



Office of the Auditor General of Ontario

Value-for-Money Audit:
COVID-19
Contracts and
Procurement



November 2022

Treasury Board Secretariat
Ministry of Public and Business Service Delivery
Ministry of Health
Ministry of Education
Ministry of Infrastructure
Ministry of Long-Term Care

COVID-19 Contracts and Procurement

1.0 Summary

Between March 2020 and March 2022, Ontario approved \$7.0 billion in spending on COVID-19-related procurements. This includes completed or planned procurements of goods and services such as personal protective equipment (PPE) and testing supplies. For about \$3.5 billion of these procurements, ministries received Treasury Board/Management Board of Cabinet (TB/MBC) approval before entering into contracts. The remaining \$3.5 billion of procurements was approved by ministries using an exception allowed by the Ontario Public Service Procurement Directive (Procurement Directive), where TB/MBC's prior approval is not required in an unforeseen situation of urgency. Our audit reviewed \$1.6 billion of COVID-19-related procurements, which represents 127 of an approximate total of 600 contracts related to COVID-19 procurements.

Purchases related to COVID-19 that we audited include PPE, contracts for clinics dedicated to conduct COVID-19 testing or administer 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.

We found that the COVID-19-related procurements we reviewed were generally conducted in accordance with the Procurement Directive, with appropriate business plans, and in a timely and cost-effective manner given the urgency of the pandemic. Competitive procurements followed the required process of requesting proposals and evaluating the bids received. Most of the non-competitively procured contracts followed the appropriate approvals process, except for 11% of the emergency procurements where the Secretary of TB/MBC was not promptly notified of the procurement as required.

We identified some contracts that could have been managed more effectively to achieve their intended purposes, and maximize potential cost savings. Both Ontario Health and the Ministry of Education contracted with vendors to operate COVID-19 testing clinics in 2021, but they did not co-ordinate on locations to better meet demand for testing services. Between Ontario Health and the Ministry of Education, \$18.7 million, or 58% of the total of \$32.3 million paid went toward underutilized mobile COVID-19 testing capacity. With better co-ordination, service providers operating these

clinics could have been asked to reduce testing services earlier to save costs, or more individuals could have been tested at these locations at the same cost to the Province.

As of September 2022, the Ministry of Public and Business Service Delivery estimated that approximately 100 million units of N95 respirators, worth \$81 million, are expected to exceed provincial demand and will expire by March 2030, should demand remain constant and a surge not occur. The plans to allocate and use these N95 respirators need to be further developed. The Ministry of Public and Business Service Delivery has committed to these purchases to build the provincial stockpile in case of future emergencies; however, these N95 respirators will be disposed of if a surge in demand does not occur and the plans to allocate and use these N95 respirators are not further developed. Further planning is important as the Province continues to implement the recommendations from our 2021 value-for-money audit report on COVID-19 Personal Protective Equipment Supply, which includes a recommendation that inventory management and control guidelines should be developed that include the requirement to monitor expiration dates and plan for the rotation of PPE with instructions on when to ship out PPE to health-care providers for use before it expires.

In addition, we noted that for the contracts reviewed in this audit, the Ministries did not formally evaluate vendor performance upon the completion of contracts and did not require corrective action where indicators demonstrated it was needed prior to renewing the contracts.

The following are some of our significant observations:

- **A total of \$66 million worth of personal protective equipment (PPE) purchased by the Province during the COVID-19 pandemic required disposal as of March 31, 2022, because the PPE was expired, damaged or obsolete.** We noted that millions were written off in expired PPE purchased during the pandemic. These expired, damaged or obsolete inventory included certain items that were not in

demand by the public sector or could not be used in time prior to expiry. More planning is needed to minimize future waste of PPE. This is especially true for the items that the Province has contractually committed to continue to purchase annually, such as N95 respirators, to establish a reliable, domestic supply chain to meet the demand of Ontario's public sector and to maintain a stockpile in case of future emergencies. To establish this stockpile, the Ministry of Public and Business Service Delivery (Business Service Delivery Ministry) and the Government of Canada entered into five-year contracts with 3M Canada. The Province committed to purchase 10 years' worth of supply for a value of \$98.8 million of N95 respirators over five years, in addition to units it expects to receive from the federal government.

- **Over \$18 million was paid to private companies for underutilized mobile COVID-19 testing.** Ontario Health and the Ministry of Education (Education Ministry) separately entered into contracts for mobile testing. The deployment of testing sites was not co-ordinated between Ontario Health and the Education Ministry to maximize available testing at sites with underutilized capacity. Vendors were paid a guaranteed minimum daily payment to cover overhead costs even if a minimum number of COVID-19 tests were not performed, ranging from \$991 to \$8,255 per site. For example, one vendor charged the Education Ministry its guaranteed minimum daily payment of \$8,255 whether zero tests or 250 tests were performed in a day. We noted that about 58%, or \$18.7 million, of the total \$32.3 million paid to vendors was for the guaranteed minimum daily payments, confirming that sites were commonly underutilized. This includes 105 instances (totalling \$0.8 million) where the guaranteed minimum daily payment was made to vendors by the Education Ministry despite the fact they had tested no one that day.

- **COVID-19 testing appointment information was not collected by the Ministry of Education for scheduled testing sites to maximize public benefit of COVID-19 testing services.** The mobile COVID-19 testing clinics operated by the Education Ministry mainly operated on a walk-in basis. Since no prior appointment bookings were collected prior to the day of testing at schools, the Education Ministry could not proactively identify locations with little testing demand. The vendors tested between 2% and 7% of their potential capacity on average, throughout the contract term.
- **Vaccination clinic contracts could have been procured competitively.** Between January 2021 and January 2022, the Ministry of the Solicitor General (Solicitor General Ministry) entered into several non-competitively procured contracts for vaccination clinics. The unforeseen situation of urgency exception of the Procurement Directive was used for each contract instead of switching to a competitive procurement process. For each of these procurements, part of the Solicitor General Ministry's rationale for using a non-competitive process was that a competitive procurement would take over six months. However, we noted that similar contracts were competitively procured by Ontario Health for mobile testing clinic vendors and were completed in one to two months during the same period.
- **The Business Service Delivery Ministry did not request evidence of market rates from one vendor even though it was a contract requirement.** In June 2020, the Business Service Delivery Ministry contracted with a vendor for warehousing and logistics services. This contract was amended later in 2020 and renewed through 2021 and 2022. The contract contains clauses that promote continuous improvement, such as providing evidence of competitive pricing charged and that corrective action plans are developed when performance targets were not met continuously. While the

Ministry held meetings with the vendor, it did not request evidence that the rates charged were competitive with the market. This information was also not requested prior to renewing a contract, with increased rates, to confirm that the new contract was at a competitive price.

- **Better monitoring of usage is needed to promote equal and fair distribution when the supply of rapid antigen tests is limited.** The Ministry of Health (Health Ministry) provided eligible workplaces with free rapid antigen test kits to test asymptomatic employees starting in November 2020. Outside of programs such as this, these tests were not widely available to schools until December 2021 or to members of the general public until February 2022. Workplaces were required to report weekly on the number of tests used, but often the information was not complete. The Health Ministry and its partnering ministries often did not verify that the rapid antigen tests had been used by workplaces before fulfilling more orders, or that workplaces were ordering a reasonable quantity for the number of employees they had.
- **Of all emergency COVID-19 procurements, 11% did not follow the Procurement Directive's emergency process.** While the Procurement Directive allows ministries to use an emergency procurement process in times of urgent need (such as during a pandemic), it still requires that they promptly notify the Secretary of TB/MBC when they do so. According to the Secretariat's definition, prompt notification means as soon as the ministries know they will be procuring goods or services. However, we noted that as of March 31, 2022, 51 (or about 11%) of the 475 emergency procurements during the pandemic, totalling \$218 million, were not reported promptly as required—sometimes over a month later. Prompt notification was required so that the Treasury Board Secretariat could have accurate information on COVID-19 spending at any point in time.

This report contains 12 recommendations, with 26 action items, to address our audit findings.

Overall Conclusion

We concluded that the COVID-19 contracts we reviewed were mostly procured in a timely and cost-effective manner, given the circumstances. Also, these procurements were conducted in a fair, open and transparent manner, where applicable. Competitive procurements were conducted in accordance with the Ontario Public Service Procurement Directive (Procurement Directive), including the requirements to obtain appropriate approvals before signing the contract, and to assess proposals from interested vendors against pre-established criteria. Non-competitive procurements generally complied with the Procurement Directive, except for 11% of emergency COVID-19 procurements where the Secretary of Treasury Board/Management Board of Cabinet was not promptly notified of the procurement activity as required.

However, we identified some procurements that could have been better co-ordinated or managed so that provincial spending of about \$84.7 million (\$66 million in personal protective equipment, of which about \$36 million relates to the Ministry of Health and about \$30 million relates to the Ministry of Public and Business Service Delivery; and \$18.7 million in contracted mobile testing services, of which \$11.8 million relates to Ontario Health and \$6.9 million relates to the Ministry of Education) on the COVID-19 response would have been saved with better planning and contract terms.

OVERALL TREASURY BOARD SECRETARIAT RESPONSE

Treasury Board Secretariat (Secretariat) thanks the Auditor General and her staff for their work in reviewing the government of Ontario's spending on contracts and procurements to address the health, social and economic impacts of COVID-19. We welcome the insights and recommendations presented in this report.

We were pleased to hear that the majority of procurements related to COVID-19 were in compliance with the direction provided in the OPS Procurement Directive. The Secretariat is committed to performing our oversight function during unforeseen and urgent situations, and we welcome opportunities to enhance the rules and guidance to support decision-making.

The recommendations presented in this audit will be considered as we continue to collaborate with our partner ministries and with Supply Ontario to identify actions to improve government procurement direction and support for ministries in times of unforeseen urgency and in times where an emergency does not exist.

We look forward to a continued constructive relationship with the Auditor General and her staff as we move forward with addressing the recommendations in this report.

OVERALL MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY RESPONSE

The Ministry of Public and Business Service Delivery would like to thank the Auditor General and her staff for their work on this report and the audit recommendations. The Ministry of Public and Business Service Delivery welcomes feedback on how the government managed contracts, procurements and spending to address emerging impacts from COVID-19. The areas identified in this report will help the Ministry of Public and Business Service Delivery to further improve our systems and processes to ensure efficient and cost-effective management of government procurements.

The Ministry of Public and Business Service Delivery will work with our partners in the Treasury Board Secretariat to implement the recommendations outlined in this report.

We look forward to continuing engagement with the Auditor General as we move forward to address this report.

OVERALL MINISTRY OF HEALTH RESPONSE

The Ministry of Health accepts the overall conclusions of the report and the recommendations that impact the Ministry of Health.

Recommendations for increased clarification on expedited administrative procedures and the application of the Procurement Directive during extraordinary times are valuable suggestions should similar circumstances arise in the future. The Ministry of Health also acknowledges improved co-ordination and management of contracts as an improvement goal.

The Ministry of Health recognizes that some recommendations that are directed at other ministries may impact the Ministry of Health. We look forward to working with other ministries and our agencies on the implementation of the Auditor's recommendations and thank the Auditor for her work.

OVERALL MINISTRY OF EDUCATION RESPONSE

The Ministry of Education would like to thank the Office of the Auditor General of Ontario for the opportunity to review the accuracy and completeness of the Ministry of Education's information and records related to the value-for money audit, COVID-19 Contracts and Procurement.

While there were no recommendations for the Ministry of Education specifically resulting from this audit, the Ministry of Education will take into consideration all recommendations and best practices in relation to the future co-ordination and management of external contracts and procurements.

The Ministry of Education remains committed to fulfilling its obligations. Once again, thank you for the opportunity to review.

OVERALL MINISTRY OF INFRASTRUCTURE RESPONSE

The Ministry of Infrastructure would like to thank the Office of the Auditor General of Ontario for their work and appreciates the value of this audit. While these recommendations are not specifically directed toward the Ministry, the Ministry of Infrastructure will take into consideration all recommendations regarding best practices for the co-ordination and management of external contracts and procurements.

OVERALL MINISTRY OF LONG-TERM CARE RESPONSE

The Ministry of Long-Term Care thanks the Office of the Auditor General for the audit findings and recommendations. While there were no recommendations for the Ministry of Long-Term Care specifically resulting from this audit, the Ministry will consider the recommendations in relation to any future contract or procurement activity.

2.0 Background

2.1 COVID-19 Spending in Ontario

COVID-19 is a flu-like respiratory illness caused by the SARS-CoV-2 novel coronavirus. It was first identified in China in late 2019 and spread quickly across the globe in early 2020. Ontario's first known case was identified on January 25, 2020. COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and a provincial emergency was declared shortly thereafter on March 17, 2020. To deal with the health, social and economic impacts of COVID-19, the government of Ontario undertook a variety of initiatives (ranging from COVID-19 testing and vaccinations, to financial support to businesses and individuals). As of March 31, 2022, Ontario had approved COVID-19

initiatives totalling about \$58 billion (**Appendix 1**), including future spending; \$30.6 billion has been incurred related to these initiatives as of March 31, 2022 (**Figure 1**).

COVID-19-related spending includes monetary support to individuals, businesses, the broader public sector (for example, hospitals and schools) and other provincially funded transfer-payment recipients and programs. COVID-19 initiatives also include purchases of (or funding provided to purchase) goods, services and other capital improvements related to limiting the transmission of the virus and protecting Ontarians. Such procurements include personal protective equipment (PPE), COVID-19 testing supplies, information technology, temporary staffing, and ventilation and air conditioning improvements (such as those in schools and in long-term-care homes).

2.1.1 Federal Government COVID-19 Support

As part of the COVID-19 pandemic response, the federal government contributed monetary support and supplies to the provinces and territories. In

Figure 1: Budgeted and Actual COVID-19 Spending in Ontario, as of March 31, 2022 (\$ billion)

Prepared by the Office of the Auditor General of Ontario

Fiscal Year	Budgeted ¹	Actual ²
2019/20	– ³	0.6
2020/21	13.3	19.1
2021/22	10.7	10.9
2022/23	6.9	n/a ⁴
Total	30.9	30.6

1. Consists of one-time funding budgeted for COVID-19 initiatives, announced annually in the Ontario Budget, and subsequently updated as part of the Fall Economic Update, with the exception of the fiscal year 2020/21, when the *2020 Ontario Budget* was released along with the Fall Economic Update in November 2020. The budgeted amounts represent the government's estimates of required spending and are based on COVID-19 case counts at that time and projected cases for the year.
2. Amounts categorized as COVID-19-related spending by the ministries in the Public Accounts of Ontario. Actual spending differs from budgeted spending because COVID-19 cases can vary significantly from expected such as with the highly transmissible Omicron variant identified in November 2021.
3. The COVID-19 pandemic was declared in March 2020, just prior to the fiscal year-end, so COVID-19 spending was not budgeted for in 2019/20.
4. Actual spending will be released after fiscal year-end of March 31, 2023.

Ontario, the total funding received from the federal government between March 2020 and March 2022 was \$11.6 billion (38% of total expected provincial COVID-19 spending).

The federal funding included:

- Safe Restart Agreement (\$5.1 billion) for restarting the economy, including increased capacity for testing and tracing, PPE and support for municipalities, transit and child care;
- Additional Health Payment and COVID-19 Immunization Plan (\$1.9 billion) to support the financial pressures of the provincial health-care system as a result of the pandemic;
- Pandemic Pay Program (\$1.1 billion) to support essential workers by increasing wages for eligible workers (such as health-care professionals) at hospitals and home and community care settings;
- Safe Return to Class (\$0.8 billion) to improve air quality and ventilation in schools, support online learning, promote student mental health and hire additional staff;
- support for PPE and rapid antigen tests (\$1.4 billion) to provide in-kind federal PPE and rapid antigen test kits; and
- other support such as a COVID-19 response fund, safe long-term-care fund, virtual health care, employment skills training, remote air carrier support and safe voluntary isolation sites (\$1.3 billion).

In addition to the above, the federal government procured all COVID-19 vaccinations used by the provinces and territories (including Ontario).

2.2 Ministry Spending and Procurement Approvals

Ministries can obtain approval for COVID-19 expenditures, including funding for procurement activities, in various ways. Ministries are generally required to submit a business case to the Treasury Board/Management Board of Cabinet (TB/MBC), a committee of Cabinet, when they are seeking a change in operations, organization, activities and spending that goes beyond

the scope of their annual business plan. For example, this could include changes to ministries' total approved annual expenditures. TB/MBC makes decisions based on each request it receives. Decisions may include approving all or part of a ministry's request with or without conditions, or approving a request in principle with additional information to be provided at a later date. TB/MBC may also defer a decision to a later date, make recommendations (such as orders in council, regulations, and legislation) for Cabinet approval, or confirm receipt of new information, such as updates it requested on previous approvals. TB/MBC also makes decisions relating to public sector corporate governance policies, exceptions and exemptions to directives, and certain procurement project approvals.

Ministries must submit requests for approval to TB/MBC for procurements of goods and services if the value is \$2 million or more, or if the value is \$1 million or more for procurements where funding has not been allocated to the ministry. For non-competitive procurements of consulting services, approvals are required if the value is \$500,000 or more (**Appendix 2**). A key exception to this requirement is summarized in **Section 2.2.2** when procurements are conducted in an unforeseen situation of urgency.

2.2.1 Procurement Directive

The Treasury Board Secretariat (Secretariat) is responsible for developing and updating the procurement requirements within the Ontario Public Service Procurement Directive (Procurement Directive). The purpose of the Procurement Directive is to ensure ministries receive the best value for money when buying goods or services, in a way that is fair and transparent for both the ministries and suppliers, and is geographically neutral and accessible to qualified vendors.

The Secretariat added Interim Measures to the Procurement Directive (**Appendix 3**) in March 2019 to make procurement-related decisions and data collection more consistent and to support a future transition to a centralized procurement system for the Province. In September 2020, the Interim Measures were updated to include new requirements for

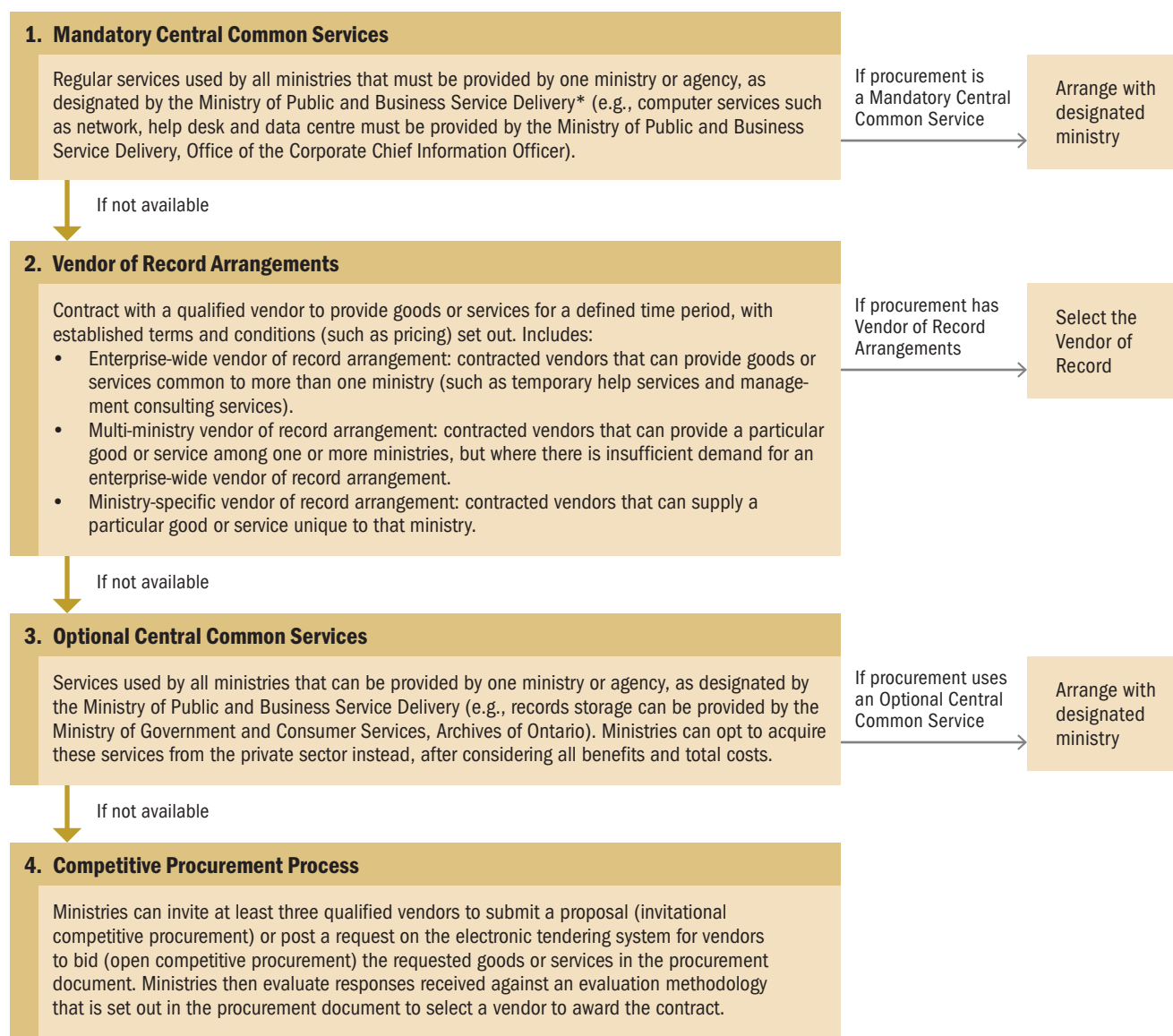
consulting contracts. The Interim Measures remain in effect and were to be followed in any cases that deviate from what is otherwise included in the Procurement Directive. In limited circumstances where ministries do not find it possible or appropriate to comply with the requirements of the Interim Measures, they must provide a reason through the submission of a Procurement Rationale Form to the Ministry of Public and Business Service Delivery (Business Service Delivery Ministry) (also known as the Ministry of Government and Consumer Services prior to June 24, 2022). The Business Service Delivery Ministry is responsible for overseeing the Interim Measures, including receiving the required reporting information. As of July 2022, the Business Service Delivery Ministry did not have plans to stop the Interim Measures while it continued to develop an approach for how centralizing procurement in the public sector should occur going forward (see **Section 2.3**).

