



Savings | Choice | Service



Annual Report 2014



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# Mission, Vision, and Values

Our strategic plan is shaped by our strong belief in our mission, vision, and values. These guide our actions and demonstrate who we are and what we do. Collaboration is the foundation of our business, enabling us to build a bridge between customers and supplier partners to foster an exceptional customer experience.

## Our Mission

Our strategy starts with a mission that explains why we exist. It shapes our today.

Generate savings to support excellence in education by unlocking the potential of collaborative strategic sourcing.

## Our Vision

Our vision is how we want to be perceived by our customers. It is our tomorrow.

To be the premier strategic sourcing partner for Ontario's education sectors.

## Our Values

We can prepare for tomorrow if we believe in our values. Our values decide what we do and how we do it. At OECM, each of us is accountable for ensuring that his or her actions are aligned with our values.

### **Collaboration**

We are committed to working together to achieve common goals.

### **Responsiveness**

We deliver on our promises in a timely way.

### **Integrity**

We are open, honest, and accountable.

### **Innovation**

We pursue creative solutions to foster an exceptional customer experience.

### **Respect**

We listen to and value everyone's ideas and opinions in a fair, open, and attentive way.

# Message from the Board Chair and President & CEO



Georgina Steinsky  
Board Chair

We are pleased to present OECM's 2014 Annual Report which outlines our business performance and operational highlights for the fiscal year ended December 31, 2014.

## Vision 2015 Strategy – Our Foundation for Success

The Board of Directors and I are very pleased with OECM's progress this year. With our strategic plan as a foundation, we have made significant progress on growing our business, building partnerships and enhancing our services and operations in order to achieve our goal of financial self-sufficiency. Developed in consultation with our customers, supplier partners and other key stakeholders, our strategy, as implemented by our hardworking team, has enabled us to meet the education sector's financial challenges and to save the Ontario taxpayer significant dollars for redeployment to our clients' core operations.

A big personal "thank you" to my fellow board members for their hard work and to all the team at OECM. Thanks to the continuing and growing support of our customers and our supplier partners, OECM's marketplace and services are becoming a valuable complement to our customers' procurement toolkit, enabling them to meet their diverse business needs and serve their clients better. For more information about our Vision 2015 Strategy, see [Appendix A](#).



Terry Kyritsis  
President & CEO

## New OECM Brand Launched

In 2014, OECM refreshed its Customer Value Proposition – **Savings | Choice | Service** – as a key competitive differentiator in an increasingly complex public sector procurement landscape. Our brand emphasises the value we place in these key factors to serve the needs of our customers.

Along with revitalizing our messaging, we also launched a new web presence with the goal of articulating our OECM value proposition to customers and supplier partners in a unified and consistent way through all communications channels.



# Our Accomplishments

## Strategic Priority - Grow the Business

- We increased the choice of products and services in our Marketplace by adding 12 new categories from 44 new supplier partners
- 43 new education and other Broader Public Sector (BPS) organizations found value in accessing our Marketplace of products and services resulting in:
  - 97% of Ontario's education sector institutions participating in OECM's Marketplace - an overall growth of 2% compared to 2013.
  - 40% growth in the participation of organizations from other BPS sectors such as developmental services, municipalities, health care, etc.

## Strategic Priority - Achieve Sustainability

- Customers are increasingly taking advantage of OECM's competitive pricing to support their business needs and collaborative spend targets. We achieved over 40% growth in customer spend on OECM's Marketplace — \$125.1 million — compared to \$89.4 million in 2013.
- We provided clear evidence of the benefits of collaborative sourcing by generating over \$26.9 million in validated savings for our customers since 2010.

## Strategic Priority - Build Strategic Partnerships

- Customers see us as a valuable collaborative strategic partner – 89% of customers surveyed rated OECM as a valued collaborative sourcing partner vs. our goal of 85%.

## Strategic Priority - Enhance Service and Operational Effectiveness

- In the spirit of continuing to optimize the customer experience, we launched a new customer-friendly, brand-focused, AODA compliant website.
- Customers continue to recognize our efforts for service excellence: 91% of customers surveyed were satisfied/very satisfied with OECM's services vs. our goal of 85%.



## Our Dynamic Team

We could not have achieved the very ambitious goals that we set for ourselves in 2014 without the support of our dedicated Board of Directors, the Ministry of Government and Consumer Services, our OECM team, and most importantly, our customers and supplier partners.

We welcomed several new members to the Board this year, bringing a wealth of knowledge, experience and perspectives:

- Brian Jeffs, Superintendent of Business Services, Simcoe County School Board
- Amy Tong, Vice President, Finance and Administration, Seneca College
- Steven Parfeniuk, Vice President, Finance and Administration, Sheridan College
- Carol Strachan, Director (delegate ex-officio member from the Ministry of Training, Colleges and Universities)

We also said good-bye to David Graham, Eugene Harrigan, Kathy Soule, and Nancy Naylor. Many thanks for their dedication and commitment in helping guide OECM's strategic directions during their term. We wish them all the best in their future endeavors.

A complete list of Board Members can be found in [Appendix B](#), and a complete list of the OECM team staff can be found in [Appendix C](#) of this report.

We would like to extend our appreciation to the Board members and OECM's management and staff for their dedication and commitment to ensuring strong business results for 2014. We invite you to review [Highlights: The 2014 Growth Story](#) for details of our results.

Georgina Steinsky  
Chair  
OECM Board of Directors

Terry Kyritsis  
President & CEO  
OECM

# Corporate Overview

## Why OECM Was Established

Ontario's 118 publicly funded education sector institutions — school boards, colleges and universities — spend an estimated \$4 billion annually on products and services. Their collective goal is to promote a strong and vibrant education system that is focused on helping Ontarians build their careers and enhance learning throughout their lives.

The provincial government sought ways to find administrative savings that could be reinvested into furthering education opportunities. OECM was established by the Education sectors with financial support from the provincial government as one method to generate savings through collaborative sourcing and supplier partnership management. Hence, OECM was launched in 2006 with ongoing input and support from the Ministry of Education and the Ministry of Training, Colleges and Universities as a not-for-profit Broader Public Sector (BPS) Group Procurement Organization (GPO).

## OECM's Mandate

OECM's core business is collaborative sourcing and supplier partnership management. OECM's mandate is to generate savings and process efficiencies for public sector organizations, primarily education sector institutions (School Boards, Colleges, and Universities). Savings are realised when these organizations purchase collaboratively-sourced and competitively-priced products and services from OECM's supplier partners through OECM's Marketplace.

## OECM's Goal

OECM's goal is to maintain a Marketplace of products and services, through collaborative sourcing, aligned with public sector organizations' business needs and promote the adoption of leading integrated supply chain management practices.

OECM's collaborative sourcing approach facilitates consistency and generates significant savings, making it easier and less costly for organizations to procure goods and services. We provide opportunities to realize both process and procurement savings, which results in more funds being available for core academic and administrative commitments.

Participation in OECM's Marketplace is voluntary and our objective is to become financially self-sustaining. Our operations are funded primarily by cost recovery fees from OECM's supplier partners, and transformation funding provided by the Government of Ontario.



## OECM's Journey Toward Success

OECM is fast becoming a premier strategic sourcing partner in Ontario's public procurement landscape. We are committed to providing value for money for our customers, and we have demonstrated this through a robust validated savings program.

97

Percentage of Ontario's publicly-funded education institutions currently buying through the OECM Marketplace.

Our Marketplace is also open to other publicly funded organizations in Ontario, such as libraries, conservation authorities, not-for-profits and health services agencies. A growing number of these organizations have recognized the value of buying products and services through OECM's Marketplace.

For more information, you can review our 2014 Audited Financial Statements ([Appendix F](#)).

166

Number of other BPS organizations currently buying through the OECM Marketplace.

