

**Ministry of Infrastructure**

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February 17, 2023

David Lindsay  
Board Chair  
Ontario Infrastructure and Lands Corporation (Infrastructure Ontario)  
1 Dundas Street West, 20th Floor  
Toronto, Ontario  
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Dear Mr. Lindsay,

I am pleased to share our government's 2023-24 priorities for Infrastructure Ontario (IO). As Chair, you play a vital role in helping IO achieve its mandate, working collaboratively with the Ministry of Infrastructure (MOI) and other partner ministries and agencies. It is important that your agency's goals, objectives, and strategic direction continue to align with our government's priorities and direction, including performance measurement and reporting and other accountability requirements.

During the 2022-23 fiscal year, IO continued to deliver major public infrastructure projects (MPIP) and, as of March 31, 2022, has brought 143 projects to market since the inception of the public-private partnerships (P3) Program. IO has also worked with MOI, partner ministries and Metrolinx to adapt and expand the range of infrastructure project delivery models to align with evolving market conditions. In addition, IO has been working together with Treasury Board Secretariat (TBS) and MOI in support of updates being made to the government's major infrastructure project policies, guidelines, and processes.

Over the last year, MOI and IO have made significant progress in implementing the Transit-Oriented Communities (TOC) program related to the four priority transit projects. IO's technical support and commercial expertise have enabled the Province to move TOCs forward along the south segment of the Ontario Line and at the future Bridge and High Tech stations along the Yonge North Subway Extension.

MOI and IO also collaborated to design and execute the Accelerated High-Speed Internet Program which will bring high-speed Internet to all regions of the province by the end of 2025.

The IO Loan Program continued to provide affordable, long-term financing to eligible public sector clients to assist them in renewing their infrastructure and revitalizing their communities. The Loan Program approved 71 new loans in the 2021-22 fiscal year worth approximately \$450 million, bringing the total value of loans approved since the program's establishment to over \$11.9 billion, as of March 31, 2022.

Ontario's board-governed agencies are vital partners in ensuring the delivery of high-quality services to Ontarians. The work that you and your fellow board members undertake to establish the goals, objectives, and strategic direction for IO ensures that the Province receives the best advice and services related to provincial infrastructure and related projects. It is important that

this direction is consistent with government priorities, your agency mandate, key policies and directives, and my directions. I thank you for your willingness to serve.

As part of the government of Ontario, agencies are expected to act in the best interests of the people of Ontario and ensure that they provide value for money to taxpayers. Agencies are also required to adhere to government policies and relevant directives.

As per requirements under the Agencies and Appointments Directive, with this letter I am setting out my expectations for IO for 2023-24 in terms of government-wide commitments for board-governed agencies. Please see the attached guide for further details related to each priority.

**1. Competitiveness, Sustainability and Expenditure Management**

- Identifying and pursuing opportunities for revenue generation through partnerships, where appropriate.
- Identifying efficiencies and savings through innovative practices, and/or improved program sustainability.
- Operating within the agency's financial allocations.
- Complying with applicable direction related to supply chain centralization, accounting practices and realty interim measures for agency office space.
- Leveraging and meeting benchmarked outcomes for compensation strategies and directives.

**2. Transparency and Accountability**

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Referring to the Memorandum of Understanding (MOU) between the Minister of Infrastructure and the Chair on behalf of IO, as the primary administrative agreement setting out IO's obligations and accountabilities as a Crown agency.
- Adhering to accounting standards and practices, and responding to audit findings and recommendations, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability.

**3. Risk Management**

- Developing and implementing an effective process for the identification, assessment, and mitigation and reporting of agency risks, including COVID-19 impacts and any future emergency risks.

**4. Workforce Management**

- Optimizing your organizational capacity to support the best possible public service delivery, including redeploying resources to priority areas, where needed.
- Supporting the implementation of the Community Jobs Initiative (CJI) by identifying opportunities to relocate new or existing agencies to lower cost communities.

**5. Diversity and Inclusion**

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

## 6. **Data Collection**

- Improving how IO uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.
- Supporting MOI to improve and expand project data to support evidence-based decision making.
- Continuing to provide MOI with facility condition and related data, and working with MOI to integrate data requests directed to other ministries.
- Work with MOI and other ministries as relevant to explore the potential for the creation of an infrastructure digital twin.

## 7. **Digital Delivery and Customer Service**

- Exploring and implementing digitization for online service delivery to ensure customer service standards are met.
- Using a variety of approaches or tools to ensure service delivery in all situations, including pursuing delivery methods that have evolved since Covid-19.

