BUSINESS SECTOR STRATEGY: NOT-FOR-PROFIT SECTOR

Created with:
ONTARIO NONPROFIT NETWORK

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Ontario’s Business Sector Strategy

One of the ways Open for Business is implementing a new relationship with business is through the Ontario Business Sector Strategy, which establishes an open dialogue and collaborative relationship between government and key business stakeholders.

Under the strategy, sector representatives are asked to identify five priorities under jurisdiction of the provincial government that would strengthen their sector’s success. Ministries have two months to address these priorities, or explain why they cannot be addressed and deliver alternative solutions. This joint understanding of priorities allows government and the business sector to work together more effectively to generate economic growth, create jobs for Ontario families, and protect the public interest.

Open for Business is responsible for working with ministries to ensure progress and resolution of each sector’s issues within appropriate timelines.

Not-for-Profit Sector

The Not-for-Profit (NFP) sector is one of the most diverse economic sectors, affecting the lives of every Ontarian through social services, the arts, sports and recreation, environmental conservation, faith groups, and community health services.

Ontario’s 46,000+ NFP organizations employ about one million people, 15% of Ontario’s total workforce, and have an economic impact of nearly $50 billion. This represents more than 7.1% of Ontario’s GDP—greater than the automobile and construction industries combined. More than 5 million Ontarians donate over 820 million hours of their time volunteering every year, valued at the equivalent of 400,000 full-time jobs. Volunteers and NFP organizations have a fundamental impact on Ontario’s quality of life and the social well-being of the province, which plays a critical role in attracting new investment and jobs to communities by providing strong recreational, cultural and social infrastructure.

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**Open for Business** is Ontario’s initiative to create faster, smarter and streamlined government-to-business services and to establish a modern system of government. It’s a key part of the Ontario government’s commitment to make the Province more attractive to business while continuing to protect the public interest.

Open for Business has three key areas of focus:

- **Modern Government** – create a streamlined and focused regulatory environment that delivers results for business, while protecting public interest

- **Modern Services** – deliver better products, including service standards that support business needs

- **New Relationship with Business** – create an open and responsive working relationship between business and government
During the business sector strategy process, the sector was represented by the Ontario Nonprofit Network (ONN), a non-partisan voice, communication broker and capacity builder for NFPs in Ontario. It was founded over three years ago to coordinate the sector’s response to the Not-For-Profit Corporations Act.

**The Partnership Project**

In spring 2010, former Minister of Citizenship and Immigration, Dr. Eric Hoskins, and Helen Burstyn, then Chair of the Ontario Trillium Foundation, were appointed by the Premier to co-chair The Partnership Project, a unique collaboration between the Ministry of Citizenship and Immigration and the Ontario Trillium Foundation. The project sought advice and ideas on ways to renew, streamline and modernize the relationship between the government and Ontario’s NFP sector. The project focused on structural models, funding mechanisms, sustainability, and better methods of coordinating policy, research, and communications. From May to December 2010, the Partnership Project conducted extensive consultations within the sector, including 18 roundtables (involving more than 340 organizations), online engagement activities as well as a survey completed by 456 senior sector leaders. On March 3, 2011 the Partnership Project Report was released and immediately adopted as the Ontario Government’s vision/policy for working with the NFP sector. Key recommendations included:

- Promote a culture of respect and recognition of the sector’s importance both within government and across the province.
- Provide the NFP sector with an identifiable, central and authoritative point of contact within government.
- Build sector capacity and foster collaboration and coordination.
- Address the funding, operational and capacity challenges facing NFP organizations by streamlining and modernizing the funding relationship with all ministries in the Ontario government, based on ‘Open for Business’ consultations like those implemented with the NFP sector.
- Support new ways of reinvigorating Ontario’s tradition of volunteerism.
- Leverage technology to break down silos, increase transparency, and share information.
- Invest in social innovation. Identify new resources and vehicles for encouraging innovation and collaboration with the NFP sector.
- Make social financing available to the sector and identify new vehicles to encourage innovation.

