

COVID-19 Contracts and Procurement

I'd like to talk to you about our audit on **COVID-19 Contracts and Procurement**.

Between March 2020 and March 2022, Ontario approved about \$7 billion dollars in spending on COVID-19-related procurements.

About \$3.5 billion were non-competitive procurements that used an allowable exception under the Ontario Public Service Procurement Directive for urgent situations.

This removed the requirement for certain approvals and processes to be used.

We performed this audit because proper oversight and management of urgent COVID-19 procurements was important so that goods and services were acquired and used effectively to protect Ontarians during the COVID-19 pandemic.

Our audit assessed how well the Ontario government managed contracts, procurements and spending as a result of COVID-19.

We reviewed \$1.6 billion dollars of COVID-19-related procurements, which represents 127 of about 600 contracts related to COVID-19.

These include personal protective equipment, or PPE, and contracts for :

- clinics dedicated to conducting COVID-19 testing or administering COVID-19 vaccines;
- rapid antigen test kits; and
- information technology and other consulting services to establish the necessary processes and infrastructure to support these initiatives.

The COVID-19 contracts we reviewed were mostly procured in a timely and cost-effective manner, given the circumstances.

Where applicable, they were conducted in a fair, open and transparent manner.

However, some procurements could have been better coordinated or managed so that provincial spending of about \$84.7 million could have been saved.

We found that about \$66 million of PPE expired, was damaged or became obsolete and required disposal in 2021/22.

Further planning is needed to avoid similar waste in the future related to over 100 million N95 respirators that is worth over \$81 million, which will expire by 2030 if demand for these masks does not increase.

We also found that similar goods and services were procured separately by different ministries and the broader public sector at the same time.

Ontario Health and the Ministry of Education entered into separate contracts for mobile COVID-19 testing vendors, and did not co-ordinate the selection of testing locations.

We also found that about \$18.7 million of \$32.3 million dollars paid for underutilized mobile testing capacity could have been saved, or more people could have been tested at these clinics.

For example, the Ministry of Education's mobile testing clinics operated between January 2021 and June 2021 on a walk-in basis, and only tested between 2% and 7% of the people that they had the capacity to test.

Our report contains 12 recommendations, including that:

- the Ministry of Public and Business Service Delivery semi-annually update its forecast of PPE usage, and compare this to its required purchase, to anticipate what excess inventory will need to be distributed to other sectors or organizations, such as long-term care homes and school boards, before expiry;
- That the Ministry of Health co-ordinate all COVID-19 testing to reflect the consolidated needs of the Ministry of Education, Ontario Health, and Public Health Units in the futures; and
- That the Ministry of Health regularly collect and assess data on the performance of testing sites and use this data to make decisions on future COVID-19 testing options and contract terms such as cost-effective early termination.

To read this report, you can visit our website at www.auditor.on.ca