**"The stronger OECM gets in the marketplace and more members commit to contracts, the better the pricing opportunities. Also, I benefit from saving time – you do the work for me!"**

**– University Customer**

# Highlights: The 2014 Growth Story

OECM focused on achieving four goals in 2014:



## Goal #1: Grow the Business

How we produced value for our customers:

- We created more choice of collaboratively-sourced and competitively-priced products and services in our Marketplace.
- We shared knowledge of leading sourcing and procurement practices.

### More Choice of Products and Services

After extensive discussions with our customers and supplier partners, we expanded the range of products and services available through our Marketplace to align with their business needs.

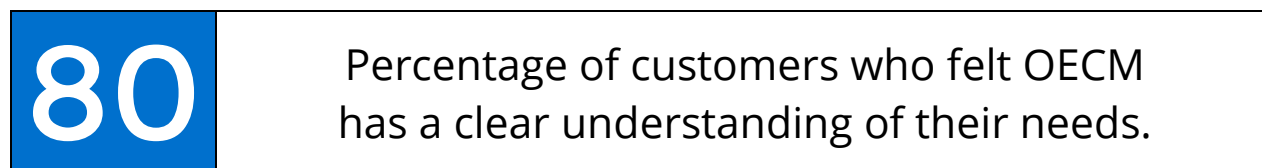
We launched 12 new categories (excluding 3 retenders) of products and services bringing the total number of products and services categories to 40 as of December 31, 2014.

Facilities & Operations	Finance, Human Resources and Marketing	Information Technology
<ul style="list-style-type: none"><li>• Evacuation Chairs &amp; Public Access Defibrillators</li><li>• Furniture and Related Services</li><li>• Hand Tools</li><li>• Natural Gas Management and Advisory Services</li><li>• Plumbing Products</li></ul>	<ul style="list-style-type: none"><li>• AODA Related Services</li><li>• Banking Services for Colleges</li><li>• Collection Agency Services</li><li>• Fine Copy Paper</li><li>• Payment Recovery Services</li></ul>	<ul style="list-style-type: none"><li>• Crestron® Products &amp; Services</li><li>• IT Technical Support Services</li><li>• Long Distance Services</li><li>• Production Multi-Function Devices</li><li>• SMARTnet Cisco Support and Services</li></ul>

For a complete list of OECM's Marketplace of products and services as of December 31, 2014, see [Appendix D](#).

### We Help Customers Get Even Better Prices

Through the Quick Quote process, OECM's supplier partners help customers obtain better prices on the products and services in the Marketplace based on customers' requirements, quantities, and other specific needs.



Source: 2014 Customer Satisfaction Survey

We continued to provide **Collaborative Spend Reports** upon request, a new service that was launched in 2013. These reports provide our customers with a year-over-year summary of their organization's spend on products and services through OECM's Marketplace.

Customers benefit by enabling informed decision-making to support their organization's budget and forecasting and facilitating the reporting of spend to meet collaborative spend targets. We will continue to provide Collaborative Spend Reports upon request.

125

Millions spent using OECM's Marketplace in 2014, a 40% increase from 2013.

### Sharing Knowledge of Leading Sourcing and Procurement Practices

Procurement professionals and business owners took advantage of ten webinars to launch new products and services and help them make informed buying decisions. We are planning more webinars in collaboration with our supplier partners in 2015.

184

Number of participants who attended OECM's webinars in 2014.

**“OECM reps involved in the process were fantastic to work with.”**

**– University Customer**

## Goal #2: Achieve Sustainability

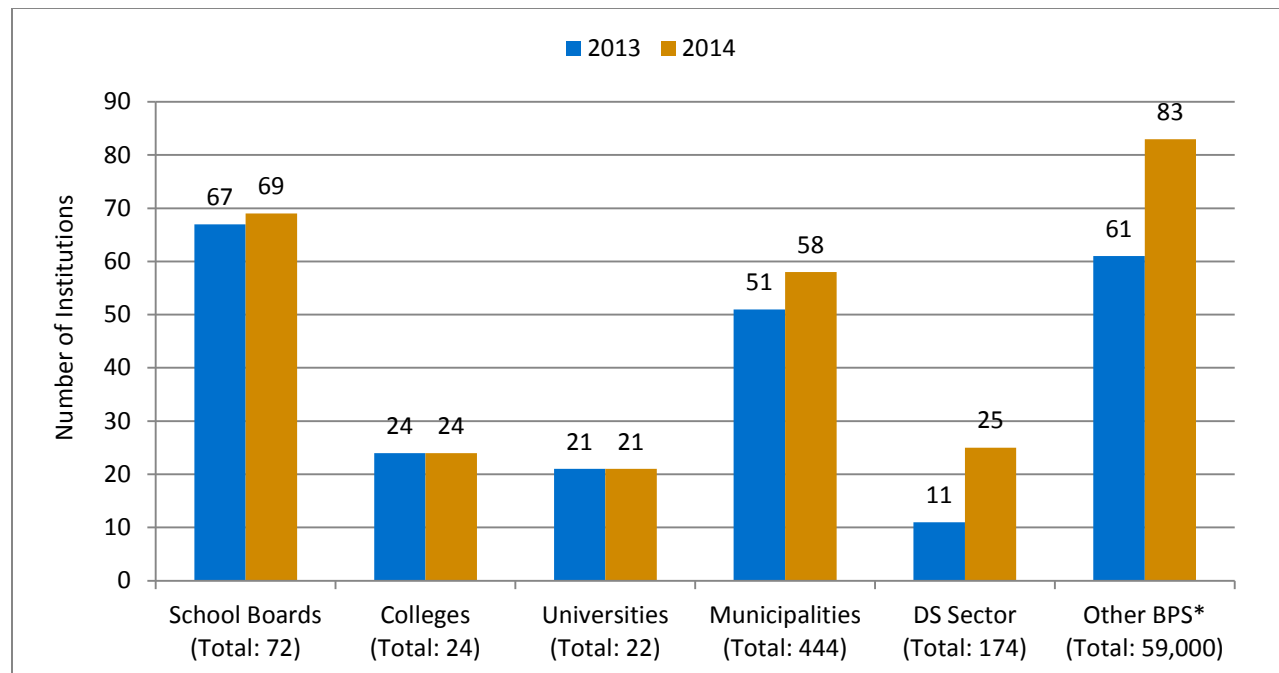
How we delivered value for our customers:

- We generated validated savings of \$26.9 million between 2010 and 2014.
- An impressive 97% of education sector institutions used OECM's Marketplace in 2014, increasing their share of collaborative spend by 37%.

### Growth in Customers Using OECM's Marketplace

In 2014, 97% of Ontario's education sector institutions continued to use OECM's Marketplace. Participation by other BPS organizations grew by an overall 35%.

