

Business Plan

Fiscal Years 2024/25 to 2026/27



April 2024



Supply
Ontario

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Message from the Chair

On behalf of the Board of Directors, I am happy to introduce Supply Ontario's multi-year business plan for 2024-25 to 2026-27. Our focus for the next three years is driving value through public procurement, fortifying the public sector supply chain, and supporting economic development in Ontario.

As Chair, I am proud to work alongside our Board of Directors and executive team, including Jamie Wallace, CEO, who brings valuable experience from both the public and private sectors. The last year has been one of significant growth and maturation for the agency, and Jamie's leadership bodes well for continued success through the next phase of Supply Ontario's journey.

Despite a complex supply chain landscape with numerous challenges, our team is committed to navigating through these challenges and finding opportunities to create value for Ontarians. We are focusing on seizing opportunities to demonstrate our success,

expand our reach, and redefine procurement practices over the next three years and beyond.

We recognize the importance of collaboration and transparency in achieving our objectives and we will continue actively engaging with stakeholders to ensure that Supply Ontario is at the leading edge of public sector procurement practices.

The Board is confident in Supply Ontario's ability to achieve the goals in this business plan over the next three years and look forward to celebrating successes and achievements with our stakeholders and partners.



A handwritten signature in dark ink, appearing to read 'Paul G. Smith'.

Paul G. Smith

Chair, Board of Directors
Supply Ontario

Message from the Chief Executive Officer

Supply Ontario has seen tremendous progress over the past year in meeting the expectations and promise of its ambitious mandate to strengthen and modernize supply chain management and procurement across Ontario's public sector. With more than 6,000 public sector entities procuring some \$30 billion annually to support the delivery of critical health, education and other public services, Supply Ontario plays a key role to help ensure our public service delivery partners have access to high-quality, timely, reliable products at the best value.

That support means our province's ministries, provincial agencies, hospitals, school boards, children's aid societies and other public sector entities can put more resources into front-line services and take advantage of a smarter, stronger more connected public sector supply chain.

The COVID-19 pandemic revealed critical supply chain vulnerabilities here in Ontario and around the world, particularly around sourcing personal protective equipment (PPE) and other products essential to keeping hospital and other front-line workers safe. Many nations banned the export of masks, hand sanitizer and other PPE and vaccines,

ventilators and other life-saving technologies weren't readily shared or available. This is why Ontario has procured more than \$1 billion in domestically sourced PPE since 2020 and why resiliency, innovation and economic development are foundational parts of our mandate. Notably, Supply Ontario put in an order for 500 million medical grade nitrile gloves with Manikheir Canada, who are building a new \$165 million manufacturing facility in London, Ontario with financial help from the federal and Ontario governments.

Jurisdictions across the country and around the world are moving to centralize and modernize public sector procurement practices and harmonize contracts, which is another focus for Supply Ontario. That ranges from working with government to reduce red tape and streamline procurement rules and regulations to helping the Broader Public Sector implement the government's Building Ontario Businesses Initiative (BOBI) legislation. BOBI will help level the playing field for Ontario companies seeking public procurement opportunities and require public vendors to give preference to Ontario businesses for contracts that fall under trade limits. BOBI also requires those who procure

with public dollars to consider a variety of factors when buying, including environmental, social, economic, resiliency and other considerations.

There is tremendous opportunity ahead to utilize procurement as a tool, not only to realize efficiencies in inflationary times, but to drive jobs and economic investment, innovation, resiliency and importantly, to optimize better outcomes for the residents of Ontario who depend on public services.



A handwritten signature in grey ink that reads "Jamie Wallace".

Jamie Wallace

CEO

Supply Ontario



Executive Summary

The landscape of Ontario's public sector supply chain continues to evolve in response to domestic and global events. The intricate web of procurement, spanning across government ministries, provincial agencies, healthcare facilities, educational institutions,

and social service organizations, represents an annual expenditure of approximately \$30 billion on goods and services.

The government established Supply Ontario to maximize value to Ontario's taxpayers and support economic development. Our aim is to enable a whole-of-government approach to purchasing goods and services and deliver supply chain services for other public sector organizations. Coordinating the government supply chain and streamlining complex procurement processes will position Supply Ontario to deliver tangible results and ensure the province has the goods and services it requires.

The agency's primary aim remains clear: to enhance the efficiency and effectiveness of this complex ecosystem and support the government's ambitions on supply chain transformation. For our customers, we aim to make improvements to our services while continuing to deliver the outcomes they expect. To deliver on this commitment, we will focus on:

1. supporting the government's overarching objectives for supply chain transformation, including supporting Ontario businesses through the Building Ontario Businesses Initiative (BOBI) and the *Building Ontario Businesses Initiative Act* (BOBIA); and
2. delivering on the agency's mandate, as defined by the *Supply Chain Management Act*, by enhancing supply chain management in respect of government entities, broader public sector entities and health sector entities.

We believe value in public sector procurement goes beyond financial metrics, and includes quality, collaborative partnerships, streamlined processes, economic development, and our strides in fostering diversity, innovation and sustainability.

We are dedicated to fostering an accessible-by-design culture, ensuring that any proposed changes to procurement processes prioritize the removal of barriers for individuals with disabilities. In short, our vision extends beyond cost reduction to embody a holistic approach that embraces social responsibility and governance priorities.

Recent global events such as the COVID-19 pandemic and geopolitical instability in various parts of the world have emphasized the need for a resilient and adaptable supply chain. Supply Ontario continues to fortify the province's supply chain resilience, ensuring a prompt response to unforeseen events while ensuring consistent and reliable access to critical supplies that buyers and taxpayers depend on. In the context of the supply chain impacts we experienced during and beyond the COVID-19 pandemic, our focus has shifted to long term strategies for Ontario's stockpile, including leveraging the investments in the management of the stockpile for other products.

From our early development as an agency, engaging with key stakeholders and supply chain leaders has been paramount. These interactions have provided invaluable insights into navigating the intricate provincial procurement ecosystem and appreciating

the recurring challenges that need to be addressed moving forward. Understanding and addressing these barriers remains pivotal in advancing our mandate.

Supply Ontario's core mandate focuses on cross-sector category leadership. We aim to harmonize contracts and optimize procurement opportunities that increase value, savings and cost avoidance, while improving outcomes to end-users and the province's economic development as a whole. Building upon work over the past few years, we are exploring opportunities to test collaborative solutions with partners in the public sector procurement ecosystem. This is demonstrated through our commitment to supporting an innovation pathway in the healthcare sector. These types of commitments will help us foster a modernized and efficient procurement approach for cutting-edge products and services, right here in Ontario.

Throughout our 2024-2027 Business Plan, our approach is designed to be strategic and phased, recognizing that transformation needs to be deliberate, and outcomes driven. Collaboration with partners and stakeholders remains pivotal in identifying and executing actionable strategies, including our commitment to launch a multi-year procurement modernization workplan to address systemic challenges the current procurement system presents to vendors, buyers and other affected partners and stakeholders. Additionally, leveraging initiatives that are underway, such as the BOBI, will bolster public procurement opportunities for local businesses in Ontario.

As our agency evolves, we envision expanding into more complex sectors and categories through strategic collaborations. The maturation of our agency will coincide with 1) expanding a robust category management model; 2) recognizing and leveraging Ontario's vast purchasing power, while 3) understanding and unpacking the system's complexity.

Tangible progress will be demonstrated throughout the course of this three-year business plan, and will underscore our commitment to refining contracts, increasing procurement harmonization with ministries and agencies, reducing barriers to accessible procurement, and mitigating fragmentation across the Ontario Public Service (OPS) and the Broader Public Sector (BPS). Through consistent execution and ongoing engagement, we remain steadfast in earning the trust of our partners, stakeholders, and taxpayers throughout this transformative journey.



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's mandate is to improve procurement outcomes across much of 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** – such as school boards, publicly-funded post-secondary educational institutions, children's aid societies, and SSOs/GPOs, controlled by these BPS entities, that solely or primarily procure for these entities
- **health sector entities** – such as hospitals, the Ottawa Heart Institute, and those SSOs/GPOs that are controlled by and solely or primarily procure for these entities

Additionally, recognizing that data-informed policy is key to achieving our desired outcomes, 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 regulation also provides Supply Ontario the authority to provide direction and guidance on supply chain management activities to covered entities, which includes the centralization of key procurement functions and contracts within Supply Ontario.

Furthermore, Supply Ontario will continue to enhance our partnerships with Ontario's 444 municipalities to address areas of duplication and bulk purchasing opportunities through the province's buying power. For example, as part of the "New Deal" between the Province and City of Toronto (the City), Supply Ontario will work with the City to explore areas where provincial purchasing arrangements and resources can be leveraged to enhance the value of municipal procurement spending.

Through the enterprise Vendor of Record (VOR) Program, Supply Ontario provides access to centralized contracts for all public sector entities in Ontario, as well as public sector purchasers in other provinces and territories. The Ontario stockpile of personal protective equipment and critical supplies and equipment (PPE/CSE) is managed through Supply Ontario. It provides high-quality PPE/CSE to all public sector entities in Ontario. This ensures the safety of public sector workers and a resilient supply chain of PPE/CSE in the event of a future emergency.

Vision, Mission and Values

Supply Ontario is committed to the core principles of the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA): dignity, independence, integration and equal opportunity. Our goal is to ensure that all Ontarians can access our services and information when and how they need them without barriers. As part of our procurement modernization efforts, all proposed changes will be treated with an accessibility-first focus to ensure that persons with disabilities have equitable access to procurement opportunities in Ontario.

Supply Ontario is on a journey to learn from and engage with partners within and beyond government. The overarching vision is centred on using Ontario's sizable public sector collective buying power to create value, foster resiliency and promote economic opportunities for Ontarians. Supply Ontario also exists to deliver maximum returns for Ontario taxpayers, who rightly expect their government to treat public finances with prudence. Achieving this vision involves fostering cohesion in purchasing across the public sector and promoting a culture and incentive for innovation through strategic partnerships with suppliers. Within Supply Ontario, collaboration, transparency, trust, resiliency, sustainability, accessibility, economic development, innovation, and efficiency represent key pillars of the organization's culture and our goal is to have these cascade across the BPS.

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

- **Trust** - Building relationships with integrity and accountability
- **Excellence** - Delivering transformative solutions through innovation
- **Collaboration** - Working together to achieve results



Three-Year Strategy and Delivery Plan (2024/25 to 2026/27)

Supply Ontario's Path Forward

Supply Ontario remains dedicated to its core mission: facilitating a holistic and intentional approach to government procurement in

Ontario. The agency will harness the province's collective buying power, ensuring consistent access to high-quality and dependable products at the most cost-effective prices. The BOBI will level the playing field for domestic companies by requiring consideration of factors such as resiliency, sustainability, economic development, efficiency, and

innovation into the procurement process. This initiative ensures procurement remains fair, transparent, open and trade compliant. Further, it requires public sector buyers to give Ontario businesses preference when conducting procurement for goods and services under Ontario's domestic trade agreement thresholds.

Putting BOBIA Approaches into Action: Procurement Planning Process for BELOW Trade Thresholds

1

Zarah from the Ministry of Transportation is looking for an urban planner to provide advice on how to alleviate traffic congestion in North York.

2

She estimates the procurement has a value of less than \$121,200, which is below the domestic trade threshold for services for Ministry procurements.

3

Her procurement team conducts market research to identify qualified Ontario businesses.

4

The team decides to use an invitational approach and invite three Ontario businesses to submit bids for this service.

In the short term, the agency will concentrate on quick and effective opportunities to benefit taxpayers, while also focusing on specific procurements where it can strategically add value. One opportunity is our commitment to launching multiple Sector Tables in 2024-25, beginning with Indigenous, Education, and Health tables and later expanding to launch Sustainability, SSO/GPO, Innovation and Digital tables. This approach enables the agency to build trust and engage in meaningful collaboration with partners from multiple sectors to demonstrate our value proposition. We want to express our gratitude to the businesses and partners we have met over the last year. Your feedback and expertise have guided our planning as we strive to eliminate barriers and streamline the process of doing business with Ontario. Together, we aim to enhance value, foster innovation, and improve efficiency in public sector procurement.

Moving forward, Supply Ontario will expand its scope to encompass more complex products and services within its contracting authority. This expansion strategy empowers Supply Ontario to better understand the diverse needs that exist across various categories and sectors and respond to opportunities to deliver value for Ontarians. In the long term, we will evolve through structural centralization and value creation, innovation, and efficiency for reinvestment into public services. We will achieve this goal by establishing a comprehensive category management model, offering flexible delivery solutions tailored to the unique requirements of the public sector.

Additionally, we will collaborate with SSOs, GPOs and municipalities on opportunities to drive value and efficiency. As part of this ongoing evolution, we are committed to enhancing our workforce capabilities and expertise to reflect a best-in-class jurisdiction for centralized procurement performance and value.

To achieve the goals outlined in this plan, our implementation strategies will involve establishing measurable milestones, incorporating regular reporting and progress assessments, and developing a detailed, responsible plan to ensure appropriate resources, budget and risk management tools are available and allocated to each initiative. Internal coordination, effective communication and a culture of continuous improvement will be crucial to our success.

As our operations reach full capacity, there will be a need to efficiently manage large amounts of data. The agency has embraced a data- and evidence-centric approach to planning and implementation of key initiatives. As part of a phased approach, Supply Ontario has built a platform with a robust data analytics function. We will use this capability to securely manage data from planning to procurement to distribution. In the short term, the focus remains on establishing governance, stewardship, and infrastructure for a comprehensive data ecosystem. Over the longer term, we will continue to develop the capacity to aggregate and share data, enhance our analytical capabilities, and develop an internal economic analysis unit that will better

align category planning with macroeconomic indicators in key sectors.

At the core of this forward-looking approach is a commitment to build and sustain relationships with partners and stakeholders and foster collaboration. The trust that now characterizes the relationship between Supply Ontario and its partners enables the agency to strive for accountable, coordinated and value-driven outcomes within the public sector's supply chain in the short term. Simultaneously, the agency maintains a measured and thoughtful approach to achieving its long-term mandate, ensuring objectives are pursued comprehensively and sustainably. Supply Ontario will continue liaising and consulting with impacted ministries related to the agency's procurement and strategic initiatives.

Strategic Framework and Priorities

Supply Ontario's strategic framework is rooted in the modernization of procurement rules and processes to ensure taxpayers,

buyers and sellers receive better services and prioritize the diverse needs within Ontario's public sector. We recognize the importance of stakeholder engagement and will continue to leverage advice from partners to help inform and mold our modernization efforts, strengthen supply chain resiliency and maximize procurement value.

To ensure success in delivering our mandate, we are enhancing our foundational capabilities and resiliency to generate value through procurement. Scaling up corporate capacities is critical for aligning the agency with the right personnel, streamlined processes and effective systems.