When a ministry seeks to procure goods or services, the Procurement Directive requires the ministry to first check whether the goods and services can be obtained using available internal resources. If internal resources are not available, then the ministry must follow the order described in **Figure 2** to fulfill the procurement. The Procurement Directive also requires approval from the appropriate authority (per the ministry's delegation of authority or by Deputy Minister, Minister or TB/MBC) depending on the type and value of the procurement, prior to conducting all procurements (**Appendix 2**). The different procurement methods include vendor of record arrangement, invitational competitive procurement, open competitive procurement, and non-competitive procurement (defined in a glossary of terms in **Appendix 4**).

A non-competitive procurement process can be used under specific circumstances—for example, in an unforeseen situation of urgency (emergency procurements), where a competitive process could interfere with the government's ability to maintain security or order (such as policing activities), or confidential matters that would require government disclosure of confidential information. During the COVID-19 pandemic, the unforeseen situation of urgency exception

Figure 2: Goods and Services Procurement Requirements in the Ontario Public Service Procurement Directive, Where Internal Resources Are Not Available

Prepared by the Office of the Auditor General of Ontario



* Formerly the Ministry of Government and Consumer Services

was used often. Due to the volume of procurements using this exception, the Secretariat developed a process to monitor the reporting of these COVID-19-related procurements and first communicated it to all ministries on April 2, 2020. It also informed the ministries that the Interim Measures under the Procurement Directive continue to remain in effect.

2.2.2 COVID-19 Emergency Procurement Process

The unforeseen situation of urgency exception (emergency exception) (described in **Section 2.2.1**) was most commonly used by the ministries during the COVID-19 pandemic to conduct non-competitive procurements (about 85% of all non-competitive

procurements). This allowable exception for emergencies is not to be used in situations where the ministries fail to allow sufficient time to conduct a competitive procurement process.

When using the non-competitive procurement method during an unforeseen situation of urgency under the Procurement Directive, ministries may conduct the procurement prior to obtaining the appropriate approvals. Where the procurement would typically require TB/MBC approval, ministries must promptly notify the Secretary of TB/MBC of the procurement activity and report back to TB/MBC when the situation of unforeseen urgency is under control. The information required as part of the report back includes: supplier name, type of good or service being purchased, quantity, cost, contract status and length, any variance from previous notification to the Secretary of TB/MBC and explanation of variance, type of procurement method, and information on the value for money being obtained based on unit price or other factors.

The Treasury Board Secretariat (Secretariat) developed a unique process for ministries conducting emergency procurements under this exception during the COVID-19 pandemic. On April 2, 2020, the Deputy Minister of the Secretariat provided a memo to each ministry's Deputy Minister outlining the requirements for updating the Secretariat and a COVID-19 Procurement Proposal Template to assist with providing updates. The updates were to include details relating to:

- what is being procured and for what purpose;
- the anticipated value (based on information available);
- which ministry executive is authorized to sign the contract, per the ministry's Financial Delegation of Authority;
- the intended source of funding (that is, whether the ministry is using internally available funds or requesting COVID-19 contingency funds);
- the supplier (or anticipated supplier); and
- the expected duration of the contract (for services) or expected delivery date of goods.

The Secretariat tracked COVID-19 emergency procurements by the ministries using the updates received.

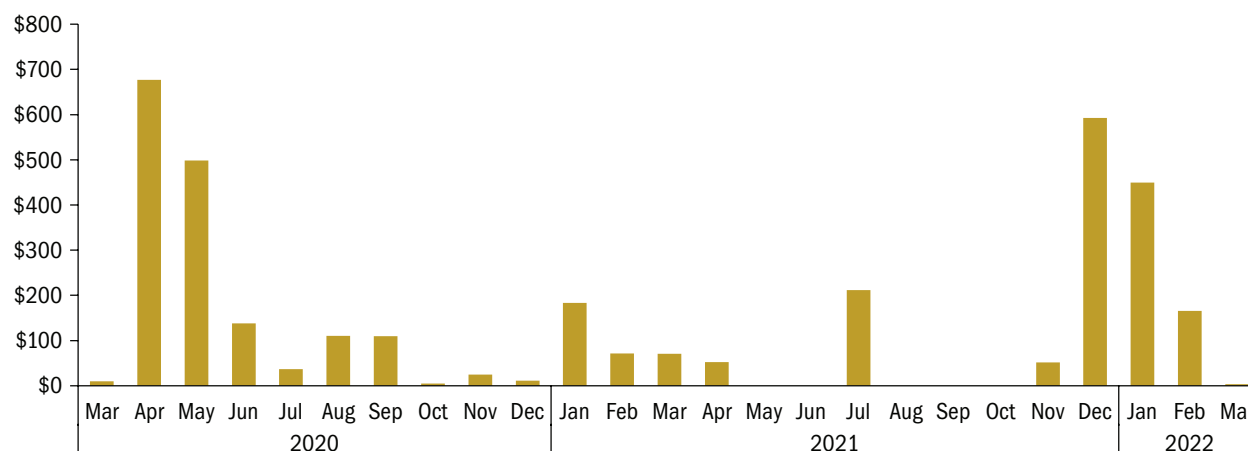
From March 2020 (when the Province first declared the state of emergency due to the pandemic) to March 31, 2022, ministries procured a total of \$3.5 billion in COVID-19 emergency goods and services that were tracked and reported to the Secretariat (**Appendix 5**). **Figure 3** shows the trend of when the majority of COVID-19 emergency procurements were conducted by the ministries. About 73% of these procurements were conducted between March 2020 and June 2020 (in response to the initial declaration of the pandemic) and between December 2021 and February 2022 (in response to the highly transmissible Omicron variant). At the beginning of the pandemic, the majority of emergency procurement notifications were related to the acquisition of personal protective equipment, such as masks and gowns (\$0.9 billion as of June 30, 2020). From December 2021 to February 2022, the main emergency procurements that the Secretary of TB/MBC was notified of in response to the Omicron variant were for rapid antigen test kits and high-efficiency particulate air filter units to improve ventilation in schools and other congregate care settings (\$1.0 billion during this period).

Up until October 1, 2021, notices of emergency procurements were shared with the President of the Treasury Board and TB/MBC members for their awareness, usually weekly. After October 1, 2021, the use of the COVID-19 Procurement Proposal Template and weekly notices to the President of the Treasury Board were discontinued to reduce administrative burden and allow for the standard TB/MBC oversight mechanism to be reintroduced (since emergency procurements related to COVID-19 had declined significantly in the prior months). However, the ministries were still required to update the Secretary of TB/MBC of their emergency procurements and report back to TB/MBC on the status of emergency procurements.

On January 25, 2022, in response to the increase in emergency procurements and use of the unforeseen situation of urgency exception of the Procurement Directive by ministries during a new wave in the pandemic caused by the Omicron variant, the Secretariat communicated to all Deputy Ministers an update on the emergency procurement process. The update included

Figure 3: Ministries' Total Contract Value¹ Using the COVID-19 Emergency Procurement Exception, March 2020–March 2022² (\$ million)

Source of data: Treasury Board Secretariat



Note: The majority of emergency procurements conducted by the ministries occurred at the beginning of the COVID-19 pandemic, from March 2020–June 2020, and then again in response to the highly transmissible Omicron variant from November 2021–February 2022.

1. Total emergency procurements where the Secretary of Treasury Board/Management Board of Cabinet (TB/MBC) received a notification from ministries as of March 31, 2022. The contract values represent TB/MBC's best estimate of emergency procurements during the COVID-19 pandemic. The total value may not reflect the actual spending if a contract or purchase order was updated or cancelled.
2. The month represents the date that the Secretary of TB/MBC received notification from ministries, which can be several months after the date a contract was signed or purchase order was issued.

a new template for providing prompt notification to the Secretary of TB/MBC and the reinstatement of the regular tracking of emergency procurements to TB/MBC members. Compared to the template developed in April 2020, which was used at the beginning of the pandemic and until October 1, 2021, the new notification template required ministries to provide additional details such as their vendor selection rationale and whether the Business Service Delivery Ministry was consulted on the procurement strategy.

2.2.3 Vendor Performance Management Framework

The Procurement Directive requires the retention of information related to the procurement process, from the initial business case to evidence of the deliverables being received or completed. It also includes information on how the vendor's performance was monitored.

In March 2020, the Business Service Delivery Ministry developed a Vendor Performance Management Framework (Vendor Performance Framework) in

response to one of the recommendations of our Office's 2016 Supply Chain Ontario and Procurement Practices value-for-money audit. The purpose of the Vendor Performance Framework is to help ministries establish guidelines to manage and assess vendor performance so that the results can be used to improve future procurement decisions. As of March 2022, the Vendor Performance Framework was still in the process of being fully implemented by the ministries.

The Vendor Performance Framework recommends that key performance indicators should be established in the procurement planning process. The minimum service level, performance target and measurement of the key performance indicators should be part of the contract, which can be used to assess vendor performance throughout the contract's duration and at its completion. At the end of a contract, the Vendor Performance Framework recommends the use of a scorecard to rate the vendor's performance across different categories and provide a final score, so this information can be used as part of the evaluation of new procurements and bids.

2.3 Centralization of Supply Chain During the Pandemic

Ministries are responsible for conducting their own procurement activities. The *Supply Chain Management Act (Government, Broader Public Sector and Health Sector Entities)*, 2019 (Supply Chain Management Act) sets out roles and responsibilities for supply chain management, including procurement. On March 27, 2020, O. Reg. 92/20: Coronavirus (COVID-19) Response and Recovery was introduced under the Supply Chain Management Act. Under this regulation, two ministries were designated as supply chain management entities for the purposes of responding to, and recovering from, COVID-19: the Business Service Delivery Ministry for government and broader public sector entities, and the Ministry of Health (Health Ministry) for health sector entities. Government and broader public sector and health sector entities reported their inventory requirements and future procurement activities to their respective supply chain management entity. Using this reporting, the Ministry of Public and Business Service Delivery (Business Service Delivery Ministry) and Health Ministry maintained consolidated inventory tracking for the Province and a procurement plan for in-demand goods, such as personal protective equipment (PPE). They also reported back to TB/MBC periodically on the use and allocation of these goods. Absent these specific arrangements, supply chain is decentralized across the Ontario Public Service and broader public sector.

In November 2020, a provincial agency, Supply Ontario, was established to centralize procurement for the public sector. Supply Ontario was accountable to the Ministry of Government and Consumer Services prior to June 24, 2022. As of June 24, 2022, the Treasury Board Secretariat has the expanded mandate for emergency management and procurement, including oversight of Supply Ontario. During the pandemic, including while Supply Ontario was being established, the Business Service Delivery Ministry, in collaboration with the Health Ministry, was responsible for the centralized procurement of PPE for the other ministries and for distributing the goods to the ministries as they

are requested. The initial plan was to transfer the pandemic supply chain contracts from the Business Service Delivery Ministry to Supply Ontario by April 1, 2022, starting with the procurement of PPE. This has been delayed while the agency continues to develop its operational capacity and works toward becoming more fully operational by December 31, 2023. Supply Ontario is currently gathering procurement data from ministries and the broader public sector to inform its future work and identify areas to enable the government to buy as one organization, providing goods and services at the best value for Ontarians. Once it is fully operational, it will work to advance centralizing the public sector supply chain.

As a result, the Business Service Delivery Ministry was one of the main entities responsible for managing the centralized supply chain for ministries and the broader public sector. During the pandemic, the main focus was on the centralized procurement of critical supplies and PPE, including receiving requests and distributing these supplies to other ministries, and all public sector entities such as schools and long-term-care homes.

Several other organizations also contribute to centralized procurement for ministries and the broader public sector. For example, OECM (formerly Ontario Education Collaborative Marketplace) is a not-for-profit entity that provides access to collaborative purchasing for the education sector, broader public sector and other not-for-profit organizations. During the pandemic, the provincial government also used the already-established contracts with vendors from OECM to procure goods and services, in addition to the ministries' own contracts and suppliers. From September 1, 2020, to March 31, 2022, the Business Service Delivery Ministry had procured \$88.3 million of critical supplies and PPE, including non-medical-grade masks, high-efficiency particulate air (HEPA) filtration units, and cleaning supplies through OECM agreements. These purchases were part of the provincial stockpile of PPE and were ultimately distributed to other ministries and all public sector entities such as schools and long-term care-homes.

3.0 Audit Objective and Scope

Our audit objective was to assess whether the Province of Ontario had effective systems and processes in place to manage contracts and procurements, and spending related to COVID-19 by:

- approving COVID-19-related contracts and procurements based on a detailed and costed business plan and justification for procurement activity;
- procuring COVID-19-related goods and services in a timely, cost-effective, fair, open and transparent manner in compliance with the Ontario Public Service Procurement Directive, including the emergency procurement process developed during the COVID-19 pandemic;
- responding to a pandemic emergency effectively by distributing goods and services, and allocating resources, to manage the response to COVID-19 with due regard for public safety; and
- evaluating whether the COVID-19 contracts and procurement, including associated spending, were effective in achieving their purpose.

In planning for our work, we identified the audit criteria (see **Appendix 6**) we would use to address our audit objective. These criteria were established based on a review of applicable legislation, policies and procedures, internal and external studies, and best practices. Senior management of the ministries included in the scope of this audit have reviewed and agreed with the suitability of our objective and audit criteria.

We conducted our audit between November 2021 and August 2022. We obtained written representation from senior management at the ministries that, effective November 21, 2022, they had provided us with all information they were aware of that could significantly affect the findings or the conclusion of this report.

Between March 25, 2020, and March 31, 2022, approximately \$7.0 billion (about 600 contracts) was spent, or planned to be spent, related to COVID-19 initiatives (**Appendix 5**). This includes \$0.9 billion for competitive procurements and \$6.1 billion for

non-competitive procurements. Of this \$6.1 billion, there were 475 contracts totalling \$3.5 billion that ministries procured using the unforeseen situation of urgency exception to the Ontario Public Service Procurement Directive instead of the TB/MBC approval process. There were approximately 124 additional procurements related to COVID-19, totalling \$3.5 billion (\$0.9 billion competitive, \$2.6 billion non-competitive), where ministries obtained TB/MBC approval.

Our audit sampled 127 contracts totalling about \$1.6 billion (representing approximately 23% of the total \$7.0 billion of approved COVID-19 procurements). About 23%, or \$0.3 billion, of the contracts were competitively procured and 77%, or \$1.3 billion, were non-competitively procured. The contracts selected are highlighted in **Appendix 7a** and **Appendix 7b**. These contracts primarily relate to:

- health-related procurements, such as COVID-19 testing capacity and supplies, critical supplies and equipment (including personal protective equipment), COVID-19 vaccine administration and related information technology systems to support the related initiatives; and
- infrastructure and ventilation-related procurements to mitigate the risk of COVID-19 transmission, such as procurement of standalone high-efficiency particulate air (HEPA) filter units, and funding provided to school boards, long-term-care homes and municipalities to upgrade ventilation or infrastructure to protect against the pandemic.

For the 127 contracts we reviewed, we assessed whether Ministry-led procurements complied with the Ontario Public Service Procurement Directive. For example, we looked at whether proper approvals were obtained, the procurement method, the rationale for procuring the goods or services, and the vendor selection process. Where contracts included performance indicators, we assessed contract outcomes to determine whether the ministries applied proper oversight for their COVID-19 procurement activities. We also reviewed two funding initiatives across three ministries that related to procurement activities for the broader public sector and transfer payment recipients. We

reviewed how the funding was allocated, the funding eligibility criteria, and whether organizations complied with any requirements that were included as part of the funding agreement.

In performing our audit work, we met with management and staff at the following ministries to obtain contracts and information relating to COVID-19 procurement planning and decisions:

- Treasury Board Secretariat;
- Ministry of Public and Business Service Delivery (formerly named Ministry of Government and Consumer Services prior to June 24, 2022);
- Ministry of Health;
- Ministry of Education;
- Ministry of Infrastructure; and
- Ministry of Long-Term Care.

In addition to the above ministries, we also reviewed selected contracts with the Ministry of the Solicitor General and Ontario Health, and had discussions with their management and staff about the procurement process for specific COVID-19 initiatives they undertook.

These ministries were selected for audit because they spent the most on goods and services related to the Province's COVID-19 response that was not covered in previous value-for-money audit reports of our Office (**Appendix 1** details other initiatives we have audited previously).

To understand the procurement activities in the broader public sector, we met with senior management at school boards, long-term-care homes and the Ontario Long Term Care Association to discuss COVID-19 funding and procurement activities. To understand the process of centralizing the provincial supply chain, we met with Supply Ontario to discuss its status and future plans, and also met with OECM to understand the organization's role in supporting school boards and ministries with procurement activities during the pandemic.

We conducted our work and reported on the results of our examination in accordance with the applicable Canadian Standards on Assurance Engagements—Direct Engagements issued by the Auditing and

Assurance Standards Board of the Chartered Professional Accountants of Canada. This included obtaining a reasonable level of assurance.

The Office of the Auditor General of Ontario applies the Canadian Standards of Quality Control and, as a result, maintains a comprehensive quality control system that includes documented policies and procedures with respect to compliance with rules of professional conduct, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

4.0 Detailed Audit Observations

4.1 Most COVID-19 Procurements Complied with the Ontario Public Service Procurement Directive

All ministries are expected to comply with the Ontario Public Service Procurement Directive (Procurement Directive). We found that, generally, the COVID-19-related procurements included in our audit scope complied with most of the requirements of the Procurement Directive. For example:

- approvals were received to conduct competitive and non-competitive procurements prior to entering into the contract (except those under the emergency procurement process, where approvals were not required); and
- use of the allowable exception for competitive procurements was supported by a valid business case that identified the connection of the procurement to the COVID-19 pandemic.

However, for COVID-19 procurements that used the emergency exception, we found that ministries did not always promptly notify the Treasury Board/Management Board of Cabinet (TB/MBC) as required.

4.1.1 Requirement for Prompt Reporting Was Not Met in 11% of Emergency COVID-19 Procurements

Many COVID-19-related procurements included in our audit used the emergency exception, allowable under the Procurement Directive (about 79% of the approximately 600 COVID-19 procurements used the emergency exception). As a result, ministries were subject to fewer requirements prior to signing these contracts or issuing these purchase orders, as detailed in **Section 2.2.2**. For example, the emergency exception removed the requirements to perform a competitive procurement and to obtain TB/MBC approval prior to engaging in the procurement. However, ministries were still required to promptly notify the Treasury Board Secretariat (Secretariat) of any procurements that used the emergency exemption, even though prior approval was not needed. In April 2020, the Secretariat communicated COVID-19 emergency procurement requirements to ministries, and provided a COVID-19 Procurement Proposal Template they should use for updating the Secretariat. Prompt notification was described as “as soon as [the ministries] know [they] will be procuring.” The COVID-19 Procurement Proposal Template requires ministries to include how the initiative is related to the pandemic response, the reason for the urgency, risks and mitigation strategy for the initiative, and communication to affected stakeholders. The information in this form was important for TB/MBC’s oversight and ongoing fiscal planning.

Of the 475 COVID-19 emergency procurements identified as of March 31, 2022, we found that the Secretary of TB/MBC was not promptly notified as required in 51 (11%), totalling \$218 million. The majority (30) of these were from the Health Ministry and its agencies, and the remainder were from the Secretariat (11), the Business Service Delivery Ministry (6) and four other ministries (Cabinet Office, Ministry of Children, Community and Social Services, Ministry of Northern Development, Mines, Natural Resources and Forestry, and Ministry of the Solicitor General) that participated in one procurement each. Instead, the Secretary of TB/MBC was notified of these procurements as part of the quarterly reporting process, which

can be almost three months after the purchase order or contract was issued.

Additionally, the COVID-19 Procurement Proposal Template did not require ministries to indicate the date that a contract was expected to be signed or when the purchase order was expected to be issued. This made it difficult to assess whether notification was received promptly by the Secretariat using the notification template alone. We reviewed 75 contracts for personal protective equipment (PPE) by the Business Service Delivery Ministry that used the emergency procurement process. By comparing the purchase order date and the date that the Secretary of TB/MBC received notification, we found 13 contracts where the notification was sent at least one month after the date of the purchase order or effective date of contract; the Secretary of TB/MBC was notified of one of these 104 days after the purchase order was issued. The delayed reporting of these procurements prevented the Secretariat from having accurate information on COVID-19 spending.

Since TB/MBC approvals are not required for procurements in an unforeseen situation of urgency, such as the pandemic, the prompt notification process becomes a key component of TB/MBC’s oversight function. Without it, TB/MBC’s records on total emergency procurements would be inaccurate throughout the year (at least until quarterly reporting is received), and the accuracy of this data is important for ongoing fiscal planning, including managing the fiscal pressures of the ministries.

