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STANDING COMMITTEE ON PUBLIC ACCOUNTS

REAL ESTATE SERVICES

(SECTION 3.11, 2017 ANNUAL REPORT OF THE OFFICE OF THE AUDITOR GENERAL
OF ONTARIO)

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The Honourable Ted Arnott, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.

Catherine Fife, MPP
Chair of the Committee

Queen's Park
October 2019



**STANDING COMMITTEE ON PUBLIC ACCOUNTS
MEMBERSHIP LIST**

1st Session, 42nd Parliament

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INTRODUCTION

On October 17, 2018, and November 28, 2018, the Standing Committee on Public Accounts held public hearings on the audit of Real Estate Services (Section 3.11 of the Auditor General's *2017 Annual Report*) administered by Infrastructure Ontario and the Ministry of Government and Consumer Services.

The Committee endorses the Auditor's findings and recommendations, and presents its own findings, views, and recommendations in this report. The Committee requests that Infrastructure Ontario (IO) and the Ministry provide the Clerk of the Committee with written responses to the recommendations within 120 calendar days of the tabling of this report with the Speaker of the Legislative Assembly, unless otherwise specified.

ACKNOWLEDGEMENTS

The Committee extends its appreciation to officials from Infrastructure Ontario and the Ministry of Government and Consumer Services. The Committee also acknowledges the assistance provided during the hearings and report-writing deliberations by the Office of the Auditor General, the Clerk of the Committee, and staff in the Legislative Research Service.

BACKGROUND

Under the *Ontario Infrastructure and Lands Corporation Act, 2011 (Act)*, IO is responsible for managing the Province's general real estate portfolio. According to the 2017 audit report, government properties are mainly office space (35% of the rentable square feet within government properties); the rest is special purpose space that includes Ontario Provincial Police (OPP) detachments, detention centres, labs, storage space and courthouses. In total, there are approximately 4,800 buildings managed by IO, 800 of which are vacant. About 77% of the square feet used by government entities is owned by the government; the remaining 23% is leased from third parties.

The average age of all owned buildings is 49 years. Government properties overseen by IO represent about 29% or \$5.5 billion of the total net book value of provincial government land and buildings. IO manages 130,000 acres of land with a book value of \$800 million (or \$0.8 billion). Most of this land consists of hydro corridors; some is vacant land that IO is considering for disposal; and other land is set aside for economic development purposes.

Capital projects consist of new construction, major renovations and rehabilitation of buildings. Infrastructure Ontario has outsourced management of capital projects between \$100,000 and \$10 million to external project managers (with few exceptions). It directly manages those that are between \$10 million and \$100 million. Projects over \$100 million are handled under the Alternative Financing and Procurement model (AFP). In total, 9% of government properties is procured through Alternative Financing and Procurement, including most hospitals.

AUDIT OBJECTIVES AND SCOPE

The Auditor General's audit assessed whether the real estate division of Infrastructure Ontario has effective systems and procedures in place to ensure that

- a) real estate assets are acquired, managed, and disposed of with due regard for economy and the public interest;
- b) the accommodation requirements of government ministries and agencies are met in a cost-effective and timely manner;
- c) its Alternative Financing and Procurement arrangements support cost-effective management of maintenance in buildings in the government and the broader public sector; and
- d) its performance is sufficiently and appropriately measured and reported on to allow for meaningful assessment of its activities.

MAIN POINTS OF AUDIT

The audit concluded that:

Infrastructure Ontario could maintain government properties more cost-effectively by better overseeing the companies that it has engaged to provide most capital repair and property management services to ensure costs for capital repairs and property management services are reasonable and projects are completed on time. As well, existing government properties could be used more efficiently, with people occupying less space per person. The agreement between Infrastructure Ontario and the Ministry of Infrastructure needs better performance standards to incentivize Infrastructure Ontario to manage and maintain government properties more cost-effectively.

The audit also found that the Alternative Financing and Procurement maintenance framework often did not support the cost-effective management of building maintenance in hospitals that was intended when the arrangements were structured.

ISSUES RAISED IN THE AUDIT AND BEFORE THE COMMITTEE

Significant issues were raised in the audit and before the Committee.

The Committee considers the following issues to be of particular importance.

In June 2018, the Ministry of Government and Consumer Services (Ministry) assumed responsibility for the General Real Estate Portfolio (GREP) consisting of office space currently in active use by the Ontario Public Service as well as vacant and decommissioned special-purpose properties; jails, courthouses, and other similar facilities. Infrastructure Ontario (IO) is responsible for the operational management of the GREP.