To streamline procurement across the public sector, we are committed to implementing a robust category management framework that will focus on strategic categories that advance government priorities. The goal is to attain operational efficiencies and effectiveness, maximizing value for taxpayer dollars.



Key Themes for Supply Ontario Between 2024-2025 and 2026-2027



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

Supply Ontario is building the capacity to be a leader in public sector supply chain management by making the right investments in people, processes and systems.

Specifically, the agency is undertaking the centralization and integration of procurement by utilizing a category management framework. Currently, there are four major categories: computers, renal (such as hemodialysis equipment and dialyzers), fleet/electric vehicles (EV)/electrification, and nutrition. Each strategy identifies

opportunities for improvement, leading to initiatives that focus on streamlining procurement and contract management possibilities, better pricing, terms and conditions, along with transparency. In turn, this will bolster resiliency for our supply chains and ultimately allow us to adapt to the changing needs of buyers and vendors.

To create value, foster resiliency and reduce barriers, Supply Ontario continues to leverage BOBI and the BOBIA. BOBIA will require public sector entities to give preference to Ontario businesses when conducting procurements for goods and services under Ontario's domestic trade agreement thresholds. An example of BOBI implementation includes adding weighted domestic criteria in procurement evaluation to level the playing field for Ontario businesses who contribute to our economy.

The OPS and BPS Procurement Directives were amended in FY 2023-24 to include BOBIA criteria and economic development components. As a next step, we will be working with government to operationalize the initiative to ensure economic growth for Canadian entities, supply chain resiliency, and timely access to goods and services for Ontarians.

Another priority for Supply Ontario is the development and implementation of a one-stop procurement concierge program that will help buyers and vendors make public sector contracts more accessible to underrepresented businesses not traditionally engaged in public sector procurement.

Mandate Letter 2024/2025
Key Priority: Harness Ontario's
Purchasing Power and Deliver
Procurement and Supply Chain
Services for the Public Sector

Supply Ontario is working towards centralizing Ontario's public sector purchasing by implementing and expanding our category management framework while increasing uptake of Supply Ontario's existing bulk purchasing arrangements, ultimately driving value through collaboration.

Through pre-market engagements and discovery days, vendors may exchange information and share ideas with government buyers and vendors, bringing innovative solutions to contemporary public sector problems. Supply Ontario is aware of innovative approaches to procurement deployed beyond Ontario's borders and the agency. In partnership with the government, we will explore and leverage similar opportunities to foster and increase innovation in our procurement processes.

Supporting Critical Investments in a Resilient Ontario Supply Chain

Supply Ontario was proud to play a critical role in facilitating a major procurement and investment from Manikheir Canada in London, Ontario. In December 2023, Supply Ontario announced a commitment to purchase 500 million locally manufactured, medical-grade nitrile gloves. The investment will help ensure secure and reliable access to critical PPE for front-line health care workers. This is an example of Supply Ontario embracing economic development as a core part of its mission. This initiative will create direct and indirect employment opportunities during the construction and operation of this glove manufacturing production facility.

Supply Ontario will deliver a best-in-class customer service culture by providing wraparound supports and resources to address the needs of buyers and vendors. In FY2024-25, we will continue to support the transformation of OPS procurements with advanced procurement models, early marketplace engagement and other procurement modernization approaches. Beyond FY2024-25, consideration will be given to expanding the customer base for these services by implementing a new adoption approach for customers to remove barriers and allow easier access to contracts for customers.

Priorities

- 1.1** Continue to implement the category management strategy in key areas to better unlock value for Ontarians
- 1.2** Leverage the significant annual government spend on procurement to accomplish government objectives
- 1.3** Ensure customer service excellence is embedded through interactions with vendors and partners



Priority	2024-25	2025-26	2026-27
1.1 Continue to implement the category management strategy in key areas to better unlock value for Ontarians	<p>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>Obtain category steering committee endorsement for strategies under the enterprise VOR arrangements</p> <p>Begin multi-year category strategy development for common goods and services</p> <p>Launch healthcare value creation initiatives developed through category strategies</p>	<p>Launch 12 category strategies under the enterprise VOR</p> <p>Implement and advance healthcare value creation initiatives</p>
	<p>Refine the plan for deep engagement with SSOs and GPOs to align in delivering best value for the province</p>	<p>Implement and refine SSOs/GPOs delivery frameworks</p>	<p>Continuously assess and improve SSOs/ GPOs delivery frameworks against value creation for Ontarians</p>
	<p>Identify specific category opportunities, where economies of scale can deliver better value and efficiency within the public sector</p>	<p>Pilot and execute actions and initiatives that realize these category opportunities</p>	<p>Building and executing on opportunities as they become identified</p>

Priority	2024-25	2025-26	2026-27
1.2 Leverage the significant annual government spend on procurement to accomplish government objectives	<p>Support and monitor increased representation of Ontario businesses in government contracts including through fully implementing the BOBI</p> <p>Continue to promote BOBI strategies in procurement practices</p>	<p>Continue promoting the use of BOBI strategies across OPS and BPS entities</p>	<p>BOBI is solidified as a common practice across the public sector</p>
	<p>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>Implement changes as outlined in the plan created in FY 24/25</p> <p>Evolve the phased plan as new learnings become apparent</p>	<p>Create a continuous improvement program to address areas of opportunity as they are identified and report on achievements</p>
	<p>Increase use of innovative procurement models that reduce burden and red tape for businesses in selling to the public sector</p>	<p>Implement supplier diversity programs to allow for increased participation in public procurements (underrepresented groups)</p>	<p>Continue to manage and upscale supplier diversity programs</p>
1.3 Ensure customer service excellence is embedded through interactions with vendors and partners	<p>Develop a long-term warehousing strategy for PPE/CSE</p>	<p>Final implementation of a long-term warehousing strategy</p>	<p>Expand the long-term warehousing strategy across all public health entities</p>

Priority	2024-25	2025-26	2026-27
1.3 Ensure customer service excellence is embedded through interactions with vendors and partners	Develop accessibility guidelines to help vendors and purchasers make accessibility a priority at the early stages of the procurement process	Implement and build on accessibility guidelines in pursuit of removing barriers	Build on a culture of continuous improvement by reviewing and addressing gaps in accessibility in our procurement processes
	Design the procurement concierge program framework	Transition from procurement concierge program design to implementation	Continue to implement and review the progress made by the procurement concierge program and identify key areas to improve
	<p>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/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>	Expand early and regular vendor engagement to enable knowledge sharing and goal alignment for best informed innovation and value creation efforts	<p>Measure and assess change against set customer service excellence targets</p> <p>Evolve and execute on the action plan for the current and following year</p>

Priority	2024-25	2025-26	2026-27
1.3 Ensure customer service excellence is embedded through interactions with vendors and partners	<p>Design/evolve customer service excellence measurement for partners and stakeholders, representing a wide range of OPS and BPS public entities</p> <p>Begin to measure against the designed metrics and set targets for improvement as required</p>	Measure and assess change against set customer service excellence targets	Constant evolution and delivery of customer service excellence targets
	Begin addressing identified and prioritized opportunities for improvement		

2. Transformation through modernization of procurement practices and processes

Modernization is a core objective of supply chain transformation and critical to our centralization efforts. Supply Ontario is working to evolve provincial procurement practices and processes and address the barriers and gaps in this space. Additionally, Supply Ontario is working towards the 2025 deadline to fully incorporate accessibility requirements into procurement processes.

Supply Ontario has been actively listening and responding to stakeholders and partners feedback as we modernize Ontario's procurement practices. We have used this feedback to help guide us through our procurement modernization work and adopt a customer-centric approach to reduce barriers and red-tape. We understand the importance of aligning our strategies with the objectives of government partners who play a pivotal role in shaping the future of Ontario.

As part of Supply Ontario's modernization initiatives, we have conducted stakeholder consultations to determine the common challenges throughout the procurement landscape. Through substantial consultation with stakeholders and the public procurement community, five key themes emerged:

1. liability reform;
2. digital and intellectual property protections;
3. flexible and streamlined OPS/BPS procurement rules;
4. enterprise vendor of record modernization;
5. sustainable procurement practices.

Supply Ontario will continue to work with stakeholders as we address these modernization themes carefully and strategically.

By fostering open and collaborative communication, we aim to create a procurement system that more effectively

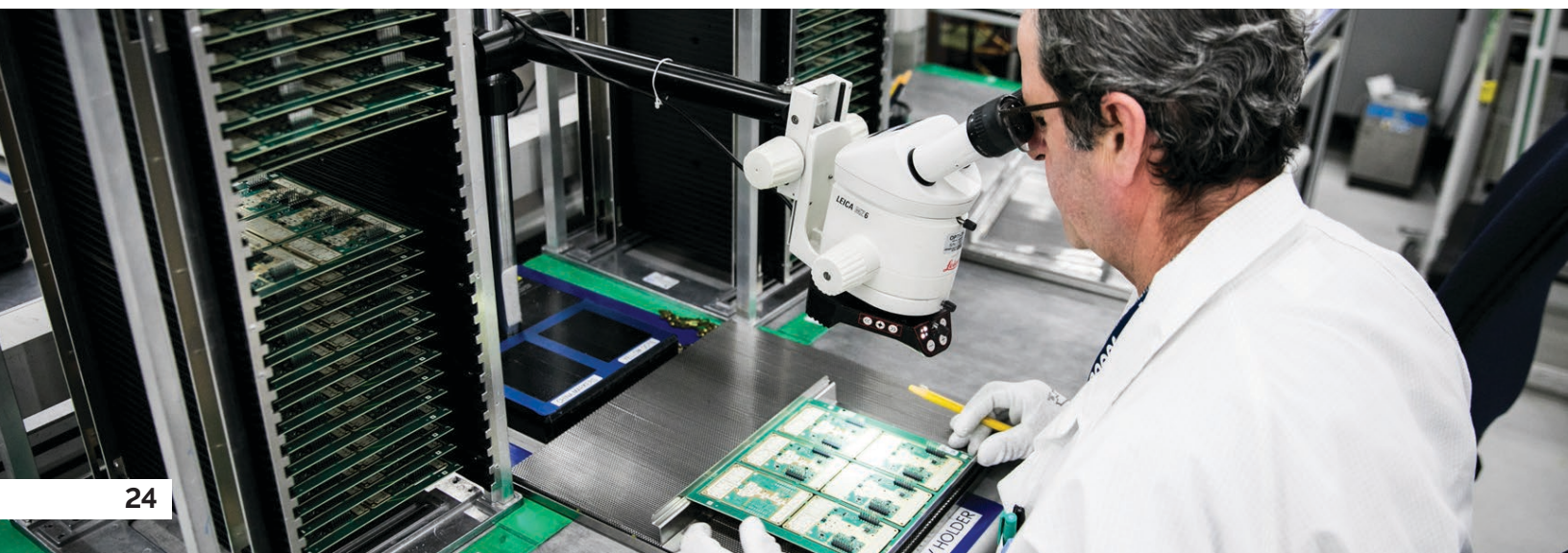
supports government objectives while delivering better value to the public.

Mandate Letter 2024/2025 Key Priority: Transform Ontario's Public Sector Supply Chain and Modernize Public Sector Procurement

Supply Ontario is committed to developing and launching a multi-year workplan, which will allow us to modernize public procurement across the province. This will help drive Supply Ontario's priorities, focused on areas where there are opportunities to find the greatest value for the residents and businesses of Ontario. The procurement modernization workplan will act as our roadmap to identify and mitigate barriers and red tape, with the goal of making it easier to do business with Ontario. The workplan aligns with our values, with an emphasis on our commitment to stakeholders and partners. Our workplan will have key recommendations—informed by stakeholders—that will ultimately allow their voices to be heard and reflected in our modernization work. In addition, Supply Ontario is continuing to work with trusted partners to promote innovative technologies and adopting models that reduce burden and red tape, such as a one-window digitized procurement system. Supply Ontario will also engage the Ministry of Seniors and Accessibility (MSAA) on this workplan to support accessibility commitments.

As part of the procurement modernization workplan, Supply Ontario plans to undertake VOR modernization and address barriers, red tape and administrative burdens to make it easier to do business with Ontario. Although modernization for the Vendor of Record system

is on the horizon, we continue to drive growth within the program by proposing new VOR arrangements, particularly in the Information and Information Technology (I&IT) space to enable access to centralized contracts for innovative technology foundations.



Growing and Modernizing Ontario's Vendor of Record System

In summer 2023, Supply Ontario expanded with the integration of Supply Chain Ontario (SCO) from the Ministry of Public and Business Service Delivery (MPBSD). This realignment resulted in Supply Ontario gaining the strategic and operational administration of the enterprise VOR Program. The enterprise VOR Program makes collaborative contracts available to all public service entities, saving administration for those entities, and allowing for better outcomes from the combined purchasing power of Ontario. At the point of transfer, the program included 76 VOR arrangements, with an estimated value of approximately \$4B over the life of the agreements. Supply Ontario is growing the number of VOR arrangements available to public sector entities by over 80 per cent, which will represent the largest increase in the enterprise VOR program since its creation.

Using VOR arrangements provide numerous benefits to government purchasers and vendors and is a key component to Supply Ontario's mission to aggregate public sector purchasing through efficient and value-driven channels. Some of these benefits include:

- aggregating government spend to **consolidate** public sector **purchasing power, enabling** the government to **buy as one** to deliver greater **value for money**;
- creating a streamlined and collaborative public sector supply chain system **to improve outcomes** for patients, students, business and citizens, **reducing the burden of red tape**;
- understanding and engaging marketplace changes **to increase supply chain stability** and **mitigate global supply chain disruptions**;
- establishing a contract term that is attractive to market participants; and
- **encouraging competition, investment, improved customer service, innovation** and **development of Ontario's supply chain**, among multiple other benefits.

Supply Ontario is exploring a considerable expansion of the enterprise VOR program, as well as adopting new practices, such as better and faster ways to use the contracts that will enable new participants to have the opportunity to join VOR arrangements on a more regular cadence.

The health sector is one of the cornerstones of public service and procurement, and therefore is central to Supply Ontario's mandate and activities. As part of our modernization efforts, we have committed to supporting an innovation pathway specific to the health sector. This initiative will allow the government to explore high-potential solutions in collaboration with our partners, ultimately improving the delivery of healthcare services and enhancing the overall well-being of Ontarians. We believe through innovation, we can drive efficiency, affordability and accessibility in healthcare, making it a scalable model for other sectors.

Supply Ontario understands policy, regulations, and legislation have a significant impact on public sector procurement. By actively engaging with stakeholders and contributing to the shaping of policy and legislation, we can help create an environment conducive to innovation and efficiency, ultimately advancing our commitment to modernization.