RECOMMENDATION 1

So that it can effectively perform its oversight function during unforeseen situations of urgency, we recommend that the Treasury Board Secretariat:

- require the expected date of procurement to be identified as part of the notification for emergency procurements under the Ontario Public Service Procurement Directive (Procurement Directive); and
- remind ministries of the requirement to submit a notification within a specified and reasonable

time when a contract or purchase order is issued for emergency procurements under the Procurement Directive, and provide guidance of what is considered reasonable.

MINISTRY RESPONSE

Treasury Board Secretariat (Secretariat) agrees with this recommendation. The Secretariat will update existing support materials to incorporate the expectation that the expected date of procurement is to be identified as part of the notification for emergency procurements, as well as reminding ministries of the requirement to submit a notification within a specified and reasonable time when a contract or purchase order is issued for emergency procurements. The Secretariat will communicate broadly to help ensure ministry awareness.

4.2 The Ontario Public Service Procurement Directive Has Not Been Updated Since 2014

The Procurement Directive contains thresholds for procurement values where the ministries must follow specific processes, such as a competitive procurement process, or obtain approvals from TB/MBC (Appendix 2). Excluding the amounts from the Interim Measures that were added in 2019 and 2020 (Appendix 3), the procurement values were last updated in February 2014. For example, the minimum threshold where a competitive procurement process is required under the Procurement Directive is \$25,000. This value, adjusted for inflation from 2014 to 2022, would be approximately \$30,000.

When comparing Ontario's Procurement Directive to other provinces, or to the Broader Public Sector Procurement Directive, the thresholds where a competitive procurement process is required also differ (Figure 4). For example, Quebec and Canada have higher thresholds for requiring a competitive procurement process, starting at \$30,300 for goods in Quebec, or \$40,000 for services in Canada.

RECOMMENDATION 2

To provide relevant information and guidance in the Ontario Public Service Procurement Directive (Procurement Directive), we recommend that the Treasury Board Secretariat:

- assess the dollar thresholds in the Procurement Directive, and update them with consideration for inflationary increases since the thresholds were first established and the thresholds in other jurisdictions;
- establish a process to continuously review the Procurement Directive, such as every three years, so that information continues to be relevant, including roles and responsibilities; and
- conduct an overall review of the Procurement Directive within the next year.

MINISTRY RESPONSE

Treasury Board Secretariat (Secretariat) agrees with this recommendation and will incorporate the elements (assessing thresholds and establishing a requirement for a regular review) into considerations to be addressed as part of a comprehensive review of the procurement rules. This review will involve many partners, including Supply Ontario and supporting ministries. The Secretariat supports the commitment to modernize procurement, and a review of the rules is a necessary element that must fit within this larger complex initiative.

4.3 A Total of \$66 Million of Personal Protective Equipment (PPE) Expired, Was Damaged or Became Obsolete and Required Disposal

As of March 31, 2022, the Business Service Delivery Ministry and Health Ministry held a combined total of \$66 million of expired, damaged or obsolete PPE inventory (the Business Service Ministry had about \$30 million and the Health Ministry had about \$36 million). This was approximately 15% of the Business Service Ministry's \$201 million total inventory

Figure 4: Comparison of Competitive Procurement Requirements of Different Jurisdictions

Prepared by the Office of the Auditor General of Ontario

Jurisdiction	Procurement Type	Procurement Value Requiring Competitive Procurement ¹	Procurement Value Requiring Minimum Posting Period	Minimum Posting Period
Ontario (Public Service²)	Goods and services	> \$25,000	< \$100,000	No specific minimum bid time ³
			\$100,000–\$548,699	15 calendar days ³
			\$548,700 and up	30 calendar days ^{3,4}
Ontario (Broader Public Sector⁵)	Goods and services	\$100,000 and up	< \$100,000	No minimum posting period
			\$100,000 and up	15 calendar days ⁶
Alberta and British Columbia	Goods	\$10,000 and up	\$10,000 and up	No specific minimum bid time ³
	Services	\$75,000 and up	\$75,000 and up	
	Construction	\$100,000 and up	\$100,000 and up	
Saskatchewan	Goods	\$10,000 and up	\$10,000 and up	22 calendar days
	Services	\$75,000 and up	\$75,000 and up	
	Construction	\$100,000 and up	\$100,000 and up	
Quebec	Goods	\$30,300 and up	\$30,300 and up	15 calendar days
	Services	\$121,200 and up	\$121,200 and up	
	Construction	\$121,200 and up	\$121,200 and up	
Nova Scotia	Goods	\$10,000 and up	\$30,300 and up	15 calendar days ^{3,7}
	Services		\$121,200 and up	
	Construction		\$121,200 and up	
Canada	Goods	> \$25,000	> \$25,000	15 calendar days ⁷
	Services			
	Construction	> \$40,000	> \$40,000	

1. Unless the procurement falls under an allowable exception, a competitive procurement process must be used for contract values that exceed this threshold. In some provinces, an invitational competitive procurement process is allowable if the contract value is within a certain threshold; this process invites selected vendors to respond and still requires more than one bid to be obtained from potential vendors, but does not require the procurement to be open to the public.
2. Applies to all ministries and any agency that is required by a Memorandum of Understanding to comply with the Ontario Public Service Procurement Directive.
3. For any procurement value, a minimum bid response time for an open competitive procurement must be given based on factors such as complexity, risk, seasonality and best practices in the industry.
4. The minimum posting period can be reduced to 20 calendar days if a notice of procurement is issued more than 40 days in advance of the planned procurement. A notice could include a draft Request for Proposal or a pre-release notice posted on an electronic tendering system.
5. Applies to hospitals, school boards, colleges, universities, community care access corporations, Children's Aid Society, and any other publicly funded organizations that received public funds of \$10 million or more in the previous fiscal year of the Government of Ontario.
6. If the procurement is highly complex, high-risk and/or has a high dollar value, a minimum response time of 30 days must be considered.
7. The minimum posting period can be reduced under the urgency exception to less than 15 calendar days. In Nova Scotia, it may not be shorter than 10 days.

value (or 7% of the total units in inventory) and 3% of the Health Ministry's \$1.3 billion total inventory value (or 1% of the units in inventory), prior to disposal. As the Health Ministry and the Business Service Ministry continue to implement the recommendations from our Office's 2021 audit on COVID-19 Personal Protective Equipment, further development of a plan for the use of PPE is important when managing future purchases. The Business Service Delivery Ministry currently

expects to have an excess of 100 million N95 respirators, which is expected to form part of the provincial stockpile in case of future emergencies. If this surge in demand does not occur, further development to the plan for the use of N95 respirators will be needed before their expiry. Beyond the \$81 million cost of these masks, there will be additional costs to rent warehouse space for their storage.

4.3.1 Additional Warehouse Space Was Rented That Stored PPE Stockpile, Including Expired and Obsolete PPE

As of March 31, 2022, 15% of the Business Service Delivery Ministry's total inventory value was expired, damaged or obsolete (or approximately \$30 million of \$201 million) and required disposal. Expired, damaged and obsolete inventory included masks that require assembly and are therefore undesirable, and certain disinfectants such as hand sanitizer that have alcohol content endorsed by Health Canada at the time of purchase, but later not recommended by some Public Health Units. Many of these products were acquired earlier in the pandemic, when there was a shortage of masks and sanitizer, so the government procured many different types in order to meet demand. Once the supply chain stabilized, some products became more desirable than others by the end users, so certain products were not used prior to expiry.

With the large quantity of PPE that was purchased for the provincial stockpile, the Business Service Delivery Ministry rented additional warehouse space throughout the pandemic to store the stockpile. Two warehouse locations had to be added to a vendor's existing contract. From June 2021 to March 2022, the total rent paid for the two additional locations was \$3.8 million, compared to the total rent for the main warehouse of \$3.4 million over the same period. The two overflow warehouses stored inventory that was expired, damaged or obsolete (items that had little to no demand from sectors) and also stored the stockpile of PPE that the Business Service Delivery Ministry purchased to keep on hand for any future surge in demand or disruption to the existing supply chain.

4.3.2 September 2022 Forecast Predicts Purchases of N95 Respirators Will Exceed Provincial Demand by 100 Million Units, Costing \$81 Million

To attract companies to establish manufacturing within Ontario, the government committed to purchase from them a minimum quantity of PPE annually over the contract term for certain types of PPE. These

arrangements differ from other PPE contracts because the government cannot reduce the quantity it orders from the vendor if it does not require as many units. Between October 1, 2020, and March 31, 2022, the Business Service Delivery Ministry entered into five contracts with domestic manufacturers of PPE to produce N95 respirator masks and surgical masks. Subsequently, in April 2022, the Business Service Delivery Ministry entered into a 10-year agreement for the domestic production of nitrile gloves (estimated total contract value between \$400 million and \$430 million).

In January 2021, the Business Service Delivery Ministry entered into a five-year, \$98.8 million contract for N95 respirators with 3M Canada in Ontario. Ontario also provided a \$23.3 million grant to the manufacturer to support capital improvements at 3M Canada's Brockville, Ontario facility, such as installing manufacturing lines. This grant matched the company's investment in its facility and another grant provided by the federal government.

Over the five-year period of the contract, the Business Service Delivery Ministry is committed to purchase a minimum quantity of N95 respirators each year (25 million units) in addition to the units it will receive annually from the federal government (7.8 million units). The number of respirators that Ontario will receive under this contract during the five-year term is currently expected to fulfill and exceed the anticipated quantity needed in Ontario over a 10-year period (N95 respirators have a useful life of five years before expiry). The Business Service Delivery Ministry indicated that the quantity the Province is committed to purchasing includes extra units to establish a stockpile that can be used in the event of a surge in demand. If this surge does not happen, plans to allocate and use available N95 respirators will need to be enhanced and further developed, or some of this stockpile of units will eventually require disposal.

Based on projections as of September 2022, the Business Service Delivery Ministry currently expects N95 respirators to be available to address surge requirements, but if a surge in demand does not occur, plans to allocate and use available N95 respirators will

need to be further developed, as otherwise it forecasts that the stockpile of N95 respirators will exceed 100 million units, worth over \$81 million (**Figure 5**). In our audit on COVID-19 Personal Protective Equipment Supply in our *2021 Annual Report*, we recommended that the Ministry of Health develop and implement inventory management and control guidelines to monitor expiration dates for PPE and plan for the rotation of PPE. As part of the Business Service Delivery Ministry's contracts with domestic PPE manufacturers, the quantity of PPE that the Province is committed to purchasing includes maintaining a stockpile for the Health Ministry for use during periods with surge demand and to protect against potential future supply chain disruptions. Therefore, it is important for the inventory management plan to be continuously coordinated between the two ministries to identify when the PPE stockpile is significantly higher than anticipated usage.

Since the contracts for domestically produced PPE required the Province to commit to minimum purchases and to keep units on hand to build the stockpile, additional warehouse space is required throughout the contract duration. If the demand for PPE decreases, or if there is no surge in demand in the future, storage needs (and the associated costs of this storage) will

increase and eventually the PPE will require disposal, as seen with other types of PPE purchased earlier in the pandemic. Therefore, as previously mentioned, it is essential that the Business Service Delivery Ministry manage this stockpile and encourage health-care and non-health-care entities within the public sector and the broader public sector to order from them and use these products before they expire.

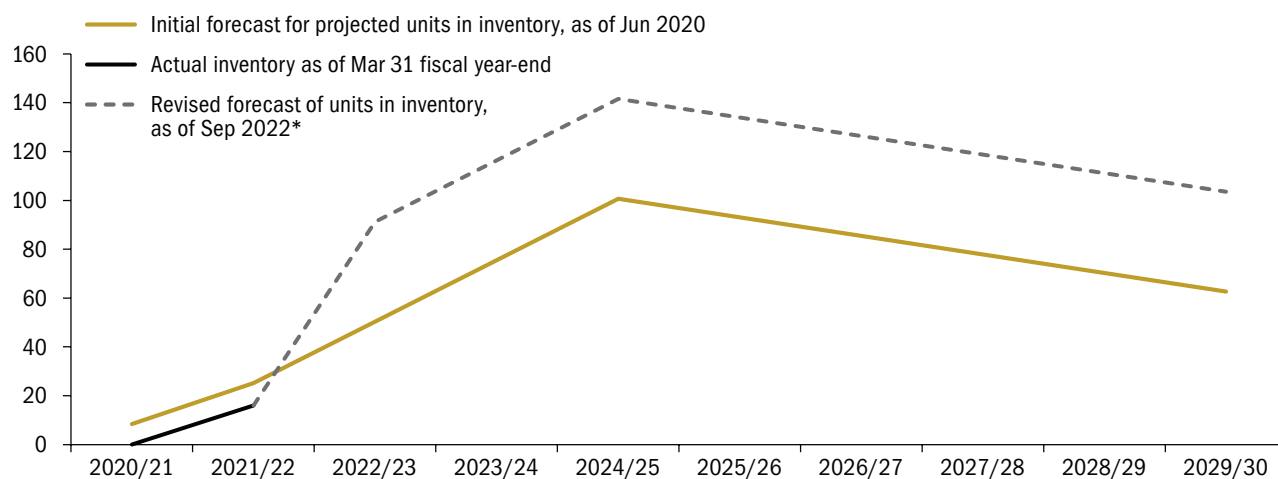
RECOMMENDATION 3

To manage the inventory of personal protective equipment (PPE) that the Ministry of Public and Business Service Delivery (Business Service Delivery Ministry) is contractually committed to purchase from domestic manufacturers, and to minimize storage costs, we recommend that the Business Service Delivery Ministry:

- semi-annually (at a minimum) update its forecast of PPE usage and compare this to its required purchases, to anticipate what excess inventory will need to be distributed to other sectors or organizations before expiry;
- co-ordinate with the Ministry of Health and Ontario Health (on behalf of hospitals) so that the portion of PPE inventory held by the

Figure 5: Projected Number of Units in N95 Respirator Stockpile, 2020/21–2029/30 (million)

Source of data: Ministry of Public and Business Service Delivery



* An additional 79 million respirators were purchased by the Ministry of Public and Business Service Delivery in 2022/23 as part of the Omicron response, resulting in a large increase in the number of units in stockpile that is expected at March 31, 2023, compared to the initial forecast.

Business Service Delivery Ministry for the health sector is incorporated into the Ministry of Health's and hospitals' inventory management plans;

- work with other health-care and non-health-care sectors, ministries and the broader public sector (including long-term-care homes and school boards) to identify ways to use forecast excess inventory; and
- distribute inventory in accordance with the identified plans, including any forecast excess inventory.

MINISTRY RESPONSE

The Ministry of Public and Business Service Delivery (Ministry) thanks the Office of the Auditor General of Ontario (OAGO) for this recommendation and for highlighting the ongoing value of and need for effective inventory management. The Ministry has begun to implement the recommendations from the OAGO's 2021 value-for-money audit on Personal Protective Equipment Supply and will include improvements to its activities to include purchases of PPE that the Ministry is contractually committed to purchase from domestic manufacturers. This includes incorporating these purchases in the Ministry's:

- supply and demand planning process, which on a quarterly basis reviews demand and supply (purchases and federal allocations), and forecasts inventory position for an 18-month period;
- co-ordination with the Ministry of Health and Ontario Health to incorporate the stockpile as the single source of supply for products that are held in the stockpile (e.g., PPE) as part of their overall material management program;
- engagement with all public sector organizations to incorporate the stockpile as the single source of supply for products held in the stockpile; and
- distribution of inventory to all Ontario public sector entities in accordance with agreed-upon plans.

4.4 Better Co-ordination When Purchasing Similar Goods and Services Would Have Allowed the Province to More Effectively Respond to COVID-19 at a Lower Overall Cost

Different ministries and broader public sector entities procured the same goods and services at the same time. From June 2020 to April 2022, Ontario Health contracted vendors to conduct mobile COVID-19 testing. Separately, from January 2021 to June 2021, the Ministry of Education (Education Ministry) contracted with vendors for the same services to test staff and students at schools and child-care centres. A co-ordinated effort by the Province when deploying these sites could have reduced costs by eliminating test sites with underutilized capacity, and still tested the same number of individuals, or possibly more, for the same cost at fewer sites.

4.4.1 Over \$18 Million Paid to Private Companies for Underutilized Mobile COVID-19 Testing Capacity

Vendors contracted by Ontario Health and the Education Ministry were paid a fee per swab collected for mobile COVID-19 testing. So that each vendor recovered its fixed costs for running a site each day, a guaranteed minimum payment per day was also included in each contract. This was billed if the site tested less than the required minimum that day—including if they performed no tests at all. This guaranteed minimum payment per day varied in each contract, from approximately \$991 to \$8,255 for a single mobile testing team (see **Section 4.4.2**), although most contract daily guaranteed minimum payments ranged from \$3,000 to \$4,000. **Appendix 8** summarizes the procurements by Ontario Health and the Education Ministry related to mobile COVID-19 testing, including the key costs and minimum testing requirements of each vendor.

We noted that about 58% of the fees paid to mobile testing vendors (\$18.7 million out of \$32.3 million)

were for the guaranteed minimum daily payments. Ontario Health was invoiced the guaranteed minimum daily payment 46% of the time (\$11.8 million) and the Education Ministry was invoiced the guaranteed minimum daily payment 99% of the time (\$6.9 million). Some examples of clinics with underutilized testing capacity are described in **Figure 6**.

Ontario Health and the Education Ministry conducted their own procurement processes separately. Ontario Health shared some information with the Education Ministry, including a list of potential testing vendors in Ontario, types of testing service models, and details of the requests for proposal they used to competitively procure the vendors for mobile COVID-19 testing. However, Ontario Health and the Education Ministry executed their contracts separately. Details of the different procurement methods are provided in **Appendix 8**.

Co-ordination between the two could have helped them better match the number of sites offered with demand for services. If individual operators had been asked to serve community needs identified by both Ontario Health and the Education Ministry, testing

sites could have been used more efficiently rather than continually paying for underutilized capacity.

4.4.2 One Vendor Was Awarded Two Separate Contracts for Mobile Testing Two Weeks Apart and with Different Guaranteed Minimum Payments

Ontario Health and the Education Ministry conducted procurements for COVID-19 mobile testing separately, and both parties contracted with the same vendor within weeks of each other. The fee per swab was the same under both contracts, but the guaranteed minimum payment per day for deploying a single mobile team was significantly different—\$991 compared to \$8,255. **Appendix 9** shows a comparison between some of the key contract terms.

The Education Ministry entered into a contract with the vendor on January 25, 2021, through a non-competitive procurement process. The contract had a higher guaranteed minimum payment compared to Ontario Health, because the Education Ministry required the vendor to be able to perform up to 5,000

Figure 6: Examples of Testing Clinics with Underutilized Capacity

Prepared by the Office of the Auditor General of Ontario

Ministry or Agency	Details
Ontario Health	<ul style="list-style-type: none"> One provider was paid by Ontario Health to operate a COVID-19 testing location in Oakville, Ontario, from September 2021 to March 2022. The province changed PCR testing eligibility at the end of December 2021, so the number of individuals qualifying for a PCR test and seeking appointments decreased significantly after this change. Starting in December 2021, the vendor provided three testing teams at this location every day (at a minimum cost of \$4,200 per team) and did not adjust the level of service promptly once the demand for testing decreased significantly. Fewer than six people visited this location for testing per day, on average, from February 6 to March 6, 2022. The contract required a minimum of 100 tests daily, per team; this was not met, so Ontario Health paid the guaranteed minimum payment of \$12,600 per day for three teams. Once Ontario Health decreased the number of teams deployed to this location and reduced the number of days per week the location operated (from seven days to four) starting March 8, 2022, the guaranteed minimum payment per day was reduced to \$4,200. The level of service after the reduction was still sufficient to meet the testing demand for this location; if this was done sooner, the province could have saved costs while still providing community access to testing services.
Ministry of Education	<ul style="list-style-type: none"> Three vendors under contract with the Ministry of Education operated 863 testing sites across 564 unique geographical locations. The vendors invoiced the guaranteed minimum daily payment for 850 (98%) of the testing days, including 105 testing days when they had performed no tests at all.

tests daily, compared to Ontario Health requiring the vendor to be able to perform 30 tests per day. Therefore, the vendor required a guaranteed minimum payment per day of \$8,255 (or the equivalent to the cost for 250 tests) for any number of tests completed from zero to 250. The Education Ministry had overestimated the number of tests that would be required at each location; during the contract period, there was an average of 31 tests conducted at each site (compared to the minimum of 250). This includes 17 times when no tests were conducted that day, and the highest number of tests was 300 on one day. Instead of each test costing \$33 according to the contract's per test fee, the actual average cost per test became approximately \$266 because of the guaranteed minimum payment required per day and the lower-than-estimated daily average of 31 tests actually conducted.

In comparison, Ontario Health entered into a competitively procured contract with the same vendor in February 2021, but the guaranteed minimum payment per day was \$991, based on a projection of 30 daily tests. However, out of a total of 127 mobile sites deployed, even the minimum of 30 tests was not reached about 27% of the time. Better co-ordination during the contracting process between Ontario Health and the Education Ministry could have resulted in a more strategic deployment of testing sites with this vendor and more consistent contract terms with the same vendor.

RECOMMENDATION 4

So that spending on COVID-19 testing sites is cost-effective, we recommend 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 future.

MINISTRY RESPONSE

The Ministry of Health accepts this recommendation and agrees that a co-ordinated approach to COVID-19 testing services, including tracking testing needs identified by other ministries and

system partners (e.g., Ministry of Education, Public Health Units) will help to ensure effective use of testing resources.

4.4.3 Ministry of Education Did Not Collect Appointment Information for Scheduled Testing Sites to Maximize Public Benefit

Mobile testing clinics can operate on a walk-in basis, by appointment only, or both. Not all mobile clinics that had appointment bookings were required to report their appointment data to the Province. Further, the mobile clinics contracted by the Education Ministry did not have appointment bookings set up consistently, and many operated on a drop-in basis.