Representatives from IO provided updated figures indicating that as of March 2018, IO manages approximately 121,000 acres of land and 4,700 buildings and structures with an average age of 52 years old. The total maintenance cost is \$1.2 billion annually. The Ministry and IO told the Committee they are currently making progress on all 13 of the Auditor General's recommendations.

Infrastructure Ontario told the Committee it has four procurement methods:

a) Public-Private Partnership (P3) Project Delivery

The P3 model is used for projects typically greater than \$100 million.

b) Traditional Project Delivery

Traditional project delivery is used for projects costing up to \$100 million.

c) Project Management Service Provider (PMSP)

The PMSP model is used for projects costing between \$100,000 and \$10 million. IO has divided Ontario into two regions (also known as zones). There is one PMSP contractor for each of these two regions. These two PMSP contractors in turn hire general contractors using IO's vendor-of-record (VOR) arrangement to run competitive one-stage procurements.

d) Property and Land Management Service Provider (PLMSP)

The PLMSP model is used for projects costing less than \$100,000. PLMSPs use a VOR arrangement to manage and maintain competitive one-stage procurements. One contractor across the province is responsible for the subcontracting of everyday property management tasks such as cleaning, security and landscaping.

Infrastructure Ontario's external project managers use Biddingo (an online bidding platform service that offers automatic vendor rotation) to select vendors to bid on client ministry and agency capital projects. Vendors must be selected from IO's vendors of record for general contractors, architects, interior designers and engineering consultants. IO explained to the Committee that it renews its VOR arrangement on an annual basis by issuing a request-for-proposal (RFP). Property Management Service Providers charge a fee of 3% to 10% on the contract price (depending on location and size).

Project Management Services

The Auditor found IO garnered limited competition for the management services of capital projects worth \$900 million over five years. Of the two PMSP companies that IO chose to procure services from, one project management company had performed poorly in its previous contract.

The Committee asked IO about its plans to encourage more project management companies to bid on management services for capital projects. IO explained that it interacts with potential participants through a market sounding to alert the market of upcoming projects and receive feedback on market status. In the most recent market sounding the number of project management companies expressing interest decreased from 10 to three after the companies realized the complexity of IO's portfolio. IO stated that the next time it opens the RFP process it is confident it will have more interest from companies.

Before setting the requirements for the 2014 RFP, IO hired a consultant to report on best approaches for outsourcing project management services and assessing market interest. The consultant noted that other approaches to outsourcing (different from those used by IO) could have resulted in more bids. IO told the Committee it will review the use of a two-zone system before the 2019 RFP. The Committee expressed concern about the use of only two zones for the entirety of Ontario and encouraged IO to explore options to increase competition.

The Committee asked IO about its progress in implementing standardized Project Management Service Provider penalty provisions in contracts and incorporating an assessment of a vendor's past performance when awarding contracts. IO told the Committee that it signed five-year contracts with PMSP vendors in 2014 so it has not made significant changes since the Auditor General's audit. IO explained that PMSPs did face penalty provisions that were dependent on the risk assessment of each provider: one vendor faced a 25% fee-at-risk provision and the other, a 45% fee-at-risk provision, meaning that up to those percentages of the fee owed could be withheld by IO in the event of unsatisfactory project completion. IO noted that it will consider standardizing contract performance penalties and increasing how much of a vendor's fee is at risk for the 2019 RFP process. IO committed to three improvements to the next generation of contracts:

- better analysis of the data on service providers' procurements (procurements of their vendors/contractors);
- more stringent audits on service providers to make sure that the bids can be actualized; and
- examination of vendor performance and how vendors score on key performance indicators (KPIs).