Supply Ontario believes data is the backbone of informed decision-making. To meet procurement challenges and seize opportunities effectively, we are committed to leveraging data both within government and with our partners. By harnessing the power of data, we can gain intelligence on market dynamics, trends, and emerging opportunities. This will empower us to make agile, market-informed decisions to drive value for the government and the public. Data is fundamental to our path forward and we will work with partners to ensure we have sufficiently robust data to achieve our organizational aspirations.

The transformation through the modernization of procurement practices is fundamental to Supply Ontario's success. Supply Ontario will adhere to our values of collaboration, transparency and trust to not only keep pace with change but will aim to become a leader in public procurement.



Priorities

- 2.1** Respond to stakeholder and partner feedback on modernizing procurement processes and channels to support government objectives
- 2.2** Support an innovation pathway to allow government to explore high-potential solutions with partners
- 2.3** Work closely with government partners to shape policy, regulations and legislation impacting public sector procurement
- 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

Priority	2024-25	2025-26	2026-27
2.1 Respond to stakeholder and partner feedback on modernizing the procurement process and channels to support government objectives	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)	Undertake process to amend liability framework by researching what legislative tools can be used with consultation from legal counsel	Use new liability framework in Supply Ontario procurements

Priority	2024-25	2025-26	2026-27
2.1 Respond to stakeholder and partner feedback on modernizing the procurement process and channels to support government objectives	<p>Initiate the marketplace engagement for the digital procurement system/solution in line with the OPS Digital Accessibility Standard</p> <p>Finalize OPS and BPS business requirement gathering and go to market for digital procurement system/solution</p>	<p>Initiate phased implementation of the digital procurement system/solution</p>	<p>Expand phased implementation of the digital procurement system/solution</p> <p>Implement digital procurement tools to streamline agency operations and improve supplier management</p>
	<p>Launch a multi-year 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>Implement remaining 'quick win' recommendations and next-stage recommendations from the procurement modernization workplan</p>	<p>Implement more complex recommendations from the procurement modernization workplan</p>

Priority	2024-25	2025-26	2026-27
2.2 Support an innovation pathway to allow government to explore high-potential solutions with partners	<p>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 (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>	Continue supporting the innovation and consider widening adoption into other category strategies	Scaling of successful solutions and broader implementation

Priority	2024-25	2025-26	2026-27
2.3 Work closely with government partners to shape policy, regulations, and legislation impacting public sector procurement	Support the government in supply chain-related policy, regulation, and legislation, including identifying consequential and/or unintended risks and sector impacts	Identify key legislative and regulatory changes required to advance and modernize the provincial procurement landscape	Implement a rigorous monitoring and reporting procedure to understand and appreciate the impacts of the amendments
	Explore legislative and regulatory amendments to reduce barriers and red tape to make doing business with Ontario easier	Explore directive amendments to promote more underrepresented groups in public procurements	Conduct analysis and engage stakeholders to determine the effectiveness of amendments
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	Continue the implementation of data governance program through the establishment of formal structure, policies and processes	Further develop data governance bodies, policies, and processes Commence developing automated data quality checks	Ongoing evaluation and monitoring to improve data governance processes

Priority	2024-25	2025-26	2026-27
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	<p>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>Expand the reporting and dashboards to other parts of the agency</p> <p>Increase the amount and complexity of analytics support while beginning to support other agency functions</p>	<p>Expand reporting and dashboards to other interested parties</p> <p>Create data products to support Supply Ontario's mandate</p>
	<p>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>Expand the data collection program to include more partners and increase frequency of data collection</p>	<p>Standardize the data collection process across all data partners</p>
	<p>Ensure business records are accessible and governed by appropriate policies and standards automatically</p>	<p>Employ modern tools to continuously monitor and enforce compliance with legal and organizational records retention policies</p>	<p>Use advanced tools for efficient management of records from creation to disposition</p>

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

One of Supply Ontario's goals is to enable the achievement of government objectives by providing efficient, transparent, and cost-effective procurement solutions. Supply Ontario is committed to transforming the agency into a fully functional provincial entity, enhancing its capabilities, and fostering resiliency to meet the ever-evolving demands of the dynamic provincial procurement environment.

Supply Ontario acknowledges the pressing need to shed outdated legacy structures and processes. Our commitment to transformation is at the forefront of our agenda, and it signifies our unwavering resolve to adapt to the ever-changing landscape of public procurement. We will modernize procurement processes with streamlined technology-driven solutions that promote accessibility, transparency, and adaptability. In tandem with this, we aim to cultivate a culture of innovation within our organization, encouraging our workforce to embrace creativity and forward-thinking improvements that respond dynamically to emerging procurement needs and opportunities.

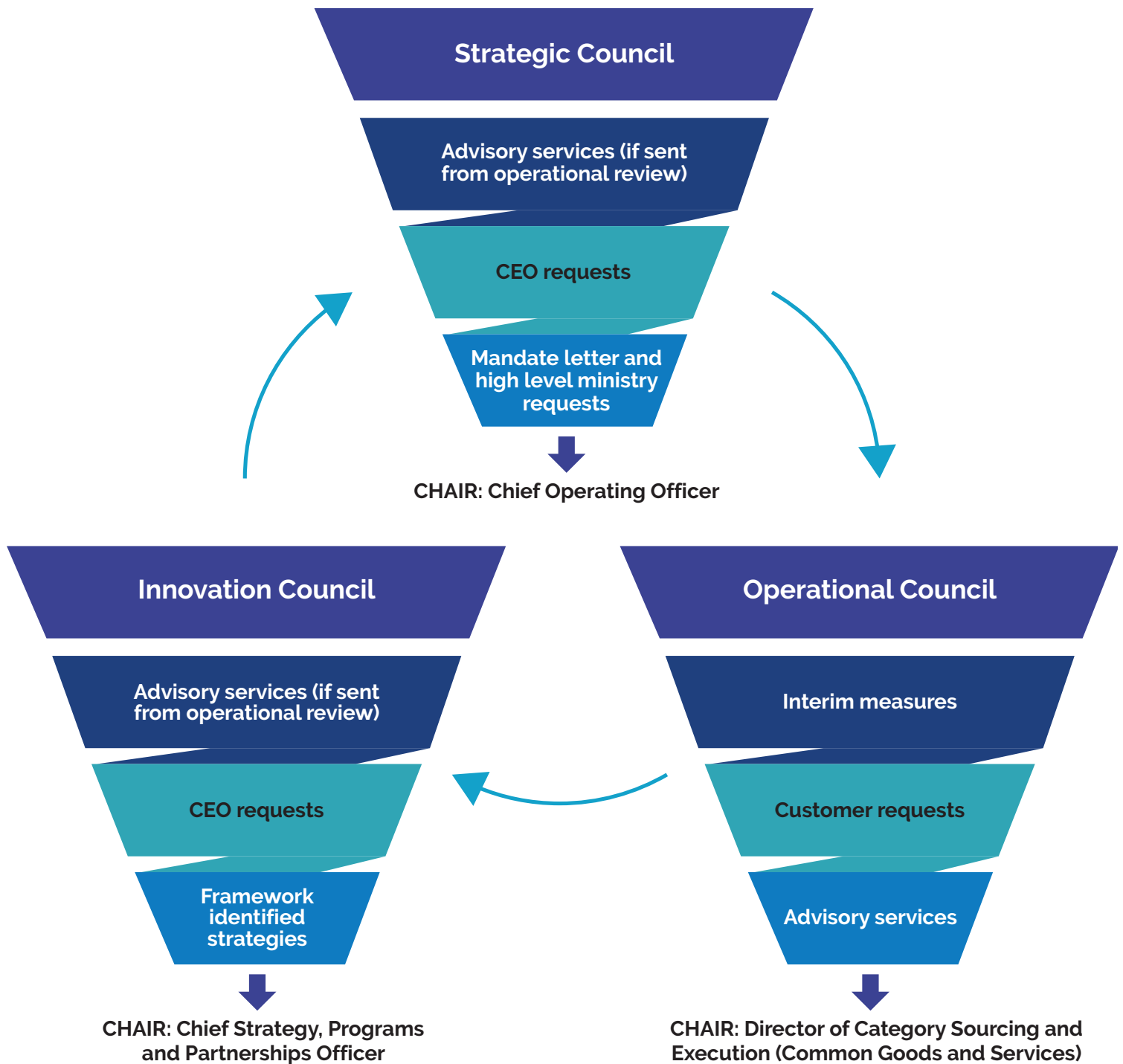
In January 2024, Supply Ontario established three business intake councils to assess, approve and assign business opportunities

based on organizational priorities and resources. The Strategic Council is chaired by the Chief Operating Officer and is designed to provide structure and governance around prospective new business or contracts under management.

The Innovation Council is chaired by the Chief Strategy, Programs and Partnerships Officer. The Innovation Council will play a crucial role in bringing partners together to assess and accelerate evidence generation in alignment with fair and transparent principles of procurement, along with the ongoing work related to the healthcare-focused innovation pathway.

The Operational Council is chaired by the Director of Category Sourcing and Execution (Common Goods and Services). The purpose of the Operational Council is to establish an operational assessment framework for transparent and strategic planning with OPS and non-OPS support inquiries, procurements, and requests to ensure alignment. The Operational Council will also ensure support is planned and executed in a timely manner and preserve business continuity for Supply Ontario's clients.

Together, the business intake councils introduce a new function in the agency to provide clear oversight and accountability of new business, projects, and initiatives.

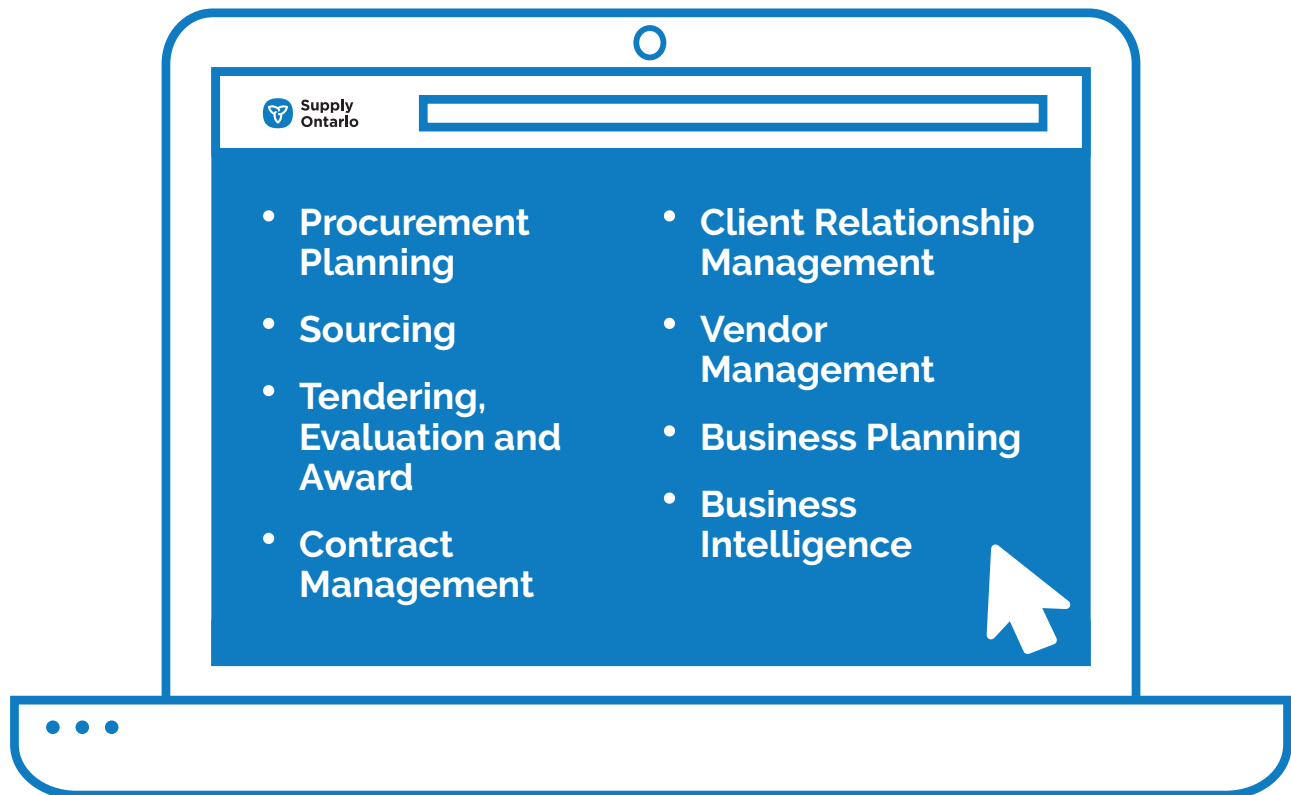


Supply Ontario is firmly committed to upholding the highest standards of accountability by exploring methods to replace existing procurement systems with a more comprehensive digital system. Establishing a digital procurement system that

combines Supply Ontario's Ontario Tenders Portal (OTP) and the Ministry of Transportation's (MTO) Registry, Appraisal and Qualification System (RAQS) will improve the customer experience, data centralization and support the cultivation of strong supplier relationships.

Centralization in Action: One-Window Digital Procurement Solution

With more than 6,000 fragmented entities using multiple procurement platforms, Supply Ontario is working towards implementing a one-window digital procurement solution for Ontario. In 2024-25, Supply Ontario will initiate the market engagement for the digital procurement solution and finalize the OPS/BPS business requirement gathering and go to market. In 2025/26, Supply Ontario plans to initiate the phased implementation of the digital procurement solution. In 2026-27, Supply Ontario aims to expand phased implementation of the digital procurement solution and implement digital procurement tools to streamline agency operations and improve supplier management. Benefits for Ontario include:



To ensure our actions align with government objectives, we are dedicated to establishing a comprehensive methodology and platform for monitoring and reporting our achievements and progress. This commitment will be

underpinned by data-driven decision-making, featuring advanced data analytics and key performance indicators to continually assess our performance and refine our operational strategies.

Mandate Letter 2024/2025 Key Priority: Continue to Operationalize Supply Ontario as a Delivery Organization

We are continuing to operationalize Supply Ontario by fully integrating new resources, securing the necessary talent and transforming the agency into a fully functioning public entity. In addition, we are replacing legacy structures and adopting new, innovative ones, that will allow us to grow and develop into a mature agency.

July 31, 2023, marked a major milestone in our growth and progress as an agency with the transfer of SCO to Supply Ontario. As part of this transfer, Supply Ontario will continue providing quality supply chain services to OPS ministries, and other existing customers through management of the enterprise VOR program and by providing advisory support to clients across the OPS. Additionally, this transfer centralizes resources for government procurements across the OPS/BPS. As a result, Supply Ontario is now fully responsible for PPE/CSE, and 2024-25 will be a key year for the long-term stockpiling and warehousing strategy. This will be implemented, ensuring an efficient and effective warehousing and distribution network that is capable of

rapidly delivering across Ontario. There will be additional product lines to be managed by Supply Ontario (such as vaccine ancillary supplies and Emergency Management Ontario consumable supplies).

