

Ministry of Infrastructure

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September 26, 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 2024-25 priorities for Infrastructure Ontario (IO).

As Chair, you play a vital role in helping IO achieve its mandate. It is important that your agency's goals, objectives, and strategic direction continue to align with our government's priorities and direction. As part of the government of Ontario, IO is 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 directives.

Per the requirements of the Agencies and Appointments Directive, this letter sets out my expectations for IO for 2024-25. These priorities include:

1. Competitiveness, Sustainability and Expenditure Management

- Operating within the agency's financial allocations.
- Identifying and pursuing opportunities for revenue generation, efficiencies and savings through innovative practices, and/or improved program sustainability.
- Complying with applicable direction related to accounting practices and supply chain centralization, including leveraging Supply Ontario's bulk purchasing arrangement and working with Supply Ontario on strategic procurement initiatives.
- Complying with realty interim measures for agency office space.
- Leverage and meet benchmarked outcomes for compensation strategies and directives.

2. Transparency and Accountability

- Abiding by applicable government directives and policies and ensuring transparency and accountability in reporting.
- Adhering to accounting standards and practices, and responding to audit findings, where applicable.
- Identifying appropriate skills, knowledge and experience needed to effectively support the board's role in agency governance and accountability, and providing the Minister with annual skills matrices to ensure boards have qualified appointees.
- Reviewing and updating agency KPIs annually to ensure efficiency, effectiveness and sustainability.

3. Risk Management

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

4. Workforce/Labour Management

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

5. Diversity and Inclusion

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

6. Data Collection, Sharing and Use

- Improving how the agency uses data in decision-making, information sharing and reporting, to inform outcome-based reporting and improve service delivery.
- Increasing data sharing with Supply Ontario when applicable regarding procurement spending and planning, contract arrangements and vendor relations to support data-driven decision-making.

7. Digital Delivery and Customer Service

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

These are the government-wide commitments for board-governed provincial agencies. Please see the attached guide for further details of each priority.

I am also sharing several priorities specific to IO:

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

- In line with my overall direction provided to the agency, continue to support the planning and lead the procurement, as well as the effective and efficient 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.
- Work with the Ministry of Infrastructure (MOI), other partner ministries and Metrolinx with the aim 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 by:
 - continuing 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;
 - working with my ministry and partner ministries to update and implement changes to policies governing approvals, procurement, and delivery of major infrastructure projects; and
 - updating approaches to project cost estimation and project management to reflect evolving market conditions and lessons learned from delivery of other infrastructure projects.
- Ensure full and transparent cost recovery and reporting on all projects, programs and initiatives in support of effective and efficient service delivery.
- In line with my previous and overall direction provided to the agency, continue to work with capital ministries to support the development of delivery model recommendations for major public infrastructure projects. This may include determining the need for IO's support for asset management oversight during the operations and maintenance phase of projects.

- Continue to work with MOI, Treasury Board Secretariat (TBS), 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 provide procurement and delivery advice on ministries' capital requests to Treasury Board / Management Board of Cabinet (TB/MBC).
- Continue to support MOI to identify barriers that may delay construction on major projects.
- Where approved by TB/MBC and directed by me, continue to work with government partners to shape capital projects through:
 - continued involvement in capital planning and prioritization with ministry partners; and
 - continuing to support the development, updating and/or standardization of design templates and other standardization practices to help manage costs and reduce project delivery timelines, and, where applicable, continuing to explore unique construction methods such as modular and/or rapid builds.
- 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.

2. Continuing to develop and manage MOI's land holdings

a. General Real Estate Portfolio (GREP)

- Continue to work to support the development of the MOI 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 GREP.

- Support my ministry in a review of the Broader Public Service (BPS) energy performance contract options to lower the emissions footprint and improve efficiency of provincial real estate assets.
- Continue to support the ministry's Centralization of Broader Real Estate Authority (CBREA) initiative to achieve enhanced business and client outcomes through space utilization, cost and value maximization, and increased operating efficiency, in response to Ontario's Auditor General and multiple third-party reviews. Through this initiative, my ministry is taking the necessary steps to further centralize real estate authority, decision-making and delivery oversight across ministries and entities into MOI to act as one holistic organization to ensure alignment with enterprise-wide objectives.
- Continue to consult on behalf of the ministry with Indigenous communities on proposed ministry realty activities.
- Continue to work with MOI and partner ministries to support the establishment and implementation of MOI's Centre of Realty Excellence (CORE) initiative which includes three foundational pillars: (1) real estate data centralization including creating an improved, streamlined, data collection inventory and process to improve the quantity, integrity and access to data, (2) an audit/challenge function to identify properties with surplus potential, (3) updates to the IO value enhancement model, such as the inclusion of social purpose filters to identify for long-term care and housing.

b. Office Optimization Strategy

- For work delivered under the Office Optimization Strategy, IO should:
 - ensure that for all projects, risks are identified, assessed (including mitigation strategies) and reported to the ministry as part of planning, regular reporting processes and as material risks become known.
 - Provide transparent, accurate and timely reporting of budget/financial forecasting and schedule information for all projects and initiatives, as part of regular reporting processes, and as requested by the ministry.