**The Not-for-Profit Sector and Ontario’s Business Sector Strategy**

The Business Sector Strategy process between the NFP sector and the Government of Ontario began with an initial listening session between the sector and several ministries in August of 2011. This session helped both the sector and the government explore potential priority issues that could be addressed through the Business Sector Strategy process. Following several months of further consultation, the formal kick-off roundtable was held at the Ontario Investment and Trade Centre on March 26, 2012. The roundtable brought together senior political staff, deputy ministers, assistant deputy ministers and staff from key ministries to hear sector representatives present their five priorities. In his opening remarks, Minister of Economic Development and Innovation Brad Duguid informed sector leaders that the NFP sector is an integral part of our economy, and that he is confident the Business Sector Strategy “will deliver results that will provide financial and time savings to the Not-for-Profit sector.”

And, 70 days later, deputy ministers from the Ministries of Citizenship and Immigration; Economic Development and Innovation; Infrastructure; the Ontario Commissioner for Community Safety; and an assistant deputy minister from Government Services presented solutions that clearly demonstrated how the Business Sector Strategy process works to deliver quick, responsive and tangible results. In the words of ONN Co-Chair, Jini Stolk, the process has been “an historic opportunity, and the results prove that’s the case.”
Executive Summary

ONN’s Five Priorities

1. **PRIORITY 1:** Streamlining and Modernizing Government Funding and Strengthening the Funding Relationship

   Overly onerous application and accountability procedures present serious challenges to NFP organizations. Thirteen Ontario ministries manage service contracts and/or grant streams or granting relationships with NFP organizations; however, across or even within ministries, different funding administrative and accountability practices, procedures and policies are often employed. Ontario’s funding practices and processes have become overly rule bound and risk averse, without necessarily improving accountability and results for citizens and communities. ONN recommends that the Ministry of Citizenship and Immigration, in collaboration with the Ontario Trillium Foundation, convene a working group to provide the Government of Ontario with advice on streamlining and modernizing the government investment/funding relationship and processes.

2. **PRIORITY 2:** Police Records Check

   Volunteers are an essential resource for the sector; however, increasingly volunteer roles carry responsibilities that require NFP organizations to follow more stringent screening protocols. Police records checks are an integral part of strong screening and risk management practices as well as an important step in ensuring service quality for communities. It is important that NFP organizations understand police records check practices and the legal requirements that relate to the screening of volunteers and staff. ONN recommends that Ontario draft a single authoritative statement on the provincial legislative and regulatory requirements for police records checks to act as a basic guideline for NFP organizations in developing and managing appropriate and effective screening practices.

3. **PRIORITY 3:** Expansion of the Infrastructure Ontario Loan Program to the Not-for-Profit Sector

   The Infrastructure Ontario Loan Program provides access to capital financing to eligible public sector and NFP subsectors for infrastructure projects where they would be unable to do so through traditional channels. In July 2011, the Minister of Infrastructure announced the expansion of the Infrastructure Ontario Loan Program to include several segments of the NFP sector, including community health and social service hubs, (including Aboriginal Health Access Centres) and sports and recreational organizations. However, several areas of the sector still cannot access this program. ONN recommends the Infrastructure Ontario Loan Program be further expanded to all charitable, non-profit and cooperative organizations providing public benefit.
PRIORITY 4: Maximising Public Investment Returns for Government Surplus Lands

The Ontario Government has extensive property holdings that from time to time become surplus for internal government use. A selling process for public lands that considers both the market price and future public benefit (social and financial) for redevelopment of public assets is in the best long term interest of Ontarians. ONN recommends that Infrastructure Ontario and appropriate ministries develop and maintain a database of eligible public benefit organizations and key criteria for land and building acquisition. Where public benefit organizations indicate an interest in a site, six months advance notice of the issuance of a Request for Proposals (RFP) for the site should be given. The RFP process for the sale of surplus land should also have a weighted point system for assessing proposals, which would include consideration of long-term public benefit.