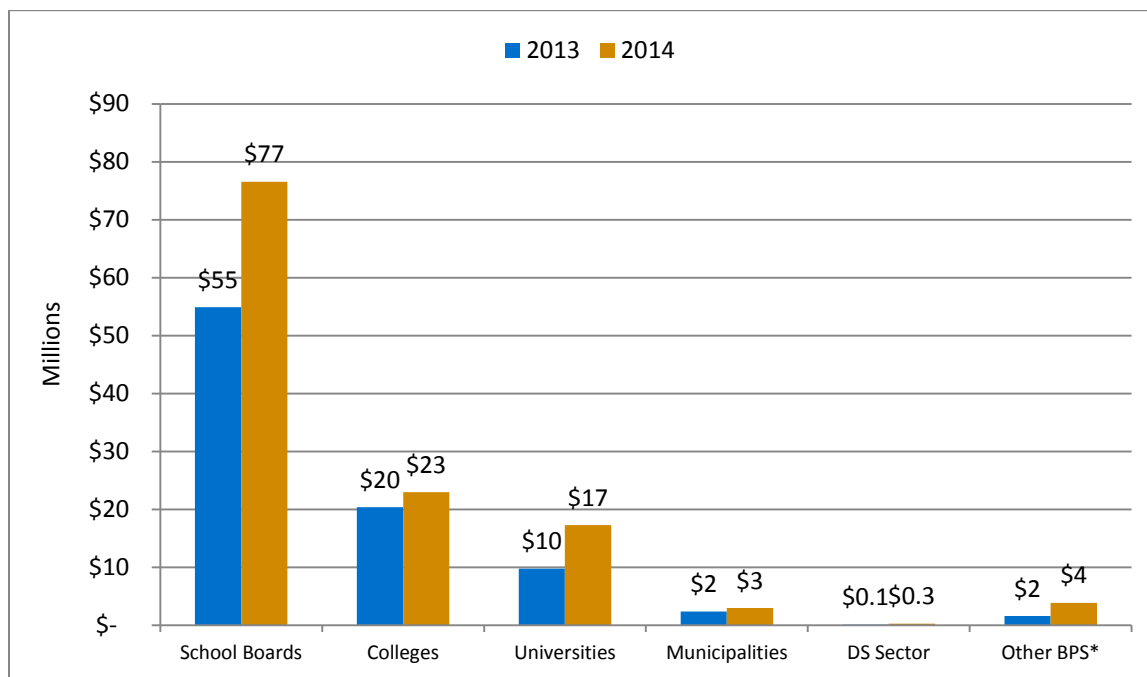
### Participation Growth by Sector



\* Municipalities, Libraries, Health Care Agencies, Community Care Access Centres, Developmental Agencies etc.

## Increase in Customer Spend

In 2014, OECM saw over 40% growth in customer spend through its Marketplace — \$125 million compared to \$89 million in 2013.



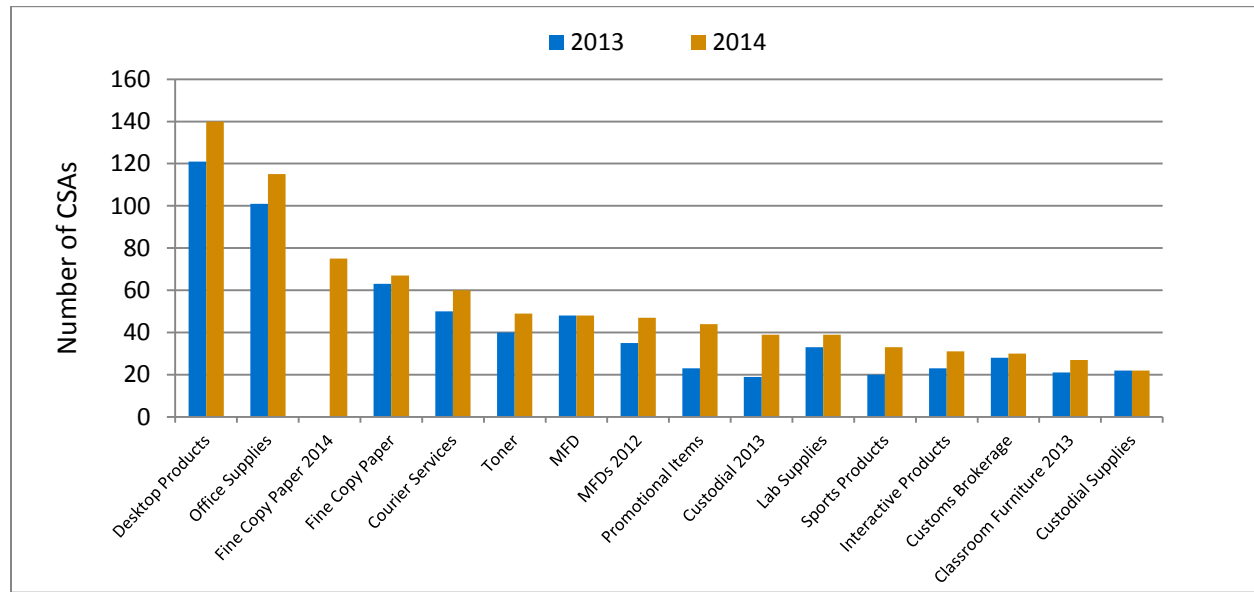
\* Other Broader Public Sector (BPS) organizations such as conservation authorities and other social services sector agencies.

**“Better price, less time consuming, good service.”**

**– School Board Customer**

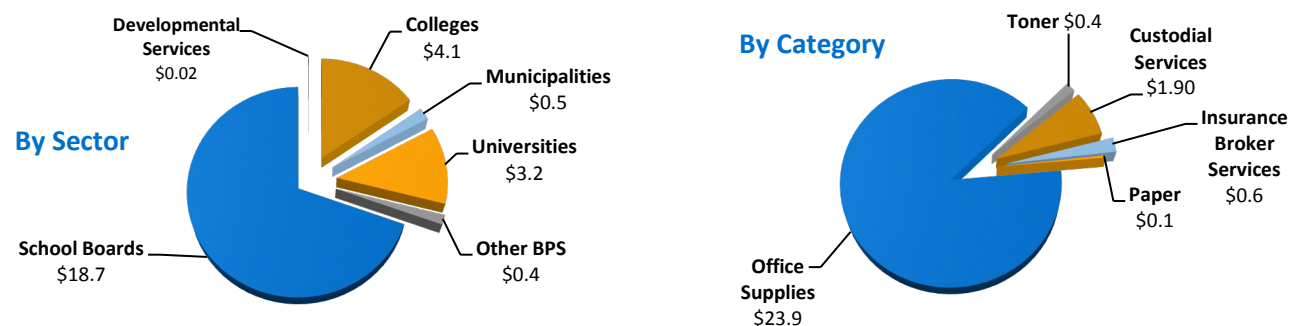
## Customers Buy a Wide Range of Products and Services

In 2014 there were 1,057 active Client-Supplier Agreements (CSAs). Desktop Products, Office Supplies, Custodial Supplies, Fine Copy Paper, and MFDs were the top 5 products.



## Customers Achieved Savings of over \$26.9 Million\*

Our mission is to generate savings for products and services used by our customers to support excellence in education and administration. Since 2010, OECM has achieved savings of over \$26.9 million on five products and services:



\*Reported savings to December 31, 2014 amounted to \$40.6 million.

These savings are clear evidence of how our customers can benefit by utilizing products and services from OECM's Marketplace. Work is underway to validate savings for more categories of products and services.



## Goal #3: Build Strategic Partnerships

How OECM creates value for our customers:

- We seek out and enhance relationships with sector associations, councils, committees and other stakeholder groups to help enable their collaboration efforts.
- We attract and retain quality supplier partners who offer leading-edge products and services.

### Partnership with Ontario's Developmental Services Sector

The Developmental Services (DS) sector, comprising 174 agencies across Ontario, does not currently have formalized collaborative procurement and the agencies themselves are typically too small to generate significant contract price improvements. Conversely, OECM's agreements leverage the buying power of the education sector, which enables agencies to achieve better pricing.

In June 2014, OECM launched a two-year pilot project funded through the Ministry of Government and Consumer Services and endorsed by the Ontario Agencies Supporting Individuals with Special Needs (OASIS) Business Resources Group, a large association of Ontario's DS agencies. The goal was to on-board DS agencies to OECM's Marketplace of collaboratively-sourced and competitively-priced categories of products and services through dedicated outreach efforts. This project will generate savings for DS agencies through increased procurement efficiencies and price improvements.

The benefits for OECM include increased spend and revenue which will support our efforts to become financially self-sufficient. This partnership also enables DS agencies to comply with the BPS Procurement Directive and provides a platform for collaboration that can be leveraged for future initiatives.

