

Ministry of Infrastructure

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October 2, 2020

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

As you begin planning for the 2021-22 fiscal year, I am pleased to write to you in your capacity as Chair of Infrastructure Ontario (IO) to provide you a letter setting out expectations for the year ahead. Pursuant to the requirements of the Agencies and Appointments Directive, this letter sets out expectations for IO for the 2021-22 fiscal year.

During the 2020-21 fiscal year, IO continued its delivery of major public-private partnerships (P3) projects, seeing three projects achieve substantial completion, five projects reach financial close, and five projects enter procurement. Since its establishment, IO has brought to market over 130 major P3 projects.

IO also supported government transit priorities by developing an innovative Transit Oriented Communities (TOC) approach for the four priority subway lines. IO provided strategic advice to a range of ministries and government agencies throughout the year, outlining how the creation of strategic private-sector partnerships could help deliver public services more efficiently.

The IO lending program continued to provide affordable, long-term financing to public sector clients to assist them in renewing their infrastructure and revitalizing their communities. Last fiscal year, the loan program approved 89 new loans worth approximately \$422 million, bringing the total value of loans approved since the program's establishment to over \$10.8 billion as of March 31, 2020.

IO continued to modernize and enhance the provincial real estate portfolio while reducing the size of its holdings, including continued work to manage the contract for the Macdonald Block Reconstruction Project, to transform the hub of government operations at Queen's Park in Toronto.

During the past year, the agency also assumed new activities, including evaluating unsolicited infrastructure proposals from the private sector under a new government framework.

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 projects. I thank you for your willingness to serve and for the hard work you and the board do on behalf of all Ontarians.

As part of Ontario's government, IO is expected to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. This includes:

1. Competitiveness, Sustainability and Expenditure Management

- operating within IO's budget
- identifying and pursuing opportunities for innovative practices and/or improved program sustainability
- identifying and pursuing efficiencies and savings
- complying with applicable direction related to supply chain centralization, Realty Interim Measures and Agency Office Location Criteria

2. Transparency and Accountability

- maintaining an effective system of internal controls, and compliance in accordance with applicable government policies and directives, to ensure prudent use of public funds in agency operations
- referring to the Memorandum of Understanding between the Minister of Infrastructure and the Chair on behalf of IO, as the primary administrative agreement that reflects the powers, authorities and accountabilities as set out in the applicable statutes, regulations, directives and policies
- adhering to requirements of the Agencies and Appointment Directive, and responding to audit findings, where applicable
- abiding by applicable government directives and policies and ensuring transparency and accountability in reporting
- 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 of risks, including planning for and responding to emergency situations such as COVID-19

4. Workforce Management

- optimizing IO's workforce to enable efficient and effective fulfilment of government priorities while enhancing customer service standards
- streamlining back-office functions to ensure that all available resources are redirected towards the critical front-line services that Ontarians depend upon

5. Data Collection

- supporting the Ministry of Infrastructure (MOI) to improve and expand project data to support evidence-based decision making
- providing MOI with direct access to information systems to populate the Ontario Builds database and achieve the objectives of the Capital Asset Management Future State Modernization initiative
- improving how IO uses data in decision-making, information sharing and reporting, including by leveraging available or new data solutions to inform outcome-based reporting and improve service delivery
- supporting transparency and data sharing with the ministry, as appropriate

6. Digital Delivery and Customer Service

- exploring and implementing digitization or digital modernization strategies for the provision of services online and continuing to meet and exceed customer service standards.
- using a variety of approaches or tools to ensure service delivery in all situations, including COVID-19

IO has a clear track record of innovation and a commitment to partnerships to modernize Ontario's public assets and deliver projects on time and on budget. This expertise is even more critical as the government works to mitigate, adapt and learn from the effects of the ongoing COVID-19 pandemic.