Priorities

- 3.1** Continue evolving the agency from legacy structures and processes in addition to completing the merger of Supply Chain Ontario into Supply Ontario
- 3.2** Establish a methodology and platform for monitoring and reporting on agency accomplishments and progress
- 3.3** Develop best in-class HR practices to enable cultural growth within the organization

Priority	2024-25	2025-26	2026-27
3.1 Continue evolving the agency from legacy structures and processes in addition to completing the merger of Supply Chain Ontario into Supply Ontario	Implement processes and solutions to autonomously perform financial transactions	Mature processes and continue to assess foundational capacity and capabilities	Build on a culture of continuous improvement to address gaps
	Establish a risk appetite framework for Supply Ontario	Enhance agency's risk management functions as the agency expands and matures its operations	Continue evolution of agency's risk management functions to align with the agency's growth strategies
	Stand-up agency's internal audit and freedom of information (FOI) functions	Mature agency's internal audit and FOI functions	Ongoing evolution of the agency's internal audit and FOI functions to align with agency's growth strategies
	Implement agency's business continuity plan	Refine the agency's business continuity plan to incorporate any changes to agency operations	Actively update the plan to incorporate any changes to agency operations
	Complete transfer of corporate employee files Integrate SCO into SO organizational structure for better alignment	Assess and monitor integration and adjust as required	Continual organizational refinement with integration of new operations and business lines as required

Priority	2024-25	2025-26	2026-27
3.2 Establish a methodology and platform for monitoring and reporting on agency accomplishments and progress	<p>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>	Harmonize dashboards between Supply Ontario divisions and optimize insights and reporting	Leverage insights from data team to inform continuous improvement of delivery model
	Develop a reporting framework for the purposes of reporting on agency progress	Expand dashboards and scorecards for various audiences to support decision-making, demonstrate progress and enhance transparency and accountability	Refine and automate dashboards and scorecards to drive evidence-based decision-making
	Establish cyber security key performance indicators (KPIs) to measure the effectiveness of security controls and support informed decision-making	Benchmark and communicate IT performance	Demonstrate the continuous improvement of cybersecurity controls and IT performance

Priority	2024-25	2025-26	2026-27
3.3 Develop best in-class HR practices to enable cultural growth within the organization	<p>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>Execute additional phases of HR management system (applicant tracking, compensation, learning, performance)</p> <p>Refine talent acquisition processes and program to improve candidate attraction</p>	<p>Apply additional phases of HR management system</p>
	<p>Develop occupational health safety (OHS) and wellness programs, including mandatory learning to ensure legislative compliance</p> <p>Develop and implement accessibility plan (AODA), including any identified programs, policies and intended outcomes</p> <p>Build KPIs and other data related to the accessible procurement plan</p>	<p>Evaluate the current state of the OHS and wellness program and seek feedback for continuous improvement</p>	<p>Implement changes to OHS and wellness programs in response to previous year's evaluation</p>

Priority	2024-25	2025-26	2026-27
3.3 Develop best in-class HR practices to enable cultural growth within the organization	Implement a labour relations strategy, pay equity plan, and prepare for collective bargaining with two bargaining groups	Complete collective bargaining processes	Implement new collective agreements
	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)	Analyze culture-building programs and people strategy to ensure employee retention and add new programs (mentorship, training focused for leadership competencies)	Ongoing assessment of culture-building programs and people strategy to ensure employee satisfaction and retention
	Launch inaugural Diversity, Equity, Inclusion and Belonging (DEIB) Council Create a feedback mechanism to ensure consistent improvement and accountability	Undertake an impact assessment showcasing the results of the work undertaken	Advancing and promoting DEIB initiatives throughout the agency

4. Collaboration with partners to enhance Ontario's buying power

Building relationships has been critical to Supply Ontario's understanding of the procurement community dynamics in Ontario. This has been a priority since inception and the agency has further formalized and expanded on the cadence and scope of stakeholder relationship-building.

Throughout the summer of 2023, the President of the Treasury Board (the Minister with oversight of Supply Ontario) and Supply Ontario's CEO undertook a series of cross-province roundtable discussions, hearing directly from buyers and sellers in the public sector procurement ecosystem. These roundtables were especially important for documenting and addressing concerns relating to the imminent implementation of BOBI. The implementation of BOBI is intended to level the playing field for Ontario and Canadian-based businesses in our public procurements. Part of growing Ontario businesses will also include increasing participation from historically marginalized and underrepresented populations and businesses. Supply Ontario is working towards implementing BOBI principles and strategies throughout the agency's procurements. We are also providing guidance and training to hospitals, school boards, universities and colleges across Ontario.

To build upon the success from the previous year, the agency will continue to leverage the expertise and experience in the public sector procurement community and establish the agency as a trusted and reliable leader in public sector procurement. This will include Supply Ontario's continued attendance at stakeholder forums and diverse procurement stakeholder groups such as the Mission from MaRS (MFM) Public Procurement Coalition and the Pan-Canadian Collaboration on Sustainable Procurement.

As Supply Ontario positions itself as the leading procurement body within the province, it will become critical to expand its engagement by creating different working groups tasked with assisting the agency's commitment to:

- embed environmental and social values into procurement processes and outcomes;
- advance opportunities for underrepresented businesses and partners to have access to public sector procurement; and
- work closely with Ontario Health to support a resilient and predictable supply of key medical and pharmaceutical needs for Ontario, including medications subject to seasonal supply stressors.

Working groups bring structure and clarity to an organization's external relationships and knowledge transfer, which in turn allow it to continue to grow and evolve into a fully functioning public agency.

Continued collaborative efforts with Ontario Health (OH) and the Ministry of Health (MOH) will be integral as Supply Ontario focuses on expanding the renal category. This strategic alliance uses established relationships, subject matter and expertise to spearhead procurement and contracting strategies for hemodialysis (future procurement), peritoneal dialysis (contract negotiations), and dialyzers (future procurement). These initiatives build on the positive momentum of the renal category strategy (currently valued at \$367M), which has support and engagement from OH and other trusted partners—both public and private. Through this category strategy, Supply Ontario will derive multiple benefits to patients and the province:

- ✓ optimized clinical choice and patient outcomes
- ✓ centralized oversight
- ✓ alternate service delivery and operations
- ✓ strengthened resilience and innovation

Priorities

- 4.1** Establish the agency as a trusted and reliable leader in public sector procurement

4.2 Establish stakeholder working groups in core areas for the agency

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

Priority	2024-25	2025-26	2026-27
4.1 Establish the agency as a trusted and reliable leader in public sector procurement	Ensure the agency is represented at key partner and stakeholder forums and has a visible presence and voice in the public sector procurement communities	Expand opportunities for collaboration by communicating early and consistently with communities of interest and practice	Promote open lines of communication with stakeholders as initiatives become operationalized and procurement modernization work is underway

Priority	2024-25	2025-26	2026-27
4.1 Establish the agency as a trusted and reliable leader in public sector procurement	<p>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>Continue to implement change management strategies as procurement modernization initiatives begin to be implemented</p> <p>Socialize procurement modernization strategies adopted into the enterprise VOR program</p>	<p>Continue to gather, pilot and modify modernization ideas and adopt at scale with agile and responsive changes to Supply Ontario's procurement</p>
	<p>Consult with stakeholders on how Supply Ontario can support public procurement based on a robust data strategy</p>	<p>Continue to develop, implement and improve Supply Ontario's data strategy</p>	<p>Offer training stakeholder sessions on how to improve data-driven decision-making in public procurement</p>
	<p>Establish a robust cybersecurity model that ensures integrity and confidentiality of Supply Ontario's information assets through stringent security and privacy standards</p> <p>Safeguard Supply Ontario's security posture and evolve existing infrastructure to increase efficiencies and agility in delivering operations</p>	<p>Establish Security Operations Centre (SOC)</p>	<p>Continue improvement and growth of Supply Ontario's cybersecurity preparedness</p>

Priority	2024-25	2025-26	2026-27
4.2 Establish stakeholder working groups on core areas for the agency	Develop Terms of Reference and launch Indigenous, Education, Health, Sustainability, SSO/GPO, Innovation and Digital Tables	Develop a sustainability plan to ensure continued success and relevance of the Sector Tables	Launch innovative initiatives or projects that arise from the work undertaken by the Sector Tables
	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	Expand collaboration with MOH, OH and other health partners to identify priority healthcare issues	Continue to engage with OH and other health partners to develop or enhance emergency response plans for distribution
4.3 Drive greater value in contracts and bulk purchasing by focusing on the BPS and other covered entities	Securely manage the PPE/CSE supply chain to provide Ontario's healthcare and other sectors with ongoing supply	Proceed with integration of additional products into the stockpile as identified by partners (such as OCMOH, Emergency Management Ontario, etc.)	Continue working with partners to identify additional products that can be added into the stockpile
	Engage with BPS entities to secure adoption of centralized arrangements and to develop a better sightline as to their procurement and contracting needs	Continue promoting the voluntary uptake of enterprise VOR arrangements for public sector entities that are not currently covered under the agency's mandate	Continued identification of opportunities for centralized agreements across the public sector to ensure Ontario's buying power provides a better outcome and meeting client needs

Priority	2024-25	2025-26	2026-27
4.3 Drive greater value in contracts and bulk purchasing by focusing on the BPS and other covered entities	Cultivate innovation by partnering with startups and vendors to advance public sector supply chain solutions	Leverage data sharing to better understand the different partners within each category	Expand innovation opportunities with startups and vendors to ensure supply chain resiliency



Performance Measures and Targets

Supply Ontario is committed to tracking performance measures by continuing to develop multi-year KPIs with baselines, out-year targets and measurable outcomes.

Supply Ontario will work towards finalizing our list of steady-state KPIs in our 2025-26 Business Plan to ensure that we are monitoring the agency's progress towards

achieving its mandate letter targets in a consistent and comprehensive manner.

Mandate Letter 2024/2025 Key Priority: Demonstrate Progress and Success

Supply Ontario is demonstrating and tracking its progress as an agency through an outcome-based approach, which will focus on early agency wins, key performance indicators, initiatives in the works and upcoming categories/ planned procurements.

Looking Back at 2023-24 Accomplishments

As Supply Ontario enters into a new fiscal year, it is an opportune time to reflect upon the themes and goals that defined our transformative journey over the past year.

Looking back, there were multiple milestones achieved, lessons learned and the enduring values that continue to guide Supply Ontario.

First Business Plan 2023-2026	Commitment <ul style="list-style-type: none">• Leverage expertise and experience in the sector and be a trusted, reliable partner for all stakeholders
Current Status (Up to Q3 2023/2024)	Status <ul style="list-style-type: none">• Building relationships has been critical to supporting the agency's understanding of the procurement community dynamics in Ontario. It has also helped the agency better understand the challenges and opportunities related to its mandate. Supply Ontario initiated conversations with Indigenous partners to better understand needs and opportunities in Ontario's supply chain ecosystem.• The agency also partnered with OH and, where applicable GPOs, on specific province-wide category strategies and procurements (e.g., renal, ventilators, MRI machines).

**Current Status
(Up to Q3
2023/2024)**

- Throughout the summer of 2023, Supply Ontario's CEO and Ontario's President of the Treasury Board undertook seven business roundtable discussions, hearing directly from buyers and sellers in the public sector procurement ecosystem.
 - » These roundtables were especially important for hearing concerns and opportunities related to the implementation of the BOBI for the OPS, and the forthcoming implementation for the BPS.
 - » As part of the BOBIA regulatory consultation process, Supply Ontario in partnership with TBS conducted virtual regulation sessions. They received forty-three submissions and over 450 individuals participated. Supply Ontario also facilitated BOBI awareness sessions, in which nearly 1,000 OPS and BPS staff attended to hear about plans for implementation and address any questions.
 - » The agency met with accessibility stakeholders and policymakers to discuss reducing/removing accessibility barriers (MSAA, Accessibility Standards Canada and the Disability Advisory Council).
- The agency addressed BOBI implementation questions and guidance for OPS/BPS clients
- Continued Supply Ontario representation at public procurement forums, including hosting discussions with the Minister (President of the Treasury Board) and sector-specific organizations
- Supply Ontario continues to engage with learning and health sector organizations to discuss Supply Ontario's priorities and opportunities

First Business Plan 2023-2026	Commitment <ul style="list-style-type: none"> • Build strong organizational foundations and platforms and develop workforce capabilities to enable Supply Ontario to be a leader in the supply chain ecosystem • Ensure value creation is focused on improving contracts across the OPS/BPS to unlock better value for taxpayer dollars
Current Status (Up to Q3 2023/2024)	Status <ul style="list-style-type: none"> • Established HR foundations, policies, practices, processes and programs to further drive a culture of inclusion, excellence and collaboration • Developed and launched organizational values, value statement and behaviours; integrated values into Performance Management Program (PMP) framework, talent acquisition and onboarding, policies and employee recognition activities • Created a PMP including more rigorous and consistent performance objective setting plan, enhanced criteria for performance ratings, refresh of performance objectives templates and evolution of final performance assessment to include assessment of key organization values-based behaviours • Created a comprehensive and integrated five pillar approach to a DEIB strategy. The strategy aims to create a more diverse, equitable, and inclusive workplace where employees can bring their whole self to work. Each pillar has specific action plans being implemented in FY2023/2024. • Developed a learning and development strategy based on a functional area needs assessment to determine knowledge and skills gaps across the organization and assess ways to address these to realize optimal performance. Key focus areas include supply chain foundations education, targeted development towards supply chain professional designations, LinkedIn learning subscription for all employees and DEIB education.