I am also sharing several priorities specific to Infrastructure Ontario, noting that as the Ministry and IO embark on this new mandate together in partnership, there is a strong imperative for meaningful collaboration in order to deliver on a significant and ambitious agenda. Transparency, collegiality, integrity, and working together in collaboration should be the hallmarks of how the organizations, at every level, work together. The continuation of good governance practices around partner roles, responsibilities and accountabilities will ensure efficient and effective service delivery.

## 1. **Executing transactions that achieve the best value for government assets and effectively deliver major capital projects**

- In line with my previous and overall direction provided to the agency, continue to support the planning and lead the procurement and delivery of priority infrastructure projects assigned to IO, including the Macdonald Block Reconstruction project and other Office Optimization initiatives to support the implementation of a modern workplace model and the enterprise office workplace standards.
- Reflecting the current complexity of Ontario's infrastructure market, continue to work with my ministry, other partner ministries and Metrolinx to modernize and enhance the suite of delivery models (including both procurement strategies and contract forms) through which the Province will develop and deliver priority infrastructure projects assigned to IO as well as updating approaches to project cost estimation and project management to reflect evolving market conditions and lessons learned from delivery of other infrastructure projects. In this way, our goals will be to maintain competition, promote innovation, transfer risk appropriately, and secure long-term asset performance in the delivery of major public infrastructure projects while managing costs for the province.
- In line with my previous and overall direction provided to the agency, continue to work with capital ministries to determine the need for IO's support for asset management oversight during the operations and maintenance phase of projects that were developed

using innovative procurement and project delivery models to ensure long-term asset performance and value to taxpayers.

- In line with my direction to the agency and in alignment with requests from the Ministry of Transportation (MTO), continue to work with MTO and Metrolinx on major infrastructure projects.
  - This would include improvements to highways sector project planning and prioritization, and support to Metrolinx on implementation of innovative approaches to procurement and delivery of transit projects.
- Continue to work with my ministry, Treasury Board Secretariat, and other ministries to effectively assess and manage financial claims and scheduling risks to ongoing major projects resulting from COVID-19.
- Continue to work with contract partners to discuss and find solutions to on-going challenges in the current economic environment, leveraging lessons learned from delivery of other projects.
- Continue to work with MOI to identify barriers that may delay construction on major projects.
- Where approved by TB/MBC and where directed by me, continue to work with government partners to shape capital projects through:
  - continued involvement in capital planning, prioritization and standardization with ministry partners;
  - supporting government's effort to examine and modernize processes and tools for delivery model selection for major public infrastructure projects; and
  - initiating, when directed by me, joint development competitions and other forms of innovative procurement approaches that are aimed at specific policy outcomes.

## **2. Continuing to develop innovative commercial solutions for government priorities**

- Continue to provide commercial advice and services to ministries, agencies and broader public sector entities on financial, strategic or other matters including developing, evaluating, structuring and negotiating commercial transactions in a transparent manner.
- When directed, continue to support service modernization opportunities; particularly those opportunities that need to be centrally evaluated and pursued by government.

## **3. Continuing to develop provincial land holdings**

- As necessary, support my ministry in the creation of an authoritative repository of all provincial and BPS real estate holdings.
- Continue to work to support the development of provincial land holdings through thoughtful use of surplus lands for other government priorities like long-term care and housing.
- Execute a sales and disposition process on an independent basis, consistent with direction provided by Government, in respect of the government's priorities and objectives at the commencement of the sales and disposition process. IO to return to its Board and the Ministry with recommendations for consideration at the conclusion of the sales and disposition process for final decision making.
- Continue to investigate land and portfolio related opportunities for properties within the General Real Estate Portfolio.
- Support my ministry in a review of BPS energy performance contract options to lower the emissions footprint and improve efficiency of provincial real estate assets.