PRIORITY 5: Broader Public Sector Access to Provincial Vendor of Record

Entities within Ontario’s broader public sector have traditionally had the ability to access several of Ontario’s enterprise-wide Vendor of Record (VOR) arrangements. However, feedback from organizations within the NFP sector receiving provincial funding has indicated that there are substantial obstacles that prevent organizations from accessing the system including a lack of awareness of the opportunity within the sector, within the government and with vendors. ONN feedback indicates that there is also no clear definition for “major transfer payment recipient,” which results in inconsistencies in organizations being granted VOR access. ONN recommends that a clear and consistent definition of “major transfer payment recipient” be established. All ministries who enter into contribution agreements with the sector should be made aware of eligibility requirements for VOR access and should provide the designation consistently. Seminars and other forms of training should be offered to help the broader public sector and ministries understand the opportunity.
Executive Summary
Government Response to ONN’s Five Priorities

PRIORITY 1: Streamlining and Modernizing Government Funding and Strengthening the Funding Relationship

By summer 2012, the Ministry of Citizenship and Immigration will establish a Joint Funding Reform Working Group (JFRWG), made up of senior representatives of nine government ministries and an equal number of sector representatives, which will investigate both short and longer term opportunities for reforming Ontario’s funding system. The work of the JFRWG will be based on six guiding principles that aim to move the funding relationship towards implementing more risk based, outcome focused, transparent, and efficient investment processes across government. The sector and the Ministry of Citizenship and Immigration have already identified six short term reforms which they hope to implement by 2013-2014. The JFRWG will also work on implementing broader reforms in the longer term. The Deputy Minister of the Ministry of Citizenship and Immigration will report on the action and results of the working group to the Minister of Citizenship and Immigration as well as the Secretary of Cabinet, and to Open for Business as a government priority. Funding reform will benefit the sector by simplifying and streamlining funding/investment processes, allowing sector management to focus more time and resources on program design, delivery and outcomes.

PRIORITY 2: Police Records Check

By summer 2012, the Ministries of Community Safety and Correctional Services and Citizenship and Immigration, in consultation with ONN, will draft a statement referencing provincial legislative and regulatory requirements for police records checks. The statement will be an educational tool for the sector and ministries. The Ministry of Community Safety and Correctional Services will also work with the Ministry of Citizenship and Immigration to draft and compile additional plain language materials to assist the NFP sector’s screening activities. These resources and the statement will be posted on a website hosted by the Ministry of Citizenship and Immigration. These outcomes will provide the sector with consistent information on provincial government requirements regarding police checks and will enhance the appropriate and effective use of police records checks in the screening process.

PRIORITY 3: Expansion of the Infrastructure Ontario Loan Program to the Not-for-Profit Sector

By summer 2012, the Ministry of Infrastructure and Infrastructure Ontario will form a Joint Working Group with sector representatives to conduct a review of the challenges faced by currently eligible borrowers and propose solutions. At the same time, the Joint Working Group will identify additional NFP subsectors that the government could consider for timely inclusion in the program. The Joint Working Group will also identify facilitator organizations and develop strategies that can help eligible organizations prepare successful applications and business plans. Following the recommendations of working group, a proposal for the expansion of the program will be put forward to for the government’s consideration in late 2012 or early 2013.
**PRIORITY 4: Maximising Public Investment Returns for Government Surplus Lands**

Subject to government direction and approval, the Ministry of Infrastructure will seek the inclusion of “not-for-profit corporations without share capital that provide a public benefit purpose” in the list of entities that receive circulation of surplus government lands prior to the lands being placed on the open market for sale at market value. Eligible NFP corporations would have the same timeline that currently eligible entities (municipalities, public utilities, etc.) have in which to indicate an interest in a property. Properties are to be sold at the market rate. By July 2012, a working group will be formed to develop a process for the circulation of surplus lands, including the creation of a registry of eligible organizations to be developed and maintained by ONN.

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**PRIORITY 5: Broader Public Sector Access to Provincial Vendor of Record**

The Ministry of Government Services will remove the requirement to meet any definition of “major transfer payment recipient” and instead implement a comprehensive risk-based framework to open up access to VOR for transfer payment entities, restricting access only on an exceptional basis. These steps will help some NFPs realize substantial cost savings which can be reinvested in other organizational priority areas. The new process will be launched by fall 2012.
Priority 1
Streamlining and Modernizing the Funding Relationship

Ontario has 13 different ministries managing service contracts and/or granting relationships with NFP organizations. Across and even within ministries different funding administrative and accountability practices, procedures and policies are employed. This consumes excessive staff time in the delivery organizations as well as the various ministries. The provincial government’s funding practices and processes have become overly rule bound, risk averse and output focused, without necessarily strengthening accountability and results for citizens and communities.

