using consistent measures that can be tracked and compared over time and that will continue to evolve with organizational maturity.
- Initiatives, projects, benefits delivered, and outcomes achieved, including auditable spend under management, savings, and cost avoidance.
- Status and implementation of procurements, upcoming categories, and planned procurements.
- Action plans or roadmaps Supply Ontario develops in response to this direction.

- b. Work in collaboration with the ministry in development of Supply Ontario's reporting approach.

Supply Ontario's plan to address my expectations and grow into a service delivery organization must be outlined in the agency's updated 2025-26 three-year Business Plan, due by January 1, 2025, and meeting the requirements of the Agencies and Appointments Directive.

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 and ensure that they provide value for money to taxpayers. Agencies are also required to adhere to government policies and directives.

The following sets out my expectations for 2025-26 that Supply Ontario is innovative, sustainable, and accountable through the following direction:

Innovative

1. Simplify client/customer interactions
2. Expand and optimize digital service offerings
3. Improve Client/ customer satisfaction
4. Work with agencies who share requested data with Supply Ontario regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

Sustainable

5. Strengthen public service delivery by optimizing organizational capacity and directing existing resources to priority areas
6. Use Public Resources efficiently and
 - a) Operate within agency's financial allocations
 - b) Prudently and responsibly manage workforce size. Where an agency requires a material increase in workforce size, the agency must provide the Minister with an HR plan for approval that provides the rationale based on government priorities and/or agency mandate

Accountable

7. Develop and report on outcome-focused performance measures to effectively monitor and measure performance
8. Protect individual, business or organization data by actively managing data and cybersecurity and reporting Artificial Intelligence uses
9. Report all high risks including effective mitigation plans
10. Align hybrid work policies with the OPS and identify and assess office optimization opportunities to reduce office realty footprint and find cost reductions:
 - a) Collaborate with MOI to identify office space opportunities
 - b) Align with the MBC Realty Directive and the OPS Modern Office Space (OMOS) Standards.
11. Develop and encourage diversity and inclusion initiatives by promoting an equitable, inclusive, accessible, anti-racist and diverse workplace

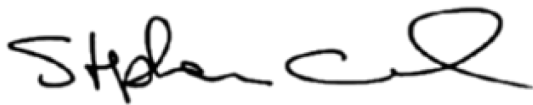
These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority and the accompanying performance measures that can be utilised if measurements are not currently in place.

Supply Ontario has had a productive year, filled with growth and opportunity. Thank you and your fellow board members for your continued commitment to Supply Ontario. Your work and ongoing support is invaluable to me and the people of Ontario.

In looking towards the future, please focus on continuing to operationalize the agency as a delivery organization, transforming the supply chain and modernizing procurement, harnessing purchasing power and delivering supply chain and procurement services, and demonstrating progress and successes.

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 Hon. Stephen Crawford
Minister of Public and Business Service Delivery and Procurement

Attachment: Government Priorities 2025-26 Chart

- c. Samantha Poisson, Deputy Minister
- Christopher Gonsalves, Assistant Deputy Minister
- Jamie Wallace, Chief Executive Officer, Supply Ontario
- Jeremy Wittet, Chief of Staff

Jordan Adair, Director of Policy

Natasha Holland, Chief Administrative Officer