89

Percentage of respondents who see OECM as a valued collaborative sourcing partner.

Source: 2014 Customer Satisfaction Survey

## More Supplier Partners to Serve Our Customers

We increased the number of supplier partners ([Appendix E](#)) to 109 (92 unique) to support the growth in our Marketplace of Products and Services. Our supplier partners provide leading-edge, top-quality products and services and are keen to bring their technologies to support academic and administrative excellence. Our suppliers play a critical role in our marketing, communications, and outreach efforts.

## More Ways for Customers to Interact with Our Supplier Partners

We have created several channels for customers and supplier partners to interact with each other to learn about new products and services and to find out what's available in OECM's Marketplace. Educational webinars and joint participation in conferences and tradeshows were some of the channels used.

## Managing Our Supplier Partners

We are dedicated to ensuring that our customers have access to top-quality, collaboratively-sourced, competitively-sourced and -priced products and services offered by our supplier partners. OECM initiated formal business reviews to evaluate supplier partners' performance in product quality, service delivery, shipping and delivery timelines, resolution of customer complaints, and research on innovative products to better meet customers' needs.

61

Percentage of suppliers who expressed high or very high level of satisfaction regarding their partnership with OECM.

Source: 2015 Supplier Partnership Survey

## Goal #4: Enhance Service and Operational Effectiveness

How we created value for our customers:

- We increased awareness of and access to our services.
- We simplified and e-enabled our key business processes through innovative techniques, e-tools, and technology.
- We exceeded our customers' and suppliers' expectations by providing consistent, responsive, and accessible services.

### New OECM Brand Launched



Savings | Choice | Service

In 2014, OECM developed and branded a Customer Value Proposition – **Savings | Choice | Service** – as a key competitive differentiator in an increasingly complex public sector supply market. It emphasises our value, defines who we are, what we do, for whom and how we uniquely solve their needs.

**Savings**, by unlocking the power of collaborative sourcing.

OECM's purpose is to provide the public education sectors and other publicly funded and not-for-profit organizations with opportunities to generate savings and process efficiencies on the products and services they buy through OECM's Marketplace. Together, these result in more funds being available for core academic and program delivery. In addition, OECM's customers derive benefits from flexible agreements that mitigate increased costs, and reinforce the principle of "value for money" and compliance.

**Choice** of a wide range of collaboratively-sourced and competitively-priced products and services provided by over 100 supplier partners (and growing) through OECM's Marketplace.

**Service.** OECM's promise is to deliver service that is consistent, accessible and responsive, supporting a supplier-partner customer-centric service delivery model.

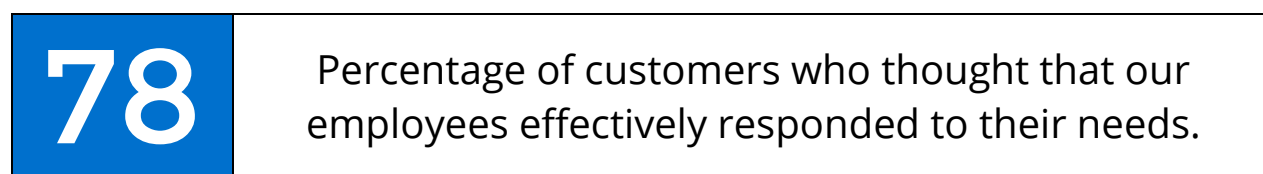
Along with revitalizing our messaging, we also launched a new web presence with the goal of articulating our OECM value proposition to customers and supplier partners in a unified and consistent way through all communications channels.

## We're Improving How We Deliver Our Services

In 2014 we continued to build on enhancing our Sourcing and Relationship Management team that is dedicated to promoting service excellence with our customers and supplier partners:

- Our **Sourcing Solutions Group** focuses on efficient and timely execution of sourcing projects to bring new products and services to the Marketplace.
- Our **Business Relationship Group** focuses on enhancing the utilization of OEM's products and services marketplace and managing agreements with supplier partners to meet customers' diverse needs.

## Increased Employee Responsiveness

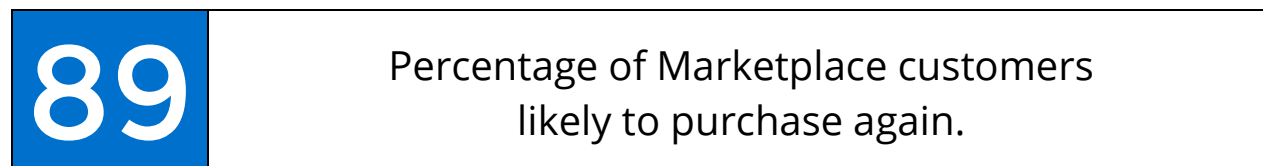


Source: 2014 Customer Satisfaction Survey

## Our Customers Told Us

On an annual basis, our customers and suppliers provide us with feedback on their level of satisfaction with our services and insight on how to continuously improve. In 2014, 125 respondents representing education and other Broader Public Sector organizations participated in this survey.

Until now, "customer satisfaction" had always been the base measure of the voice of our customers. However, in the spirit of continuous improvement, we added new performance measures in 2014, including customer effort, customer loyalty and customer experience through the buying cycle.



Source: 2014 Customer Satisfaction Survey

## Customer Satisfaction with OECM's Services Is Growing

91

Percentage of customers who were satisfied/very satisfied with our services in 2014, an increase from 88% in 2013.

Source: 2014 Customer Satisfaction Survey

## Our Marketplace: Voice of the Customer

Customers surveyed showed great understanding and acceptance of OECM's key value proposition attributes – **Savings** | **Choice** | **Service**. They also expressed their desire for more products and services.

81

Percentage of customers who expended little or no effort in finding what they were looking for in the Marketplace.

Source: 2014 Customer Satisfaction Survey

## Our Supplier Partners: Voice of the Customer

Customers surveyed expressed great satisfaction with OECM's supplier partners' services and found them very supportive and easy to work with.

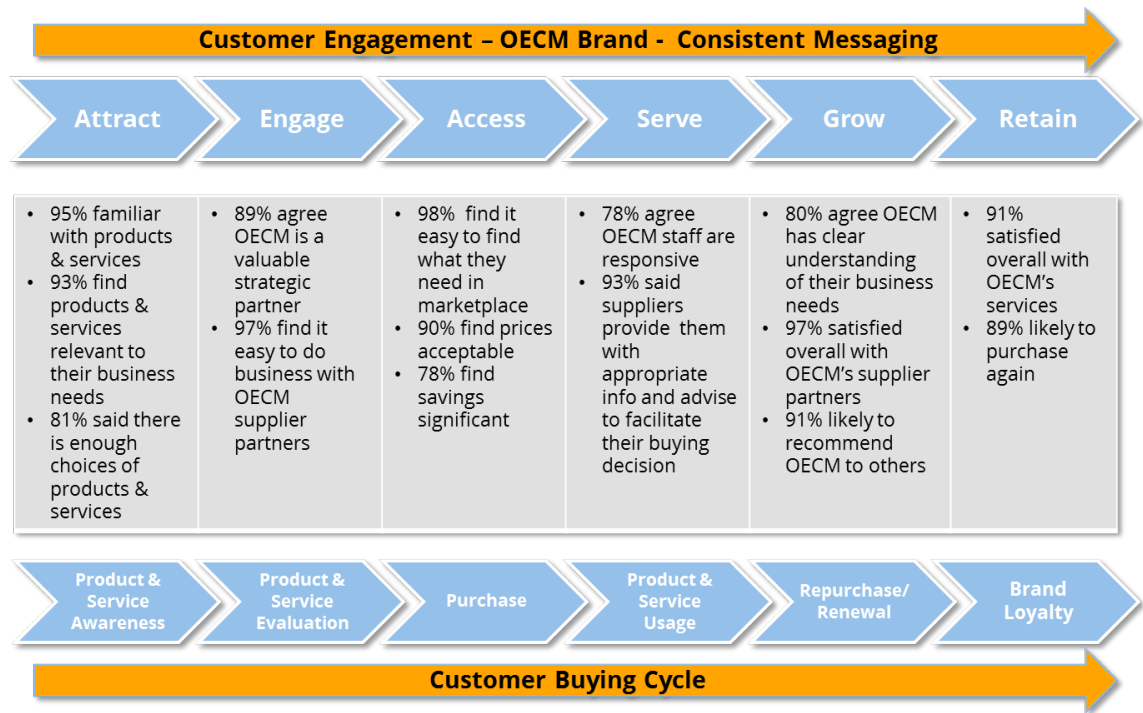
97

Percentage of respondents who were satisfied with our supplier partners' performance.