## **4. Continuing to deliver the Infrastructure Ontario Loan Program**

- Continue to deliver the Loan Program in a manner that aligns with the Province’s policy goals for the Program, existing legislation and authorities delegated to IO, and continue to engage with current and potential borrowers to ensure that they are aware of eligibility and credit worthiness requirements, steps to obtain a loan, and reporting requirements during loans.
  - Continue to explore options to leverage the IO Loan program and IO’s expertise in support of the government’s policy priorities, including expansion of not-for-profit long-term care capacity, while adhering to the current risk appetite parameters unless directed otherwise.
  - Work with my ministry to assess and enhance reporting, responsiveness, and effectiveness of the IO Loan Program to ensure the most effective delivery of services and improve the accountability and transparency of IO’s activities.
- 5. Implementing the Transit-Oriented Communities (TOC) Program**
- Continue to identify and pursue revenue-generating opportunities and innovative practices supporting the implementation of the TOC program.
  - Continue to work with the Ministry of Transportation, MOI and Metrolinx to support the delivery of TOC projects in alignment with TOC program objectives.
  - Continue to advise the Ministry of Infrastructure, Ministry of Transportation, and Treasury Board Secretariat in respect of any changes to the likely value to be realized from the program arising from changes made by Metrolinx to the character of underlying transit projects.
  - Design and execute open market offerings for all collect and compete sites, returning to government once preferred partners have been identified.
- 6. Implementing the redevelopment of Ontario Place**
- Continue to work with the Ministry of Infrastructure to implement a phased, multi-partner approach to redevelopment (e.g. commercial negotiations, public engagement, site preparation, statutory and regulatory approvals)
  - Continue to work with MOI, Ministry of Tourism Culture and Sport and the Ontario Science Centre (OSC) to explore opportunities for science-related tourism and educational programming at the Cinesphere and pod complex.
- 7. Expanding access to broadband and cellular connectivity**
- In line with the *Building Broadband Faster Act*, continue to support the Ministry of Infrastructure with the implementation of the Accelerated High Speed Internet Program (“AHSIP”) and implementation of the legislative and regulatory framework to build broadband projects faster towards the government’s commitment to provide high-speed internet access to every community in Ontario by the end of 2025.
- 8. Providing administrative services on other programs as directed by the Minister of Infrastructure**
- Where approved by TB/MBC and where directed by me, provide strategic advice to support the development and expansion of provincial programs delivered by MOI and other ministries.
  - Continue to administer the Clean Water and Wastewater Fund in cooperation with MOI until completion of the program.
  - Support MOI in the ongoing improvement of public infrastructure, project procurement outcomes, and ongoing asset inventory enhancements related to the government’s infrastructure, including the development, updating, and/or standardization of design

templates and guidelines across asset classes; and, where applicable, continue to explore unique construction methods such as modular and/or rapid builds and other standardization practices to help manage costs and reduce construction timelines.

- Provide advice and services related to realty projects to the broader public sector.
- Support MOI in the delivery of the Government's Unsolicited Proposals Framework. As required, IO will support ministries to assess any unsolicited proposals and develop recommendations on whether to proceed to plan, procure, or otherwise transact.

**9. Engaging in continuous refinement of delivering services most effectively and efficiently**

- Work with MOI and partner ministries to update and implement changes to policies governing approvals, procurement, and delivery of major infrastructure projects including updates to the P3 Framework. Continue to work with government partners to ensure full and transparent cost recovery on all projects, programs and initiatives going forward.
- Work with my ministry to explore options for strengthening accountability and further developing the working relationship between the agency and ministry by reviewing the current MOU between IO and MOI.

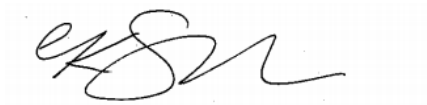
**10. Excellence in Governance and Accountability**

- Ensure that the agency adheres to all approval and review processes, including frameworks established between the agency and the ministry as well as frameworks established between the agency and other ministries (e.g., MOUs) for which IO provides advice and services to ensure early collaboration, timely submissions, and alignment with established priorities.
- Provide regular updates and report-backs on progress in implementing the direction as set out in this letter and other Minister direction that may be issued that involves work to be undertaken with the ministry, key initiatives and projects with accompanying performance measurement and evaluation as applicable.
- Provide regular updates on implementation of my written direction related to advice and services provided to other ministries, including sharing of frameworks (e.g., MOUs) between the agency and other ministries as directed, and effective management and transparency with respect to agency and client ministry engagement.
- Work with the ministry to develop agency performance measures, including both outcome and output-based measures to be included in public reporting, as required under the Agencies and Appointments Directive.
- Continue to implement a skills-based appointments model to enhance agency governance, accountability, oversight and effective decision-making. This includes regularly consulting the Board of Directors to identify skills, knowledge and experience gaps and opportunities, regularly updating the board's skills matrix, and conducting succession planning to ensure continuity of operations.
- Develop an individually based skills matrix and succession plan in consultation with the ministry for review on an annual basis or as requested to inform the appointments process for board members.
- Continue to inform the ministry about any planned or current agency-initiated reviews.

I thank you and your fellow board members for your continued support and your valuable contributions. Through these measures, we can continue to ensure that IO will deliver its ongoing responsibilities, and the government's plan, to build a stronger Ontario.

Should you have any questions/concerns, please feel free to contact Carlene Alexander, Deputy Minister of Infrastructure, at 416-326-3880.

Sincerely,

A handwritten signature in black ink, appearing to read 'KS', is centered on a light gray rectangular background.

The Honourable Kinga Surma  
Minister of Infrastructure

Attachment:

- Government Priorities for Agency Sector Chart