IO explained that it uses a demerit system to penalize poor performance by a vendor/contractor. Since 2015, PMSPs have hired vendors/contractors, and their performance is scored on every single project for lateness, changes, and poor quality, and this affects their ability to win future bids. If a vendor/contractor earns multiple demerit points, those points can affect the vendor's/contractor's ability to

qualify for bids. IO noted that various issues, particularly those related to safety concerns, could result in a vendor's/contractor's disqualification from bidding.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

- 1. Infrastructure Ontario should review its procurement process for project management services with the objective of increasing competition by**
 - a) conducting a cross-jurisdictional scan of procurement practices in similarly sized jurisdictions;**
 - b) exploring all the proposals outlined in a 2014 consultant's report for the best approaches for outsourcing project management services; and**
 - c) consulting with small to medium-sized businesses to understand their barriers to bidding on Project Management Service Provider contracts.**
- 2. Infrastructure Ontario should standardize the Project Management Service Provider (PMSP) deduction regime for all future RFPs for PMSP contracts.**
- 3. Infrastructure Ontario should implement a method to incorporate a Project Management Service Provider's (PMSP's) past performance into the future procurement of PMSPs and determine appropriate technical requirements for being awarded future PMSP contracts.**

Oversight of Procurements Conducted by External Project Managers

From fiscal year 2011/12 to fiscal year 2016/17, IO spent over \$1 billion on procurement for capital projects. The audit found that IO failed to obtain key information on procurements performed by external project managers, such as the number of bids on each procurement and evaluations of vendor submissions. The Committee heard that IO continues to monitor various performance indicators and best practices to provide value-for-money to Ontario. In response to the audit, IO has implemented enhanced auditing of its project management procurements, improved controls on the vendors of record, and confirmed that all the vendors of record are qualified bidders. IO stated when the Property Management Service Provider and Property and Land Management Service Provider contracts expire, it will incorporate lessons learned and recommendations from the Auditor's report into the next procurement process.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 4. Infrastructure Ontario should continuously monitor and collect information on procurements conducted by external project managers and analyze data to ensure the procurement process functions as intended.**

Awarding Projects to Vendors

The audit found that IO allowed external project managers to manually add vendors contrary to the usual vendor rotation process (instead of exclusively relying on the automatic generator Biddingo). From the fiscal years 2013/14 to 2016/17 vendors were added for 321 projects and nearly half of these projects (totalling \$48.6 million) were awarded to vendors that were manually added.

The Committee asked IO about controls it has implemented to limit project managers from manually adding outside vendors. IO told the Committee that a vendor could be added to the list if the vendor was particularly well-suited for a project, for example, if the vendor was familiar with the building as a result of previous work done there or if the vendor was located geographically closer to the project (particularly in northern Ontario) than others. In response to the audit's findings, IO increased controls for the administration and design of the procurement invitation process to ensure sufficient competition for procurements. In addition, IO stated it implemented changes to the procurement invitation process to require that manual additions be approved; firms automatically generated for inclusion be included; and a company's proximity to the job site be considered.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 5. Infrastructure Ontario should**
 - a) collect information on the total number of and reasons for manual adds (manually invoked firms) to the vendor of record to determine any trends that suggest non-cost-effective procurement practices; and**
 - b) use the information collected on manual adds to improve its procurement practices to ensure a competitive and economically sound process.**

Measures to Hold External Project Managers Accountable

The audit found that a project's cost varied greatly from the initial budget estimate to the final cost and that external project managers receive less performance pay if they underspend by more than 5% of the total amount IO allocates for projects to be spent by the end of the fiscal year. The Committee asked several questions regarding IO's ability to reliably predict costs.

IO stated it uses project cost estimates to prioritize projects and ensure a project stays on budget. The Committee asked why, in some cases, a project's initial cost estimate and final cost drastically differ. IO explained the difference is due, in part, to comparing the initial scoping of the project before the project is bid on, finalized, or approved to the final cost. The Auditor found that on a project-by-project basis actual costs varied by over 20%. The Committee asked IO why this was the case. IO responded there are several factors including the condition of a building. Questions arose regarding the pre- and post-tender costs and the actual costs for a project. IO told the Committee the price variance between the post-tender estimate and actual cost is within the industry standard of 5% to 10%, on a project-by-project basis. To improve its initial project costing, IO stated it needs to build stronger capacity to conduct in-house cost-estimation and has hired quantity surveyors and cost estimators to address this issue. The Committee continued to express concern regarding IO's cost estimation process.

The Committee asked why IO penalizes external project managers if they underspend by more than 5% of the total amount allocated. IO responded that this penalty only applies at the program level, not the project level. IO stated it is important to be within a range to ensure funds were budgeted appropriately and to incentivize external project managers to undertake another project.