The purpose of the Education Ministry's mobile testing contracts was to provide voluntary, asymptomatic testing of staff and students in schools and child-care settings. When the three contracts first began, the Education Ministry anticipated that the testing sites would be based on an appointment system. However, because of timing challenges with bilingual registration systems, testing sites operated on a drop-in basis. For short periods of time (from January 25 to March 12, 2021, with one vendor and from February 17 to March 12, 2021, with another vendor), two of the three vendors who operated these clinics offered online appointment booking to eligible individuals. The vendors were not required to report the number of appointments booked to the Education Ministry.

Throughout the terms of the three contracts, the vendors completed between 2% and 7% of the total number of tests they had the capacity to complete each day, on average. The Education Ministry often did not meet the contracted minimum testing level and paid for unused capacity (see [Section 4.4.1](#)). When procuring these contracts, the Education Ministry estimated that up to 50,000 tests would be required weekly across the Province, but the actual tests amounted to about 1,900 weekly. (The number of tests ranged from 21 to 5,609 weekly across all sites.)

Allowing pre-booking of appointments on the number of staff and students interested in COVID-19 testing services, in advance of the vendor providing

the service, could have provided useful information to the Education Ministry on the estimated demand. If the number of individuals that were interested in the testing was low, this information could have been passed on to the Health Ministry or other ministries to identify if asymptomatic COVID-19 testing could be offered to other priority groups in the community.

The Province decided to contract with private companies for mobile testing because there was a limited number of staff from public health units and other publicly funded health-care providers available to be redeployed for COVID-19 testing at schools and other settings. The mobile testing contracts were intended to increase the testing capacity of the Province without straining the resources of public health providers, but this increased capacity was not used effectively to maximize the benefits to the public.

RECOMMENDATION 5

To maximize the benefit to the public of future contracted COVID-19 testing resources, we recommend that the Ministry of Health:

- regularly collect and assess data on the performance of testing sites, including on the number of appointments compared to site capacity, and the number of swabs collected by the site;
- use this data to make decisions on future COVID-19 testing options, site operations and any need to contract for additional sites; and
- negotiate future contract terms that allow for the cost-effective early termination of the contract or cancellation of testing sites, and take such action when the above analysis justifies its use so that the Province does not pay for excessive unused services.

MINISTRY RESPONSE

The Ministry of Health accepts this recommendation. The majority of contracts for COVID-19 testing services are held by Ontario Health, which regularly collects and assesses data on the performance at each of its testing sites as well as monitoring the volume of patrons accessing services to inform and

improve optimization of testing resources and delivery. In its co-ordination role for testing services, the Ministry of Health will ensure that these activities are done regularly by all partners negotiating and executing testing contracts. The Ministry of Health will additionally ensure that partners negotiating future testing contracts are encouraged to include clauses that allow for the cost-effective early termination of the contract or cancellation of testing sites.

4.5 Use of Emergency Exception to Non-competitively Procure Contracts Was Appropriate in Most Cases, Except for Certain Vaccination Clinic Contracts

Using a non-competitive procurement process in an unforeseen situation of urgency (emergency), such as responding to the COVID-19 pandemic, is allowable under the Ontario Public Service Procurement Directive (Procurement Directive). The majority of COVID-19 contracts that we reviewed as part of this audit (98, or 77% of the 127 contracts) were non-competitive. We found that the ministries generally had a valid business case to use this exception to procure goods and services quickly when they were in high demand. However, our audit identified competitive procurements completed in a timely manner that suggests that competitive procurement could have been more widely used for certain COVID-19 initiatives, such as vaccination clinics.

4.5.1 Vaccination Clinic Contracts Could Have Been Procured Competitively

The Ministry of the Solicitor General (Solicitor General Ministry) conducted several non-competitive emergency procurements from January 2021 to May 2021 for mobile vaccination clinics or community clinics (four contracts). Some of these contracts were amended in November and December 2021 to increase the Province's capacity to vaccinate individuals at the time of the highly transmissible Omicron variant. In

addition to the existing vendors, in January 2022, the Solicitor General Ministry entered into a new contract with FH Health (fifth contract) to operate COVID-19 vaccination clinics, with a priority to support the Education Ministry in vaccinating education workers. The Solicitor General Ministry told us it was uncertain how long the emergency period would be needed, so the contract was single-sourced because these services were required immediately whereas a competitive procurement process would likely take more than six months to complete. It selected FH Health because the Province (through Ontario Health) had previous experience with the vendor operating mobile COVID-19 testing clinics, and the vendor had available capacity and could start operating quickly.

The Solicitor General Ministry informed us that it entered into its contract with FH Health after the company approached the Ministry on January 5, 2022, to indicate it had capacity to take on vaccination clinics with its existing infrastructure and staffing. The Solicitor General Ministry indicated that because of the urgent nature of this procurement, it did not contact Ontario Health for feedback on its experience with FH Health's COVID-19 mobile testing. The Solicitor General Ministry executed its contract with FH Health on January 8, 2022. We found that the vaccination clinics operated by FH Health had a relatively low percentage of individuals booking appointments (from January 2022 to March 2022 when the clinics were operating, only about 6% of daily available appointments were actually used to vaccinate individuals, on average). As identified in our audit on the Province's COVID-19 Vaccination Program in our *2022 Annual Report*, some clinics (including FH Health) had appointment booking systems that were separate from the provincial booking website, which likely contributed to the underutilization of certain clinics despite them having the capacity available to vaccinate individuals. We also identified that FH Health's collective sites had higher-than-normal vaccine wastage (20% of vaccine doses received were disposed of, instead of being administered to an individual or returned to the province) compared to the average of all sites in the province (9%). A competitive procurement process

would have required planning as part of the tendering process, including assessing whether existing vendors could have taken on the priority of vaccinating education workers, or if any other vendors could have provided a similar service.

We noted examples (**Figure 7**) where competitive procurements were conducted in a much shorter time frame than the six months suggested by the Solicitor General Ministry. This includes the competitive procurements of mobile testing contracts that Ontario Health completed in one to two months.

The Procurement Directive requires a minimum of 30 calendar days of open tendering for procurement values of \$548,700 and higher. This is compared to the Broader Public Sector Procurement Directive, applicable to broader public sector entities such as schools and hospitals, which only requires a minimum of 15 days. Additionally, across other Canadian provinces, British Columbia and Alberta do not have minimum tendering periods as part of their procurement policy, other than specifying that a response time must be sufficient to allow interested vendors to respond. Under certain international trade agreements (such as the World Trade Organization Agreement on Government Procurement) that the provinces follow, the minimum posting period of 25 days may be shortened to 10 days for urgent procurements (see **Figure 4**).

RECOMMENDATION 6

So that competitive procurements are encouraged and can be conducted in a timely manner in unforeseen situations of urgency, we recommend that the Treasury Board Secretariat modify the Ontario Public Service Procurement Directive to allow for shorter minimum bid response times (less than the current minimum of 30 days) for open competitive procurements with contract values above \$548,700 for better alignment with the policies used in other Canadian provinces.

MINISTRY RESPONSE

Treasury Board Secretariat (Secretariat) agrees that this is a necessary element to be considered

Figure 7: Examples of Competitive Procurements Conducted in a Timely Manner

Prepared by the Office of the Auditor General of Ontario

Ministry/Agency/Entity	Area	Details
Ontario Health	Competitive Procurements of Mobile COVID-19 Testing Contracts Completed Quickly	<ul style="list-style-type: none"> Ontario Health conducted several competitive procurements for mobile testing, in June 2020, November 2020, February 2021 and March 2021. Each of these times, the tender was posted for up to one month. Contracts with successful vendors were signed within one to two months after the bidding process ended (additional details in Appendix 8).
Ministry of Public and Business Service Delivery	Approval Obtained for Accelerated Competitive Procurement Process	<ul style="list-style-type: none"> The Ministry of Public and Business Service Delivery (Business Service Delivery Ministry) was engaged by the Ministry of Education in February 2021 to establish master agreements for the education sector to purchase stand-alone high-efficiency particulate air (HEPA) filter units for schools. To select vendors for these master agreements, the Business Service Delivery Ministry sought Treasury Board/Management Board of Cabinet (TB/MBC) approval to conduct a competitive procurement, but with a reduced minimum bid response time of 15 days. The Request for Bids was posted on March 15, 2021, and closed on March 29, 2021 (15 days). Without prior TB/MBC approval, the minimum tendering time under the Ontario Public Service Procurement Directive is 30 days for any procurement values \$548,700 or more. Through the accelerated tendering process, the Business Service Delivery Ministry received nine bids. When assessing the vendors against the technical requirements, the Business Service Delivery Ministry identified three vendors that met the requirements and entered into master agreements with the successful vendors on April 11, 2021 (less than 30 days from when the Request for Bids was posted). The competitive procurement was conducted within a short turnaround time and ultimately resulted in master agreements that allowed any school board or the Business Service Delivery Ministry to purchase directly from the vendor at the terms and rates in the contract.
OECM (formerly Ontario Education Collaborative Marketplace)	Established Master Agreements for Face Masks, Following the Broader Public Sector Procurement Directive Requirements	<ul style="list-style-type: none"> Following the Broader Public Sector Procurement Directive where the minimum tendering period is 15 days, OECM conducted several competitive procurements in a short time frame. OECM, a collaborative sourcing organization, established master agreements with vendors to supply goods during the pandemic, particularly in school settings. For example, in March 2021 it opened tendering for a competitive procurement for 30 days (from March 8, 2021, to April 8, 2021) for stand-alone HEPA filter units, and in June 2020 it completed tendering in 19 days to establish master agreements for the supply of face masks. Both of these contracts were used by school boards and the Ministry of Public and Business Service Delivery during the COVID-19 pandemic.

as part of a comprehensive review of the procurement rules. The Secretariat will incorporate consideration of bid response times for open competitive procurements with contract values above \$548,700, as well consideration of policies in other Canadian jurisdictions as part of the comprehensive review of procurement rules (see response to **Recommendation 2**).

4.5.2 Competitive Process Could Have Minimized Perceived Conflict of Interest with A Non-competitively Procured Vaccination Clinic Contract

For vendor access, transparency and fairness, the Procurement Directive requires that “conflicts of interest, both real and perceived, must be avoided during the procurement process and the ensuing contract.” We found that the Solicitor General Ministry awarded a non-competitively procured contract to FH Health in January 2022 (as mentioned in **Section 4.5.1**), which occurred after several members of the company’s board of directors made political donations to the Progressive Conservative Party of Ontario. Between September 3 and September 27, 2021, at least 18 individuals including members of FH Health’s board of directors (including the Chairman and President/Vice Chairman), employees, and individuals sharing the same names as family members of board members or employees, contributed \$54,000 in total (many of them contributed the personal maximum of \$3,300 each) to the Progressive Conservative Party of Ontario. On January 27, 2022, a former Member of Provincial Parliament requested Elections Ontario investigate the donations. Elections Ontario responded on February 4, 2022, that there was no contravention of the *Election Finances Act* because the individuals did not donate over the personal annual limit.

While the Province already had an existing contract with FH Health for COVID-19 mobile testing (managed by Ontario Health) at the time of the donations, some circumstances with the contracting process for the second contract likely gave rise to the perceived conflict of interest in this case. For example, the new

contract was signed in January 2022, several months after the donations occurred in September 2021. Also, the vendor approached the Vaccine Operations team (consisting of members from the Health Ministry and the Solicitor General Ministry) directly to inform them of their capacity to hold vaccination clinics when, typically, the Vaccine Operations team would reach out to potential vendors.

From the overall 127 contracts we reviewed as part of our audit, we also identified that eight vendors had registered for lobbying activity for the purpose of obtaining contracts related to the Province’s COVID-19 response (five of these vendors were registered before they were awarded a contract). This includes personal protective equipment (PPE) manufacturers and COVID-19 testing providers.

The *Lobbyists Registration Act, 1998* establishes the requirements and guidelines for lobbying activities, including that the lobbyist shall not knowingly place a public office holder in a position of potential conflict of interest.

With a competitive procurement process, all interested vendors can submit a bid. The tendering document includes the evaluation criteria that the contracting party will apply in their selection process. An evaluation team will review all bids and provide a score against the criteria. The Procurement Directive requires that individuals participating in the evaluation process of bid responses must declare any potential conflict of interest. We noted this principle was used by Ontario Health when assessing the bids for COVID-19 mobile testing clinics. The Business Service Delivery Ministry also informed us that its evaluation team follows communication “black-out” protocols during the procurement process to limit any contact between an interested party and the procurement team. Senior ministry leadership and political staff are also discouraged from vendor communication at this time where feasible, and where not possible, they are instructed to limit interactions to those that do not pertain to the procurement.

With a non-competitive procurement process, these practices are more difficult to manage because there is no tendering process or bids to evaluate. When the

pandemic was first declared in 2020 and there was a global shortage of PPE, the Business Service Delivery Ministry had to procure many types of PPE urgently. The Business Service Delivery Ministry noted to us that while a competitive procurement process was not possible, other practices were used to mitigate bias. The Ontario Together portal was established by the Business Service Delivery Ministry on March 21, 2020, so that all PPE manufacturers could publicly view the government's requirements for PPE and indicate their interest in becoming a supplier. The Business Service Delivery Ministry established a team to review the vendors on the Ontario Together portal separate from the team that would be negotiating the final procurements.

The Solicitor General Ministry noted to us that it had implemented a safeguard to minimize conflicts of interest in the non-competitively procured vaccination contracts by including a conflict of interest clause. The clause includes the requirement that the vendor avoid conflict of interest in its performance obligation, disclose any actual or perceived conflict of interest that arises, and comply with requirements of the Ministry to resolve any conflict of interest. In our review of COVID-19 contracts, including the standard terms and conditions recommended for contracts, we noted that this is consistent with the standard terms of the Ontario Public Service contracts, including those that are competitively procured. Therefore, additional opportunities for the ministries to safeguard against perceived or actual conflicts of interest are an important consideration for non-competitive procurements.

RECOMMENDATION 7

So that procurements are made free from bias and perceived or actual conflicts of interest, we recommend the Treasury Board Secretariat update the Ontario Public Service Procurement Directive to require that ministries document what safeguards they must use to prevent bias and perceived and actual conflicts of interest during the procurement process for all non-competitive procurements.

MINISTRY RESPONSE

Treasury Board Secretariat (Secretariat) agrees that procurements should be free from bias and from actual or perceived conflicts of interest. The Secretariat will incorporate consideration of including requirements that ministries document the safeguards that they will use to prevent bias and perceived and actual conflicts of interest during the procurement process for all non-competitive procurements as part of a comprehensive review of procurement rules (see response to **Recommendation 2**).

4.6 Better Monitoring of Usage Is Needed to Promote Equal and Fair Distribution When Supply of Rapid Antigen Tests Is Limited

The Health Ministry began a pilot program to provide free COVID-19 rapid antigen test kits to certain workplaces in November 2020. This program became the Provincial Antigen Screening Program (Screening Program), which enabled workplaces to test their employees weekly to try to limit the spread of COVID-19 by screening for any individuals who tested positive so that they could self-isolate away from the workplace.

While the test kits were available for free to workplaces under this program, the members of the general public, including students at schools, generally did not have access to similar asymptomatic testing until later in the Screening Program. While workplaces that received tests were required to report weekly to the Health Ministry on the number of tests used, we found that this reporting was not always complete before workplaces were allowed to order more test kits. This created the risk of unauthorized use of test kits at that time—for example, stockpiling excess kits or distributing kits to individuals for personal use outside of the workplace, or the selling of kits for profit when they were not widely available to the public. A review of media articles showed that, before a broader distribution to the public, rapid antigen test kits were in high

demand by Ontarians, with reports of individuals selling the kits they had received for free for up to \$100 each.

The sectors that were eligible to receive free rapid antigen tests through the Screening Program changed from the program's inception based on the availability of test kits and changes in health guidance. **Figure 8** and **Figure 9** outline the changes in eligibility since the program began and how eligible sectors were prioritized.

Until November 2021, rapid antigen tests distributed by the Province were also mostly provided by the federal government. Due to the increasing demand for rapid antigen tests at that time (particularly from the increase in COVID-19 case counts associated with the COVID-19 Omicron variant), the Province significantly increased its own procurement of such tests starting in November 2021 (see **Figure 10**).

4.6.1 Order Limits Imposed on Small- and medium-Sized Organizations, but not on Large Organizations

The Health Ministry partnered with other ministries to distribute the rapid antigen tests to organizations, but it did not have sufficient monitoring in place to assess whether the number of test kits that large workplaces ordered through the Screening Program was reasonable. Two distribution methods were established for organizations to receive rapid antigen tests as part of the Screening Program, one for large organizations with more than 150 employees and one for small- and medium-sized organizations with 150 employees or less (**Figure 11**).

We found that the Province did not limit the number of rapid antigen test kits that large organizations could order through the Health Ministry's portal. During the ordering process, organizations

Figure 8: Eligible Workplaces for Rapid Antigen Test Screening

Prepared by the Office of the Auditor General of Ontario

Date	Eligible Sectors
November 2020 (inception)	<ul style="list-style-type: none"> • Long-term-care homes • Retirement homes • Congregate living (such as shelters and group homes) • Essential industries (such as manufacturing, warehousing, mining, construction and food production) • High-priority communities based on factors such as areas with low levels of testing completed, numbers of new COVID-19 cases identified and other socioeconomic indicators
March 2021	<p>Organizations previously eligible since inception of the program in November 2020, plus other essential services and broader public sector including:</p> <ul style="list-style-type: none"> • Energy, energy stakeholders (e.g., utility providers) • First responders (e.g., police and fire departments) • Emergency Medical Services, hospices, hospitals, primary-care settings • Trucking and transportation • Wastewater management and water treatment facilities • Post-secondary institutions
May 2021	<ul style="list-style-type: none"> • Any organization permitted to open (based on provincial health guidelines at the time), and that requires employees to be physically present
December 2021	<ul style="list-style-type: none"> • Organizations previously eligible under of the program in May 2021, plus schools

Note: From January to June 2021, students and teachers in certain schools and child-care settings were eligible for testing through mobile clinics and pharmacies contracted by the Ministry of Education.

Figure 9: Priority Distribution of Rapid Antigen Test Kits, January 2022

Source of data: Ministry of Health

Priority Level*	Eligible Sectors
Tier 1	<ul style="list-style-type: none"> Hospitals Paramedic services Congregate settings (including long-term-care homes and retirement homes) First Nations, Inuit and Métis communities Urgent Public Health Unit demand, assessment centres and clinical assessment centres
Tier 2	<ul style="list-style-type: none"> Education and child-care settings
Tier 3	<ul style="list-style-type: none"> Lower-risk workplaces (such as colleges, universities and small- and medium-sized businesses) Workplaces applying through the Provincial Antigen Screening Program for voluntary testing of employees
Tier 4	<ul style="list-style-type: none"> Public distribution, made available after provincial inventory was able to withstand demand from Tiers 1 to 3, which began in February 2022

* Once the needs of the first tier were met, rapid antigen tests were then distributed to fulfill the demand of the next tier, and were distributed to the following tier only when demand was met in that tier.

Figure 10: Rapid Antigen Tests Purchased, Received and Distributed in Ontario, October 2020–August 2022 (million)

Source of data: Ministry of Health

Date	Procured by Ontario	Received from Federal Government	Total Received	Distributed ¹	Inventory at Month End ²
October 2020	–	–	–	–	–
November 2020	–	1.7	1.7	(0.2)	1.5
December 2020	–	2.5	2.5	(0.3)	3.7
January 2021	–	0.8	0.8	(0.8)	3.7
February 2021	2.6	4.5	7.1	(1.6)	9.2
March 2021	6.4	1.6	8.0	(2.1)	15.1
April 2021	–	–	–	(2.5)	12.6
May 2021	–	–	–	(4.3)	8.3
June 2021	–	0.3	0.3	(3.6)	5.0
July 2021	–	3.8	3.8	(1.3)	7.5
August 2021	–	3.3	3.3	(2.9)	7.9
September 2021	–	1.8	1.8	(6.7)	3.0
October 2021	–	3.1	3.1	(3.5)	2.6
November 2021	10.5	4.1	14.6	(13.9)	3.3
December 2021	3.3	3.3	6.6	(11.7)	(1.8) ³
January 2022	19.0	25.1	44.1	(18.3)	24.0
February 2022	18.4	52.9	71.3	(45.4)	49.9
March 2022	65.5	49.7	115.2	(40.8)	124.3
April 2022	54.0	11.7	65.7	(32.6)	157.4
May 2022	19.2	3.8	23.0	(27.9)	152.5
June 2022	15.2	7.6	22.8	(19.1)	156.2
July 2022	7.8	12.0	19.8	(12.1)	163.9
August 2022	18.8	13.7	32.5	(14.4)	182.0
Total	240.7	207.3	448.0	(266.0)	182.0

1. Tests distributed are those shipped to the final point-of-care setting where they were administered.
2. Approximate number held in inventory at the end of each month. The number is based on total units on hand from the month prior plus total purchases or tests received from the federal government, less the total number of units deployed to the final point-of-care setting.
3. The negative inventory is due to a delay in recording the shipments received in December. Provincial warehouses experienced a large number of inbound shipments, resulting in a delay in reporting, with shipments being logged later than the actual date received.

were advised on appropriate ordering volumes, such as a four-week supply, or a two-week supply during the Omicron variant, but the Health Ministry did not check to ensure that large organizations complied. Health Ministry staff indicated that they did not have the information to verify the number of employees at each organization. Therefore, they could not determine whether organizations were using the rapid antigen tests according to provincial health guidance that recommended each employee be tested at least once, and up to three times per week. However, as part of Screening Program requirements, organizations were already required to state whether they had more or less than 150 employees, and attest to the accuracy of their application and compliance with the Screening Program guidelines. Had the large organizations complied with the requirement to report the exact number of employees at their workplace, the Health Ministry would have had the data it needed to assess

if the quantity of test kits ordered by an organization was reasonable for its size. As well, the Health Ministry could have monitored that an organization's use of rapid antigen tests was in accordance with the provincial guidance. With this information, it could also have applied reasonable ordering limits to better manage the provincial stockpile of rapid antigen test kits and support expanded eligibility to other sectors or the public.