**Current Status
(Up to Q3
2023/2024)**

- Established finance and risk management foundations, policies, practices, processes and programs to establish appropriate controls and mature the organization (e.g. an enterprise risk management (ERM) framework and risk reporting, committees, certificate of assurance, financial reporting and management)
- Collaborated with TBS and various ministries to formulate and implement sector-specific action plans, such as a comprehensive provincial category management strategy, which includes the delineation of target categories. Initial category strategies are complete for renal, computing devices, nutrition, and fleet. Procurements for the peritoneal, hemodialysis, dialyzers, and MRI categories are in progress.
- Achieved incremental progress on contract harmonization and category management to generate momentum, build trust and incorporate lessons learned/good practices
- Focused primarily on contracts Supply Ontario can optimize in partnership with government
- Leveraged already planned work to demonstrate a more centralized approach to the supply chain community
- Executed opportunities that have a higher likelihood of success to demonstrate progress, including increased participation in bulk purchasing
- Commenced partnerships with OH to establish an improved model for clinical supply chain management
- Initiated deep dives into eight additional health care categories
- Completing peritoneal procurement negotiations
- Completed the Strategic Planning Process in collaboration with TBS
- Implemented the agency's communications strategy
- Implemented the agency's leadership development and learning strategy
- Completed the business process integration between SO and SCO
- Established governance councils for the agency to prioritize initiatives
- Delivered strategic planning discussion and framework to Board of Directors, securing approval of key priorities for agency maturation

Current Status (Up to Q3 2023/2024)	<ul style="list-style-type: none"> • Implemented revised Supply Ontario operating model to reflect integration of SCO and business development as a core agency operational priority • Continued negotiations with enterprise software providers to deliver competitive Terms & Conditions for OPS/BPS entities.
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First Business Plan 2023-2026	Commitment <ul style="list-style-type: none"> • Leverage the strategic use of data to modernize Ontario's procurement and supply chain • Work closely with government partners to shape policy and regulations that support a modern supply chain ecosystem • Develop a plan for implementing procurement modernization strategies (e.g., value-based procurements, innovation)
Current Status (Up to Q3 2023/2024)	Status <ul style="list-style-type: none"> • Established data ecosystem governance, stewardship and infrastructure to help standardize and store raw data in a sophisticated manner • Provided strategic direction on how covered entities can support and enable Supply Ontario's mandate through market guidance • Supported government on supply chain-related legislation, regulation, policy and directives • Worked with government partners and industry stakeholders to explore and leverage opportunities to foster and increase innovation in procurement processes, as well as driving adoption of innovative solutions through procurement • Created a cloud-based data and analytics platform • Created phase II of the analytics platform, with PowerBI implemented • Created a data pipeline to process and clean data from OPS Docs to ingest and clean external data that has been collected

First Business Plan 2023-2026	Commitment <ul style="list-style-type: none"> • Ensure Ontario's resilience and ability to rapidly respond to unexpected events, ensuring reliable access to critical products when needed • Leverage local and regional supply chain opportunities and the BOBI to ensure there is continuous growth for local Ontario businesses
Current Status (Up to Q3 2023/2024)	Status <ul style="list-style-type: none"> • Secured PPE/CSE supply chain responsibility through the SCO transfer • Partnered with the government to develop and implement transition plan to secure PPE/CSE supply chain responsibility • Assumed leadership role for the pandemic PPE/CSE supply chain • Partnered with the government to create an emergency stockpiling strategy, ensuring Ontario is ready for future emergencies • Provided support to TBS as the ministry develops supply chain and procurement-related policies and regulations, including the BOBI and the Ontario Public Sector Supply Chain Strategy • Commenced discussion with TBS/MOH and OH to develop an innovation framework • Developed a pandemic supply resiliency strategy • Streamlined warehousing footprint for PPE/CSE

Measurement

Supply Ontario is creating the foundation for a key performance indicator (KPI) framework. This work includes identifying preliminary KPIs, establishing baselines and building data infrastructure. Going into the 2024/25 fiscal year, Supply Ontario will continue to focus on further KPI development and deliver on KPI targets. This will enable more robust performance measures and a future period-over-period comparative analysis.

Supply Ontario will develop and implement a complementary methodology for measuring benefits and evaluating value creation.

The following table represents the foundational work undertaken in the 2023/24 fiscal year and the multi-year performance measures currently identified, which will be reported on in the agency's future annual reports.

Strategic Framework	2024-25 integration and centralization of procurement across public sector to create value
Intended Outcomes	<ul style="list-style-type: none"> • Expanded category management program • Greater uptake of enterprise VOR program among BPS entities • Strengthen resiliency of PPE/CSE provincial stockpile
Performance Measures 2023-24	<ul style="list-style-type: none"> • Supply Ontario managed an estimated value of \$4.0 billion enterprise contracts • Supply Ontario targeted estimated savings and cost avoidance of \$1.06B for current year 2024 VOR Program • Supply Ontario is continuing to work towards establishing a baseline of the BPS' current utilization of Supply Ontario procurement contracts and developing levers to drive BPS access to Supply Ontario procurement contracts going forward • Before 2020, Ontario spent zero domestic dollars on PPE/CSE. In FY 2023-24, 98% of provincial stockpile contracts were awarded to Ontario businesses. Supply Ontario will continue to strengthen the resiliency of its provincial stockpile by continually onshoring PPE/CSE manufacturing facilities, such as Manikheir's nitrile glove production facility in London
Performance Measures 2024-25	<ul style="list-style-type: none"> • Supply Ontario forecasts to manage \$7.4 billion worth of enterprise contracts • Supply Ontario will target further estimated savings and cost avoidance of \$322M based on 2024 VOR Program • Supply Ontario anticipates increasing BPS access to Supply Ontario procurement contracts by 10% in the categories of mobile devices and computing devices • Supply Ontario will continue to strengthen the resiliency of its provincial stockpile

Performance Measures 2025-26	<ul style="list-style-type: none"> • Supply Ontario forecasts to manage \$8.0 billion worth of enterprise contracts • Supply Ontario will aim to sustain estimated savings and cost avoidance realized based on 2024 VOR Program • Supply Ontario anticipates increasing BPS access to Supply Ontario procurement contracts by 20% in the categories of mobile devices and computing devices • Supply Ontario will continue to strengthen the resiliency of its provincial stockpile
Performance Measures 2026-27	<ul style="list-style-type: none"> • Supply Ontario forecasts to manage values of \$8.6 billion enterprise contracts • Supply Ontario anticipates increasing BPS access to Supply Ontario procurement contracts by 20% • Supply Ontario will aim to sustain that a minimum of 99% of the provincial stockpile contracts to be awarded to Ontario businesses

Strategic Framework	Transformation through modernization of procurement practices and processes
Intended Outcomes	<ul style="list-style-type: none"> • Reduced barriers and red tape to make doing business with Ontario easier • Enhanced capability to receive and generate insights based on data from across Ontario's supply chain and procurement landscape • Establishment of internal agency dashboard to centralize key agency outcomes-based performance measures and work towards standardizing procedures for reporting
Performance Measures 2023-24	<ul style="list-style-type: none"> • Optimize data and insight into procurement ecosystem both from within OPS and BPS, and from other Group Purchasing Organizations, Shared Service Organizations and Supply Ontario vendors. In FY 2023-24 one organization with a sector view was onboarded to Supply Ontario's data collection framework • Develop and implement Annual report and Business Plan

Performance Measures 2024-25	<ul style="list-style-type: none"> • Supply Ontario anticipates that four organizations will be onboarded to the Supply Ontario data collection framework • Publish Annual report and Business Plan
Performance Measures 2025-26	<ul style="list-style-type: none"> • Supply Ontario anticipates that five organizations will be onboarded to the Supply Ontario data collection framework • Publish Annual report and Business Plan
Performance Measures 2026-27	<ul style="list-style-type: none"> • Supply Ontario anticipates six organizations will be onboarded to the Supply Ontario data collection framework • Develop Annual report and Business Plan • Report on progress and benefits realized as projects mature

Strategic Framework	Build foundational capabilities and resiliency within agency to support government objectives
Intended Outcomes	<ul style="list-style-type: none"> • Advanced human resources policies, practices, processes, and programs to support employee attraction, retention and engagement • Established strategy for tracking and measuring value delivered through Supply Ontario's priority projects • Continue to undertake the merger of SCO and SO
Performance Measures 2023-24	<ul style="list-style-type: none"> • Developed and influenced human resources policies, practices, processes, and programs such as Learning and Development Policy, Vacation Policy, Respectful Workplace Policy, Media Relations Policy, Recruitment Policy, and others to support employee attraction, retention and engagement • Continue to undertake the merger of SCO and SO • Commenced procurement of Supply Ontario's own IT/Financial system

Performance Measures 2024-25	<ul style="list-style-type: none"> Supply Ontario will be responsible for holding inventory on 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 expansion and merger with SCO
Performance Measures 2025-26	<ul style="list-style-type: none"> Demonstrate progress and continue evolving the agency into an innovative industry leader within the public sector procurement community. This will be demonstrated by the gradual increase of spend under Supply Ontario management, increased adoption of Supply Ontario procurement contracts across BPS and the continued integration and centralization of Ontario's procurement ecosystem
Performance Measures 2026-27	<ul style="list-style-type: none"> Supply Ontario will ensure that 100% of SO priority projects continue to be tracked and measured

Strategic Framework	Collaboration with partners to harness Ontario's buying power
Intended Outcomes	<ul style="list-style-type: none"> Advance Supply Ontario's position on innovation through ongoing consultations with stakeholders Strengthen partnerships with supply chain ecosystem stakeholder Cultivate innovation by partnering with Small-Medium Enterprises to advance public sector supply chain solutions Drive service excellence for Supply Ontario clients and vendors
Performance Measures 2023-24	<ul style="list-style-type: none"> Establish an Innovation Council within Supply Ontario which will manage the framework through which innovative technologies and solutions for the public sector supply chain are assessed Develop and strengthen partnerships with four supply chain ecosystem stakeholders Cultivate innovation by partnering with Small-Medium Enterprises to advance public sector supply chain solutions Supply Ontario attained a minimum level of 80%-85% of clients satisfied with the overall quality of services provided Supply Ontario attained a level of 76% of vendors satisfied with the procurement service provided

Performance Measures 2024-25	<ul style="list-style-type: none"> • Six new partnerships are formed, and collaboration opportunities identified • Supply Ontario will achieve a minimum target of 80% in client satisfaction with the overall quality of services provided • Supply Ontario will meet a minimum target of 80% in vendor satisfaction with the procurement service provided
Performance Measures 2025-26	<ul style="list-style-type: none"> • Ten new partnerships are formed, and collaboration opportunities identified • Supply Ontario will achieve a minimum target of 85% in client satisfaction with the overall quality of services provided • Supply Ontario will meet a minimum level of 85% in vendor satisfaction with the procurement process provided
Performance Measures 2026-27	<ul style="list-style-type: none"> • 16 new partnerships are formed, and collaboration opportunities identified • Supply Ontario will aim to satisfy a minimum target of 85% of clients satisfied with the overall quality of services provided • Supply Ontario will aim to satisfy a minimum level of 85% of vendor satisfaction with the procurement process provided





Appendix A: Resources

A1: Financial Profile

Government funding continues to support Supply Ontario operations to advance supply chain transformation through procurement consolidation within the OPS and procurement

collaboration across the BPS while balancing business continuity and provincial stockpiling responsibilities.

The following projected budget plan will provide Supply Ontario with financial and staffing resources to meet its goals over the next three years.¹²

Operating Budget			
	2024-25	2025-26	2026-27
Revenues			
Government operating funding	\$ 162,513,587	\$ 162,513,587	\$ 162,513,587
Total Revenue	\$ 162,513,587	\$ 162,513,587	\$ 162,513,587
Expenses			
I. Core Operations			
Salaries, wages and benefits	\$ 46,579,237	\$ 46,579,237	\$ 46,579,237
Other expenses	\$ 28,040,049	\$ 28,040,049	\$ 28,040,049
Digital, IT and tendering programs	\$ 18,235,300	\$ 18,235,300	\$ 18,235,300
Value creation initiatives	\$ 4,160,909	\$ 4,160,909	\$ 4,160,909
Legal support services	\$ 1,400,000	\$ 1,400,000	\$ 1,400,000
Services	\$ 1,117,179	\$ 1,117,179	\$ 1,117,179
Lease expense and renovations	\$ 624,000	\$ 624,000	\$ 624,000
Miscellaneous expenses	\$ 2,502,661	\$ 2,502,661	\$ 2,502,661
Core Operations Total	\$ 74,619,287	\$ 74,619,287	\$ 74,619,287
II. Stockpile Initiatives			
Supply chain support, warehousing, logistics and distribution	\$ 87,894,300	\$ 87,894,300	\$ 87,894,300
Stockpile Initiatives Total	\$ 87,894,300	\$ 87,894,300	\$ 87,894,300
Total expenses	\$ 162,513,587	\$ 162,513,587	\$ 162,513,587
Net	\$ –	\$ –	\$ –
Operating Asset (\$M)	2024-25	2025-26	2026-27
Provincial Stockpile Purchases	\$ 210,000,000	\$ 210,000,000	\$ 210,000,000
Total Operating Funding	\$ 210,000,000	\$ 210,000,000	\$ 210,000,000

1 The Government Operating Funding for FY 2024-25 until 2026-27 is pending government review and approval.

2 The Government Operating Funding levels and Supply Ontario expenses for FY 2024-25 until 2026-27 are subject to potential inflationary adjustments that are not reflected in the figures presented.

Supply Ontario abides by applicable government directives and policies and ensures transparency and accountability in reporting. The agency also adheres to public sector accounting standards and practices and responds to audit findings where applicable.

A2: Human Resources and Talent Management

Organizational Design and Strategy

Supply Ontario is continuing to prudently and efficiently refine its organizational design to ensure a structure and appropriate workforce size that will support its mandate and be agile to evolve with the agency's maturity.

SCO transferred to Supply Ontario effective July 31, 2023, as a “lift and shift” to minimize employee and operational disruption and ensure business continuity during transfer. Post transfer, the agency has been focused

on stabilization and disentanglement of processes. Integration of SCO is required to meet business objectives and priorities and an organizational review was recently completed to set up the agency to deliver on its goals and objectives.

Human Resources Strategic Priorities

In the coming year, Supply Ontario aims to continue to lay the foundational groundwork and develop HR initiatives to cultivate and bolster its people strategy. An emphasis will be placed on formulating and ensuring HR guidelines, methodologies, procedures, and initiatives align with the agency's strategic goals and principles. Supply Ontario is committed to the equitable treatment of individuals, ensuring fairness, diversity, inclusivity and a sense of belonging are integral aspects integrated within its strategies, policies, initiatives and organizational values.