The Committee also asked how IO is going to assess future contracts and increase incentives to keep projects on track if external project managers are able to revise their completion dates without cause. IO stated it has put into effect a more robust program to understand when and why project managers change completion dates.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 6. Infrastructure Ontario should improve capital project planning by**
 - a) working with the Property and Land Management Service Provider and with Project Management Service Providers to improve project cost estimates;**
 - b) reviewing best practices to incentivize project managers to complete projects on time and on budget;**
 - c) verifying external project managers' reasons for revising completion dates are valid; and**
 - d) assessing whether initial budget estimates are reliable for prioritizing projects.**

Information on Operating and Maintenance Services

The audit found that 2007 operating and maintenance agreements between IO and client ministries/agencies, which outlined services including snow removal, cleaning, and security, expired in 2015. The audit also found that invoices from external Property and Land Managers did not provide a breakdown of the services provided. As a result, many ministries were uncertain during the audit if

they were receiving the correct amount and type of services. The Committee asked IO how the contracts expired without being renewed. IO told the Committee all agreements were in place in 2015 but the level of transparency varied by ministry. IO added that it is working with the chief administrative officers and ministries to improve the transparency of services provided for each building. IO explained it is now using Geoportal, a program which allows ministries to review what services are delivered and allows ministries to adjust their invoices accordingly.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 7. Infrastructure Ontario should support the effective use of operating and maintenance service contracts for ministries and agencies by**
 - a) renewing any expired operating and maintenance service agreements;**
 - b) ensuring that all ministries and agencies have the information they need on the services provided under the operating and maintenance service contracts; and**
 - c) monitoring and reviewing on an ongoing basis significant increases in operating and maintenance costs to drive efficiencies.**

Deferred Maintenance

The audit found that base rents charged by Infrastructure Ontario to Ministries for about 90% of rentable square feet of government-owned properties have been unchanged since 1998. Also, over the past six years, IO has used \$201.7 million of base rent to fund its operating costs. The Auditor concluded that this contributed to a funding deficit resulting in an increasing amount of deferred maintenance on government-owned buildings. The Committee asked about the current estimated amount of deferred maintenance and about IO's plans to reduce the maintenance backlog. IO told the Committee that the current estimated deferred maintenance value is \$1 billion (\$500 million of which is related to the Queen's Park Reconstruction Project). IO noted that it is currently undertaking a review of the realty operating model and its associated financial costs. The Ministry told the Committee it will present a different realty model, which includes an increase to base rents, to the government for the next fiscal year.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

- 8. The Ministry of Government and Consumer Services and Infrastructure Ontario should update the base rents, incorporating a portion to be used to address the deferred maintenance.**
- 9. The Ministry of Government and Consumer Services and Infrastructure Ontario should implement a plan to further reduce deferred maintenance in government-owned buildings.**

Efficient Use of Government Buildings

The audit found the Ministry has not set a deadline for Infrastructure Ontario to follow the Ministry's standard of providing 180 rentable square feet for each person occupying office space in order to minimize the footprint of government properties. IO told the Committee that since 2012 it has reduced office space usage from 411 rentable square feet to 280 rentable square feet per person. IO explained that it prepares a Real Estate Options Analysis for existing lease expiries and new space requests.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 10. The Ministry of Government and Consumer Services should set a reasonable timeline for reducing office space usage in government properties to 180 rentable square feet per person.**

Cost of Vacant Buildings

The Auditor stated that almost \$19 million was spent in fiscal 2016/17 on operating and maintaining 812 vacant buildings. The Committee asked for an update about the number of vacant properties and IO's divestment plan. IO explained its approach to vacant buildings depends on their location and status: vacant buildings can be on surplus properties or vacant buildings can be on active properties. As of March 2018, IO stated it has 424 vacant buildings: 231 are on the surplus properties part of the divestment plan and 193 are vacant buildings on lands not yet declared surplus. The cost of the vacant properties as of March 2018 is just under \$15 million. IO told the Committee that it has performed a thorough review of vacant properties, including a data-integrity review of inventory and asked ministries if properties are still in use.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

11. Infrastructure Ontario should continue to reduce the costs associated with maintaining vacant buildings by

- a) following a current divestment plan approved by the Government for all vacant buildings intended for disposal; and**
- b) consistently tracking building vacancy data.**

Accessibility of Properties

The Auditor found that IO had not assessed the accessibility of its current properties. In 2016/17 IO informed the Ministry that it did not have the funds to support the 2025 accessibility provisions under the *Accessibility for Ontarians with Disabilities Act, 2005* (AODA).