A new and important stage of agreement is in the works to address not just problems with funding practices and processes, but approaches to solutions. For example, the Commission on the Reform of Ontario’s Public Services calls for systemic reform in the government/NFP sector relationship. The Commission’s Report echoes recommendations from the Partnership Project, each with the goal of reducing the administrative burden for the sector. The report also calls for moving towards an investment model, focused on outcomes, rather than a purchase of service model based on outputs. Tangible funding reforms will free up NFP staff and volunteers to work more effectively in communities at a time when innovative, community-driven solutions are most needed.

ONN Recommends: During the Open For Business working period, the Ministry of Citizenship and Immigration in collaboration with the Ontario Trillium Foundation, convene a working group to provide the Government of Ontario with advice on streamlining and modernizing government funding/investment processes, and on improving the funding/investment relationship between the government and the NFP sector.

The working group will scope out:
• Principles to guide the modernization of the government/sector funding/investment relationship.
• Opportunities for streamlining and modernizing the government’s funding/investment practices and processes, including where short and longer-term gains for tangible improvements exist.
• The structure and terms of reference for a longer-term Funding/Investment Task Force to address the systemic ways in which government and the NFP sector work together to strengthen the quality of life and well-being for Ontarians.

Government Response
(Lead: Ministry of Citizenship and Immigration)

Building on the work and recommendations of the Partnership Project, the Ministry of Citizenship and Immigration will form a Joint Funding Reform Working Group (JFRWG) and establish a plan of action with results and timelines by summer 2012. The working group will investigate both short and longer term opportunities for reforming Ontario’s funding system. The group will be comprised of senior representatives from the Ministries of Citizenship and Immigration; Children and Youth Services; Community and Social Services; Finance, Government Services; Health and
Long-Term Care; Tourism; Culture and Sport; and Training Colleges and Universities; along with an equal number of sector representatives. The Working Group will be supported by the Ministry of Citizenship and Immigration in collaboration with the Ontario Trillium Foundation (OTF).

The work of the JFRWG will be based on six guiding principles, which include:

- A shift in the funding relationship to a risk-based approach
- A commitment to more efficient and effective administrative processes
- A focus on mutually agreed upon program outcomes
- A commitment to collaboration and transparency
- Recognition of the value of citizen engagement
- A commitment to sustainability of community service delivery

The sector and the Ministry of Citizenship and Immigration have identified six short-term reforms which they will aim to implement by 2013-2014. These include:

- Provide clear notification of changes to transfer payment terms and conditions
- Allow for operating budget flexibility
- Promote access to and transparency in government grant management and approval processes and related service standards
- Provide consistent advance notice of funding changes
- Introduce one-time reporting of organizations’ basic information
- Build on existing IT models/platforms that contribute to standardization and simplification of the government/sector funding/investment relationship

The JFRWG will report on outcomes for these short-term reforms by January 2013.

The JFRWG will also identify systemic funding/investment reforms that will require longer term efforts to implement across ministries. These areas for potential reform need longer-term planning in order to identify the specific changes that are required, the appropriate mechanisms for change and the ministries and NFP partners that will lead these changes. Areas which provide strong potential to achieve efficiencies and positive results in the funding/investment relationship for the government and the NFP sector include:

- Simplify the administration of the granting cycle
- Develop a common understanding and approach for risk assessment
- Improve reporting on funded activities
- Implement innovative practices (for cash flow and transfer payment renewal) to enable sustainable community services
The Deputy Minister of the Ministry of Citizenship and Immigration will report on the action and results of the working group to the Minister of Citizenship and Immigration as well as the Secretary of Cabinet, and to Open for Business as a government priority.

Funding reform is a win-win proposition that benefits both government and the NFP sector. It builds mutual accountability to improve service delivery for all Ontario citizens. Streamlining and standardizing the granting process allows government to reduce its own internal operating costs and obtain improved results from grants and service contracts. Funding reform will benefit the sector by simplifying and streamlining funding/investment processes, allowing sector management to focus more time and resources on program design, delivery and outcomes.