Conversely, we noted that small- and medium-sized organizations were required to order tests through local Chambers of Commerce and Boards of Trade, and many had a limit on the number of test kits they could order at a time. As part of the ordering process, these local Chambers and Boards required organizations to provide the number of employees at their workplace. This was used to determine whether the quantity of test kits ordered was reasonable for their size. For some of the local Chambers and Boards we sampled,

Figure 11: Provincial Antigen Screening Program Process

Prepared by the Office of the Auditor General of Ontario

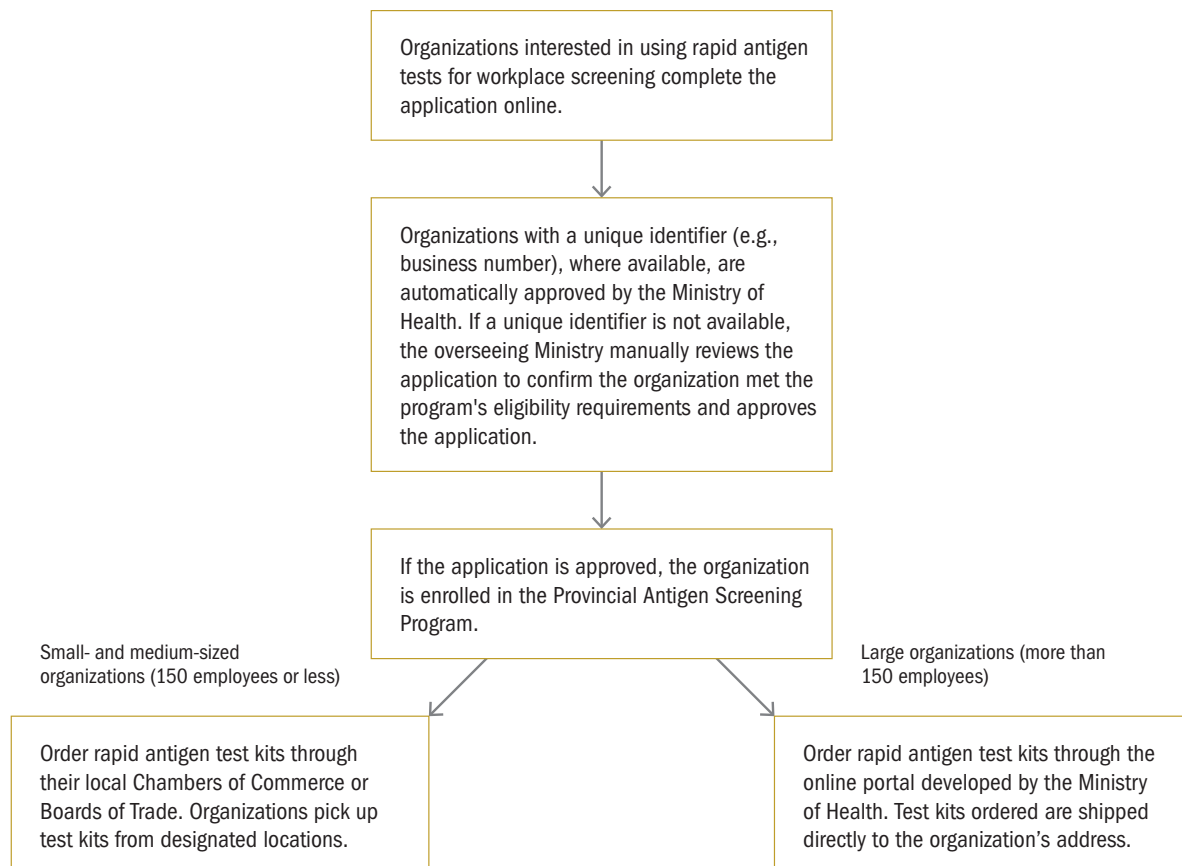


Figure 12: Examples of Controls Implemented Over Ordering Process for Small- and Medium-Sized Organizations Under the Provincial Antigen Screening Program (Screening Program)

Prepared by the Office of the Auditor General of Ontario

Controls Implemented	Examples from Chambers of Commerce and Boards of Trade
Limit on number of rapid antigen test kits ordered using reported employee headcount	<p>We selected a sample of 20 local Chambers of Commerce or Boards of Trade (local Chambers) across the health regions. These 20 local Chambers account for 60% of the rapid antigen test kit shipments to all local Chambers from October 2020 to April 2022.</p> <p>All 20 local Chambers placed a limit on the number of test kits an organization could order under the Screening Program. Some of the local Chambers informed us that they altered the limits based on availability of the test kits being received from the Province. For example, the Ottawa Board of Trade provided a two-week supply of kits for each employee to be tested two to three times per week. However, when the demand slowed and inventory increased, the Ottawa Board of Trade adjusted the limit to provide three to four weeks of supply to organizations.</p>
Monitor reporting compliance prior to fulfilling subsequent orders	The Cambridge Chamber of Commerce required organizations to report results from 75% of the test kits they previously received before they could place an order for additional tests.

the number of tests they provided to organizations was based on provincial guidelines for recommended testing frequency (Figure 12).

4.6.2 Ministry Did Not Monitor If Large Organizations Reported Results for the Majority of their Rapid Antigen Tests Before Fulfilling More Orders

Since the start of the Screening Program, the Health Ministry required organizations who received rapid antigen tests to report weekly on the number of rapid antigen tests used and on the test results (positive, negative and invalid). In March 2022, the reporting requirements were removed by the Health Ministry to align with changes in reporting requirements from Health Canada, which only required provinces and territories report deployment data on tests distributed.

Prior to the reporting change in March 2022, we noted that organizations did not consistently report results for the majority of their rapid antigen tests. The Health Ministry informed us that each ministry was responsible for overseeing the organizations within their sector. Each ministry was supposed to work with its respective sector to ensure organizations reported results from all their test kits before fulfilling additional orders. However, we noted that even if reporting

showed that an organization received more tests than it used, the Health Ministry still fulfilled additional orders for test kits.

For example, from January to March 2021, a large long-term-care organization received about 264,000 tests, but reported results for about 46,000 tests, or 17% of what was received. Despite this, in April 2021, the organization ordered and received 138,000 more tests. Throughout 2021, in total, this organization received around 800,000 rapid antigen tests and only reported 38% (around 310,000) of the test results.

Similarly, an organization in the energy sector made an initial order of 9,600 tests in June 2021, did not report any results that month, and ordered 75,000 more tests in July 2021. By the end of July 2021, it had only reported the use of about 2,000 tests. In total, this organization received around 385,000 rapid antigen tests in 2021 and only reported 6% (around 25,000) of the test results.

In January 2022, the Health Ministry surveyed all organizations to obtain updated data on the number of tests used to date. By this time, however, rapid antigen tests were more widely accessible to the general public as well. Better controls—especially during periods of limited supply, such as in 2021—would have helped to ensure an equitable supply for those who need them the most. For example, Figure 12 shows a control put

in place by a local Chamber to monitor the number of test kits used by each small- and medium-sized organization before fulfilling subsequent orders.

RECOMMENDATION 8

To provide equitable access to COVID-19 testing resources in the future when needed, we recommend that the Ministry of Health implement the following controls for future orders under a program with requirements that would be similar to the Provincial Antigen Screening Program:

- require and ensure that all organizations report their number of employees;
- compare the number of employees against the requested number of tests to monitor that organizations' orders correspond to public health guidance; and
- follow up on variances and use this information to determine whether further distribution of product is needed.

MINISTRY RESPONSE

The Ministry of Health accepts this recommendation to implement stricter administrative controls for organizations seeking access to free COVID-19 testing resources to ensure appropriateness of volumes requested, should a program similar to the Provincial Antigen Screening Program be required in future.

4.7 Risk of Contracting with Poor Performing Vendors Because Vendor Performance Assessments Are Not Documented Prior to Entering into New Contracts

Vendor performance was not formally documented during, or at the expiry of, COVID-19 contracts. Where a contract was completed, we found that ministries had not formally evaluated vendors in any of the contracts we reviewed in this audit. Ministries informed us that they may hold meetings, sometimes daily, during the contract to discuss issues, performance and outcomes,

but we found this had not always been documented. We also noted that ministries often did not specify key performance indicators in the contracts, which is one of the best practices suggested in the Vendor Performance Management Framework (Vendor Performance Framework) published by the Business Service Delivery Ministry in 2020.

Under the Procurement Directive, during the procurement planning stage, ministries must assess the level of performance expected, including performance standards and remedies for non-performance, for each contract. During the contract term, vendor performance must also be managed and documented.

As included in our *2016 Annual Report*, our Office conducted a value-for-money audit titled Supply Chain Ontario and Procurement Practices. We found that supplier performance was not assessed at the completion of a contract so this information could not be used to inform future procurement decisions. As a result, we recommended that “In order to ensure that ministries receive highest quality goods and services, ministries should:

- ensure that performance evaluations are completed for each supplier;
- develop and implement a fair and transparent process for considering past supplier performance when making new procurement decisions; and
- assess ways in which this information can be stored centrally in electronic form.”

In response to this recommendation, the Business Service Delivery Ministry developed a Vendor Performance Framework in March 2020. This Vendor Performance Framework provides best practices to guide the ministries in evaluating vendor performance. These include establishing key performance indicators as part of the contract, regular meetings with the vendor to review performance against these metrics, and a final evaluation of the vendor against a vendor performance scorecard at the completion of a contract.

The responsibility of evaluating vendor performance resides within the individual ministries since they manage their own contracts and procurements. As of August 2022, our recommendation was not yet

fully implemented. Not all ministries have adopted the Vendor Performance Framework or documented performance evaluations. The Business Service Delivery Ministry indicated that it estimates the recommendation will be implemented by December 2022; this includes developing processes for ministries to confirm performance evaluations are completed, and storing this information centrally.

The Education Ministry, Health Ministry and Solicitor General Ministry indicated that staff in each program area are responsible for performance management, that they have access to various resources including the Vendor Performance Framework, and that they can reach out to procurement advisors. However, in our review of procurement documents, no scorecards or evaluations were completed.

- As previously noted, for one contract for vaccination clinics that the Solicitor General Ministry contracted with the vendor, FH Health, it cited Ontario Health's prior experience with this vendor as part of the rationale for selecting this vendor without a competitive process. However, the Solicitor General Ministry did not contact Ontario Health to obtain feedback on their experience with this vendor (**Section 4.5.1**). The Ministry told us it did not inquire about the vendor's performance under Ontario Health's testing clinics contract because of the urgent nature of setting up the vaccination clinics.
- In the enterprise-wide Vendors of Record database (maintained by the Business Service Delivery Ministry), a Vendor Performance Scorecard survey was included for three types of consulting services. Ministries or organizations using a vendor of record for information and information technology (I&IT) solutions consulting services, management consulting services and task-based I&IT consulting services can fill out a short survey at the completion of their contract with the vendor. The responses to the surveys are maintained by the Business Service Delivery Ministry, which shares the information with ministries when requested. Completion of the Vendor Performance Scorecard survey is

not mandatory, and in one consulting contract we reviewed that used a vendor of record, we noted that the ministry had not completed the evaluation.

RECOMMENDATION 9

So that vendor performance is assessed and taken into consideration for future procurements, we recommend that the Treasury Board Secretariat and Ministry of Public and Business Service Delivery:

- require the use of the Vendor Performance Management Framework under the Procurement Directive, including the formal documentation of the roles and responsibilities by each ministry; and
- implement a method for sharing Vendor Performance Management Scorecards across ministries for all vendors that ministries contract with as part of the assessment being completed in response to the recommendation from the Office of the Auditor General of Ontario's *2016 Annual Report of Supply Chain Ontario and Procurement Practices*.

MINISTRY RESPONSE

Treasury Board Secretariat (Secretariat) and the Ministry of Public and Business Service Delivery (Ministry) agree that assessing vendor performance is a critical part of managing procurements; and that sharing information on vendor performance across ministries supports due diligence and accountability, as well as addressing a 2016 Office of the Auditor General of Ontario audit recommendation. The Secretariat will incorporate consideration of a requirement to use the Vendor Performance Framework, including the formal documentation of the roles and responsibilities of each ministry, as part of a comprehensive review of procurement rules (see response to **Recommendation 2**). The Ministry will implement a Vendor Management Performance Framework, and will work with the Secretariat to explore opportunities

to share Vendor Performance Management Scorecards across ministries for all vendors that ministries contract with.

4.7.1 Ministry Did Not Request Evidence of Market Rates from One Vendor Even Though It Was a Contract Requirement

The Business Service Delivery Ministry entered into non-competitive contracts for warehousing, logistics and transportation services (see **Section 4.3.1**) to establish the supply chain for acquiring and distributing personal protective equipment (PPE) to non-health sectors. The transportation services contract required the vendor to provide documented evidence of competitive pricing to the Business Service Delivery Ministry as part of its quarterly review process, but this information was not received or requested by it during the contract term.

The initial contract started in June 2020 and was expanded in August 2020 because more warehouse space and increased shipping volume was needed. The Business Service Delivery Ministry engaged two consulting firms to review its existing contract, research market rates and provide recommendations for performance indicators to include in the contract. New contracts were entered into in January 2021 (warehousing services) and February 2021 (logistics and carrier services) with this feedback and included more performance indicators and additional performance review periods. The transportation services contract also added clauses to promote value for money by allowing the Business Service Delivery Ministry to request evidence of competitive rates, particularly with the shipping services that one of the vendors used.

The contracts were further extended as of July 1, 2022, to maintain continuity of the supply chain. With the new contract, the performance indicator targets remained mostly the same, although some reporting was required less frequently than under the previous contract. New pricing was also established. However, while the Business Service Delivery Ministry was permitted to request documentation from the vendor on

the competitive pricing to support the contract rates, it did not do so prior to signing the new contract.

As part of contract management, if the vendor did not continuously meet performance indicator targets, the Business Service Delivery Ministry could require a formal corrective action plan from the vendor to improve results. The Business Service Delivery Ministry established a dashboard to track the results of the performance indicators, and did note areas of underperformance; however, no formal corrective action plan was requested from the vendor as per the contract terms. In our discussions with the Business Service Delivery Ministry, it indicated that it engaged in daily reviews and monthly performance meetings with the vendor and, as needed, corrective actions were identified and followed up on. For example, large volumes in shipments resulted in some performance indicators falling below target (such as outbound shipments from the warehouse not being completed by the date required), including those for the shipment of masks and air filter units to schools in December 2021 and early 2022. In response to extraordinary events such as the Omicron variant surge, instead of requiring a formal corrective action plan, the Business Service Delivery Ministry indicated to us that it worked with the vendor to implement corrective actions such as increasing the number of employees and adding another shift at the warehouse to make the shipments during these busy times. However, we noted that certain performance indicators often did not meet targets for consecutive weeks, even outside these surge periods. A formal corrective action plan to improve performance measures, as established in the contract, is recommended for longer-term outlook and continuous improvement, especially for some of the performance indicators that often failed to meet targets (such as orders being shipped when requested).

RECOMMENDATION 10

To promote continuous improvement in current and future contracts for transportation services, we recommend the Ministry of Public and Business Service Delivery:

- conduct a pricing review as part of the quarterly review meetings with the vendor and use this information to inform further discussions and pricing negotiation;
- work with the vendor to develop a corrective action plan if key performance indicators do not meet targets for consecutive periods; and
- include these best practices in future contracts.

MINISTRY RESPONSE

The Ministry of Public and Business Service Delivery (Ministry) is committed to continuous improvement. Consistent with this commitment, the Ministry will:

- implement a review by requesting evidence of market rates from the contracted transportation supplier on a quarterly basis, consistent with contract terms and best practice;
- leverage information gathered through these quarterly reviews and use it to inform further discussions and future negotiations;
- continue to work with the vendor to enhance corrective action plans if key performance indicators do not meet targets for consecutive periods, taking into consideration operational constraints; and
- continue, as part of the Vendor Performance Framework, these best practices in future logistics contracts.

4.8 Requirements under the Interim Measures of the Procurement Directive Were Unclear During the Pandemic

The Interim Measures of the Procurement Directive were added in March 2019 to establish rules for consistency in procurement-related decisions made by ministries and the broader public sector, and in the collection of procurement data to support a transition to a centralized procurement system. The Interim Measures also continue to be in force when ministries used the COVID-19 Emergency Procurement Process, but the

requirements were not always enforced or clear to the ministries.

4.8.1 Centralized Procurement Reporting Not Collected Since Introduced in 2019

The Business Service Delivery Ministry did not initiate two reporting requirements under the Interim Measures: the Planned Procurement Report and Activity Update Report (**Appendix 3**). The Planned Procurement Report requires ministries to submit an initial procurement plan to the Business Service Delivery Ministry. This information would then be updated twice a year, through the Activity Update Report, to identify variances between the planned and actual procurement activities, including a rationale for the variance.

However, since the requirement was introduced in March 2019, this information has not been collected. The Business Service Delivery Ministry told us it will look into starting this reporting in the near future, but as of July 2022, no time frame had been established. These forms are important for the Business Service Delivery Ministry and Supply Ontario to collect purchasing information from the ministries to support planning for a centralized supply chain for the public and broader public sectors.

RECOMMENDATION 11

So that the Treasury Board Secretariat and the Ministry of Public and Business Service Delivery obtain the necessary information for Ontario to move toward a centralized supply chain process as part of the Interim Measures of the Ontario Public Service Procurement Directive, we recommend that the Ministry of Public and Business Service Delivery initiate reporting requirements similar to those under the Interim Measures and collect procurement information across the ministries and, where applicable, the broader public sector.

MINISTRY RESPONSE

The Ministry of Public and Business Service Delivery (Ministry) and Treasury Board Secretariat

(Secretariat) agree that obtaining information is a necessary step toward a centralized supply chain. The Secretariat will work with the Ministry to address reporting requirements as part of a comprehensive review of the procurement rules. This review will involve many partners and supporting ministries. The Secretariat supports the commitment to modernize procurement, and a review of the rules is a necessary element that must fit within this larger complex initiative.

To address the immediate need for information, the Secretariat has incorporated a requirement for procurement planning information as part of the 23/24 Strategic Planning Process.

4.8.2 Two Ministries Did Not Always Comply with New Requirements Meant to Improve Procurement Decisions, Including for Consulting Contracts

An update was made to the Interim Measures of the Procurement Directive (**Appendix 3**) effective September 1, 2020, to help improve the cost-effectiveness of procurements of consultant services. The Interim Measures are separate from the COVID-19 emergency procurement process, and applicable to all procurements, even those undertaken with an emergency exception. These new requirements for ministries procuring consulting services include:

- identifying the cost for each deliverable within consulting service contracts; and
- completing the Procurement Lifecycle Checklist (for any consulting services valued at more than \$5,000), which is a tool that guides the procurement team through each of the steps of the procurement process to help manage risks in procuring and managing consulting services.

Of the 127 contracts we reviewed for this audit, 10 were consulting service contracts (that had a total value of \$16.6 million) entered into after September 1, 2020. We noted four contracts (entered into by two separate ministries) that did not comply with one or both of these new requirements.

In one example, Health Ministry staff told us they did not complete the Procurement Lifecycle Checklist (Checklist) because the contract was procured under the emergency exception, even though the Checklist is required for all procurements including those under emergency situations. In the second example from the Health Ministry, we noted that another staff member correctly identified (in internal communications) that the Procurement Lifecycle Checklist must be completed; however, it was not completed by the procuring group in its entirety. The Checklist is designed to ask a series of questions about the procurement and to provide relevant information based on users' responses. For example, if a user chooses "non-competitive, consulting service contract" as the type of procurement in the form, the Checklist presents additional requirements to be completed, such as engaging with the Risk Management and Insurance Services Branch of the Business Service Delivery Ministry, and providing information related to the business case. If the user misses any steps in the Checklist along the way, the form is not completed as required.

The two remaining consulting contracts that did not comply with the new requirements were from the Business Service Delivery Ministry. The Procurement Lifecycle Checklist was not completed in either of the contracts, and one of these contracts also did not identify the cost for each deliverable. The Business Service Delivery Ministry told us that they did not complete these Interim Measures requirements because of the urgency of getting contracts completed to respond to the COVID-19 pandemic.

RECOMMENDATION 12

To improve compliance with the requirements under the Interim Measures of the Ontario Public Service Procurement Directive, we recommend that the Ministry of Public and Business Service Delivery:

- review the Interim Measures on procurement requirements, including those conducted using the emergency exception, and update them for clarity if necessary; and

- provide guidance to the ministries (including the Ministry of Health) on how procurement requirements under the Interim Measures should be followed in both emergency and non-emergency situations.

MINISTRY RESPONSE

The Ministry of Public and Business Service Delivery (Ministry) and Treasury Board Secretariat (Secretariat) agree that the requirements in the Interim Measures should be reviewed and updated if necessary to support compliance. The Secretariat will work with the Ministry to review the Interim Measures during a comprehensive review of the procurement rules. This review will involve many partners and supporting ministries. The Secretariat supports the commitment to modernize procurement, and a review of the rules is a necessary element that must fit within this larger complex initiative. This review will include providing clarity on how procurement requirements under Interim Measures will apply to both emergency and non-emergency situations.