The 2024-25 priorities include:

1. **Labour relations strategy:** benchmark labour management processes, complete strategic analysis of business labour relations objectives and collective bargaining preparation to foster positive relationships, manage conflicts, ensure legal compliance, and promote a productive and harmonious work environment
2. **Mandatory training:** develop the required training, processes, policies and documentation, and develop recommendations for ensuring Supply Ontario is compliant with legislative requirements and providing a safe environment
3. **Learning and development strategy:** provide enhanced training for leaders and employees to deepen expertise and enhance abilities that align with our values to meet new strategic priorities and organizational challenges
4. **Workplace wellness:** develop a workplace wellness initiatives strategy, review accommodation, return to work and illness reporting processes and develop required training, processes, policies and documentation that align with best practices; align HR and accommodations strategies with OPS directives and policy
5. **Occupational health and safety:** analyze corporate health and safety compliance including reporting processes, benchmark best practice health and safety initiatives and develop required training, processes, policies and documentation
6. **Diversity, equity, inclusion and belonging (DEIB):** implement the FY 2024/25 action items of the DEIB strategy to create a positive and productive work environment to attract and retain top talent, increase employee engagement, offer better decision-making, create a meaningful process and enhance performance
7. **Employee engagement and action strategy:** develop a multi-year employee engagement program including surveys and associated actions to address survey results to measure and improve the extent of the connection employees feel with the agency's mission, motivation, and alignment with organizational values
8. **Leadership behaviours/competencies:** identify leadership behaviours and develop competencies (knowledge, skills, and abilities) for effective performance for leaders and implement associated training
9. **Succession planning framework:** develop a framework to strengthen the overall capability of the agency by identifying critical positions, selecting key competencies and skills necessary for business continuity; and focusing development of individuals to meet future business needs
10. **Human resources management system (HRMS):** implement HRMS to automate HR processes, including but not limited to employee data management, benefits administration, pay for performance, learning and development, absence management, talent management and applicant tracking

- 11. Talent acquisition strategy:** optimize Supply Ontario's career page and LinkedIn to attract top talent and refine talent acquisition processes in the absence of an applicant tracking system (ATS)
- 12. Student/co-op talent acquisition strategy:** develop a strategy to create a talent pool to push the agency forward and access new and upcoming talent to meet future business needs
- 13. Pay equity plan:** perform a pay equity analysis and establish a plan that examines compensation practices to ensure practices are free from discrimination around gender, ethnicity, age or any characteristics that aren't related to job performance

Compensation Strategy

Supply Ontario's compensation policy and guidelines are based on the following principles:

- fiscal responsibility, governance, compliance with all applicable legislation and accountability
- alignment with organizational mandate, strategic directions, and values
- value of the total compensation package
- external competitiveness and internal equity with positions of equal value being compensated within the same salary band
- balance consistency and flexibility in compensation program design and application
- transparency and open communication, with due respect for privacy

- recognize and reward the performance of employees through a fair and equitable compensation program
- alignment with compensation best practices and Supply Ontario's talent management strategy

Supply Ontario's base salary structure competitiveness was assessed through researching external market comparisons and targeting a median of a defined talent market, representative of relevant broader public sector organizations.

Executive Compensation Framework

Since December 2020, Supply Ontario's Executive Compensation Framework aligns with the *Broader Public Sector Executive Compensation Act, 2014* (BPSECA). The executive pay structure outlines the minimum and maximum total cash compensation levels for positions deemed "designated executive" under the BPSECA.

Non-Executive Compensation Framework

The Board of Directors endorsed the non-executive compensation structure in February 2022. On February 23, 2024, the Government of Ontario repealed Bill 124 in its entirety.

Benefits

Supply Ontario provides a comprehensive suite of health and dental benefits, defined pension plans and group life insurance for employees. Additionally, employees are eligible to participate in a suite of optional benefits at

their own expense. Supply Ontario also offers programs for short and long-term disability as well as a comprehensive employee and family assistance program.

Summary of Workforce Data

Workforce planning activities continue to ensure Supply Ontario is hiring top talent and building organizational capacity. The chart on the next page provides information by functional area on the number of current employees in place as of January 15, 2024.

As of January 15, 2024, Supply Ontario has 192 filled positions, 177 of which are permanent full-time employees. The total workforce is 265 which includes one service level agreement and 72 contingent workers that support the PPE/CSE stockpile.



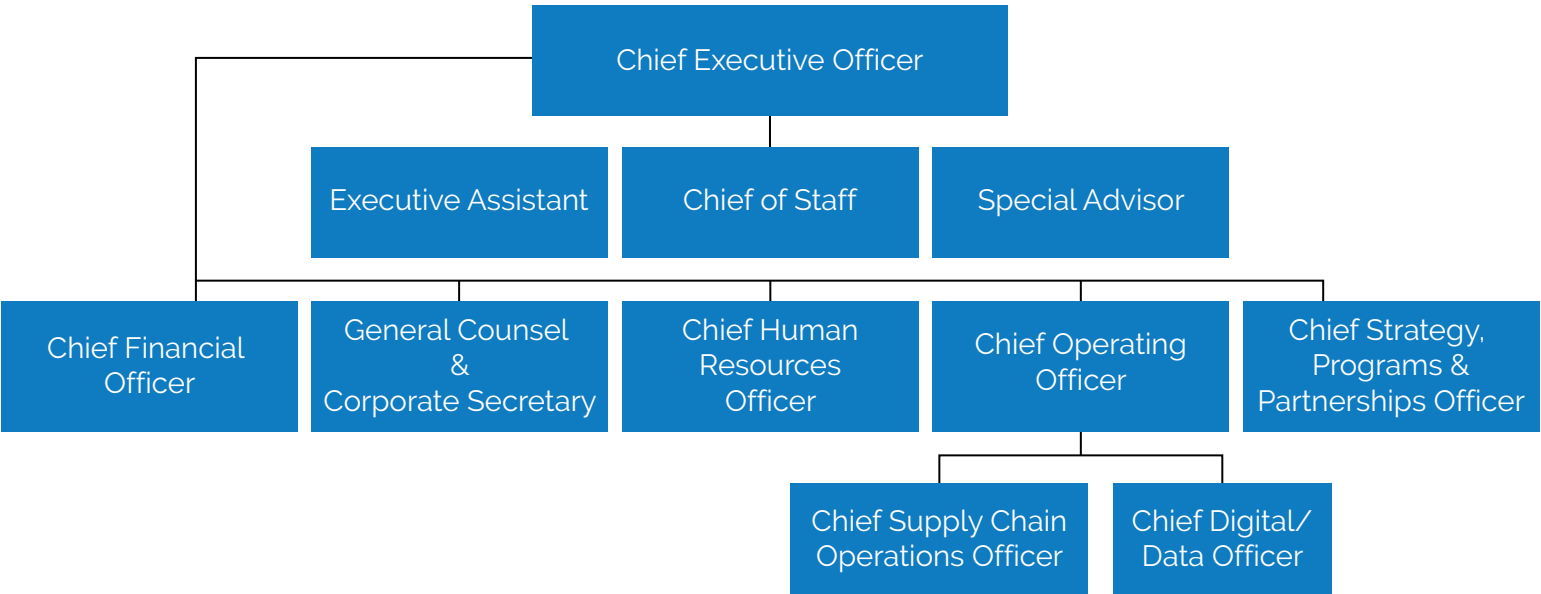
Employee Workforce Data by Functional Area as of January 15, 2024

Functional area	Total Headcount	Management	Non-Union	Association of Management, Administrative and Professional Crown Employees of Ontario (AMAPCEO)	Ontario Public Service Employees Union (OPSEU)
Office of the President and CEO	4	2	2	0	0
General Counsel and Corporate Secretary	2	1	1	0	0
Finance	15	4	11	0	0
Human Resources	15	4	11	0	0
Strategy, Programs & Partnerships	25	12	13	0	0
Operations	131	34	17	70	10
Total	192	57	55	70	10

Organizational Chart

Supply Ontario executive leadership team

January 15, 2024



A3: Realty

Supply Ontario currently has a sub-lease with the Workplace Safety Insurance Board (WSIB) for the 8th floor of 200 Front Street West, Toronto. Supply Ontario will work in close partnership with the Ministry of Infrastructure on any future realty requirements.



Appendix B: Risk Identification, Assessment and Mitigation Strategies

Supply Ontario has established an Enterprise Risk Management (ERM) program that allows for prudent risk management while pursuing strategic objectives and managing operations. The ERM program leverages risk management methodologies

to identify, assess, mitigate and monitor risks through a systematic and integrated approach.

Supply Ontario's risk management function is overseen by its Audit and Finance Committee, a sub-committee of the Board of Directors. Supply Ontario continues to review and manage its risks by ensuring appropriate mitigation plans are in place. Key risks are disclosed to TBS on a quarterly basis in accordance with requirements set out in the Management Board of Cabinet's Agencies and Appointments Directive.

Supply Ontario continues to enhance its key enterprise risk management capabilities, capacity, and business processes towards achieving a mature risk-informed culture across the agency.

Supply Ontario also continues to implement its Board-approved governance roadmap for the purpose of strengthening the Board's role in agency governance, strategic oversight and meeting its accountabilities. As part of the roadmap, specific structures and roles were identified that should be implemented and occupied to support the Board's role in agency governance and accountability. The onboarding of additional members will allow the Board to expand and augment its skills, diversity and experiences. Over the past year, Supply Ontario has accomplished the following in relation to Board governance:

- Established a dedicated leadership role (Director, Board Governance) responsible for advancing governance practices throughout the agency, including support to the Board of Directors and related Board committees;

- Established two Board committees: the Audit and Finance Committee, and the Governance and Human Resources Committee, enabling increased focus and oversight in specific areas as delegated by the Board;
- Established a suite of Board governance policies and implemented robust processes to guide and support the functions of the Board of Directors and its related committees;
- Supply Ontario sought membership in the Institute of Corporate Directors, an organization that promotes the effectiveness of Canadian directors and Boards. This membership will provide the Board and other key individuals at the agency with access to governance resources on frequently encountered and emerging boardroom issues, educational opportunities to enhance the culture and processes of the Board, and director development; and
- Developed and received Board endorsement on a new framework for onboarding new directors to Supply Ontario's Board of Directors.

Key risks identified under the ERM framework at this time include:

Timely Recruitment and Retention of Skilled Workforce

Supply Ontario continues to build its organizational model and capacity to successfully deliver on its mandate. Timely recruitment of staff has been impacted by unique skill requirements and challenges

in attracting qualified candidates in a post-pandemic market.

Supply Ontario developed a resourcing strategy that allows for a quick ramp-up of staffing resources and organizational stability while balancing the agency's ability to successfully onboard new staff. The strategy includes the use of external firms to assist with recruitment efforts, interim staffing arrangements with partner organizations (e.g., the OPS) and external resources, where appropriate.

Fragmented and Incomplete Supply Chain Data

Ontario's public sector supply chain ecosystem is large and complex. Billions of dollars are spent each year on goods and services across ministries, provincial agencies, hospitals, school boards, colleges and universities and social service organizations. Each organization has its own data collection and management systems, which may contribute to the fragmented, incomplete and inconsistent supply chain data environment.

The success of Supply Ontario's strategic, centralized procurement initiatives is heavily dependent on comprehensive and quality data from the various sectors as well as Supply Ontario's capacity to assess, analyze and maintain datasets. As Supply Ontario builds its digital platforms to support its data strategy, the agency may be subject to cybersecurity threats resulting in potential financial, legal and reputation impacts.

To manage these risks, Supply Ontario is working on a master data management strategy that includes a practical, insightful, and secure province-wide supply chain database architecture. The strategy will be supported by data collection best practices and agile data modelling methodologies to respond to changing environmental factors. It will include ongoing data collection and maintenance principles. Supply Ontario has taken steps to integrate a data platform for its data management needs and include a robust cybersecurity program to prevent, detect and respond to cyber threats.

Funding Risk

Supply Ontario, as an operational service agency, is fully funded by the provincial government. The agency delivers on its mandate and priorities within the resourcing envelope, including any in-year revisions, provided to the agency. The agency will monitor its spending and proactively provide regular financial updates to TBS that will help inform future funding strategies.



Appendix C: Information Technology (IT)/Digital

Supply Ontario is proactively advancing towards the integration of digital service improvements, underscoring the pivotal role of robust IT infrastructure in our operations. Recognizing that technology is the backbone of any leading organization, we are committed

to ensuring our IT initiatives provide a resilient and secure foundation. As advanced information systems and technology shape the foundation of delivering more convenient, reliable and accessible services, Supply Ontario is ensuring modern capabilities with robust privacy controls and security measures are integrated every step of the way.

To achieve this, we are leveraging state-of-the-art tools to securely compile data from partners across the public sector. These tools are equipped with high sensitivity safeguards and stringent privacy controls, ensuring all data is handled with the utmost security and confidentiality. This collected data will be pivotal in informing data-driven decision-making, allowing the public sector to make more informed, strategic choices that reflect the needs and trends across the province.

To further support our core backend systems for finance, procurement and human resources, we are implementing an enterprise resource planning (ERP) system. These systems are being designed with a modular strategy in mind, harnessing the power of application programming interfaces (APIs) to ensure flexibility and adaptability. By adopting this modular approach, Supply Ontario can select best-in-class solutions for each component, facilitating a connected ecosystem across the organization. The future of IT Services within Supply Ontario is to be shaped by a commitment to operational excellence, which is designed to enhance our core functions, ranging from robust cybersecurity measures to thorough

stakeholder engagement. This approach ensures every decision and strategy is underpinned by data-driven insights and digital optimization. By fostering an IT ecosystem that is seamless, hyperconnected, secure, cost-effective and available, we enable our staff to respond effectively, scale efficiently and adapt to evolving conditions.

Integral to this vision is our dedication to the inclusive and accessible design of all IT products. We recognize accessibility is a fundamental aspect of effective design. By incorporating accessibility principles from the onset, we aim to create IT solutions that are usable by all, regardless of ability or disability. This approach not only aligns with our values of inclusivity but also ensures costly retrofitting of products is avoided in the future. This focus on inclusive design is a key component of our strategy to provide high-quality, user-friendly and accessible services that meet the diverse needs of the people and businesses in Ontario.

As part of our ongoing improvements, we're working on a new digital procurement system that will replace the Ontario Tenders Portal (OTP) and Registry, Appraisal and Qualification System (RAQS). This updated system will make connecting, securing data and using the service easier than ever. It's designed to give better access to information and improve how customers experience our services. Our focus is on making the new system more user-friendly while keeping data safe. We're building in robust security and privacy features to protect all information. This means vendors and purchasers will be able

to use the system with confidence, knowing sensitive information is secure. The goal is to make interactions with Supply Ontario smoother and more transparent, allowing for a simpler and more effective way to handle procurement processes.

For Supply Ontario to unlock the value of data and deliver better services, our strategy involves the integration of advanced IT solutions. The integration of IT innovation, digital methodologies, and data intelligence forms the core of our strategic playbook, guiding us towards a future of excellence and leadership. By adopting global, highly scalable, innovative, and resilient technology platforms, we are modernizing our service delivery. Leveraging these world-class technologies enables us to enhance government decision-making, increase transparency and accountability, and achieve cost efficiencies. In doing so, we not only increase value for money but also reduce fiscal risk, thereby fulfilling the evolving needs of the people and businesses in Ontario.

As Supply Ontario continues its journey to becoming a data-driven organization, the focus will shift from technology to people and processes. The technology, in the form of a cloud-based data and analytics platform has been built to support data and analytics needs. At the centre of Supply Ontario is the acquisition, aggregation and analysis of data from the OPS, BPS and non-OPS/BPS entities. Supply Ontario needs to be data-driven, and it will be critical to create more data partnerships with organizations within and outside the OPS and BPS to fulfil this need. A data collection framework (both process and technical) has been implemented and will continue to evolve as new partners are onboarded. To become a data-driven organization, Supply Ontario must consider how to ensure the ability of data and analytics to support all decisions throughout the organization.



PROCESSING STATION 1



Appendix D: Initiatives Involving Third Parties

Supply Ontario will continue seeking opportunities to work with stakeholders and partners to deliver on its strategic objectives and the government priorities.