To this end, in addition to these government-wide priorities, I expect IO to deliver on the following key priorities for the 2021-22 fiscal year:

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

- Continue to deliver priority infrastructure projects, transit, highways, healthcare and beyond on the Province's historic public-private partnership (P3) pipeline, including:
 - Supporting the Ministry of Transportation (MTO) and Metrolinx in the delivery of the Province's four priority subway projects in the Greater Toronto and Hamilton Area; and
 - Supporting the Ministry of Health (MOH) and Hospitals in the delivery of priority projects, for example, Prince Edward County Memorial Hospital Redevelopment, Weeneebayko Area Health, Niagara Health System (NHS) South Niagara Hospital Capital Project
- Enhance the P3 model to increase competition and promote innovation in the delivery of major public infrastructure projects as well as deploy a wider set of contracting strategies.
- Continue to drive value over the life of P3 contracts through the operations and maintenance phase when directed.
- Advance the enhanced partnership-based approach, including the Rapid Infrastructure Delivery Model (RIDM) to build on the successful pilots that have already been undertaken.
- Continue to work with the Ministry of Infrastructure (MOI) to examine and understand current market capacity as it related to the delivery of major public infrastructure projects.
- Continue to work with government partners to shape capital projects through
 - continued involvement in capital planning with ministry partners; and
 - initiating, when directed by government, joint development competitions and other forms of innovative procurement approaches that are aimed at specific policy outcomes.

2. Continue to develop innovative commercial solutions for government priorities

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

3. Continue to develop provincial land holdings

- Continue to identify and pursue revenue-generating opportunities and innovative practises supporting the governments' plan to build new, sustainable transit through the implementation of the TOC program.
- Continue to work to support the development of provincial land holdings through: (a) transit-oriented communities (TOC); (b) opportunities like Ontario Place; and (c) thoughtful use of surplus lands for other government priorities like long term care.
- Subject to the Delegation of Authority from the Minister of Government and Consumer Services, investigate land related opportunities for properties within the General Real Estate Portfolio.

4. Support the government response to the COVID-19 pandemic

- Continue to support the government's response to COVID-19, including developing innovative solutions to address critical infrastructure needs.
- Work with MOI, MTO, Metrolinx and other capital ministries to effectively assess and manage financial and scheduling risks to ongoing major projects resulting from COVID-19.
- Support, where directed by government, a provincial realty and infrastructure policy response to assist municipalities who are deeply impaired by the impacts of the pandemic.

5. Continue to deliver the Infrastructure Ontario Loan Program

- Continue to deliver the Loan Program according to the Province's policy goals for the program and continue to engage with current and potential lending partners to ensure that they are aware of eligibility and credit worthiness requirements and steps to obtain a loan, and reporting requirements during loans.
- Advise the ministry on the Loan Program's potential expansion, including working with other organizations, like the Canada Infrastructure Bank, to explore options to expand loans to current ineligible sectors.

6. Provide administrative services on other programs as directed by the Minister of Infrastructure

- Support MOI in the delivery of the Government's Unsolicited Proposals Program. As required, IO will support ministries to assess any unsolicited proposals and develop recommendations on whether to proceed to plan, procurement or transaction.
- Support the expansion of broadband infrastructure and improve connectivity in communities across the Province.
- Administer the Clean Water and Wastewater Fund and Natural Gas Grant program in cooperation with MOI until completion of the programs.
- Support MOI in the ongoing improvement of public infrastructure, project procurement outcomes, and ongoing asset inventory enhancements related to the government's infrastructure.
- Provide advice and services related to realty projects to the broader public sector

7. Engage in continuous refinement of delivering services most effectively and efficiently

- Work with MOI to implement the recommendations of the Ministry review of IO to ensure the most effective and efficient delivery of services that meet government objectives and improve the accountability and transparency of IO's activities.
- Work with government partners to seek full cost recovery on all projects, programs and initiatives going forward as IO moves away from fixed cost engagements.

In addition to the key priorities listed above, IO will continue to deliver its ongoing responsibilities and execute its existing delegation of authority as it relates to government property under the General Real Estate Portfolio as directed and overseen by the Minister of Government and Consumer Services.

I look forward to another year of success through IO's support and ongoing commitment to the province's infrastructure plan to deliver effective and resilient infrastructure projects and advisory services in Ontario.

I thank you and your fellow board members for your continued support and your valuable contributions.

Sincerely,

A handwritten signature in black ink that reads "Laurie Scott". The signature is written in a cursive, flowing style with a long horizontal stroke at the end of the name.

The Honourable Laurie Scott
Minister of Infrastructure