3. Continuing to deliver the Infrastructure Ontario Loan Program

- Continue to deliver the Loan Program in a manner that aligns with the government's policy goals, existing legislation, and authorities delegated to IO. IO should also 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.

- explore options to leverage the Loan Program and IO's expertise in support of the government's policy priorities while adhering to the current risk appetite parameters.
- IO is to work with MOI to ensure quarterly reporting on the Loan Program.

4. 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 MOI, the Ministry of Transportation and Metrolinx to support the delivery of TOC projects in alignment with TOC program objectives.
- Continue to advise MOI, 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.
- Continue to work with MOI, Metrolinx and Ministry of Transportation to build the new aspects of the GO/LRT program and complete the transfer from Metrolinx to IO.

5. Implementing the redevelopment of Ontario Place

- Continue to work with MOI to implement a phased, multi-partner approach to redevelopment (e.g., commercial negotiations, public engagement, Indigenous consultation, site preparation, statutory and regulatory approvals).
- Continue to work with the MOI, Ministry of Tourism, Culture and Sport and the Ontario Science Centre (OSC) to relocate the OSC to the Ontario Place site, including use of the Cinesphere and pod complex, as well as negotiations with the City of Toronto on plans for the current OSC site, including the current lease and/or future uses of the site.

6. Expanding access to broadband and cellular connectivity

- In line with the *Building Broadband Faster Act*, continue to support the MOI with the implementation of the Accelerated High Speed Internet Program ("AHSIP"), integration of non-AHSIP projects into Broadband One Window ("BOW") and Technical Assistance Team ("TAT") where appropriate, implementation of the Very Last Premise Strategy ("VLPS"), and implementation of building broadband faster legislation and regulations towards the government's commitment to provide high-speed internet access to every community in Ontario by the end of 2025.

7. 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, including the new Skills Development Fund – Capital Stream, in collaboration with the Ministry of Labour, Immigration, Training and Skills Development and MOI.
- Continue to administer the Clean Water and Wastewater Fund in cooperation with MOI until completion of the program.
- Provide advice and services related to realty projects to the broader public sector, specifically school boards (e.g., value enhancement assessments, circulation, and disposition activities, etc.).
- Support MOI in the delivery of the Government's Unsolicited Proposals Framework. As required, IO will support ministries to assess any unsolicited infrastructure proposals and develop recommendations on whether and/or how to proceed to plan, procure, or otherwise transact.

8. Excellence in Governance and Accountability

- Work with MOI to fully collaborate with the agency mandate review process.
- Ensure that the agency provides effective client engagement and timely and accurate information to ministries and MOI to support fulfillment of government priorities.
- Ensure that the agency provides updated and comprehensive risk reporting to MOI each quarter.
- Ensure that the agency implements strategies in future business plans which are directly linked to the specific priorities outlined in this letter.
 - Along with these strategies, IO is expected to develop accompanying robust and clear performance measures, including both outcome and output-based measures, and targets for the upcoming three-years.
 - IO is expected to outline these performance measures and targets in its annual business plan and report on them in the corresponding agency annual report.
- In consultation with MOI, work to improve and implement a skills-based appointments model to operate effectively. This model should include an individually based skills matrix and succession plan.

9. Adhere to Agencies and Appointments Directive (AAD) Requirements

- Ensure that the agency adheres to all mandatory AAD requirements.

- Provide the annual business plan to MOI's Chief Administrative Officer three months prior to the beginning of the agency's fiscal year (January 1, 2024) and submit the final board-approved business plan to the minister no later than one month before the start of the agency's fiscal year (March 1, 2024).
- Submit the board-approved annual report to the minister no later than 120 calendar days after the agency's fiscal year-end (July 31, 2024).

I would be pleased to discuss these priorities during our next meeting, and I look forward to hearing how they will be reflected in the agency's upcoming business plan and in ongoing agency operations.

I thank you and your fellow board members for your continued commitment to IO. Your work and ongoing support is invaluable to me and the people of Ontario.

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

Sincerely,



The Honourable Kinga Surma
Minister of Infrastructure

Attachment:

- Government Priorities for Agency Sector Chart