Priority 2
Police Records Check

The NFP sector in Ontario is an international leader when it comes to engaging people in meaningful volunteer activities and contributing to the health and well-being of our society. Effective risk management in service delivery has always been an essential component of the NFP sector’s credibility. As such, organizations recognize that police records checks for both volunteers and those employed in the sector are an integral part of strong screening and risk management practices as well as an important step in ensuring service quality for our communities. It is important that the NFP sector understands police records check practices, legislation and regulations that relate to sector volunteers and employees. However, there is not always a clear understanding of the processes involved, or of what governs the ‘why and when’ of requesting a police records check as part of effective screening practices (e.g. Criminal Records Check, Police Information Check, Vulnerable Sector Check).

The absence of an authoritative provincial voice on screening protocols further contributes to confusion around when it is appropriate to request a police records check. Seeking to be compliant with provincial requirements, NFP organizations are concerned they may be unaware of regulations or requirements relevant to screening decisions.

ONN recommends the government create a single authoritative statement on provincial legislative and regulatory requirements as a basic guideline for NFP organizations in developing and managing appropriate and effective screening practices. This statement should highlight requirements, both legislated and regulatory, by the provincial government that relate to police records checks, include a clear language guideline related to these requirements, and provide references to key relevant resources to assist the sector in its screening activities.

Government Response

(Lead: Ministry of Community Safety and Correctional Services)

By summer 2012, the Ministries of Community Safety and Correctional Services and Citizenship and Immigration, in consultation with ONN, will draft a statement referencing provincial legislative and regulatory requirements for police records checks. The statement will be an education tool for both the NFP sector and ministries to enhance understanding and knowledge with respect to appropriate use of police records checks as one important component of good
screening practices. The statement will be housed on the Ministry of Citizenship and Immigration’s website as part of the Partnership Project.

Using the statement as the foundation, the Ministries of Community Safety and Correctional Services, and Citizenship and Immigration, along with ONN, will continue to work together to draft plain language materials relating to police check requirements. These materials, which will include frequently asked questions, a checklist of good practices, links to key references and resource materials will be posted on the Ministry of Citizenship and Immigration’s website as part of the Partnership Project. The Ministries of Community Safety and Correctional Services, and Citizenship and Immigration, along with ONN, will jointly develop a communications strategy to disseminate this information to the sector.

These outcomes will provide the sector with consistent information on provincial government requirements regarding police checks and will enhance the appropriate and effective use of police records checks in the screening process.

### Priority 3

**Expansion of Infrastructure Ontario’s Loan Program to the Not-for-Profit Sector**

In July 2011, the Minister of Infrastructure announced an expansion to the Infrastructure Ontario Loan Program (IOLP) to segments in the NFP sector covering community health and social service hubs, (including Aboriginal Health Centres) as well as sports and recreation organizations. The further extension of the IOLP was a key recommendation raised by the NFP sector through the Partnership Project consultations.

ONN recommends the mandate of the IOLP be expanded to allow applications from all qualified not-for-profit organizations (using the Ontario Trillium Foundation’s criteria for defining potentially eligible organizations) through policy and regulatory changes within the Government of Ontario. Expanding the mandate of the IOLP to allow access to all charitable, not-for-profit and cooperative organizations providing public benefit will help communities throughout Ontario access the capital they need for the facilities used by public benefit organizations in their area. This new mandate can be implemented without increasing loan risk as the IOLP will still assess and utilize stringent credit and risk criteria for all

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**Infrastructure Ontario Loan Program**

Infrastructure Ontario is a crown corporation wholly owned by the Province of Ontario, reporting to the Minister of Infrastructure.

The Infrastructure Ontario Loan Program (IOLP) helps support public infrastructure by providing access to capital financing to eligible public sector partners. To date, the IOLP has approved and executed over $5.4 billion in loans to help support over 1,500 projects across Ontario. Benefits of the program to public sector borrowers include affordable rates, access to capital market financing without fees or commissions, and longer terms designed to match the life of the asset.
The government should also establish an advisory committee of senior government officials from relevant ministries and a cross section of experts from the NFP sector (i.e. arts and cultural organizations, social enterprise, others) to develop policy, program and service delivery opportunities related to the proposed full IOLP expansion. Additionally, the government should identify and support key sectoral organizations to act as loan facilitators.