A robust stakeholder engagement strategy is critical to delivering a strong supply chain value proposition to over 6,000 covered entities. Stakeholder and partner confidence and support will be important to solidify Supply Ontario's role in public sector supply chain transformation in Ontario. As Supply Ontario advances its key business transformation programs, it will need to continue monitoring and mitigating risks related to stakeholder and partner engagement to ensure it is well-positioned to adapt to the changing demands and preferences of its stakeholders and partners.

Engaging with stakeholders and partners is paramount to the success and sustainability of Supply Ontario. It serves as our dynamic bridge, connecting diverse perspectives, expertise, and innovative practices, all of which drive the agency forward. As the agency reflects on the achievements of the past year, we recognize the pivotal role stakeholder and partner engagement has played in our success.

Building upon this foundation, we are committed to elevating our engagement efforts to new heights this year. By fostering an open dialogue and proactive collaboration with suppliers, broader public service organizations and businesses, we aim to not only sustain existing relationships but also cultivate new ones. In embracing the spirit of continuous growth, the agency is dedicated to creating an environment where stakeholders and partners feel heard, valued, and integrated into the journey of Supply Ontario's success.

Given the trajectory of consolidation, Supply Ontario will continue to develop a strategic approach to cultivate, sustain and use relationships with third parties across the country and province. Supply Ontario will continue to join forces with shared services and group purchasing organizations to expedite initiatives aimed at streamlining procurement within Ontario's healthcare sector and wider public domain. The partnership will continue to be centred around consolidating data, optimizing target sourcing, generating value and forecasting supply chain issues with embedded risk mitigation. Given the trajectory of consolidation, the agency will continue to leverage the expertise and experience in the public sector procurement community and establish the agency as a trusted and reliable leader in public sector procurement. This will entail the agency's continued attendance at stakeholder and partner forums while continuing to be a trusted partner in diverse procurement stakeholder and partner groups such as the Mission from MaRS (MFM) Public Procurement Coalition. Additionally, Supply Ontario is a participant in the Pan-Canadian Collaboration on Sustainable Procurement.

Supply Ontario aims to strategically cultivate, uphold, and capitalize on relationships with external stakeholders and partners in Ontario. The goal is to foster collaboration, facilitate information exchange, and encourage active engagement.



Appendix E: Communications Plan

Communications is a key enabler for Supply Ontario as it delivers on its mandate to strengthen supply chain and procurement across the public sector, ensuring Ontario ministries, provincial agencies, hospitals, school boards and more have access to

high-quality, timely, reliable products and services at the best value. An effective communications plan will engage key stakeholders and partners in the development of a centralized procurement system that supports innovation and provides value to Ontarians.

Objectives

- **Develop Supply Ontario's brand:** position Supply Ontario as a trusted leader and collaborative partner in strengthening Ontario's supply chain
- **Deliver on Supply Ontario's mandate:** enable Supply Ontario to achieve key priorities with support and buy-in from key stakeholders and partners
- **Engage stakeholders:** work with key stakeholders and partners to build capacity and expertise, share information, collaborate on solutions and leverage key learnings for success
- **Inspire employees:** create opportunities for employee engagement and communication and promote vehicles for sharing success stories across the organization

Key Stakeholders/Audience

- Supply Ontario will work with key stakeholders and partners to implement the government's vision for strengthening Ontario's supply chain. Key stakeholders and partners include:
 - » OPS ministries, BPS and health, education and community services sector buyers and program managers;

- » vendors, suppliers and distributors including Indigenous businesses and equity-deserving groups;
- » SSOs and GPOs;
- » industry, business and professional associations; and
- » Supply Ontario employees.

Strategic Approach

- Create compelling narratives about Supply Ontario explaining the role of the agency and the value it brings to Ontarians
- Utilize internal and external communications channels to meaningfully engage with audiences, such as social media, stakeholder communications, conferences and events, the website and the intranet
- Work collaboratively with stakeholders to leverage their reach, amplify their content, share learnings, and identify new sector opportunities
- Work with the TBS as partners and support a collaborative approach to sharing information and exploring communications opportunities

Tactics

- Supply Ontario's communications will focus on key activities in a number of different areas, including:
 - » concentrated engagement and outreach with key stakeholders and partners focused on sharing intelligence, incorporating valuable stakeholder perspectives and encouraging vendor participation in public sector supply chain initiatives

- » an external communications program focused on strategic areas such a streamlined and consistent approach to branding
- » expanded use of social media platforms to grow our reach and leverage opportunities to cross-promote content with government and stakeholders
- » a website strategy that will focus on consolidating information for buyers and vendors across multiple pages onto supplyontario.ca to create one trusted source of information and resources on Supply Ontario
- » an internal communications program focused on the employee experience and creating meaningful communications where employees feel informed, heard and connected to one another.
 - The strategy will leverage foundational tools, including the intranet, and will enable two-way communications through internal town halls, leadership communications, internal storytelling other engagement channels.



Appendix F: Response to the Mandate Letter

As required by the Agencies and Appointments Directive, the President of the Treasury Board issued an annual mandate letter to Supply Ontario that sets out the expectations for the upcoming fiscal year.

Supply Ontario will work closely with TBS on the execution of this mandate letter and will coordinate stakeholders as appropriate to deliver on these expectations.

The government established Supply Ontario to enable a whole-of-government approach to purchasing goods and services. Coordinating the government supply chain and streamlining complex procurement processes will position Supply Ontario to deliver tangible results.

Supply Ontario is committed to growing into its mandate that would provide and support supply chain management on behalf of the Ontario Public Service and the broader public sector, which includes the health and education sectors. Supply Ontario will make concrete, iterative progress towards creating value for the province by pursuing opportunities to centralize and rationalize public procurement. In addition to Supply Ontario's focus on the immediate priorities outlined in the Mandate Letter, there is work needed to acquire the necessary operational capability to deliver on government expectations through hiring, partnerships, and organizational development.

The Mandate Letter lists several key priorities, which Supply Ontario has incorporated into its key initiatives for 2024-27, including:

1. Continue to Operationalize Supply Ontario as a Delivery Organization

Supply Ontario commits to the following:

a. Complete the foundational work that will:

- » **Build capacity and capability as an**

organization to be able to deliver on Supply Ontario's mandate:

- Through the SCO transfer, gaining the strategic and operational administration of the Enterprise VOR Program, which at transfer, includes 76 VOR arrangements with a value of approximately \$4B over the life of the agreements.
- » **Ensure the Agency has the necessary, independent systems and infrastructure, where appropriate:**
 - Implement processes and solutions to autonomously perform financial transactions.
 - Mature processes and continue to assess foundational capacity and capabilities.
- » **Continue to evolve policies and controls to ensure integrity in Supply Ontario's procurements:**
 - In 2024-25, Supply Ontario aims to support the government in supply chain-related policy, regulation, and legislation, including identifying consequential and/or unintended risks and sector impacts. Additionally, Supply Ontario will explore any required legislative/regulatory amendments to reduce barriers and red tape to making doing business with Ontario easier.
 - In 2025-26, Supply Ontario, along with government partners will help identify key legislative and regulatory changes required to advance and modernize the provincial procurement landscape. Additionally, Supply Ontario will

expand our legislative and directive amendments to explore opportunities to promote more underrepresented groups in public procurements.

» **Demonstrate continuous improvements, to deliver efficiencies in operations:**

- Continuing to operationalize Supply Ontario by fully integrating SCO, securing the necessary talent, and transforming the agency into a fully functioning public entity.

2. Transform Ontario's Public Sector Supply Chain and Modernize Public Sector Procurement

Supply Ontario commits to the following:

a. Develop and launch 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 OPS and BPS), including:

» **Strategies for working with delivery agents, including SSOs/GPOs:**

- In 2024-25, Supply Ontario will refine the plan for deep engagement with SSOs/GPOs to align in delivering best value for the province.
- In 2025-26, Supply Ontario will work to implement and continue to refine the SSO/GPO delivery frameworks to deliver the best value across the public sector.
- In 2026-27, Supply Ontario will continually assess and improve the SSO/GPO delivery frameworks.

» **Develop sector-specific action plans that specify how Supply Ontario will address decentralized purchasing activities, including through category management:**

- Supply Ontario has developed and is utilizing a category management framework. Currently, there are four major categories (renal, fleet/electric vehicles, computers, and nutrition). Each strategy identifies opportunities for improvement, leading to initiatives that focus on



streamlining procurement and contract management possibilities, optimal pricing/terms and conditions, along with transparency.

» **Developing a consistent methodology for measuring and tracking savings and cost avoidance achieved, establishing baselines and identifying targets with timelines:**

- As part of this Business Plan, Supply Ontario has submitted our list of KPIs for 2024-25, 2025-26 and 2026-27.
- Supply Ontario will continue to develop KPIs, including baselines and targets for savings and cost avoidance.

» **Consulting with TBS, MOH, EDU, MCU and other relevant ministries to support the implementation of action plans and roadmaps:**

- Supply Ontario will continue liaising and consulting with impacted ministries related to Supply Ontario procurements and strategic initiatives.

• **Collaborate with key partners to develop an integrated clinical supply chain model that:**

» **Achieves best value for taxpayers, while ensuring resilience and supporting economic development and delivers quality outcomes for individuals and their communities:**

- Our collaborative effort with MOH and OH on the renal category will provide the following benefits for individuals and their communities: 1) optimized clinical choice and patient outcomes; 2) centralized oversight; 3) alternate service delivery and operations;

and 4) strengthened resilience and innovation.

» **Defines clear accountabilities among Supply Ontario, OH, MOH and other partners:**

- Supply Ontario is working closely with Ontario Health and MOH on several initiatives, including on medical and pharmaceutical needs for Ontario, including medication subject to seasonal supply stressors and on the renal category strategy, utilizing their established relationships, subject matter, and expertise to spearhead procurement and contracting strategies for Hemodialysis (future procurement), Peritoneal Dialysis (contract negotiations), and Dialyzers (future procurement).

• **Develop an integrated pathway for innovation procurement that drives the adoption of promising health technologies and services and identifies opportunities for continuous improvement across the health care system, in partnership with Ontario Health that defines clear accountabilities among Supply Ontario, the Ministry of Health, and the Ministry of Economic Development, Job Creation and Trade:**

- » In 2024-25, Supply Ontario has committed to supporting an innovation pathway within the health sector by working with key partners, including OH, MOH, TBS and MEDJCT. Supply Ontario will help facilitate conversations with partners participating in launching of the pathway (create Terms of Reference and identify key problems to solve).

- » In 2025-26, Supply Ontario will continue supporting the innovation pathway and contemplate widening adoption into other category strategies.
- » Additionally, Supply Ontario has established an Innovation Council, chaired by our Chief of Strategy, Programs and Partnerships and will play a crucial role in bringing partners together to assess and accelerate evidence generation in alignment with fair and transparent principles of procurement, along with the ongoing work related to the healthcare-focused innovation pathway.
- **Modernize public sector procurement to help Ontario become a best-in-class jurisdiction:**
 - » **Promoting innovation procurement, and other advanced models to enable greater value from procurement:**
 - Generally, Supply Ontario is aware of innovative approaches to procurement deployed beyond Ontario's borders and the agency, in partnership with the government, will explore and leverage similar opportunities to foster and increase innovative procurement processes.
 - Supply Ontario is prioritizing the development and implementation of a one-stop Procurement Concierge Program that will assist public sector buyers and vendors to make public sector procurement more accessible to underrepresented businesses not traditionally engaged in public sector procurement.
- » **Adopting procurement models that reduce burden and red tape for businesses in selling to the public sector:**
 - In 2024-25, Supply Ontario is undertaking a full evaluation of current program (e.g. VOR, ease of contracting, customer service) and developing a phased plan for improved action.



- Also in 2024-25, Supply Ontario will work to adopt a new risk framework and continue to adjust liability and associated terms and conditions in Supply Ontario led procurements (such as VOR or stockpile procurements) to reduce burden and red tape.
- In 2025-26, Supply Ontario will work to implement the changes that were identified as part of the evaluation that occurred in 2024-25.

3. Harness Ontario's Purchasing Power and Deliver Procurements and Supply Chain Services for the Public Sector

Supply Ontario commits to the following:

a. Grow Ontario's buying power by centralizing Ontario's public sector purchasing and increasing spend actively managed by Supply Ontario including:

- » **Action plans for implementing and expanding category management, specifying target categories and timing and prioritizing initial categories to demonstrate success:**
 - Supply Ontario is committed to implementing a robust category management framework that will focus on strategic categories that advance government priorities.
- » **Increasing uptake on Supply Ontario's existing bulk purchasing arrangements and driving value through contract harmonization and building on OPS functions transferred to Supply Ontario, to drive greater value by focusing on the BPS and other covered entities:**
 - As part of our agency's efforts to promote more efficient public sector

procurement outcomes, Supply Ontario will continue promoting the voluntary uptake of enterprise VOR arrangements for public sector entities that are not currently covered by the agency's mandate. For example, Supply Ontario is targeting a 20% increase in BPS access to Supply Ontario procurement arrangements in Mobile Devices and Computing Devices categories by 2026.

» **Driving procurement planning efforts across the public sector to inform future opportunities:**

- One of the core functions of Supply Ontario's Operational Council is to establish an operational framework for transparent and strategic planning with OPS and non-OPS support inquiries, procurements and requests to ensure alignment, as well as ensuring support is planned and executed in a timely manner and ensure business continuity to Supply Ontario's clients.
- » **Engage and work with municipalities to ensure they benefit from provincial supply chain programs and strategies, led by Supply Ontario, including category management and VOR arrangements:**
 - Supply Ontario will continue to enhance our partnerships with Ontario's 444 municipalities, to advance the government's procurement priorities by addressing areas of duplication and bulk purchasing opportunities through the province's buying power. For

example, as part of the “New Deal” between the Province and City of Toronto, Supply Ontario will work with the City to explore areas where provincial purchasing arrangements and resources can be leveraged to enhance value-creation through municipal procurement spending.

» **Prioritizing focus on early wins to deliver savings and demonstrate progress:**

- Supply Ontario has committed to taking a strategic and phased approach to our initiatives. We recognize that transformation needs to be deliberate, and outcomes driven. Supply Ontario will continue to identify and work towards early wins, but also put the agency in a position to deliver long-term successes.

b. Sustain, secure and effectively manage the PPE/CSE supply chain, to ensure steady and stable access to critical supplies:

- » **Developing an emergency stockpiling strategy in collaboration with Emergency Management Ontario, MOH, and the Chief Medical Officer of Health:**
 - Supply Ontario has and will continue to work closely with OH, Chief Medical Officer of Health, and Emergency Management Ontario to develop a resilient stockpile strategy. 2024/25 will be a key year for the long-term stockpiling and warehousing strategy. This will be implemented, ensuring an efficient and effective warehousing and distribution network that is capable of rapidly delivering across Ontario. In addition, there will be additional product lines to be managed by Supply Ontario (such as vaccine ancillary supplies and Emergency Management Ontario consumable supplies).



