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November 27, 2023

Mr. Paul G. Smith

Chair of the Board of Directors

Supply Ontario

200 Front Street West, Suite 800

Toronto, ON, M5V 3K2

Subject: Supply Ontario 2024-25 Mandate Letter

Dear Mr. Smith,

As Minister responsible for Supply Ontario, I am writing to you in your capacity as Chair of Supply Ontario to set out my expectations for the 2024-25 fiscal year. This is pursuant to the requirements of the Agencies and Appointments Directive.

As Chair, there are actions and steps you are accountable for to ensure the agency's performance in fulfilling its mandate. It is important that the agency's goals and objectives align with our government's priorities and my direction.

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

1. Continue to Operationalize Supply Ontario as a Delivery Organization

a. Complete the foundational work that will:

- Build capacity and capability as an organization to be able to deliver on Supply Ontario's mandate;
- Ensure the agency has the necessary, independent systems and infrastructure, where appropriate;
- Continue to evolve policies and controls to ensure integrity in Supply Ontario's procurements; and
- Demonstrate continuous improvements, to deliver efficiencies in operations.

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 public sector (i.e., the Ontario Public Service [OPS] and Broader Public Sector [BPS]), including:
 - Strategies for working with delivery agents, including Shared Services Organizations and Group Purchasing Organizations;
 - Developing sector-specific action plans that specify how Supply Ontario will address decentralized purchasing activities, including through category management;
 - Developing a consistent methodology for measuring and tracking savings and cost avoidance achieved, establishing baselines and identifying targets with timelines; and
 - Consulting with Treasury Board Secretariat, the Ministry of Health, the Ministry of Education, the Ministry of Colleges and Universities and other relevant ministries to support the implementation of action plans and roadmaps.
- b. 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;
 - Delivers quality outcomes for individuals and their communities; and
 - Defines clear accountabilities among Supply Ontario, Ontario Health, the Ministry of Health and other partners.
- c. 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 the Ministry of Health, and the Ministry of Economic Development, Job Creation and Trade.
- d. Modernize public sector procurement to help Ontario become a best-in-class jurisdiction by:
 - Promoting innovation procurement, and other advanced procurement models to enable greater value from procurement; and
 - Adopting procurement models that reduce burden and red tape for businesses in selling to the public sector.

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 including:

- Action plans for implementing and expanding category management, specifying target categories and timing and prioritizing initial categories to demonstrate success;
 - Increasing uptake on Supply Ontario's existing bulk purchasing arrangements and driving value through contract harmonization;
 - Driving procurement planning efforts across the public sector to inform future opportunities;
 - Building on OPS functions transferred to Supply Ontario, to drive greater value by focusing on the BPS and other covered entities;
 - Engage and work with municipalities to ensure they benefit from provincial supply chain programs and strategies, led by Supply Ontario, including category management and Vendor of Record arrangements; and
 - Prioritizing focus on early wins to deliver savings and demonstrate progress.
- b. Sustain, secure and effectively manage the Personal Protective Equipment and Critical Supplies and Equipment (PPE/CSE) supply chain, to ensure steady and stable access to critical supplies:
- Developing an emergency stockpiling strategy in collaboration with Emergency Management Ontario, the Ministry of Health and the Chief Medical Officer of Health; and
 - Ensures applicable customers have access to PPE/CSE from the stockpile.
- c. Continue to provide quality supply chain services to OPS ministries, and other existing customers, including:
- Managing the enterprise Vendor of Record program;
 - Providing procurement advisory support to clients across the OPS;
 - Leading engagement, education and relationship management with vendors and public sector; and
 - Collecting and managing procurement-related data, supporting government with reporting requirements and sharing data with government on request.
- d. Support and advance broader outcomes on government priorities, including:
- Implementation of the Building Ontario Businesses Initiative;
 - Ensuring and advancing accessibility in procurement processes and systems; and
 - Supporting sustainability, supplier diversity, and indigenous procurement.

4. Demonstrate Progress and Successes

- a. Demonstrate Supply Ontario's progress (including data and key performance indicators where applicable) in mandate delivery through timely and regular 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.

In working towards these goals, I would like Supply Ontario to work with the Ministry to create specific Key Performance Indicators that gauge progress and success.

The Ministry will also continue to lead the implementation of the Building Ontario Businesses Initiative, the development of regulations under the Building Ontario Businesses Initiative Act, 2022 as well as the development of a modern supply chain legislation and policy framework for Ontario. However, the government will continue to invite Supply Ontario's input in the development of these program and policy initiatives.

Supply Ontario's plan to address my expectations and grow into a service delivery organization must be outlined in the agency's updated 2024-25 three-year Business Plan, due in January 2024 and meeting the requirements of the Agencies and Appointments Directive.

Broader Government Priorities for Agency Sector

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

- 1. Competitiveness, Sustainability and Expenditure Management**
 - Operating within the agency's financial allocations.
 - Identifying and pursuing opportunities for revenue generation, efficiencies and savings through innovative practices, and/or improved program sustainability.
 - Complying with realty interim measures for agency office space.
 - Leverage and meet benchmarked outcomes for compensation strategies and directives.
- 2. Transparency and Accountability**
 - Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
 - Adhering to accounting standards and practices, and responding to audit findings, where applicable.
 - Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability, and providing the Minister with annual skills matrices to ensure boards have qualified appointees.
 - Reviewing and updating agency Key Performance Indicators annually to ensure efficiency, effectiveness and sustainability.
- 3. Risk Management**

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

4. Workforce/Labour Management

- Optimizing your organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Supporting the implementation of the Community Jobs Initiative by identifying opportunities to relocate new or existing agencies to lower cost communities across Ontario (as per Management Board of Cabinet Realty Directive, s. 5.4), as applicable.
- Aligning Human Resource and Accommodations strategies with OPS directives and policy.
- Adhering to Treasury Board/Management Board of Cabinet labour and bargaining mandates.
- Prudently and efficiently managing operational funding and workforce size.

5. Diversity and Inclusion

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

6. Data Collection, Sharing and Use

- Improving how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Engage with board-governed agencies across government regarding their procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

7. Digital Delivery and Customer Service

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations.

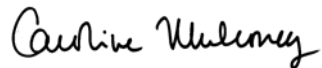
Please see the attached guide for further details of each priority. I look forward to learning how these priorities will be addressed in Supply Ontario's 2024-25 three-year Business Plan.

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

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

We look ahead to an exciting future where Supply Ontario is fully able to deliver on its mandate. Should you have any questions, please feel free to contact Deborah Richardson, Deputy Minister of Treasury Board Secretariat, at deborah.richardson2@ontario.ca or 416-325-1607 or 416-275-5869.

Sincerely,



The Hon. Caroline Mulroney
President of the Treasury Board

Attachment: Government Priorities for Agency Sector Chart

c.

Deborah Richardson, Deputy Minister, Treasury Board Secretariat

Christopher Gonsalves, Assistant Deputy Minister, Treasury Board Secretariat

James Wallace, Chief Executive Officer, Supply Ontario

Kailey Vokes, Chief of Staff, Treasury Board Secretariat

Alexandra Hubbert, Deputy Chief of Staff, Treasury Board Secretariat

Shannon Fenton, Associate Deputy Minister, Office of the Treasury Board,
Treasury Board Secretariat

Sandy Yee, Chief Administrative Officer, Treasury Board Secretariat