**Government Response**  
(Lead: Ministry of Infrastructure)

As outlined in *Building Together*, Ontario’s Long-Term Infrastructure Plan released in June 2011, “the government will consider expanding the Loan Program further to include more not-for-profit organizations and cooperatives that provide infrastructure with important public benefits.” The Ministry of Infrastructure and ONN will establish a Joint Working Group to work towards addressing the sector’s recommendations. To support proposals for the strengthening and expansion of the IOLP, the working group will identify challenges faced by currently eligible borrowers and develop solutions. A few challenges have already been suggested, including but not limited to:

- The specific definition of hubs
- Capacity in the sector to build successful business cases
- A lack of awareness of the Loan Program

The working group will put forward solutions and proposals for the government’s consideration to address these challenges.

At the same time, the working group will identify potential NFP sub-sectors for timely inclusion in the IOLP in the future. The working group will aim to put forward proposals by fall 2012 for the government’s consideration. Proposals to expand the eligibility criteria of the IOLP will have a strong public policy rationale and be focused on specific sub-sectors that are aligned with key government priorities, will provide infrastructure with important public benefits, and will not result in any fiscal impact to the Province.

The Ministry of Infrastructure agrees that many NFP organizations (including those that are not currently eligible to borrow) could train others in capital project expertise, business planning and capacity building. Facilitator organizations from the sector can support the IOLP by helping eligible NFP organizations prepare business cases and successful loan applications. Through the joint working group, ONN will identify potential facilitator organizations with strong business, organizational and management capacities that would be willing to take on the facilitator role. Infrastructure Ontario will help support facilitator organizations and conduct outreach with eligible organizations to educate groups on IOLP eligibility and application requirements.

In summer 2012, the Ministry of Infrastructure and ONN will establish terms of reference for the working group that further refine the mandate, define roles and responsibilities of membership, and outline deliverables of the working group. This will include mechanisms for evaluating the group’s effectiveness and results.
Priority 4
Maximising Public Investment Returns for Government Surplus Lands

The Ontario government has extensive property and buildings that from time to time become surplus for internal government use. These assets have been purchased with government funds and belong to the people of Ontario. If government lands can be sold to NFP organizations providing public benefit in communities, it will achieve a double return—market and social return—and contribute to building community wealth for future generations.

**OWNN recommends:** Infrastructure Ontario and appropriate ministry partners develop and maintain a database of eligible public benefit organizations1 and key criteria for land and building acquisition. Infrastructure Ontario would notify eligible (pre-qualified2) organizations when potentially suitable lands become available.

As organizations providing public benefit typically do not have access to ready capital funds and have a more extensive approval process internally and with the ministries that invest in them for services, Infrastructure Ontario should provide public benefit organizations with an interest in a site six months advance notice of the issuance of a request for proposals (RFP) for the site. Additionally, where public benefit organizations indicate an interest in a site, an RFP process for the sale of surplus land will have a weighted point system for assessing proposals that includes Public Benefit Purpose and/or Housing Affordability, Project Feasibility, Team Experience and Land Price. This transparent process would establish financing criteria that do not give de facto priority to groups with the largest amount of immediately available capital. Instead the criteria should prioritize the long-term return and social outcomes for communities.

**Government Response**

(Lead: Ministry of Infrastructure)

Subject to government direction and approval, Ministry of Infrastructure staff propose to seek the inclusion of “not-for-profit corporations without share capital that provide a public benefit purpose” in the list of entities that would be included in the circulation of surplus government lands prior to the lands being placed on the open market for sale at market value. The Ministry of Infrastructure and ONN will continue to work together to establish the eligibility criteria for what constitutes “not-for-profit corporations without share capital that provide a public benefit purpose” prior to seeking government approval. Similar to the entities to which notices are currently circulated (municipalities, public utilities, etc.), eligible NFP corporations would have the same timeframe in which to indicate interest in a property. Properties are to be sold at market rate and where there is interest in a property from multiple parties, a competitive bid process would be undertaken. The Ministry of Infrastructure will also consider the application of legal instruments in the sale of surplus lands in order to ensure social policy outcomes are realized on the lands.

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1 Not all NFP or cooperative corporations have a public benefit mission. Some serve only their members (e.g. trade associations, private clubs). Preferred access to public lands would be limited to organizations with a public benefit purpose.