The Committee asked about IO's progress in ensuring compliance with the AODA by 2025. The Ministry told the Committee new builds are fully in compliance with all standards of accessibility and that any renovation or major repair work also meets the standards.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

12. Infrastructure Ontario, in conjunction with the Ministry of Government and Consumer Services, in order to comply with AODA, should

- a) assess the current level of accessibility of government properties;**
- b) review and prioritize properties for potential and future investment to improve accessibility; and**
- c) execute based on an approved and funded government plan.**

Cost of Managing Government Properties

The audit found that the Ministry had not assessed the true cost of efficiently and economically managing government properties or whether cost increases incurred by IO are reasonable and necessary. The Ministry stated a third-party completed a review of the Realty Model operating funding model in 2017/18 and this will be used to inform proposed changes to the operating and financial model.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 13. The Ministry of Government and Consumer Services should review the operating model for government properties, including exploring different delivery options, which transfer responsibility from Project Management Service Providers to the Ministry.**

Alternative Financing and Procurement – Hospital Maintenance

The Auditor found that Alternative Financing and Procurement (AFP) agreements have not been structured to cover all of hospitals' maintenance work. At the time of the audit, any work not originally included in the AFP agreements was categorized as a variation and paid in addition to the original annual AFP payments.

The Committee asked why AFP agreements did not include hospitals' maintenance costs and asked what changes IO has made since the Auditor's report to minimize costs to hospitals. In response, IO stated it completed a review of the variation schedule of the AFP agreement and implemented changes for all projects intended to limit the cost of variations and reduce disputes. It has also established a support team to work with hospitals in the maintenance period to assist with contracts and services. The Committee asked how IO plans to handle the problem of availability failures (when an asset is not available for the purpose it was designed for) or service failures (when something is not working). IO told the Committee it went through its agreements and clarified what falls under availability or service failures. It has also developed a training program to assist hospitals in understanding contractual tools at their disposal.

Committee Recommendations

The Standing Committee on Public Accounts recommends that:

- 14. Infrastructure Ontario should improve how variations (i.e., work not originally included in the Alternative Financing and Procurement (AFP) agreement) are handled and reduce the risk for hospitals to use outside vendors in all future AFP agreements.**
- 15. Infrastructure Ontario should clearly define contractors' responsibilities and types of failures, especially availability failures, during the maintenance phase of all future Alternative Financing and Procurement agreements.**
- 16. Infrastructure Ontario should**
 - a) be mandated to support public-private partnership (P3) hospital clients for the duration of the P3 agreement (including during the dispute resolution process), taking into account feedback provided by hospitals and other P3 assets; and**
 - b) ensure the terms of future P3 agreements minimize contract disputes.**

Alternative Financing and Procurement – Contracts

The Auditor found that IO had not considered private-sector companies' disputes with project owners during the maintenance phase of existing Alternative Financing and Procurement projects. As a result, poorly performing companies have been awarded additional contracts under public-private partnership (P3) contracts.

The Committee asked about the extent to which a contractor's past performance should matter. IO said that it implemented a vendor performance program for contractors in 2017. In the vendor performance program, companies currently incur demerit points during the construction period but not for maintenance-period disputes. The performance program scores contractors building projects for IO using an objective set of criteria. This score influences the contractor's ability to qualify to build the next project. IO told the Committee that it is currently working on this aspect of its approximately 15-year-old program by gathering evidence and then by trying to evaluate performance.

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

17. Infrastructure Ontario should

- a) implement a formal evaluation program to assess private-sector companies' performance during the public-private partnerships' (P3s') maintenance periods in existing and future P3 agreements; and**
- b) consider this when awarding future contracts.**

Alternative Financing and Procurement – Funding Shortfalls

The audit found four hospitals with AFP agreements have either requested additional funding from the Ministry of Health and Long-Term Care or informed the Auditor that they had experienced a funding shortfall, but had not made a request for additional funding from the Ministry.

The Ministry noted it conducted an analysis of facility maintenance costs, which found hospitals funded below the average were provided base funding to bring them up to the average funding to all Design-Build-Finance-Maintain hospitals through a Post Construction Operating Plan.