Source: 2014 Customer Satisfaction Survey

## Survey Results and Our Customer Buying Cycle

OECM enjoys a high level of customer satisfaction, repeat purchase, and brand loyalty. Our challenge is maintaining and sustaining our customers’ high expectations, and bringing in new innovations for better customers experience.



Source: 2014 Customer Satisfaction Survey

“We believe in the value of collaborative procurement. It provides a number of benefits to organizations in addition to the obvious financial ones.”

– College Customer

# Looking Ahead in 2015

We will continue to seek new opportunities and refine our strategies to create value and drive savings to help our customers meet their business needs and guide us toward achieving financial self-sufficiency. We will continue to focus on:

## Expanding the Choice of Products and Services Available in Our Marketplace

We have 27 sourcing projects underway for launch in 2015:

Finance, Human Resources and Marketing	Information Technology	Facilities and Operations
<ul style="list-style-type: none"><li>• Coach Services</li><li>• Dental Supplies</li><li>• External Audit Services</li><li>• Graduation Gowns</li><li>• Health Insurance for School Board International Students</li><li>• Health Insurance for International College Students</li><li>• Legal Services (construction)</li></ul>	<ul style="list-style-type: none"><li>• Android and Window Tablets</li><li>• Anti-virus and Security Solutions</li><li>• Cloud Technology</li><li>• Disaster Restoration Services</li><li>• IT Equipment Disposal &amp; Recycling</li><li>• IT Leasing</li><li>• IT Professional Services</li><li>• Mobile Device Management</li><li>• Office MFDs and Managed Print Services</li><li>• Professional Services for MFDs</li><li>• Software Licensing</li><li>• Switches, Routers, Firewall and Related Services</li><li>• Toner Cartridges and Related Services</li></ul>	<ul style="list-style-type: none"><li>• Apparel, Uniforms, Safety Footwear and related Services</li><li>• Electrical Supplies</li><li>• HVAC Related Products</li><li>• Plagiarism Tool</li><li>• Printing Services</li><li>• Residence Furniture and Mattresses</li><li>• Sports Products</li></ul>

## Enhancing Our Services

For Our Customers	For Our Supplier Partners
<ul style="list-style-type: none"><li>• Increase transparency in the status of sourcing projects</li><li>• Pursue tighter integration with purchasing groups</li><li>• Enhance our engagement during the sourcing planning phase</li><li>• Improve awareness of OECM's value add services such as knowledge sharing opportunities, pricing analysis and advisory services</li></ul>	<ul style="list-style-type: none"><li>• Build more trust as a proactive partner</li><li>• Offer new ways to deliver value to customers</li><li>• Enhance awareness of the sourcing engagement process</li><li>• Pursue more joint outreach activities</li></ul>



## Pursuing Strategic Partnership Opportunities

OECM continues to be actively engaged with sector committee and association partners on a number of collaborative sourcing projects. Started in late 2013, several initiatives related to software sourcing continue with College CIOs. The Colleges Joint Insurance Committee worked closely with OECM on a significant initiative for International Student Health Insurance and consultations are underway with School Board IT leaders which will help them address newly emerging IT requirements.

## OECM Business Transformation - Developing a Blueprint for Moving Forward

In response to OECM's challenging business context and to prepare the organization to sustain success and grow during the next five years, OECM's Board has endorsed undertaking a business transformation project to focus and guide OECM's journey over the next several years.

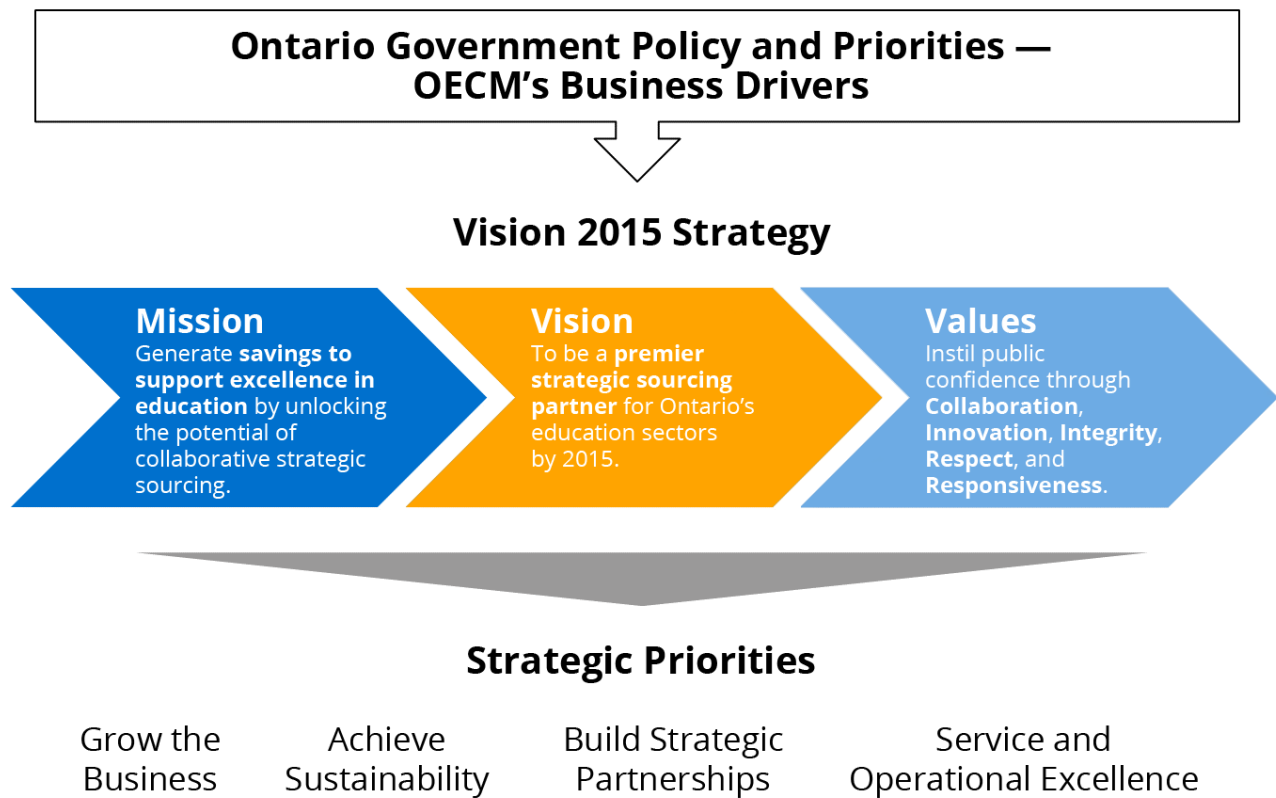
This multi-year business transformation project is the foundation for supporting OECM's Vision 2020 Strategic Plan and stabilizing the business model over the next five years. A stable business model powered by a sustainable financial model is the key to OECM's success in sustaining and growing the business. The project will address strategic business enablers such as:

- validating a clear Vision 2020 strategic business strategy
- services and lines of business to meet customers' changing and complex demands
- a customer-centred service delivery model leveraging supplier partners' high quality, competitively priced products and services and competencies in sales and marketing to promote an outstanding customer experience – a key differentiator in a crowded competitive public sector landscape
- attracting and retaining top talent who are passionate about making a contribution to excellence in public sector administration by providing their collaborative sourcing, procurement, and supplier partnership management expertise
- embedding the technology required to create, deliver, and capture value for customers
- a sustainable financial model
- a governance model

In summary, OECM's Board believes that there is significant opportunity to generate:

- more savings for customers at a faster pace to meet budget constraints
- more spend under management by increasing the percent capture of addressable spend and thereby meeting collaborative spend targets

## Appendix A: Vision 2015 Strategy



## Appendix B: Board of Directors

OECM's Board of Directors is comprised of the following members:

### School Boards Sector (representing 72 institutions)



**Leslie Miller\***

Superintendent, Business Services  
Hastings and Prince Edward  
District School Board  
Note: Joined the board  
October 2013



**Brian Jeffs\*\***

Superintendent of Business  
Services  
Simcoe County School Board  
Note: Joined the board May 2014

### Colleges Sector (representing 24 institutions)



**Amy Tong\*\***

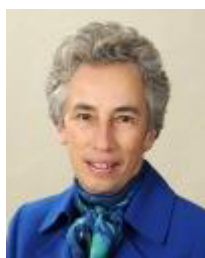
Vice-President, Finance and  
Administration  
Seneca College  
Note: Joined the board May 2014



**Steven Parfeniuk\***

Vice President, Finance and  
Administration  
Sheridan College  
Note: Joined the board May 2014

### Universities Sector (representing 22 institutions)



**Caroline Davis\***

Vice-principal, Finance and  
Administration  
Queen's University  
Note: Joined the board  
September 2011



**Jim Butler\*\***

Vice-president, Finance and  
Administration  
Wilfrid Laurier University  
Note: Joined the board  
September 2011

### Independents



**Georgina Steinsky (Chair)**

Note: Joined the board  
March 2008



**Debbie Fischer\*\***

Note: Joined the board  
September 2013

## Independents (continued)



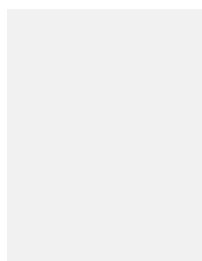
**Arnie Strub** (Vice Chair)\* \*\*

Note: Joined the board  
September 2011

## Ontario Government - Ex-Officio Members



**Carol Strachan** representing  
**David Carter-Whitney**  
Assistant Deputy Minister, Post-  
Secondary Education  
Ministry of Training, Colleges and  
Universities

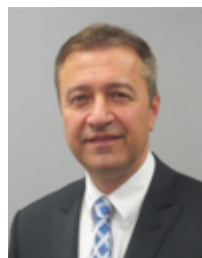


**Vacant**  
Assistant Deputy Minister,  
Ministry of Education

## OECM Representatives



**Terry Kyritsis** (Secretary)  
President & Chief Executive  
Officer  
OECM



**Len Scavuzzo** (Treasurer)  
Director, Finance & Corporate  
Services  
OECM

\* member Audit and Resources Committee

\*\* member Governance and HR Committee

Note: The Chair is an ex-officio member of Standing Committees

## Appendix C: Management and Staff (as of December 31, 2014)

President & Chief Executive Officer Terry Kyritsis		
Antonia Bassoulos		Eileen Linton
<b>Director HR, Marketing &amp; Communications</b> Heather Barnett	<b>Director Sourcing &amp; Relationship Management</b> Karen Owen	<b>Director Finance &amp; Corporate Services</b> Len Scavuzzo
<b>Business Development</b> John Schenk	James Chang Vasilii Popov	Belinda Yu Jackie Zhu Wi-connect (3 <sup>rd</sup> party IT service provider)
<b>Marketing and Communications</b> Manny Sabares Bec Fazzalari Rohit Jajoo	<b>Sourcing Team</b> Agnès Tijet Patti Greer Michelle Zhu Doris Poon	
	<b>Business Relationship Management Team</b>	
	<u>Portfolio: Admin/Fin/HR</u> Glenda Schmidt Zakir Shaikh Michael Muraz	
	<u>Portfolio: Facilities and Operations</u> Luba Medvedeva Maaz Khan Michael Liaw	
	<u>Portfolio: IT</u> Sam Campisi David Chan	

## Appendix D: Marketplace of Products and Services (as of December 31, 2014)

Categories of Products & Services			
	Finance, HR & Marketing	Information Technology	Facilities and Operations
Existing Products and Services as of December 31, 2013	<ul style="list-style-type: none"> <li>Commercial Print</li> <li>Courier Services</li> <li>Credit and Debit Card Processing Services</li> <li>Fine Copy Paper</li> <li>Insurance Broker Services</li> <li>Insurance Consulting Services</li> <li>Office Supplies</li> <li>Promotional Items</li> <li>Purchasing Card Program</li> <li>Translation, Interpretation and American Sign Language</li> </ul>	<ul style="list-style-type: none"> <li>Chrome Devices and Services</li> <li>Desktop Technology Products &amp; Services</li> <li>Interactive Learning Products</li> <li>Long Distance Services</li> <li>Multi-function Devices 2009</li> <li>Multi-function Devices 2012</li> <li>Projectors</li> <li>Small Office and Multi-Function Printers</li> <li>Toner Cartridges</li> </ul>	<ul style="list-style-type: none"> <li>Classroom Furniture</li> <li>Custodial Supplies and Equipment 2013</li> <li>Customs Brokerage Services</li> <li>Employee Uniforms &amp; Chef Clothing</li> <li>Laboratory /Science Supplies</li> <li>Natural Gas Purchasing Program</li> <li>Sports Products</li> </ul>
New Products and Services Launched in 2014	<ul style="list-style-type: none"> <li>AODA Related Services</li> <li>Banking Services for Colleges</li> <li>Collection Agency Services</li> <li>Payment Recovery Services</li> </ul>	<ul style="list-style-type: none"> <li>Crestron® Products and Services</li> <li>IT Technical Support Services</li> <li>Production Multi-Function Devices</li> <li>SMARTnet Cisco Support and Services</li> </ul>	<ul style="list-style-type: none"> <li>Evacuation Chairs &amp; Public Access Defibrillators</li> <li>Furniture and Related Services</li> <li>Hand Tools</li> <li>Plumbing Products</li> </ul>
Sourcing Projects underway for Launch in 2015	<ul style="list-style-type: none"> <li>Coach Services</li> <li>Dental Supplies</li> <li>External Audit Services</li> <li>Graduation Gowns</li> <li>Health Insurance for Post-Secondary International Students</li> <li>Health Insurance for School Board International Students</li> <li>Legal Services (construction)</li> </ul>	<ul style="list-style-type: none"> <li>Android and Window Tablets</li> <li>Anti-virus and Security Solutions</li> <li>Cloud technology</li> <li>Disaster Restoration Services</li> <li>IT Equipment Disposal &amp; Recycling</li> <li>IT Leasing</li> <li>IT Professional Services</li> <li>Mobile Device Management</li> <li>Office MFDs and Professional Services</li> <li>Software Licensing</li> <li>Switches, Routers, Firewall and Related Services</li> </ul>	<ul style="list-style-type: none"> <li>Apparel</li> <li>Electrical Supplies</li> <li>HVAC Related Products</li> <li>Plagiarism Tool</li> <li>Residence Furniture and Mattresses</li> </ul>