2 Infrastructure Ontario would assess the capacity and financing plans of the organization to ensure they were a serious prospect for loans and land purchase.
The Ministry of Infrastructure and ONN, through the establishment of a joint working group by the end of July 2012, will also work together to develop a process for the circulation of surplus government lands to eligible NFP corporations, including the creation of a registry of eligible NFP corporations, which would be developed and maintained by ONN. The target for completion of the registry is fall 2012.

Responding to the outcome, Jehad Alweiwi, executive director of the Thorncliffe Neighbourhood Office noted that the new advanced circulation of surplus public lands “could be a game changer for the sector.”

**Priority 5**

**Broader Public Sector Access to Provincial Vendor of Record**

Entities within Ontario’s broader public sector have traditionally had the ability to access several of Ontario’s enterprise-wide vendor of record (VOR) arrangements. For the purpose of VOR access, the definition of Broader Public Sector (BPS) encompasses municipalities, academic institutions, school boards, health care providers, community health centres, community care access centres and major transfer payment recipients, which include any organization which receives operational funding from an Ontario Government ministry. In order for major transfer payment recipients to have access to provincial VOR arrangements, they must obtain a letter from the applicable ministry confirming their status. While this process seems clear and the benefits may be substantial, ONN feedback has indicated that numerous challenges have been experienced in the sector related to access. These challenges include:

- Lack of awareness that this opportunity exists both within the sector and within the 13 provincial ministries which have investment arrangements with the NFP sector;
- No clear definition of “major transfer payment agency” exists leaving approval at the discretion of line ministries, resulting in inconsistencies within and between ministries as well as long turnaround times for response; and
- Vendors are often unaware that their respective vendor agreements include the BPS.

ONN recommends the government develop a clear and consistent definition of what it means to be a major transfer payment recipient. Additionally, all provincial ministries who enter into contribution agreements with the NFP sector need to be made aware of this opportunity and should consistently provide designation of status both within and between ministries. Eligible broader public sector organizations should be provided information on the opportunity as part of their annual contribution agreements as well as seminars and other forms of training to help them understand the opportunity. The government should further establish an advisory group of NFP sector provincial vendor of record users to provide feedback on procurement experiences, suggest improvements and further develop group purchasing opportunities for the NFP sector.
Government Response

(Lead: Ministry of Government Services)

The Ministry of Government Services decided that the major transfer payment recipient definition will no longer be used as a factor in determining transfer payment entities’ access to provincial VOR arrangements. Rather, an internal Ontario government process has been developed to provide open access to most enterprise VOR arrangements. This process includes a consistent risk-based approach across ministries for designating transfer payment entities to provide them with improved access to enterprise-wide VOR arrangements. Access will be restricted on an exceptional basis. The assessment process will begin in summer/fall of 2012 and include a plan to help ministries communicate the opportunity to the NFP sector. The Ontario government will also work with ONN to identify appropriate opportunities to promote sector awareness of enterprise VOR arrangements and best practices in procurement. Outreach activities will begin in fall 2012.

The Ministry of Government Services and ONN will continue dialogue on the experiences of transfer payment entities using enterprise VOR arrangements, meeting semi-annually in the first year and on an as required basis thereafter. The Ontario government will continue to encourage group purchasing and promote opportunities to support the adoption of leading practices in procurement in the NFP sector.

These outcomes will benefit the NFP sector by allowing organizations use economies of scale and volume pricing to realize cost savings which can be reinvested in other organizational priority areas.
In a two-month period, the Government of Ontario delivered tangible recommendations and clear outcomes by working with the NFP sector, and added momentum to the priority of forging a stronger relationship between the sector and government. Ministries committed to exploring improvements to various processes dealing with volunteer screening, police record checks and removed barriers to accessing Vendor of Record. Steps are being taken to streamline and rationalize the funding/investment relationship, and work is in motion to help more eligible NFP organizations access the Infrastructure Ontario Loans Program and bid on surplus government lands.

Jini Stolk, ONN co-chair, remarked that the “joint work across ministries was groundbreaking.” Tonya Surman, ONN co-chair, thanked Minister Duguid for his leadership in the Business Sector Strategy process and congratulated political and ministry staff for their hard work, saying “this has been an absolutely astounding process for us.”