Alternative Financing and Procurement – Project Risks

Committee Recommendation

The Standing Committee on Public Accounts recommends that:

- 18. Infrastructure Ontario should ensure that private-public partnership (P3) contracts and procurement processes include stronger provisions to prevent risks and costs that are assigned to a contractor from being shifted back onto the public, including in cases where a contractor faces financial insolvency or is otherwise unable or unwilling to meet contractual obligations.**

CONSOLIDATED LIST OF COMMITTEE RECOMMENDATIONS

- 1. Infrastructure Ontario should review its procurement process for project management services with the objective of increasing competition by**
 - a) conducting a cross-jurisdictional scan of procurement practices in similarly sized jurisdictions;**
 - b) exploring all the proposals outlined in a 2014 consultant's report for the best approaches for outsourcing project management services; and**
 - c) consulting with small to medium-sized businesses to understand their barriers to bidding on Project Management Service Provider contracts.**
- 2. Infrastructure Ontario should standardize the Project Management Service Provider (PMSP) deduction regime for all future RFPs for PMSP contracts.**
- 3. Infrastructure Ontario should implement a method to incorporate a Project Management Service Provider's (PMSP's) past performance into the future procurement of PMSPs and determine appropriate technical requirements for being awarded future PMSP contracts.**
- 4. Infrastructure Ontario should continuously monitor and collect information on procurements conducted by external project managers and analyze data to ensure the procurement process functions as intended.**
- 5. Infrastructure Ontario should**
 - a) collect information on the total number of and reasons for manual adds (manually invoked firms) to the vendor of record to determine any trends that suggest non-cost-effective procurement practices; and**
 - b) use the information collected on manual adds to improve its procurement practices to ensure a competitive and economically sound process.**
- 6. Infrastructure Ontario should improve capital project planning by**
 - a) working with the Property and Land Management Service Provider and with Project Management Service Providers to improve project cost estimates;**
 - b) reviewing best practices to incentivize project managers to complete projects on time and on budget;**
 - c) verifying external project managers' reasons for revising completion dates are valid; and**

- d) **assessing whether initial budget estimates are reliable for prioritizing projects.**
- 7. Infrastructure Ontario should support the effective use of operating and maintenance service contracts for ministries and agencies by**
 - a) **renewing any expired operating and maintenance service agreements;**
 - b) **ensuring that all ministries and agencies have the information they need on the services provided under the operating and maintenance service contracts; and**
 - c) **monitoring and reviewing on an ongoing basis significant increases in operating and maintenance costs to drive efficiencies.**
- 8. The Ministry of Government and Consumer Services and Infrastructure Ontario should update the base rents, incorporating a portion to be used to address the deferred maintenance.**
- 9. The Ministry of Government and Consumer Services and Infrastructure Ontario should implement a plan to further reduce deferred maintenance in government-owned buildings.**
- 10. The Ministry of Government and Consumer Services should set a reasonable timeline for reducing office space usage in government properties to 180 rentable square feet per person.**
- 11. Infrastructure Ontario should continue to reduce the costs associated with maintaining vacant buildings by**
 - a) **following a current divestment plan approved by the Government for all vacant buildings intended for disposal; and**
 - b) **consistently tracking building vacancy data.**
- 12. Infrastructure Ontario, in conjunction with the Ministry of Government and Consumer Services, in order to comply with AODA, should**
 - a) **assess the current level of accessibility of government properties;**
 - b) **review and prioritize properties for potential and future investment to improve accessibility; and**
 - c) **execute based on an approved and funded government plan.**
- 13. The Ministry of Government and Consumer Services should review the operating model for government properties, including exploring**

different delivery options, which transfer responsibility from Project Management Service Providers to the Ministry.

14. Infrastructure Ontario should improve how variations (i.e., work not originally included in the Alternative Financing and Procurement (AFP) agreement) are handled and reduce the risk for hospitals to use outside vendors in all future AFP agreements.
15. Infrastructure Ontario should clearly define contractors' responsibilities and types of failures, especially availability failures, during the maintenance phase of all future Alternative Financing and Procurement agreements.
16. Infrastructure Ontario should
 - a) be mandated to support public-private partnership (P3) hospital clients for the duration of the P3 agreement (including during the dispute resolution process), taking into account feedback provided by hospitals and other P3 assets; and
 - b) ensure the terms of future P3 agreements minimize contract disputes.
17. Infrastructure Ontario should
 - a) implement a formal evaluation program to assess private-sector companies' performance during the public-private partnerships' (P3s') maintenance periods in existing and future P3 agreements; and
 - b) consider this when awarding future contracts.
18. Infrastructure Ontario should ensure that private-public partnership (P3) contracts and procurement processes include stronger provisions to prevent risks and costs that are assigned to a contractor from being shifted back onto the public, including in cases where a contractor faces financial insolvency or is otherwise unable or unwilling to meet contractual obligations.