Appendix 1: Approved COVID-19 Initiatives, March 2020–March 2022

Prepared by the Office of the Auditor General of Ontario (OAGO) with information provided by Treasury Board/Management Board of Cabinet (TB/MBC)

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Health			
Hospital COVID-19 expenses	Support provided to hospital sector for incremental expenses related to COVID-19		4,735
Hospital beds and critical care capacity	Funding to increase hospital beds and critical care capacity to support surge in COVID-19 cases	○ ¹	2,643
Personal protective equipment (PPE) and critical supplies and equipment (CSE)	Purchase of PPE and CSE to support the health sector, including hospitals	○ ^{1, 2}	1,594
Fall preparedness strategy to test, trace and monitor through influenza season	Includes additional funding for COVID-19 testing and contact tracing	●	1,514
Rapid antigen test procurement and testing supplies	Purchase additional rapid antigen tests for provincial supply and procurement of COVID-19 testing consumables	●	1,171
Vaccine implementation ³	Costs to support provincial vaccination plan, including immunization clinics and IT resources	●	1,151
Vaccine program, COVID-19 testing, extraordinary costs and PPE	Additional funding allocated to offset costs incurred related to provincial vaccine program, purchases of PPE and other extraordinary COVID-19-related costs	●	799
Pandemic pay	Increase in hourly wage for front-line workers during the pandemic	○ ¹	525
Advance payments to health-service providers to support costs	Temporary income advance payments to health-service providers against future Ontario Health Insurance Plan-related billings	○ ¹	486
Mental health and addictions services and paramedic services	Funding to support mental health and addictions services, including support to front-line service providers	○ ¹	441
Personal support worker (PSW) wage enhancement	Increase in hourly wage rate for personal support workers, established during the pandemic		406
Nursing retention incentive	To provide nurses with a lump sum payment for hours worked over a specified period		382
Year-end COVID-19 pressures	Additional funding allocated toward COVID-19-related initiatives, such as vaccination clinics, PPE procurement and testing supplies	●	377
Laboratory and testing capacity	Increase laboratory and testing capacity through purchases of tests or other supplies	○ ¹	194
Case and contact management and COVaxON IT services	IT services, including those to develop the case and contact management and vaccine portal (COVaxON) systems; staffing supports for contact tracers as part of case and contact management	●	173
Increase community sector capacity and home care	For enhanced virtual home care and community care capacity	○ ¹	120
Increase surgical capacity	To increase surgical capacity to address backlog during the pandemic		117

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Public Health Units extraordinary costs	Additional funding provided to Public Health Units at the beginning of the pandemic (March 2020) to address sudden extraordinary costs related to COVID-19	○ ¹	100
COVID-19 testing kits – Project Spartan	COVID-19 test kits that were being developed	○ ¹	80
Ventilators	Purchase of ventilators that were manufactured by a domestic supplier	○ ¹	80
Emergency health system funding	For municipalities, First Nations, ambulance communications centres and hospitals to assist with extraordinary costs at the beginning of the pandemic (March 2020)	○ ¹	77
Temporary reduction in drug co-payments for Ontario Drug Benefit Program	To temporarily reduce co-payments for recipients under the Ontario Drug Benefit program	○ ¹	70
Mobile COVID-19 testing	For Ontario Health to establish mobile COVID-19 testing services	●	69
Internet-based cognitive behavioural therapy services	To provide internet-based cognitive behavioural therapy services to the public		63
Increase Telehealth capacity	In response to higher demand during the pandemic	○ ¹	50
Wastewater monitoring	For wastewater monitoring as part of COVID-19 testing strategy/surveillance and the Provincial Diagnostic Network		50
Enhance virtual healthcare services	To support adopting and enhancing virtual healthcare services, net of federal funding		42
Physician services for assessment centres	Physician services provided to patients at COVID-19 assessment centres	○ ¹	38
Advertising campaigns	Various advertising campaigns designed to educate the public on COVID-19 emergency measures and vaccine roll-out	○ ⁴	31
Locum coverage	For temporary assistance by physicians in emergency departments and for urgent services and primary care in northern, rural, and remote areas		25
IT software and hardware for vaccine clinics	To support an increase in mass vaccination clinics and additional technical support to clinics and pharmacies	●	23
Case and contact management solution	Centralized province-wide COVID-19 case and contact management solution	○ ⁵	20
Establish a health data platform	To launch a health data platform to better understand COVID-19 disease transmission, infection, spread and prevention	○ ¹	15
Reimburse Home and Community Care Support Services organizations for COVID-19 operating expenses	To reimburse service provider organizations for incurred expenses related to COVID-19 operating expenses, specifically PPE		14
Warehousing and logistics for PPE/CSE	Non-competitive procurement for additional warehousing and logistics services for PPE/CSE with current service provider	●	14

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Remove waiting period for Ontario Health Insurance Plan (OHIP) coverage	Waiver of three-month waiting period for new recipients of OHIP for eligible persons returning to the province	○ ¹	10
Settlement of COVID claims for public-private partnership projects	To settle COVID-19 claims associated with delivery of public-private partnership projects		10
Virtual health to increase primary care capacity	Support for primary care physicians for technology to interact virtually with patients (such as video cameras)	○ ¹	10
Investment in drugs and devices	For alternative drugs if shortages arose, and to increase the use of home oxygen therapy in the community or long-term-care homes	○ ¹	9
Various digital health initiatives	Digital health solutions for Ontario Health teams		8
Consulting services for vaccine distribution	Non-competitive procurement of consulting services to continue critical support of advisory and project services related to COVID-19 vaccine implementation with current service provider	●	6
Ornge maintenance and service operations	Additional funding for air ambulance maintenance and service operations		5
Vaccine administration for temporary foreign agricultural workers	Increase in existing agreement ceiling value for vaccine administration of temporary foreign agricultural workers	●	2
Total			17,749
Finance			
Temporary interest- and penalty-free period for businesses	Five-month interest- and penalty-free period for business on provincially administered taxes		6,000
Support for municipalities	Agreement with federal government to provide funding to municipalities, including public transit systems, to manage operating cost pressures during the pandemic		4,000
Temporary deferral of Workplace Safety and Insurance Board (WSIB) premiums	Six-month deferral of collection of WSIB premiums		1,900
Doubling Employer Health Tax (EHT) exemption	Increasing the EHT exemption limit for eligible employers, which was later extended indefinitely through the <i>2020 Ontario Budget</i>		355
Canada Emergency Commercial Rent Assistance	Cost-sharing agreement with the federal government to provide financial assistance to small business tenants and commercial property owners		241
New Regional Opportunities Investment Tax Credit	New corporate income tax credit to encourage investment in construction, renovation or acquiring commercial and industrial buildings in certain eligible areas		145
Temporary increase in Guaranteed Annual Income System (GAINS) benefit	Six-month increase in GAINS benefit to support low-income seniors		75
Advertising campaigns	Advertising campaigns designed to educate the public on post-COVID-19 pandemic recovery	○ ⁴	15

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Transitional mitigation payment for long-term-care homes	Payment program to assist municipalities with the revenue adjustment associated with the 2016 property tax exemption of non-profit long-term-care homes		4
Total			12,735
Education			
School re-opening	Various funding to support safe re-opening, including deficit management, additional staff and custodians, and PPE	●	3,304
Deferral of education property tax payments	Deferred remittance of property taxes from municipal sector to school boards		1,800
One-time supports for families	Subsidy provided to families to address increase in costs during the pandemic		446
Child-care reopening	Funding to support gradual reopening of the child-care sector		325
COVID-19 testing and vaccination clinics, high-efficiency particulate air (HEPA) filter units for schools, and child care	Allocation of funding for COVID-19 testing and vaccination clinics, procuring additional HEPA filter units for schools and child-care costs	●	299
Emergency child care	Providing emergency child care for front-line workers		217
Child-care sustainability	Funding to support child-care centres and ongoing child care and early services during a period of closures or lower enrolments as a result of provincial health restriction		161
Child-care funding	Support to child-care centres to prevent an increase in fees		106
Summer learning programs for students	New summer learning programs for students		57
School ventilation	Improve ventilation in schools	●	36
Funding for technology for students	Provide funding to schools for technological devices to support students	●	25
HEPA filters	Procurement of HEPA filter units and additional funding to school boards to purchase HEPA filter units	●	25
Increase students served at demonstration schools	Temporarily increase the number of students at demonstration schools due to provincial health restrictions and impact on in-person learning		12
Mental health and addictions services	Funding to implement COVID-19 mental health and addictions support		7
Support for school boards and school authorities	Funding to support school boards, school authorities, hospital boards and child-care centres		5
Total			6,825
Long-Term Care			
Prevention and containment in long-term-care homes	To support extraordinary operating costs to protect residents in long-term-care homes, including COVID-19 screening, staffing and equipment	○ ¹	1,003
PSW wage enhancement	Increase in hourly wage rate for PSWs, established during the pandemic	○ ¹	667

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Accelerated PSW training program	For bursaries for public colleges, private colleges and district school boards to provide accelerated program delivery to train personal support workers		309
Pandemic pay	Increase in hourly wage for front-line workers during the pandemic	○ ¹	256
Emergency surge capacity in long-term-care homes	Temporary increase in long-term-care beds for surge capacity during the pandemic		169
Long-term care stabilization	Support for long-term-care homes with reduced occupancy as a result of pandemic, funding for minor capital renovations, funding to improve infection prevention and control, and other personnel and training costs	●	114
Minor capital funding for cooling systems	For long-term-care homes to implement air conditioning in resident rooms	●	104
Waive co-payments for alternate-level-of-care patients	Waive co-payments for eligible alternate-level-of-care patients to be transferred from hospitals to a long-term-care home		74
Deferral of resident co-payment increase	Deferral of resident accommodation co-payment for long-term-care homes	○ ¹	48
Independent commission for long-term care	Approval to remunerate members of an independent commission to examine issues associated with the spread of COVID-19 in long-term-care homes		4
Total			2,748
Labour, Immigration, Training and Skills Development (formerly the Ministry of Labour, Training and Skills Development)			
COVID-19 Worker Income Protection Benefit	Provincial top-up of the federal Canada Recovery Sickness Benefit, to provide employees with an additional three days of paid sick leave for COVID-19-related reasons		1,971
Employment Ontario training programs	To provide various training programs to support economic recovery		624
Enhance Occupational Health and Safety Enforcement capacity	Increase in funding and resources to enhance the Occupational Health and Safety Enforcement capacity, specifically for the industrial and health-care sectors		17
Increase in full-time equivalent (FTE) to Pandemic Workplace Safety Branch	Increase the FTE employees in the Occupational Health and Safety program division		2
Total			2,614
Economic Development, Job Creation and Trade			
Ontario Small Business Grant	For small businesses that had to close or were otherwise severely restricted during the pandemic	○ ⁶	2,043
Ontario Together Fund	Grants and loans for businesses to help build domestic capacity in manufacturing PPE and other goods that aid Ontario's emergency response	○ ⁶	70
Main Street Relief	Grant for businesses to offset the cost of purchasing PPE to operate during the pandemic	○ ⁶	65

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Moderna vaccine manufacturing mandate	Negotiations with Moderna to support the establishment of a new vaccine manufacturing site in Ontario		55
Enhanced Digital Main Street grants	Grants and other resources to help small businesses adopt technologies and move online	○ ⁶	8
Digital export market development initiative	Digital tools and platforms to support Ontario businesses in virtual environment		6
Advisory services for the Ontario Small Business Grant	Advisory services for the review of Ontario Small Business Grant		4
Total			2,251
Public and Business Service Delivery⁷			
PPE and CSE	Purchase of PPE and CSE to support non-health sectors	●	1,027
Purchase PPE/CSE and sanitization products	Purchase of PPE, CSE and other sanitization products to support non-health sectors	○ ¹	257
PPE/CSE and supply chain support costs	Additional funding for COVID-19 fiscal pressures including PPE costs and supply chain support costs	●	242
Purchase of PPE and CSE and non-consulting services	Extend and increase the ceiling values of pandemic supply chain contracts and competitive procurement of PPE	●	74
Funding for uninterrupted service delivery	To support operating costs to ensure uninterrupted service in key business areas at the beginning of the pandemic		37
Waste management to support the Provincial Antigen Screening Program	Non-competitive procurements to extend existing contracts for waste disposal services	●	12
Funding to Travel Industry Council of Ontario	To support operating costs		5
ServiceOntario Modernization	Additional support to offset reduced revenue during the pandemic		5
Funding to Bereavement Authority of Ontario	To support operating costs		4
Fee relief for amusement and ski sectors	Waiver of the Technical Standards and Safety Authority oversight fee, for financial relief to the amusement and ski sectors		1
Total			1,664
Municipal Affairs and Housing			
Municipal homelessness supports	To help municipalities provide supports for people experiencing homelessness, including increasing shelter capacity, providing housing allowances, food and enhanced cleaning	○ ⁵	755
Social services relief fund	To help municipalities and Indigenous communities deliver critical services including longer-term housing	○ ⁵	298
Support to municipalities	Agreement with federal government to provide funding to municipalities to manage operating cost pressures during the pandemic, including for public transit systems		259

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Isolation centres	Establish isolation centres for those with COVID-19 who are unable to self-isolate		99
Pandemic pay	Increase in hourly wage for front-line workers		15
Mental health and addictions services	To implement COVID-19 mental health and addictions support		2
Total			1,428
Transportation			
Operating subsidy to transit agencies	Subsidy to Metrolinx, Ontario Northland Transportation Commission and Owen Sound Transportation Company who faced financial pressures due to revenue decline during the pandemic		614
Contract settlement for delay claims	Negotiated settlements to resolve disputes, including COVID-19 delay claims		269
Cancel fee increase for vehicle and carrier fees	Cancellation of a previously scheduled fee increase for driver, vehicle and carrier fees		161
Support for municipalities and transit agencies	To manage operating cost pressures		150
Funding for Metrolinx	To address operating pressures from reduced ridership		73
Highway toll rate freeze	Freeze tolls on highways 407, 412 and 418 for financial relief		48
New regulation to update driver licensing and vehicle registration after emergency period	To implement new regulations to recover fees for driver, vehicle and carrier products and implement a deferred payment plan to provide financial relief to heavy commercial vehicle operators		45
Connecting Links Program	For municipalities to repair roadways and bridges connecting to provincial highways		20
Enhanced cleaning on urban and regional transportation program	To support enhanced cleaning for municipal transit agents to reduce risk of spread of COVID-19		15
Support for remote northern airports	Financial support to remote northern airports		4
Funding to address Drive Test Centres backlog	To address backlog resulting from public health restrictions and increase road test capacity		2
Deferral of high-occupancy toll lane permits	Refunds and deferral of high-occupancy toll lane permit for holders		1
Total			1,402
Finance, Energy, Northern Development, Mines			
Property Tax and Energy Cost Rebates Program	Rebate program for eligible businesses required to close or significantly restrict services by provincial public health measures	○ ⁶	731
Ontario Business Costs Rebate Program	Rebate program for eligible businesses impacted by the provincially mandated capacity limits (2021/22)		300
Time-of-use electricity rates	Temporary off-peak electricity rate for financial relief		98
Total			1,129

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Infrastructure, Education, Long-Term Care			
Investing in Canada Infrastructure Program - COVID-19 Resilience Stream	Bilateral agreement with the federal government to provide funding for capital projects to support COVID-19 physical distancing measures, ventilation system improvements, and other measures for infrastructure improvements for COVID-19 recovery	●	1,050
Total			1,050
Energy, Northern Development, Mines			
Time-of-use electricity rates	Temporary off-peak electricity rate for financial relief		856
Energy rebate grant for businesses	To assist eligible businesses with electricity, natural gas and other energy costs		143
Expand low-income Electricity Energy Assistance Program	Expansion of low-income Electricity Energy Assistance Program		9
Energy Assistance Program - Small Businesses	Temporary program to provide financial support to small businesses		8
Recovery of deferred electricity generation costs	To recover the temporarily deferred Global Adjustment costs from eligible industrial and commercial electricity consumers		7
Total			1,023
Treasury Board Secretariat			
PSW wage enhancement	Increase in hourly wage rate for PSWs, established during the pandemic		371
Pandemic pay	Increase in hourly wage for front-line workers		270
Grants to support emergency preparedness	Includes initiatives from multiple ministries, to provide grants for various programs to support emergency preparedness such as infection prevention and control, and nursing-related human resource programs		74
Advertising campaigns	To educate the public on COVID-19 emergency measures and vaccine rollout	○ ⁴	57
Central agencies increased IT demand	Increase central agencies IT consulting services to mitigate service disruption		50
Support communities with testing, vaccination and wastewater surveillance	Emergency preparedness funding to support communities with COVID-19 testing, vaccination and wastewater surveillance		50
Consulting services for Future State Modernization Initiative	Non-competitive procurement for consulting services for a future state modernization initiative and operating in a pandemic situation		3
Temporary response pay	For adult institutions and operational managers in youth justice facilities		2
Total			877
Children, Community and Social Services			
PSW wage enhancement	Increase in hourly wage rate for PSWs, established during the pandemic		333

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Reallocation of funds to higher-use programs such as PSW wage enhancement, Ontario Disability Support Program	Increase in wages for PSWs and for the Ontario Disability Support Program		132
Changes to social assistance payments and benefits, including alignment with federal emergency assistance programs	Increase in social assistance payments and benefits to align with federal emergency assistance programs		116
Pandemic pay	Increase in hourly wage for front-line workers		60
Social services relief fund	Increase individuals' access to emergency assistance and to support vulnerable populations during the pandemic, including Ontario Works discretionary benefits		52
Prevention and containment in residential facilities	To implement additional infection prevention and control measures		20
Sustaining agency operations during pandemic	Increase in transfer payments to agencies to support operating costs during the pandemic		20
Support to maintain operating capacity	Support to agencies in beginning of pandemic to maintain operating capacity		18
Mental health and addictions services	To implement COVID-19 mental health and addictions support		11
Establish emergency fund to maintain operating capacity	To agencies at beginning of pandemic to support operating capacity		10
Total			772
Public and Business Service Delivery⁷, Economic Development, Job Creation and Trade			
Domestic production of nitrile gloves	Contract with a domestic producer of nitrile gloves over a 10-year commitment	●	633
Total			633
Public and Business Service Delivery⁷, Health			
Warehousing and logistics for PPE/CSE	Additional warehousing and logistics services for PPE/CSE with current service provider	○ ²	236
Purchase PPE and CSE	PPE, CSE and other sanitization products to support health and non-health sectors	○ ²	150
Case and contact management solution	IT services, including those to develop the case and contact management and vaccine portal (COVaxON) systems, and staffing supports for contact tracers as part of case and contact management	●	73
Total			459
Solicitor General			
Vaccine Secretariat and COVID-19 costs in corrections facilities	To support the Vaccine Secretariat and Task Force with, for example, procuring community vaccination clinics and COVID-19 costs in correctional facilities related to overtime and staffing	●	128
Mitigate labour disruptions in correctional institutions	Compensation for staff working in correctional institutions to mitigate labour disruptions		83

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Funding for correctional facilities	Additional funding to address COVID-19 costs including enhanced cleaning and salaries		23
Pandemic pay	Increase in hourly wage for front-line workers		19
Nursing retention incentive, freedom convoy protests	Incentive to retain nursing staff and resources for province-wide protests		17
Procure medical supplies	Phone services, medical and drug supplies for inmates at the beginning of the pandemic		13
Support increase in costs within correctional services	Additional funding to correctional facilities to address COVID-19 costs such as staff overtime		10
Mental health and addictions services	To implement COVID-19 mental health and addictions support for planning community reintegration, First Nations police, correctional facilities and crisis training		8
Municipal Fire Protection Grant	One-time additional support to municipal fire departments for high-speed internet to support virtual training and inspection solutions to address COVID-19 challenges		5
Medical protection for front-line staff	Costs to acquire additional medical protection for front-line staff		4
Mental health crisis response training for First Nation police services and Ontario Police College	Mental Health Crisis Response Training curriculum for municipal and First Nation police services and for the Ontario Police College		4
Mitigate overcrowding in corrections	To procure monitoring devices for inmates allowed to return home to alleviate overcrowding in correctional institutions		4
Establish Vaccine Distribution Secretariat	To advise on and support the logistics and operational planning required to ensure that the vaccine is delivered across the province		1
Settle outstanding COVID-19 claims	Approval for project cost escalation and settlement of COVID-19-related delay claims		1
Total			320
Finance, Municipal Housing and Affairs, Transportation			
Support for municipalities	Agreement with federal government to provide funding to municipalities, including public transit systems, to manage operating cost pressures during the pandemic		396
Total			396
Health, Economic Development, Job Creation and Trade, Public and Business Service Delivery⁷			
Purchase PPE and CSE	PPE, CSE and other sanitization products to support health and non-health sectors	○ ²	312
Total			312
Colleges and Universities			
Support for postsecondary education sector	For postsecondary institutions impacted by COVID-19	○ ⁴	121