## Appendix E: Supplier Partners (as of December 31, 2014)

OECC's Supplier Partner	Type of Products and Services Offered
Able Translation Accessibility Experts Ltd. Acklands-Grainger Inc. Advanced Presentation Products  AEC Professional Paralegal Corp Akran Marketing All Languages Ltd. All Seating Corp Altis Human Resources Alumni Classroom Furniture AON Risk Solutions Avant Imaging and Information Management Inc. (AIIM)	Translation, Interpretation & American Sign Language AODA Related Services Handtools Crestron Products and Services Interactive Learning Products and Related Accessories Payment Recovery Services Promotional Items Translation, Interpretation & American Sign Language Furniture and Related Services IT Technical Support Services Classroom Furniture Insurance Broker Services Commercial Print
Bagg Technology Resources Berrn Consulting Ltd. aed4Life Best Buy Canada BGI Benchmark Group International Inc. Blackstone Energy Services Inc. BMO Financial Group Boreal Northwest Bunzl Canada Inc.	IT Technical Support Services Public Access Defibrillators (PAD) Chrome Devices and Services Payment Recovery Services Natural Gas Management and Advisory Services Purchasing Card Program Laboratory/Science Supplies Custodial Supplies & Equipment 2013
Calian Canpar Chase Payment Solutions CLS Lexi-Tech Compugen Ltd. Computer Media Group Credit Bureau of Canada Collections	IT Technical Support Services Courier Services Credit and Debit Card Processing Services Translation, Interpretation & American Sign Language Small Office and Multi-Function Printers Toner Cartridges and Related Services Collection Agency Services
Dell Canada Inc.	Desktops, Laptops and Related Products & Services Projectors and Related Accessories Small Office and Multi-Function Printers Payment Recovery Services Interactive Learning Products and Related Accessories
Deloitte LLP Duplicom Presentation Systems	
Eagle Professional Resources EOS NCN Evac+Chair Canada Evacuscape Evolution Presentation Technologies Ltd. Excellence Canada	IT Technical Support Services Collection Agency Services Evacuation Chairs and Carrying Mats Evacuation Chairs and Carrying Mats Interactive Learning Products and Related Accessories AODA Related Services
Fastenal Canada Ltd. Ferno Canada Fisher Scientific Flaghouse Inc. FlexiTy Solutions Inc. Flexo Products Ltd.	Hand Tools Evacuation Chairs and Carrying Mats Laboratory/Science Supplies Sports Products SMARTnet® Equivalent Support Services Custodial Supplies & Equipment 2013
GAATES Gatestone & Co. Inc. Global Unified Solution Services Inc. Grand & Toy	AODA Related Services Collection Agency Services Crestron Products and Services Fine Copy Paper 2014 Furniture and Related Services Office Supplies 2014
HeartZAP Services Inc.	Public Access Defibrillators (PAD)
Infotek Consulting Services Intech Risk Management Inc.	IT Technical Support Services Insurance Consulting Services



OECM's Supplier Partner	Type of Products and Services Offered
KPMG LLP	Payment Recovery Services
MacLean Media Systems	Crestron Products and Services
Marks Supply Inc.	Plumbing Products
Mark's Work Wearhouse Ltd.	Employee Uniforms
Mayhew	Furniture and Related Services
MCIS Language Services	Translation, Interpretation & American Sign Language
McLaren Press Graphics	Commercial Print
Metafore Technologies Inc.	Chrome Devices & Services
	Interactive Learning Products and Related Accessories
	Small Office and Multi-Function Printers
	Long Distance Services
	Custodial Supplies & Equipment 2013
	AODA Related Services
	IT Technical Support Services
Metcom Canada Inc.	
Mister Chemical Ltd.	
MNP LLP	
Modis Canada	
Next Plumbing Supply	Plumbing Products
Noble Corporation	Plumbing Products
Northern Micro Inc.	Chrome Devices & Services
	Interactive Learning Products and Related Accessories
	Projectors and Related Accessories
OFGO	Furniture and Related Services
POI Business Interiors	Furniture and Related Services
Projector Source Canada	Interactive Learning Products and Related Accessories
Prolab Scientific	Laboratory/Science Supplies
Promotion Resource Group	Promotional Items
Rescue 7 Inc.	Evacuation Chairs and Carrying Mats
	Public Access Defibrillators (PAD)
Ricoh Canada	MFDs - Production Multi-Function Devices
S.i. Systems	IT Technical Support Services
Schoolhouse Products Inc.	Classroom Furniture
	Furniture and Related Services
	Employee Uniforms
	Interactive Learning Products and Related Accessories
	Commercial Print
	Custodial Supplies & Equipment 2013
	Fine Copy Paper 2014
	Furniture and Related Services
	Office Supplies
	Toner Cartridges and Related Services
	IT Technical Support Services
	Custodial Supplies & Equipment 2013
Sundiata White Group Intellistaff Ltd. (SWG)	
Swish Maintenance Ltd	
T. Litzen Sports Ltd.	Sports Products
TD Bank	Banking Services for Colleges
TEEMA Solutions Group	IT Technical Support Services
TEKsystems Canada Inc.	IT Technical Support Services
The Herrington Group Ltd.	AODA Related Services
Thompson Ahern International	Customs Brokerage and Related Services
Transcontinental Printing Inc.	Commercial Print
Transperfect Translation International	Translation, Interpretation & American Sign Language
UPS Canada Ltd.	Courier Services
Ven-Rez Products Ltd	Classroom Furniture
Wintergreen Learning Materials	Classroom Furniture
Wood Wyant Canada Inc.	Custodial Supplies & Equipment 2013
Xerox Canada	Multi-Function Devices 2009
	Multi-Function Devices 2012
	MFDs - Production Multi-Function Devices

# Appendix F: Financial Statements

## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

FINANCIAL STATEMENTS  
For the year ended December 31, 2014



**ONTARIO EDUCATION  
COLLABORATIVE MARKETPLACE**

**For the year ended December 31, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the Directors of  
**Ontario Education Collaborative Marketplace**

We have audited the accompanying financial statements of Ontario Education Collaborative Marketplace, which comprise the statement of financial position as at December 31, 2014, the statements of operations and changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

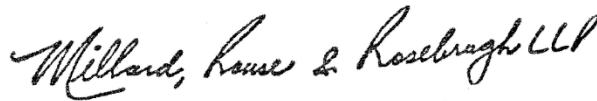
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Ontario Education Collaborative Marketplace as at December 31, 2014 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'Millard, Rouse & Rosebrugh LLP'.

May 26, 2015  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

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## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### STATEMENT OF FINANCIAL POSITION

As at December 31	2014	2013
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	913,378	1,176,896
Accounts receivable (Note 3)	825,300	436,991
Prepaid expenses (Note 4)	72,223	48,507
	1,810,901	1,662,394
<b>Capital Assets (Note 5)</b>	39,298	148,745
	1,850,199	1,811,139
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	154,225	206,119
Government remittances payable	344,800	6,911
	499,025	213,030
<b>Lease Inducements (Note 6)</b>	14,155	70,776
<b>Deferred Capital Contributions (Note 7)</b>	39,298	148,745
<b>Deferred Grants (Note 8)</b>	1,297,721	1,378,588
	1,850,199	1,811,139
<b>Net Assets (Page 3)</b>	-	-
	1,850,199	1,811,139

See accompanying notes to financial statements

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## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