- » **Ensure applicable customers have access to PPE/CSE from the stockpile:**
 - The Ontario stockpile of PPE/CSE managed through Supply Ontario provides all public sector entities in Ontario with high-quality PPE/CSE to ensure the safety of public sector workers and to ensure a resilient supply chain of PPE/CSE in the event of a future emergency.
- c. Continue to provide quality supply chain services to OPS ministries, and other existing customers, including:**
 - » **Managing the enterprise VOR Program:**
 - As part of procurement modernization, Supply Ontario plans to undertake VOR modernization, addressing and removing barriers, red tape and administrative burdens to make doing business with Ontario easier. We continue to drive growth within the VOR program by proposing new VOR arrangements, particularly in the Information and Information Technology space to enable access to centralized contracts for innovative technology foundations.
 - » **Providing procurement advisory support to clients across the OPS:**
 - As part of this transfer, Supply Ontario will continue providing quality supply chain services to OPS ministries, and other existing customers through management of the enterprise VOR program and by providing advisory services support to clients across the OPS.
- » **Leading engagement, education and relationship management with vendors and public sector:**
 - Throughout the summer of 2023, the President of the Treasury Board and the agency's CEO undertook a series of cross-province roundtable discussions, hearing directly from buyers and sellers in the public sector procurement ecosystem. To build upon the success from the previous year, the agency will continue to leverage the expertise and experience in the public sector procurement community and establish the agency as a trusted and reliable leader in public sector procurement. This will entail the agency's continued attendance at stakeholder forums while continuing to be a trusted partner in diverse procurement stakeholder groups such as, the Mission from MaRS (MFM) Public Procurement Coalition. Additionally, Supply Ontario is a participant in the Pan-Canadian Collaboration on Sustainable Procurement.

» **Collecting and managing procurement-related data, supporting government with reporting requirements and sharing data with government on request:**

- Supply Ontario has established data-sharing agreements with several partners, to allow us to better understand various key sectors and to inform category management strategies. This year Supply Ontario already onboarded data from one partner entity, and over the next two years will onboard a further five partner entities to its data collection framework.
- With full operational capacity comes the need to effectively handle substantial volumes of data, as the agency has embraced a data- and evidence-centric approach to planning and implementation of

key initiatives. As part of a phased approach, Supply Ontario has built a platform with a robust data analytics function and will utilize that capability to securely manage data from planning to procurement to distribution. In the short term, the focus remains on establishing governance, stewardship, and infrastructure for a comprehensive data ecosystem. Over the longer term, the agency will continue to develop the capacity to aggregate and share data, enhancing its analytical capabilities, as well as develop an internal economic analysis unit that will better align category planning with macroeconomic indicators in key sectors.



d. Support and advance broader outcomes on government priorities, including:

» **Implementation of the Building Ontario Businesses Initiative:**

- In 2024-25, Supply Ontario will support and monitor increased representation of Ontario businesses in government contracts including through fully implementing BOBI. Additionally, Supply Ontario will continue the promotion of BOBI strategies in procurement practices.
- In 2025-26, Supply Ontario will continue to promote the use of BOBI strategies across OPS and BPS entities.
- In 2026-27, Supply Ontario is hopeful that BOBI is solidified as a common practice across the public sector.

» **Ensuring and advancing accessibility in procurement processes and systems:**

- Supply Ontario is committed to the core principles of the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA): dignity, independence, integration, and equal opportunity. Our goal is to ensure that all Ontarians can access our services and information when and how they need them without barriers. As part of our procurement modernization efforts, all proposed changes will be treated with an accessibility-first focus to ensure that persons with disabilities have equitable access to procurement opportunities in Ontario.
- Supply Ontario will be implementing a multi-year procurement modernization

strategy, which includes a focus on increasing accessibility in procurement processes and reducing barriers and red tape for businesses; this includes, for example, reevaluating existing approaches to liability and insurance, and providing more tailored supports for businesses that do not regularly participate in public sector procurement.

- In 2024-25, Supply Ontario will develop accessibility guidelines to help vendors and purchasers make accessibility a priority at the early stages of the procurement process.
- In 2025-26, Supply Ontario will implement and build on accessibility guidelines in pursuit of removing barriers.
- In 2026-27, Supply Ontario will build on a culture of continuous improvement by reviewing and addressing gaps in accessibility in our procurement processes.

» **Supporting sustainability, supplier diversity, and Indigenous procurement:**

- In 2024-25, Supply Ontario has committed to creating a sustainability and Indigenous-focused sector tables.
- In 2025-26, Supply Ontario will develop a sustainability plan to ensure continued success and relevance of the stakeholder working group.
- In 2026-27, Supply Ontario will launch initiatives or projects that arise from the work undertaken by the group.
- Supply Ontario is developing and implementing a one-stop

Procurement Concierge Program that will assist public sector buyers and vendors to make public sector procurement more accessible to underrepresented businesses not traditionally engaged in public sector procurement.

4. Demonstrate Progress and Success

Supply Ontario commits to the following:

a. Demonstrate Supply Ontario's progress (including data and KPIs where applicable) in mandate delivery through timely and regular reporting on outcome-based reporting on:

- » Agency early wins and progress; key initiatives, programs, benefits delivered, and outcomes achieved; upcoming categories and planned procurements; and action plans or roadmaps Supply Ontario develops in response to this direction

- Supply Ontario has developed a regular reporting framework to provide timely updates on any initiatives and progress related to the delivery of our mandate. Supply Ontario will continue to work with TBS and provide regular updates, along with responses to specific questions on agency initiatives and progress.

As outlined in the 2024-27 Business Plan, Supply Ontario is committed to meeting the President of the Treasury Board's expectations and fulfilling these government priorities while continuing its operational ramp-up over the year ahead.





Appendix G: Environmental Scan

Since the creation of Supply Ontario, numerous domestic and international events have contributed to a public sector procurement landscape that is marked by cost-uncertainty and supply chain disruption.

Additionally, although Supply Ontario has already started establishing a more cohesive and optimized procurement ecosystem, the public sector supply chain in Ontario continues to be defined by fragmentation and decentralization.

While there are numerous challenges within Ontario's public sector procurement space, these challenges present opportunities for Supply Ontario to continue scaling into its mandate and drive progress. Some of these challenges include:

From Risk to Resolution: Problem-Solving Supply Chain Resilience in Ontario

(Risks to Supply Chains)



Significant operational scale necessary to implement whole-of-government approach to purchasing goods and services

- With a mandate to centralize public sector purchasing, Supply Ontario is actively implementing its category management strategy to most effectively and efficiently separate purchasing workstreams based on like-products and services.
- Supply Ontario is beginning with the most accessible categories, such as renal supplies and services (in-centre and home hemodialysis) and mobile devices, and then moving to more complex purchasing categories.
- As the agency continues to mature from a resourcing standpoint, the expanded categories under management will create more centralization, deriving greater value for Ontario taxpayers.

Centralizing opportunities among like buyers

- Ontario has a fragmented procurement landscape. With over 6,000 entities often purchasing similar products and services, the benefits from a coordinated approach to procurement are clear.
- Supply Ontario is centralizing contracts in certain sectors, such as renal supplies and services, with a plan to scale up through the next three fiscal years and beyond.
- As part of our efforts to make public sector procurement more efficient, we will continue promoting the voluntary uptake of enterprise VOR arrangements for public sector entities that are not currently covered by the agency's mandate. For example, Supply Ontario is targeting a 20 per cent increase in Broader Public Sector access to Supply Ontario procurement arrangements in the mobile devices and computing devices categories by 2026.

Improving vendor experience

- There are more than 6,000 public buying entities in Ontario who together work with

countless vendors and purchase billions of dollars worth of goods and services annually. However, there is no consistent service standard that vendors can expect when participating in public sector procurement opportunities.

- While the agency is responsible for upholding a service standard for Ontario Public Sector clients, Broader Public Sector buyers do not conform to a single standard for how—and how often—to engage with sellers during procurement processes. Similarly, there is no standard on how prospective vendors can access public sector procurement opportunities.
- To promote a more customer-service-oriented procurement experience and avoid duplication, Supply Ontario will be implementing a one-window digital solution for all public sector buyers and sellers to use for procurement. The solution will be fully accessible to ensure people with disabilities have equitable access to procurement opportunities in Ontario.



Supply Ontario advances access for small and medium-sized business enterprises

- Supply Ontario has keenly focused on improving the business experiences for SMEs. Through our engagements with stakeholders and feedback on the BOBI, Supply Ontario is privy to the barriers SMEs currently face. There are regulatory, procedural, legal, and financial constrictions that limit participation in government procurements for SMEs and Supply Ontario plans to make the process more accessible for these businesses.
- Supply Ontario will be implementing a multi-year procurement modernization strategy, which will include a focus on increasing accessibility in procurement processes and reducing barriers and red tape for businesses. This will include, for example, reevaluating approaches to liability and insurance, and providing more tailored supports for businesses that do not regularly participate in public sector procurement.
- Supply Ontario is central to the implementation of the Building Ontario Businesses Initiative, which is designed to level the playing field for Ontario-based businesses.

Opportunities for data advancement

- In light of the highly decentralized nature of public sector procurement, one of Supply Ontario's initial challenges was to systematically collect and consolidate widely scattered data with varying levels of detail to inform its decision making.
- Supply Ontario has established data-sharing agreements with several partners to allow us to better understand key sectors and to

inform category management strategies.

This year Supply Ontario onboarded data from one partner entity, and over the next two years we expect to onboard five further partner entities to our data collection framework.

Responding to global threats

- Beyond Ontario, numerous domestic and international events continue to challenge and stretch the ability of all governments to deliver public sector procurement with stability and predictability. Some of these macro forces include ongoing and emerging geopolitical conflicts which disrupt the flow of key goods between and beyond borders. The maturing of Supply Ontario's capabilities will allow the province to respond nimbly and effectively to these challenges, while maintaining a constant vigilance to assess shifts in market trends before key supply chains are compromised.
- Respiratory illnesses, including COVID-19, are seasonal. This makes it challenging for governments to provide enough PPE, critical supplies and key medications. Fortunately, Supply Ontario diligently manages and distributes a substantial reserve of PPE and critical supplies to public sector entities, safeguarding Ontario with a robust and agile inventory of essential commodities. Nearly all of the province's ongoing contracts are now with Ontario or Canadian suppliers—contributing to economic development in the province—whereas none of these same contracts were with Ontario or Canadian suppliers prior to the COVID-19 pandemic.

Supply Ontario recognizes Ontario's economic outlook is one of modest growth, aligned with domestic and global indicators of economic slowdown. From a public sector procurement standpoint, the impacts of still-elevated inflation may place strain on the ability of public sector buyers to contain costs of landed goods and services.

As Supply Ontario continues to leverage the significant volume of public sector procurement in Ontario, public sector buyers will benefit not just from highly competitive price, but also from value-added outcomes that benefit the province as a whole.



Appendix H: Intersection of Mandate Letter and Agency Priorities with Business Plan Themes

Mandate Letter	Themes	Business Plan 2024/25			
		Lead and create value by integrating and centralizing procurement across public sector	Transformation through modernization of procurement practices and processes	Build foundational capabilities and resiliency within agency to support government objectives	Collaborate with partners to harness Ontario's buying power
	Theme 1: Continue to Operationalize Supply Ontario as a Delivery Organization				
	a. Build capacity and capability as an organization to be able to deliver on Supply Ontario's mandate			✓	
	b. Ensure the agency has the necessary independent systems and infrastructure, where appropriate			✓	
	c. Continue to evolve policies and controls to ensure integrity in Supply Ontario's procurements	✓	✓	✓	
	d. Demonstrate continuous improvements to deliver efficiencies in operations	✓		✓	

Mandate Letter	Themes	Business Plan 2024/25			
		Lead and create value by integrating and centralizing procurement across public sector	Transformation through modernization of procurement practices and processes	Build foundational capabilities and resiliency within agency to support government objectives	Collaborate with partners to harness Ontario's buying power
	Theme 2: Transform Ontario's Public Sector Supply Chain and Modernize Public Sector Procurement				
	a. Develop and launch a multi-year transformation roadmap for Supply Ontario to enable government objectives, further centralize procurement, and deliver value across the OPS and BPS	✓	✓	✓	
	b. Collaborate with key partners to develop an integrated clinical supply chain model	✓		✓	✓
	c. Modernize public sector procurement to help Ontario become a best-in-class jurisdiction by promoting procurement innovation and adopting models that reduce burden and red tape for businesses selling to the public sector	✓	✓		

Mandate Letter	Themes	Business Plan 2024/25			
		Lead and create value by integrating and centralizing procurement across public sector	Transformation through modernization of procurement practices and processes	Build foundational capabilities and resiliency within agency to support government objectives	Collaborate with partners to harness Ontario's buying power
	Theme 3: Harness Ontario's Purchasing Power and Deliver Procurement and Supply Chain Services for the Public Sector				
	a. Grow Ontario's buying power by centralizing Ontario's public sector purchasing and increasing spend actively managed by Supply Ontario	✓	✓		✓
	b. Sustain, secure and effectively manage the PPE/CSE supply chain to ensure steady and stable access to critical supplies	✓			✓
	c. Continue to provide quality supply chain services to OPS ministries and other existing customers	✓			✓

Mandate Letter	Themes	Business Plan 2024/25			
		Lead and create value by integrating and centralizing procurement across public sector	Transformation through modernization of procurement practices and processes	Build foundational capabilities and resiliency within agency to support government objectives	Collaborate with partners to harness Ontario's buying power
	Theme 3: Harness Ontario's Purchasing Power and Deliver Procurement and Supply Chain Services for the Public Sector				
	d. Support and advance broader outcomes on government priorities (e.g., BOBI implementation; ensuring accessibility in procurement processes and services; and supporting sustainability, supplier diversity and indigenous procurement)		✓		✓
	Theme 4: Demonstrate Progress and Success				
	a. Demonstrate Supply Ontario's progress (including data and key performance indicators) in mandate delivery through timely and regular outcome-based reporting	✓	✓		

Mandate Letter	Themes	Business Plan 2024/25			
		Lead and create value by integrating and centralizing procurement across public sector	Transformation through modernization of procurement practices and processes	Build foundational capabilities and resiliency within agency to support government objectives	Collaborate with partners to harness Ontario's buying power
	Competitiveness, Sustainability and Expenditure Management	✓	✓	✓	✓
	Governance: Transparency and Accountability			✓	
	Governance: Risk Management*			✓	
	Workforce/Labour Management*		✓	✓	
	Diversity and Inclusion*		✓	✓	✓
	Data Collection, Sharing and Use*		✓	✓	✓
	Digital Delivery and Customer Service		✓	✓	✓

*These themes have been captured in the appendices of the Business Plan.