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Virtual learning for postsecondary sector	Implementation of a virtual learning strategy for postsecondary institutions		108
Pause Ontario Student Assistance Program (OSAP) payments	Pause on required payments under the OSAP at the beginning of the pandemic		20
Support for research and innovation	For postsecondary institutions to support research and innovation that was suppressed because of the pandemic		20
Mental health and addictions services	To implement COVID-19 mental health and addictions support		7
Total			276
Tourism, Culture and Sport			
Sports and tourism recovery	To provincial entities impacted by temporary closures and decline in revenue		106
Support for provincial, sport, tourism and culture agencies temporarily closed	To provincial entities impacted by temporary closures and decline in revenue		81
Support for tourism agencies and attractions	To provincial agencies impacted by temporary closures and decline in revenue		61
Sport participation bilateral agreement	Bilateral agreement with federal government to provide operating funding to sport programs		8
Funding to provincial sport organizations	To sport organizations impacted by temporary closures and decline in revenue		3
Sport4Ontario Program	To increase kids' and families' confidence in sports and recreation to support recovery		3
Increase digital capacities for community museums	For community museums and agencies to create digital capacity		2
Player scholarship commitments for Ontario Hockey League	For the Ontario Hockey League through player scholarship commitments		2
Total			266
Treasury Board Secretariat, Health, Long-Term Care, Children, Community and Social Services			
PSW wage enhancement	Increase in hourly wage rate for PSWs		239
Total			239
Agriculture, Food and Rural Affairs			
Enhancement to AgriStability business risk management program	To enhance the business risk management program in agricultural sector		90
Agri-Food Supply Chain Sustainability Fund	Modernize agri-food processing capacity to strengthen the food supply chain		26
Agri-Food Sector Support	To mitigate disruptions to the agri-food supply chain caused by COVID-19 and the Omicron variant		21
Emergency On-Farm Support Fund	Joint program with federal government to assist with incremental costs to improve safety for domestic and temporary foreign workers to address COVID-19 outbreaks on farms		15
Agri-Tech Innovation Program to support COVID-19 prevention and control	To agri-food sector to improve workers' safety and enable physical distancing measures		10

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Agricultural drainage infrastructure program	For agricultural drainage infrastructure		7
Extension of AgriRecovery COVID-19 response program	Extension of AgriRecovery COVID-19 response program		2
Total			171
Seniors and Accessibility			
Pandemic pay	Increase in hourly wage for front-line workers	○ ¹	70
Prevention and containment in retirement homes	To implement additional infection prevention and control measures	○ ¹	35
Support seniors in retirement homes	To encourage infection control procures and active screening for COVID-19		15
Support delivery of food, meals, services and medicine to seniors	Support seniors in retirement homes through coordinated delivery of food, meals, medicines and other essential needs		10
Seniors Affairs Program	Increased funding to support older adults in retirement homes through increases in inspections, food supply and staffing		5
Total			135
Attorney General			
Support to Alcohol and Gaming Commission of Ontario (AGCO) for decrease in recoveries	Funding to AGCO due to a decrease in recoveries normally collected from horse racing, gaming and other industries impacted by the pandemic		35
Legal Aid Ontario funding	For financial pressures arising from the pandemic		30
Increase virtual courts usage	To support increased usage of virtual technology in courtrooms and extended hours for video bail hearings		7
Enhanced cleaning of courthouses	To enhance cleaning in courthouses		6
Mental health and addictions services	To implement COVID-19 mental health and addictions support		6
Victim Crisis Assistance Ontario program	Increase victim services funding to serve a greater number of clients		3
Total			87
Health, Indigenous Affairs			
Vaccine implementation	Vaccine implementation and public health support to Indigenous communities		50
Total			50
Environment, Conservation and Parks			
Wastewater surveillance	For provision of wastewater sample analysis		25
Free day-use at Ontario Parks	Promote use of provincial parks		7
One-time funding for food rescue organizations	To support food rescue and redistribution infrastructure		5

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Various COVID-19 support	Various small initiatives to protect the environment at the beginning of the pandemic, including litter clean up and educational tools		3
Support for water and wastewater service	To ensure continuity of services at water and wastewater treatment plants		3
Relief from select license and fees for resource-based tourism businesses	Fee deferrals or reductions to resource-based tourism businesses impacted by the pandemic		2
Total			45
Infrastructure			
Investing in Canada Infrastructure Program – COVID-19 Resilience Stream	Amendment to increase the bilateral agreement with the federal government to provide additional funding to support ventilation improvement projects in public and community buildings	●	33
Payment relief for borrowing costs by municipalities, housing and health-care providers	Payment relief for borrowing costs through lending programs		1
Total			34
Indigenous Affairs			
Financial support for Indigenous enterprises	For Indigenous small- and medium-sized businesses affected by the COVID-19 pandemic		10
Mental health and addictions services	To implement COVID-19 mental health and addictions support		4
Pandemic planning and emergency management for First Nations communities	Pandemic planning for First Nations communities including purchase of PPE and support infection control and prevention of outbreaks		4
Transportation of health professionals and distribution of supplies	Transportation of health professionals and distribution of supplies to provide assistance to Indigenous communities		4
Urban Indigenous Support	To urban Indigenous service providers to support vulnerable members and purchase essential supplies		4
Indigenous Community Awareness and Prevention	For community health care in First Nations communities		2
Indigenous Self-Isolation Facilities	Secure physical space to support effective self-isolation for suspected or confirmed COVID-19 cases in First Nations communities		2
Total			30
Transportation, Energy, Northern Development, Mines			
Highways rehabilitation project	To advance highway rehabilitation projects as part of economic stimulus		25
Total			25
Northern Development, Mines, Natural Resources and Forestry			
Forest Sector Safety Measures Fund	Relief program to help small businesses in the forestry sector with costs of implementing COVID-19 safety measures		5

○ Included in past reports ● Included in current report

Category	Description	Audited by OAGO	Approved Amount (\$ million)
Relief from select license and fees for resource-based tourism businesses	Fee deferrals or reductions to resource-based tourism businesses impacted by the pandemic		3
Relief from commercial fish royalty payments	Temporarily suspend and refund royalty payments for fish harvesting to provide economic relief to commercial fishing industry		1
Total			9
Total			57,754⁸

Note: This appendix contains information and amounts compiled manually by the OAGO based on submissions to TB/MBC and Treasury Board Secretariat assessment notes. Final approved commitments may differ from the amounts presented in this appendix. Actual spending may also differ; TB/MBC approval authorizes ministries to spend up to the authorized amount.

1. These initiatives were audited for the Office of the Auditor General's **Chapter 4: Special Report on Management of Health-Related COVID-19 Expenditures**, published in 2021. Certain new contracts entered into subsequent to the Special Report are reviewed as part of this audit.
2. These initiatives were audited for our value-for-money audit report on COVID-19 Personal Protective Equipment Supply, published in our *2021 Annual Report*. Certain new contracts entered into subsequent to our *2021 Annual Report* audits are reviewed as part of this audit.
3. Additional details on Ontario's vaccine implementation can be found in our value-for-money audit report on the COVID-19 Vaccination Program, published in our *2022 Annual Report*.
4. Additional details in the Review of Government Advertising in our *2020* and *2021 Annual Reports*.
5. These initiatives were audited as part of our value-for-money audit reports published in 2020 and 2021, specifically Homelessness; Public Colleges Oversight; and **Chapter 3: Special Report on Laboratory Testing, Case Management and Contact Tracing**.
6. These initiatives were audited for our value-for-money audit report on COVID-19 Economic Response and Supports for Businesses, published in our *2021 Annual Report*.
7. Formerly the Ministry of Government and Consumer Services.
8. Total approved amount for COVID-19 initiatives includes estimated spending in future years that has been approved by TB/MBC. The amount does not represent all new spending related to the pandemic on the part of the Province. Certain COVID-19 initiatives may be authorized by TB/MBC and require ministries to budget for the spending within their annual allocation of funding. Therefore, the total does not equal the COVID-19 funding in **Figure 1** of this report, which only represents new, budgeted COVID-19 spending up to March 31, 2023, as announced annually in the Ontario Budgets.

Appendix 2: Ontario Public Service Procurement Directive Approval Requirements

Source of data: Ontario Public Service Procurement Directive

Procurement Method	Procurement Value	Approval Authority for Submission of Procurement Rationale	Approval Authority for Procurement and Entering into Contract
Goods and Non-Consulting Services			
Ministry Process	< \$25,000	Ministry Delegation of Authority ¹	Ministry Delegation of Authority
Invitational Competitive (only applicable to non-consulting services)	\$25,000 ² –\$100,000	Ministry Delegation of Authority	Ministry Delegation of Authority
Open Competitive	\$25,000 ² –\$999,999	Ministry Delegation of Authority	Ministry Delegation of Authority
	\$1,000,000–\$1,999,999	Ministry Delegation of Authority	Deputy Head ³
	\$2,000,000–\$19,999,999	Deputy Head	Supply Chain Leadership Council ⁴
	\$20,000,000 and up	Minister	Treasury Board/Management Board of Cabinet (TB/MBC)
Non-Competitive (Allowable Exceptions)⁵	< \$1,000,000	Ministry Delegation of Authority	Ministry Delegation of Authority
	\$1,000,000–\$1,999,999	Ministry Delegation of Authority	Deputy Head
	\$2,000,000–\$19,999,999	Deputy Head	Supply Chain Leadership Council
	\$20,000,000 and up	Minister	TB/MBC
Non-Competitive (Exemptions)⁶	< \$1,000,000	Ministry Delegation of Authority	Ministry Delegation of Authority
	\$1,000,000–\$1,999,999	Ministry Delegation of Authority	Deputy Head
	\$2,000,000–\$9,999,999	Minister	Supply Chain Leadership Council
	\$10,000,000 and up	Minister	TB/MBC
Vendor of Record (VOR) Arrangement	Approval required if procurement value exceeds VOR arrangement ceiling price	Minister	TB/MBC
Consulting Services			
Invitational Competitive	< \$100,000	Ministry Delegation of Authority	Ministry Delegation of Authority
Open Competitive	\$25,000 ² –\$999,999	Ministry Delegation of Authority	Ministry Delegation of Authority
	\$1,000,000–\$1,999,999	Ministry Delegation of Authority	Deputy Head
	\$2,000,000–\$19,999,999	Deputy Head	Supply Chain Leadership Council
	\$20,000,000 and up	Minister	TB/MBC
Non-Competitive (Allowable Exceptions and Exemptions)^{5,6}	< \$500,000	Ministry Delegation of Authority	Deputy Head
	\$500,000–\$999,999	Deputy Head	Supply Chain Leadership Council
	\$1,000,000 and up	Minister	TB/MBC
Vendor of Record (VOR) Arrangement	Approval required if procurement value exceeds VOR arrangement ceiling price	Minister	TB/MBC

- Each ministry has its own Financial Delegations of Authorities and processes. The Financial Delegation of Authorities document provides additional details of approval authorities for each range of procurement value, which can range from Manager/Senior Manager, Director, Assistant Deputy Minister, Associate Deputy Minister and Deputy Minister levels of authority.
- Competitive procurement process is not required for contract values less than \$25,000.
- Deputy Head refers to either the Deputy Minister of a ministry or the Chief Executive Officer, or equivalent role, in an agency.
- The Supply Chain Leadership Council (Council) was proposed as part of a broader government Supply Chain Management strategy. It comprised 12 procurement and corporate leads from 12 ministries. Starting in June 2018, the Council was suspended and its role was assumed by TB/MBC.
- Examples of allowable exceptions include when an unforeseen situation of urgency arises, when a competitive process could interfere with government's ability to maintain security or order, or when confidential matters preclude an open, public process.
- In instances where a ministry seeks an exemption from a competitive procurement process where no allowable exception in the Ontario Public Service Procurement Directive exists.

Appendix 3: Ontario Public Service (OPS) Procurement Directive Interim Measures

Prepared by the Office of the Auditor General of Ontario

Area	Requirement
Date implemented	<ul style="list-style-type: none"> Effective March 18, 2019, updated on September 1, 2020
Applicability	<ul style="list-style-type: none"> New procurement of goods and services (consulting and non-consulting, except construction work) valued at \$25,000 or higher.
Vendor of Record (VOR) arrangements	<ul style="list-style-type: none"> Government entities must use existing VOR arrangements whenever possible and appropriate, regardless of the value of the procurement.
Contract term	<ul style="list-style-type: none"> Any new contract, including any extensions, must not exceed two years.
Operational flexibility	<ul style="list-style-type: none"> In limited and exceptional circumstances, if a government entity finds it not possible or appropriate to comply with the two requirements (using VOR and/or restricting contract term duration to two years), then the entity must complete and submit a Procurement Rationale Report at least 45 calendar days before the procurement is released to the vendor community.
Regular reporting	<ul style="list-style-type: none"> Government entities must prepare and submit reports to the Ministry of Public and Business Service Delivery (formerly Ministry of Government and Consumer Services). Ministries are not required to review the information submitted by the organizations for which they are responsible. Required reporting includes: <ul style="list-style-type: none"> Planned Procurement Report: Information on planned procurements for 2019–21.* Activity Update Report: Information on procurement activity over the past six months, highlighting any variance from the Planned Procurement Report; includes a rationale for any variances. Submit every six months following the initial submission of the Planned Procurement Report.* Procurement Rationale Report: Describes the rationale for a procurement's exclusion from Interim Measure requirements; required for proposed procurements where the contract term exceeds two years or if an existing Vendor of Record arrangement is not used. Submit at least 45 days before the procurement is released to the vendor community.
Procurement-related data	<ul style="list-style-type: none"> When requested by the Ministry of Public and Business Service Delivery, government entities must provide procurement data and other information including any current and past procurement, with spending and contract information; and/or resources currently assigned to procurement-related work.
Consulting service requirements (effective as of September 1, 2020)	<ul style="list-style-type: none"> The OPS Procurement Directive Interim Measures must be followed for all consulting services, regardless of contract value. Government entities must provide a cost for each deliverable in any consulting service contract. For consulting services valued at greater than \$5,000, ministries and any provincial agency that follows the OPS Procurement Directive in full must use the Procurement Lifecycle Checklist. It is not mandatory for other government entities to use this checklist.
Exemptions	<ul style="list-style-type: none"> There are no exemptions to the Interim Measures. However, for COVID-19-related emergency procurements, if ministries were submitting a notification to the Secretary of TB/MBC relating to an unforeseen situation of urgency, they were not required to submit a Procurement Rationale Form.

* The Ministry of Public and Business Service Delivery has not initiated and required ministries to submit the Planned Procurement Report or the Activity Update Report since they were introduced in the Interim Measures.

Appendix 4: Glossary of Terms

Prepared by the Office of the Auditor General of Ontario

Term	Definition
Competitive procurement	Goods or services acquired from one or more suppliers from those who have responded to the request to supply goods or services; includes invitational competitive procurement and open competitive procurement.
COVID-19 Procurement Proposal Template	Required submission by ministries to Treasury Board/Management Board of Cabinet when conducting a procurement using the urgency exception of the Ontario Public Service Procurement Directive due to COVID-19. This template was required for procurements from April 2, 2020, to September 30, 2021, and required details such as what is being procured and the purpose, the anticipated value, the anticipated supplier, and the connection to the COVID-19 pandemic.
Invitational competitive procurement	A minimum of three qualified vendors are requested to submit a written proposal to the Ministry's requirements to provide the required goods or services.
Non-competitive procurement	Goods or services acquired from one specific supplier; includes single source and sole source procurements.
OECD (formerly Ontario Education Collaborative Marketplace)	Not-for-profit entity that provides access to collaborative purchasing for the education sector, broader public sector and other not-for-profit organizations.
Ontario Public Service Procurement Directive	Issued by the Management Board of Cabinet, sets out the rules and processes to ensure that the best value for money is received when buying goods or services in a way that is fair and transparent for vendors.
Ontario Public Service Procurement Directive Interim Measures (Interim Measures)	Added to the Ontario Public Service Procurement Directive in March 2019 (subsequently updated in September 2020) to collect data on ministries' procurement activities for the purpose of transitioning to a centralized supply chain. The Interim Measures continue to remain in effect during the COVID-19 emergency procurement process.
Open competitive procurement	The requested goods or services are posted on Ontario's designated electronic tendering system for vendors to view and provide a bid in response to the requirements.
Procurement Lifecycle Checklist	Effective September 1, 2020, under the Interim Measures, to be completed for procurements of consulting services valued at more than \$5,000 to support successful planning, acquisition, award and management of consulting contracts.
Single source procurement	Goods or services are procured from a specific supplier even if more than one supplier could deliver the same goods and services.
Sole source procurement	Goods or services are procured from a specific supplier where no other suppliers can provide the required goods or services.
Vendor of record (VOR) arrangement	Procurement arrangement with one or more qualified vendors to provide goods or services for a defined time period, under established terms and conditions in the particular VOR arrangement (such as pricing). Enterprise-wide VOR arrangements are with contracted vendors that can provide goods or services common to more than one ministry. Ministry-specific VOR arrangements are those established for the supply of a particular good or service unique to that ministry.

Appendix 5: COVID-19-Related Procurements by Ministries, March 2020–March 2022

Prepared by the Office of the Auditor General of Ontario (OAGO) with information provided by the Treasury Board Secretariat

- Contracts in these procurement categories are included in this report¹
- Contracts in these procurement categories have been included in previous reports by our Office²

Procurement Category	Audited by OAGO	Emergency Procurements		Procurements Approved by TB/MBC		Total	
		# of Procurements ³	Procurement Value ⁴ (\$ million)	# of Procurements ⁵	Procurement Value ⁶ (\$ million)	# of Procurements	Procurement Value (\$ million)
Health							
Rapid antigen test kits	●	24	1,028.2	1	606.6	25	1,634.8
Testing supplies	○	53	534.9	1	47.6	54	582.5
Gowns and coveralls	○	35	446.9	-	-	35	446.9
IT equipment and software, including IT support for vaccination program ⁷	●	-	-	19	333.0	19	333.0
Masks, including N95 respirators	○	47	226.9	-	-	47	226.9
Ventilators	○	12	108.5	-	-	12	108.5
Temporary staffing resources to support mass vaccination program ⁷ and call centre information line	●	-	-	2	100.1	2	100.1
Vaccination teams	●	1	90.0	-	-	1	90.0
Gloves	○	8	85.7	-	-	8	85.7
IT and consulting services for vaccination program ⁷	●	5	25.7	13	58.8	18	84.5
Advertising campaigns to educate the public on emergency measures and vaccine rollout	○	2	24.0	1	47.5	3	71.5
Mobile testing services	●	-	-	1	68.5	1	68.5
Warehousing and logistics services	●	2	23.1	4	40.2	6	63.3
Temporary staffing resources to support pandemic response		-	-	2	55.1	2	55.1
Critical care beds		7	50.5	-	-	7	50.5

- Contracts in these procurement categories are included in this report¹
- Contracts in these procurement categories have been included in previous reports by our Office²

Procurement Category	Audited by OAGO	Emergency Procurements		Procurements Approved by TB/MBC		Total	
		# of Procurements ³	Procurement Value ⁴ (\$ million)	# of Procurements ⁵	Procurement Value ⁶ (\$ million)	# of Procurements	Procurement Value (\$ million)
IT equipment and software, including IT support for pandemic response		-	-	2	46.9	2	46.9
Face shields and goggles		7	38.3	-	-	7	38.3
IT equipment and software, including IT support		15	29.8	1	0.7	16	30.5
IT equipment and software, including IT support for case and contact management		-	-	4	25.7	4	25.7
IT consulting services for pandemic response	●	-	-	7	21.5	7	21.5
IT and consulting services for case and contact management	●	-	-	5	20.7	5	20.7
Temporary staffing resources to support case and contact management		-	-	1	20.3	1	20.3
Mental health services		-	-	3	18.3	3	18.3
Cardiac monitors		1	14.1	-	-	1	14.1
Lab/medical supplies and equipment		8	10.0	-	-	8	10.0
IT Consulting Services for COVID-19 Laboratory and Testing	○	-	-	2	8.5	2	8.5
Consulting and non-consulting services for pandemic response	●	-	-	4	7.2	4	7.2
Hand sanitizer	○	7	7.2	-	-	7	7.2
Other ⁸		11	4.1	-	-	11	4.1
Consulting services to establish a crisis response strategy		1	0.8	-	-	1	0.8
Cleaning and disinfectant products		4	0.5	-	-	4	0.5
Total		250	2,749.2	73	1,527.2	323	4,276.4

● Contracts in these procurement categories are included in this report¹

○ Contracts in these procurement categories have been included in previous reports by our Office²

Procurement Category	Emergency Procurements		Procurements Approved by TB / MBC		Total		
	Audited by OAGO	# of Procurements ³	Procurement Value ⁴ (\$ million)	# of Procurements ⁵	Procurement Value ⁶ (\$ million)	# of Procurements	Procurement Value (\$ million)
Public and Business Service Delivery (Formerly the Ministry of Government and Consumer Services)							
Gloves	○	38	56.7	4	820.0	42	876.7
Masks, including N95 respirators ⁹	●	44	228.5	7	420.0	51	648.5
Warehousing and logistics services	●	2	6.7	8	197.9	10	204.6
Hand sanitizer	○	20	65.0	2	107.2	22	172.2
Temporary staffing resources to support provincial programs, such as the mass vaccination program ⁶ and call centre information line	●	8	66.5	2	85.8	10	152.3
Cleaning and disinfectant products		18	15.6	6	98.7	24	114.3
Face shields and goggles		36	24.3	6	89.5	42	113.8
High-efficiency particulate air filter units and wall mounts	●	12	62.6	1	21.0	13	83.6
Consulting services for centralized procurement planning and review of best practices for warehousing and logistics vendors	●	5	9.6	5	42.2	10	51.8
Waste management for rapid antigen tests program	●	-	-	2	34.0	2	34.0
Consulting and non-consulting services for pandemic response		-	-	3	28.0	3	28.0
Gowns and coveralls		5	10.0	-	-	5	10.0
Other ⁸		8	2.3	-	-	8	2.3
Total		196	547.8	46	1,944.3	242	2,492.1
Solicitor General							
Vaccine clinics and related staffing and logistics support	●	6	90.0	-	-	6	90.0
Supplies for correctional facilities operations		2	13.8	1	12.5	3	26.3

- Contracts in these procurement categories are included in this report¹
- Contracts in these procurement categories have been included in previous reports by our Office²

Procurement Category	Audited by OAGO	Emergency Procurements		Procurements Approved by TB/ MBC		Total	
		# of Procurements ³	Procurement Value ⁴ (\$ million)	# of Procurements ⁵	Procurement Value ⁶ (\$ million)	# of Procurements	Procurement Value (\$ million)
Global Positioning System (GPS) and monitoring devices		1	3.6	-	-	1	3.6
IT equipment and software, including IT support		-	-	2	3.5	2	3.5
Total		9	107.4	3	16.0	12	123.4
Education							
Mobile testing for schools ¹⁰	●	2	45.0	-	-	2	45.0
Consulting services for school bus driver pilot program		1	0.3	-	-	1	0.3
Total		3	45.3	-	-	3	45.3
Treasury Board Secretariat							
IT and consulting services to support COVID-19 initiatives		12	5.6	1	3.4	13	9.0
Total		12	5.6	1	3.4	13	9.0
Environment, Conservation and Parks							
Wastewater surveillance		-	-	1	13.0	1	13.0
Total		-	-	1	13.0	1	13.0
Attorney General							
IT equipment and software, including IT support		1	4.5	-	-	1	4.5
Total		1	4.5	-	-	1	4.5
Cabinet Office							
Consulting services to establish a crisis response strategy		1	4.2	-	-	1	4.2
Total		1	4.2	-	-	1	4.2

- Contracts in these procurement categories are included in this report¹
- Contracts in these procurement categories have been included in previous reports by our Office²

Procurement Category	Audited by OAGO	Emergency Procurements		Procurements Approved by TB/ MBC		Total	
		# of Procurements ³	Procurement Value ⁴ (\$ million)	# of Procurements ⁵	Procurement Value ⁶ (\$ million)	# of Procurements	Procurement Value (\$ million)
Natural Resources and Forestry (formerly the Ministry of Northern Development, Mines, Natural Resources and Forestry)							
Rapid antigen testing for firefighters		1	3.5	-	-	1	3.5
Total		1	3.5	-	-	1	3.5
Labour, Immigration, Training and Skills Development (formerly the Ministry of Labour, Training and Skills Development)							
Wages for Technical Standards and Safety Authority inspectors to enforce emergency orders and respond to workplace-related calls as a result of COVID-19		1	3.0	-	-	1	3.0
Total		1	3.0	-	-	1	3.0
Children, Community and Social Services							
IT and consulting services to establish COVID-19 emergency assistance Web application	○	1	1.7	-	-	1	1.7
Total		1	1.7	-	-	1	1.7
Total		475	3,472.2	124	3,503.9	599	6,976.1

1. The contracts reviewed as part of this audit for each category is detailed in Appendix 7a and Appendix 7b.

2. Contracts in these categories were audited as part of the Office of the Auditor General's Chapter 4: Special Report on Management of Health-Related COVID-19 Expenditures published in 2020, the value-for-money audit report on COVID-19 Personal Protective Equipment Supply published in the 2021 Annual Report, and Review of Government Advertising chapters of the 2020 and 2021 Annual Reports.