For the year ended December 31	2014	2013
<b>Revenue</b>		
Government grants (Note 10)	614,717	1,029,881
Strategic sourcing	2,352,751	1,719,762
Interest income	11,300	10,594
Other income	47,058	77,757
Amortization of deferred capital contributions	114,097	122,123
	3,139,923	2,960,117
<b>Expenses</b>		
Advertising	36,854	23,667
Amortization of capital assets	114,097	122,123
Licensing fees	3,854	2,875
Office and general	16,092	9,772
Office services	141,466	161,298
Professional fees	103,130	102,678
Rent	165,804	197,780
Repairs and maintenance	198	61,791
Salaries and benefits	2,502,745	2,155,304
Technical consultant fees	31,499	79,648
Travel	24,184	20,760
	3,139,923	2,937,696
<b>Operating Income</b>	-	22,421
Loss on capital asset disposal	-	(22,421)
<b>Excess of Revenue over Expenses for the Year</b>	-	-
<b>Net Assets - Beginning of Year</b>	-	-
<b>Net Assets - End of Year</b>	-	-

See accompanying notes to financial statements

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## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### STATEMENT OF CASH FLOWS

For the year ended December 31	2014	2013
<b>Net Inflow (Outflow) of Cash Related to the Following Activities:</b>		
<b>Operating</b>		
Excess of revenue over expenses for the year	-	-
Item not affecting cash:		
Amortization of capital assets	114,097	122,123
Amortization of lease inducements (Note 6)	(56,621)	(56,621)
Loss on disposal of assets	-	22,421
	57,476	87,923
<b>Changes in non-cash operating working capital items:</b>		
Accounts receivable	(388,309)	(69,992)
Prepaid expenses	(23,716)	9,896
Accounts payable and accrued liabilities	(51,894)	(130,840)
Government remittances payable	337,889	-
Deferred capital contributions	(109,447)	(115,548)
Deferred grants	(80,867)	213,544
	(316,344)	(5,017)
<b>Investing</b>		
Purchase of capital assets	(4,650)	(32,381)
Proceeds on sale of assets	-	3,385
	(4,650)	(28,996)
<b>Net Cash Inflow (Outflow)</b>	(263,518)	(34,013)
<b>Cash - Beginning of Year</b>	1,176,896	1,210,909
<b>Cash - End of Year</b>	913,378	1,176,896

See accompanying notes to financial statements

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## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

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#### 1. PURPOSE OF THE COMPANY

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The Organization was incorporated on August 8, 2006 without share capital as a not-for-profit corporation. The core purpose of Ontario Education Collaborative Marketplace ("OECM") is to support publicly funded education in Ontario by enabling opportunities for savings of time and money for reinvestment in core academic activities. Services provided to support this mandate include collaborative strategic sourcing that will generate additional financial benefit and process improvements for participating school boards, colleges and universities.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies.

##### (a) Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

##### (b) Fund Accounting

The Company follows the deferral method of accounting. Revenues and expenses related to the operational activities are reported in the unrestricted fund. The net assets invested in the capital asset fund reports the assets, liabilities, revenue and expenses related to the Company's capital assets.

##### (c) Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	- Straight-line basis over 3 years
Computer software	- Straight-line basis over 3 years
Office equipment	- Straight line basis over 5 years
Leasehold improvements	- Straight line basis over the term of the lease

##### (d) Lease Inducements

Lease inducements relating to reimbursements on leasehold improvements and a five month free rent period are being amortized on a straight line basis, as a reduction of rent, over the term of the lease, ending March 2015.

## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (e) Revenue Recognition

Externally restricted contributions and restricted investment income are recognized as revenue in the year in which the related expenses are incurred. Investment income is recognized on an accrual basis and includes interest earned on funds held in the bank accounts.

Restricted contributions for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Strategic sourcing revenue is recognized once services are complete and collection is reasonably assured.

##### (f) Financial Instruments

All financial instruments are initially recorded on the statement of financial position at fair value. All financial instruments are measured at amortized cost.

3. ACCOUNTS RECEIVABLE	2014	2013
Trade receivables	817,207	436,991
Accrued receivables	8,093	-
	825,300	436,991
4. PREPAID EXPENSES	2014	2013
Rent	68,445	39,031
Insurance	3,681	2,610
Other	97	6,866
	72,223	48,507

## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

5.	CAPITAL ASSETS	Cost	Accumulated Amortization	2014	2013
	Leasehold improvements	418,764	394,277	24,487	104,793
	Office equipment	173,622	171,747	1,875	21,620
	Computer equipment	51,144	38,837	12,307	20,345
	Computer software	24,747	24,118	629	1,987
		668,277	628,979	39,298	148,745

### 6. LEASE INDUCEMENTS AND COMMITMENT

During 2009, the Company entered into a rental agreement that expires March 2015 for approximately \$418,000 per year. Included in this rental agreement were two lease inducements. The first provided the Company with five months free rent between November 2009 - March 2010 while the second provided the Company with a cash inducement to support the purchase of leasehold improvements.

Amortization of both the free rent period and the cash inducement for the purchase of leasehold improvements has been netted against rent on the statement of operations.

	2014	2013
Lease Inducements - beginning of the year	70,776	127,397
Inducements recognized during the year	(56,621)	(56,621)
	14,155	70,776

## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

#### 7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balances are as follows:

	2014	2013
Balance beginning of the year	148,745	264,293
Add: Grants allocated for capital purchases	4,650	32,381
Less: Funds reallocated due to asset disposal	-	(25,806)
Less: Amortization of deferred capital contributions	(114,097)	(122,123)
	39,298	148,745

#### 8. DEFERRED GRANTS

Deferred grants represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the grant revenue deferred to future periods are as follows:

	Operational Grant	Developmental Grant	2014	2013
Balance at the beginning of the year	1,378,588	-	1,378,588	1,165,044
Add: amounts received during the year	470,500	138,500	609,000	1,250,000
Less: amounts recognized as revenue in the year	(612,687)	(72,530)	(685,217)	(1,029,881)
Less: reallocated to deferred capital contributions	(4,650)	-	(4,650)	(6,575)
	1,231,751	65,970	1,297,721	1,378,588

## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

#### 9. INVESTMENT IN CAPITAL ASSETS

A. Investment in Capital assets represents the following:

Capital assets and development in progress	39,298	148,745
Less: amounts financed by deferred capital contributions (Note 7)	(39,298)	(148,745)

- -

B. Change in net assets invested in capital assets is calculated as follows:

Net change in investment in capital assets:

Amortization expense	114,097	122,123
Amortization expense of deferred capital contributions	(114,097)	(122,123)

- -

#### 10. GOVERNMENT GRANTS

On June 28, 2011, OECM and the Ministry of Government and Consumer Services entered into a new Transfer Payment Agreement, whereby, the Ministry of Government and Consumer Services will provide funding of \$4.4 million, payable in nine installments during 2011 to 2014. As of December 31, 2014, seven installments totaling \$4,000,000 (2013 - \$3,600,000) have been received.

On March 18, 2014, OECM and the Ministry of Government and Consumer Services entered into a new Transfer Payment Agreement, whereby, the Ministry of Government and Consumer Services will provide \$282,000 in Developmental Services funding in order to aid in formalizing collaborative procurement for those with developmental disabilities. These funds will be payable in five installments during 2014 to 2016. As of December 31, 2014, two installments totaling \$138,500 have been received.

#### 11. FINANCIAL INSTRUMENTS

The significant risk to which the Company is exposed is credit risk.

##### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Company does not anticipate significant loss for non-performance.

## ONTARIO EDUCATION COLLABORATIVE MARKETPLACE

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended December 31, 2014

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#### 12. COMMITMENTS

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The company is committed to the lease of business premises in Toronto for a period of 10 years starting in April 2015 with the right to extend the lease for a further two years. The company is also committed to leasing its current business premises until its expiry in March 2015.

Future minimum lease payments are as follows:

2015	- 216,479	2016	- 160,822	2017	- 166,912	2018	- 171,261	2019	- 175,320
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#### 13. COMPARATIVE FIGURES

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Certain prior year's figures, provided for purposes of comparison, have been reclassified to conform with the current year's presentation.

Connect with us at [www.oecm.ca](http://www.oecm.ca).

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