



News Release

For Immediate Release

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Government Pays Millions for Hundreds of Buildings That Sit Empty: Auditor General

(TORONTO) “Infrastructure Ontario can do a better job in managing government properties from start to finish,” Auditor General Bonnie Lysyk says in her *2017 Annual Report*, tabled today in the Legislative Assembly.

“Ontario paid almost \$19 million in 2016/17 to operate and maintain 812 vacant buildings across the province—600 of them unoccupied an average of eight years. This suggests that the Province needs to dispose of real estate within its portfolio on a timelier basis. Savings from the disposal of vacant properties can be used to improve the condition of other government properties,” Lysyk said after her Report was tabled.

By reducing the square footage of its office space to meet its own 2012 Office Accommodation Standard of 180 rentable square feet per person, the audit identified that the Province could also save as much as \$170 million a year.

The Ontario Infrastructure and Lands Corporation (Infrastructure Ontario), a Crown agency under the Ministry of Infrastructure (Ministry), is responsible to manage a large and diverse portfolio of real estate owned and leased by government ministries and some agencies.

The audit found that:

- Deferred maintenance of government-owned buildings—the amount still needed to keep properties to a minimum standard—more than doubled between 2012 and 2017, from \$420 million to \$862 million. Over the last six years, the average condition of government properties has deteriorated from excellent to almost poor, as measured by industry standards. For example, capital repairs at a government lab were deferred for five years, affecting its service delivery.
- The design of a major Request for Proposal (RFP) in 2014 for project management of 7,500 capital projects worth \$900 million over five years attracted only three bids, all from large companies, because of its scope. Of the two companies chosen as project managers by Infrastructure Ontario, one had performed poorly in a previous contract between 2011 and 2014.
- Infrastructure Ontario does not obtain sufficient information from project managers to assess whether the procurement of vendors for client ministry and agency capital projects is done in a competitive and fair manner. Project managers are also not held accountable for meeting the original completion dates of capital projects. They can revise the completion dates while the project is ongoing and Infrastructure Ontario does not always ensure the change is for valid reasons.
- Hospitals have incurred additional administrative and legal costs to administer the maintenance component of their Alternative Financing and Procurement (AFP) agreements.

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