3. Number of notifications received by the Secretary of Treasury Board/Management Board of Cabinet (TB/MBC) from ministries indicating that the unforeseen situation of urgency exception (emergency exception) was used to acquire goods and services related to COVID-19 pandemic.

4. The values represent TB/MBC's best estimate of emergency procurements during the COVID-19 pandemic, including updates to procurement value where applicable, but may not reflect actual spending under emergency procurement measures (because of, for example, cancelled contracts or when the estimated procurement value was not spent in its entirety).

5. Number of procurements where TB/MBC approval was obtained through the in-year TB/MBC submission process.

6. The maximum procurement value approved by TB/MBC and may include spending for future years. It may not reflect actual spending as ministries can incur less than maximum approved value.

7. Additional details on Ontario's vaccine implementation can be found in our value-for-money audit report on the COVID-19 Vaccination Program, published in our 2022 Annual Report.

8. Includes purchase of infrared thermometers, mortuary bags and delivery fees related to emergency procurements.

9. Contracts in this category are included in the current audit and additional contracts had been reviewed as part of our value-for-money audit report on COVID-19 Personal Protective Equipment Supply, published in the 2021 Annual Report.

10. Subsequent to the notification sent to the Secretary of TB/MBC, the Ministry of Education entered into a third contract for mobile testing services, bringing the total procurement value to \$60 million.

Appendix 6: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

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1. Procurement of goods and services are properly justified, approved, and sourced with appropriate consideration for options and cost-effectiveness, with appropriate measures in place for recourse and/or corrective action in the event of poor quality, delayed delivery of goods and services or outcomes of the contract not being met.
-
2. Use of exception(s) to the requirement for a competitive procurement process are appropriate in the circumstance, and the ministries have followed the required steps to notify Treasury Board/Management Board of Cabinet of the procurement in a timely manner.
-
3. Effective processes are in place to provide sufficient monitoring and contract management oversight by the ministries, including report backs to Treasury Board/Management Board of Cabinet.
-
4. Resources for contracts and procurements were allocated to ministries and initiatives in a timely and effective manner to manage the COVID-19 response of the Province.
-
5. Relevant, accurate and timely information was regularly collected and assessed against the intended outcomes of the contracts and procurement, and lessons learned were applied to subsequent procurement decisions.
-
6. Increases to contract ceilings, scopes, or extensions were authorized and made after consideration of relevant information on the contract progress and results.
-

Appendix 7a: COVID-19-Related Contracts Selected for Audit

Prepared by the Office of the Auditor General of Ontario

COVID-19 Initiative	Description	Procurement Method and/or Funding Provided	# of Contracts Reviewed ¹	Details in Report Section ²	Approved Amount ³ (\$ million)	Amount Incurred to Date ⁴ (\$ million)
Ministry of Education (Education Ministry)						
Ventilation improvements	Ventilation and filtration improvements, including the purchase of high-efficiency particulate air (HEPA) filter units. This excludes annual school renewal funding for overall infrastructure maintenance, which can also be used for ventilation improvements.	Funding provided by the Education Ministry to school boards to conduct their own procurements ⁵	None. See related contracts for HEPA filter units below	4.1	170.2	140.5 ⁶
Technology for students	Remote learning technology (such as laptops) for students.	Funding provided by the Education Ministry to school boards to conduct their own procurements ⁵	5 of 5	4.1	109.4	101.3
HEPA filter units	Standalone HEPA filter units to supplement any purchases that school boards procured individually. Starting February 2022, HEPA filter units for school boards were funded and purchased by the Ministry of Public and Business Service Delivery (formerly the Ministry of Government and Consumer Services); additional HEPA units purchased for schools are included in the Ministry of Public and Business Service Delivery procurements below.	Competitive procurement (conducted by the Ministry of Public and Business Service Delivery)	See Ministry of Public and Business Service Delivery HEPA filter unit contracts	4.1	20.4	18.0
COVID-19 Testing for Schools	Mobile testing clinics set up at schools and child-care centres to test asymptomatic students and staff.	Non-competitive emergency procurement	3 of 3	4.1, 4.4.1, 4.4.2, 4.4.3	34.1	7.0
Ministry of Education – Total					334.1	266.8

COVID-19 Initiative	Description	Procurement Method and/or Funding Provided	# of Contracts Reviewed ¹	Details in Report Section ²	Approved Amount ³ (\$ million)	Amount Incurred to Date ⁴ (\$ million)
Ministry of Public and Business Service Delivery (formerly Ministry of Government and Consumer Services)						
Personal protective equipment (PPE) and other cleaning supplies and equipment	Personal protective equipment and cleaning supplies such as masks, gowns, hand sanitizer and disinfectant wipes, for distribution to other ministries, provincial agencies and broader public sector (e.g., schools).	Non-competitive emergency procurement	26 of 297	4.1, 4.3.1	1,787.0	422.3
		Competitive procurement	4 of 31	4.1, 4.3.1		25.7
	HEPA filter units to improve ventilation in settings including schools and long-term-care homes.	Non-competitive emergency procurement	15 of 15	4.1		26.2
		Competitive procurement	10 of 10	4.1		32.6
Warehousing and logistics for PPE	Multi-year warehousing to store PPE and logistics services as part of pandemic supply chain, including consulting services related to procuring and managing these contracts.	Non-competitive procurement, exemption from open competitive procurement was approved by TB/MBC ⁷	13 of 13	4.1, 4.3.2, 4.7.1, 4.8.2	161.0	48.5
Waste management	Sterile waste management for disposal of rapid antigen tests for Ontario Chambers of Commerce and Boards of Trade	Competitive procurement (VOR)	2 of 2	4.1	18.0	0.1
Ministry of Public and Business Service Delivery – Total					1,966.0	555.4
Ministry of Health						
COVID-19 Testing	Testing supplies including rapid antigen tests, and funding to agencies such as Ontario Health and Public Health Ontario for same tests	Non-competitive emergency procurement of rapid antigen tests	6 of 6	4.1, 4.6	3,400.3	371.0
		Non-competitive emergency procurement of testing supplies and consulting services to support COVID-19 testing	2 of 2	4.1		1.3
		Funding to agencies not included in above categories such as Ontario Health regions and Public Health Ontario. This includes competitive procurements of mobile testing clinics (through Ontario Health)	6 of 6	4.1, 4.4.1, 4.4.2		3,027.1

COVID-19 Initiative	Description	Procurement Method and/or Funding Provided	# of Contracts Reviewed ¹	Details in Report Section ²	Approved Amount ³ (\$ million)	Amount Incurred to Date ⁴ (\$ million)
Vaccine implementation⁸	Contracts from the Ministry of Health and the Ministry of the Solicitor General relating to delivery and distribution of COVID-19 vaccine, consulting services, mass immunization clinics and health human resources support.	Competitive procurement and non-competitive procurement	26 of 92	4.1, 4.5, 4.7, 4.8.2	423.8 ⁹	284.4
Warehousing and logistics for PPE	Multi-year warehousing to store PPE and provide logistics services as part of pandemic supply chain, including project management services relating to warehousing.	Non-competitive emergency procurement	4 of 5	4.1	36.4	33.9
Case and contact management	Recruitment, temporary staffing and IT resources to support case and contact management.	Competitive procurement and non-competitive procurement	5 of 38	4.1	146.8	132.4
Ministry of Health – Total			49 of 149		4,007.3	3,850.1
Total			127¹⁰ of 525		6,307.4¹¹	4,672.3

1. Total number of contracts related to each initiative is based on information provided to our Office by the ministries.

2. As part of our audit, selected contracts were reviewed for compliance against the Ontario Public Service Procurement Directive (Procurement Directive), including compliance with Interim Measures of the Procurement Directive, where applicable. In addition, we completed the following procedures:

- For non-competitive emergency procurements, we reviewed the procurement rationale for appropriateness in connection to the COVID-19 pandemic. We also reviewed compliance with the notification requirements established by the Treasury Board Secretariat.
- For competitive procurements, we reviewed the tendering process and evaluated the bids received to assess if selection criteria were fairly applied in accordance with the proposal documents.
- Where the contracts reviewed contained key performance indicators, we reviewed the results and ministries' oversight process as part of the contract management process.
- Where similar procurements were conducted by multiple ministries, we inquired about the rationale and compared procurement processes used to identify opportunities for more efficient or improved processes.
- We reviewed the contract status up to March 31, 2022, including the contract outcomes or results against the intended purpose.
- For all COVID-19-related contracts, we requested information from the respective ministries on any outstanding or resolved legal claims.

3. Total amount approved for the initiative, which can include planned spending in future fiscal years.

4. Total amount incurred from January 1, 2020 to March 31, 2022.

5. School boards were provided funding by the Ministry of Education toward certain initiatives. School boards could use their own vendors and contracts to purchase the required goods, or make purchases using master agreements that included pre-established contract terms and pricing that the Ministry of Public and Business Service Delivery (formerly Ministry of Government and Consumer Services) entered into on behalf of the Ministry of Education. We reviewed the procurement of the master agreements, but not the contracts held by individual school boards.

6. Amount incurred by schools based on interim reporting submitted as of November 3, 2022, for the 2021/22 school year. This may include expenses incurred after March 31, 2022.

7. The non-competitive procurement was not conducted under one of the allowable exceptions provided for in the Ontario Public Service Procurement Directive. The ministry sought Treasury Board/Management Board of Cabinet approval for an exemption from the open competitive process for these contracts. The rationale was to ensure business continuity with existing vendors that currently provide warehousing and transportation for the ministry's inventory of personal protective equipment.

8. Additional details on Ontario's vaccine implementation can be found in our value-for-money audit report on the COVID-19 Vaccination Program, published in our 2022 Annual Report.

9. Approved amount represents total contract values.

10. Total contract value of the 127 contracts we reviewed is approximately \$1.6 billion.

11. Total approved amount includes certain emergency procurements (Appendix 5) as well as some competitive procurement contracts (approved through Treasury Board/Management Board of Cabinet submissions in Appendix 1) related to these categories.

Appendix 7b: COVID-19-Related Funding by Ministries for Procurement Activities by Other Stakeholders¹ Selected for Audit

Prepared by the Office of the Auditor General of Ontario

COVID-19 Initiative	Description	Procurement Method and/or Funding Provided	# of Procurement Documents Reviewed	Details in Report Section	Approved Amount (\$ million)	Amount Incurred to Date ² (\$ million)
Ministry of Education (Education Ministry)						
COVID-19 Resilience Stream	Infrastructure projects for schools to improve ventilation, physical distancing and other health infrastructure. Approximately \$450 million of this funding was allocated specifically to ventilation and window improvement projects.	Joint funding provided by the federal government (Investing in Canada Infrastructure Program; 80% of funds) and provincial government (20% of funds) to school boards to conduct their own procurements. Disbursed as projects progressed; all projects to be completed by December 2023, or by December 2024 if the project is in a remote community; therefore, actual amount of expenditures incurred will be less than approved amount for March 31, 2022, since the projects are not completed.	10 of 9,866	n/a ³	670.5	445.4
Ministry of Education – Total					670.5	445.4

COVID-19 Initiative	Description	Procurement Method and/or Funding Provided	# of Procurement Documents Reviewed	Details in Report Section	Approved Amount (\$ million)	Amount Incurred to Date ² (\$ million)
Ministry of Infrastructure (Infrastructure Ministry)						
COVID-19 Resilience Stream	Improve physical distancing measures and other health infrastructure.	Joint funding provided by the federal government (Investing in Canada Infrastructure Program; 80% of funds) and provincial government (20% of funds) for municipalities to conduct their own procurements. Disbursed as projects progressed; all projects to be completed by December 2023, or by December 2024 if the project is in a remote community; therefore, actual amount of expenditures incurred will be less than approved amount for March 31, 2022, since the projects are not completed.	10 of 552	n/a ³	250.0	0.0 ⁴
Ministry of Infrastructure – Total					250.0	0.0

COVID-19 Initiative	Description	Procurement Method and/or Funding Provided	# of Procurement Documents Reviewed	Details in Report Section	Approved Amount (\$ million)	Amount Incurred to Date ² (\$ million)
Ministry of Long-Term Care (Long-Term Care Ministry)						
Ventilation and cooling capital funding	Infection prevention and control, including enhancements to ventilation and cooling systems.	Funding provided by the Long-Term Care Ministry to long-term-care homes to conduct their own procurements.	None. Reviewed funding letters and requirement for 2020/21 and 2021/22	n/a	138.4	79.7
COVID-19 Resilience Stream	For infrastructure projects for long-term-care homes to improve ventilation, physical distancing measures and other health infrastructure.	Joint funding provided by the federal government (80% of funds) and provincial government (20% of funds) to long-term-care homes to conduct their own procurements. Disbursed as projects progressed; all projects to be completed by December 2023, or by December 2024 if the project is in a remote community; therefore, actual amount of expenditures incurred will be less than approved amount for March 31, 2022, since the projects are not completed.	10 of 103	n/a ³	100.0	11.9
Ministry of Long-Term Care – Total					238.4	91.6
Total					1,158.9	537.0
Total of COVID-19 Initiatives Reviewed as Part of Appendix 7a and 7b					7,382.2	5,209.3

1. In addition to the ministry-led procurements identified in **Appendix 7a**, our audit also looked at certain funding provided by ministries to stakeholders for procurement-related activities.

a. For the COVID-19 Resilience Stream, this included a review of procurement documents for 10 approved projects under each sub-stream (education, infrastructure, long-term care) of the Investing in Canada Infrastructure Program – COVID-19 Resilience Stream. The documents were reviewed for compliance against the program guidelines, which required a competitive procurement process to be used for this funding except where applications were approved for sole sourcing by the federal government.

b. For the ventilation and cooling capital funding, this included a review of the funding criteria and eligibility requirements and how long-term-care homes used the funding.

2. Total amount incurred from January 1, 2020, to March 31, 2022.

3. Most of the approved projects were in progress as of March 31, 2022, and claims for reimbursement have not been submitted; therefore, procurement documents were not available for all projects if the tendering process had not started. We selected a sample of 10 from each sub-stream to review if the funding recipient complied with program guidelines for the procurement requirements, and assessed overall ministries' oversight and processes. Generally, the projects we selected complied with the program guidelines.

4. Projects are under way, but no funding has been disbursed because it was based on a submission of claims approach and the submission process was not yet available as of March 31, 2022.

Appendix 8: Summary of Mobile COVID-19 Testing Procurements by Ontario Health and the Ministry of Education

Source of data: Ontario Health and the Ministry of Education

Procurement method	Ontario Health				Ministry of Education	
	Invitational competitive	Open competitive	Open competitive	Open competitive	Open competitive	Non-competitive
Request for proposal period	Jun 3–15, 2020	Nov 20–Dec 21, 2020	Feb 16–Mar 23, 2021	Mar 3–Apr 8, 2021		n/a ¹
Purpose	To support the provincial COVID-19 testing and tracing strategy, specifically to key communities with gaps in testing.				To provide asymptomatic COVID-19 testing in schools and child-care settings.	
# of vendors contracted²	2	2	2	4	3	
Contract term²	Jun 23–Jul 22, 2020, Sep 8, 2020–Jun 30, 2021	Feb 5, 2021–Dec 31, 2022	Mar 8–Dec 31, 2021 Mar 10–Dec 31, 2021	Apr 22, 2021–Apr 21, 2022 ³ Jul 19, 2021–Apr 21, 2022	Jan 25–Jul 16, 2021 Feb 17–Jul 16, 2021 Mar 8–Jul 16, 2021	
Total contract ceiling value (\$)	6,019,109	3,911,032	1,770,000	68,545,800	60,000,000	
Cost per swab⁴ (\$)	38–55	33–55	55–68	13–42	22–33	
Guaranteed minimum payment per day^{4,5} (\$)	3,000–3,520; 9,625 ⁶	991–3,520	3,250–3,520	2,500–4,200	1,500–8,255	

- Competitive procurement process was not used as the Ministry of Education used the unforeseen situation of urgency exception under the Ontario Public Service Procurement Directive to enter into contracts non-competitively as part of the emergency response to the COVID-19 pandemic. Vendors were contacted by the Ministry of Education to provide the services and entered into agreements between January and March 2021.
- Some vendors were awarded multiple contracts as part of each Request for Proposal issued by Ontario Health, but a vendor did not have multiple agreements active at the same time. One vendor was also contracted separately by both Ontario Health and the Ministry of Education (Appendix 9).
- Three vendors with the same contract period.
- Within each contract, the cost per swab and guaranteed minimum daily payment may vary depending on the type of service required. For example, some vendors have a higher price if they are required to travel to Northern Ontario compared to locations within the Greater Toronto Area. For comparability, the range provided represents only the lowest tier of pricing within each contract.
- If the minimum testing volume required in each contract is not completed, a guaranteed minimum payment per day is charged by the vendor to cover overhead costs.
- A short-term contract to address the immediate need of testing agricultural workers in the Windsor-Leamington area was established with a higher minimum cost per day until the master service agreement could be established with the vendor.

Appendix 9: Comparison of Contract Details for Same Vendor Contracted Separately by Ontario Health and the Ministry of Education

Prepared by the Office of the Auditor General of Ontario

	Ontario Health	Ministry of Education
Procurement method	Open competitive	Non-competitive
Request for proposal period	Nov 20–Dec 21, 2020	n/a ¹
Contract term	Feb 5, 2021–Dec 31, 2022	Jan 25–Jul 16, 2021
Contract ceiling value (\$)	1,548,812	30,000,000
Total spent to date as of March 31, 2022 (\$)	1,219,259	1,695,598
Estimated testing capacity	From 50 swabs per day to 1,000 swabs per day	Up to 5,000 swabs per day or 25,000 swabs per week
Cost per swab (\$)²	33	33
Minimum number of tests per day³	30	250
Guaranteed minimum payment per day³ (\$)	991	8,255
Total testing sites operated⁴	127	176
Number of testing sites operated where the guaranteed minimum daily payment was charged	34 (27%)	175 (99%)

1. Competitive procurement process was not used as the Ministry of Education used the unforeseen situation of urgency exception under the Ontario Public Service Procurement Directive to enter into a contract non-competitively as part of the emergency response to the COVID-19 pandemic. Vendor was contracted by the Ministry of Education in January 2021.
2. Within each contract, the cost per swab and guaranteed minimum daily payment may vary depending on the type of service required. For example, some vendors have a higher price if they are required to travel to Northern Ontario compared to locations within the Greater Toronto Area. For comparability, the range provided represents only the lowest tier of pricing within each contract.
3. If the actual number of tests swabbed per day is below the contract minimum number of tests per day, a fixed daily fee will be charged (guaranteed minimum payment per day).
4. Some locations had multiple days of testing throughout the contract terms.



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