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The Regional Municipality of Durham Report

To: Finance & Administration Committee
From: Commissioner of Finance
Report: #2026-F-7
Date: April 14, 2026

Subject:

Implications of the Addition of Municipalities as Prescribed Public Sector Entities Under the *Buy Ontario Act (Public Sector Procurement), 2025* (formerly Bill 72)

Recommendation:

That the Finance and Administration Committee recommend to Regional Council:

- A) That the staff submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP), regarding proposed regulations for the *Buy Ontario Act (Public Sector Procurement), 2025* (formerly Bill 72) be endorsed; and
 - B) Staff report back on the implementation of the new requirements that became effective March 30, 2026 when municipalities were added as prescribed public sector entities under the *Buy Ontario Act* to prioritize Ontario and Canadian good and service requirements in new procurements for light duty fleet effective April 13, 2026 and capital infrastructure procurements effective May 15, 2026.
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Report:

1. Purpose:

- 1.1 The purpose of this report is to advise of the implications of municipalities becoming prescribed public entities under the *Buy Ontario Act* (BOA) with compliance required in mid-April for light duty fleet and mid-May for construction projects. This report also requests the endorsement of Regional Council for the March 2, 2026, staff submission to MPBSDP on proposed regulations under the BOA which was assembled by an interdepartmental group of key stakeholders in the areas of large capital projects and fleet, as well as legal and procurement staff.

2. Background

- 2.1 The BOA received Royal Assent on December 11, 2025, and allows the province to make regulations specifying additional public sector entities that may be required to comply with procurement directives issued under the BOA. The legislation is intended to strengthen Ontario's economy by prioritizing Ontario-made goods and services. The Act repeals the *Building Ontario Businesses Initiative Act, 2022* and introduces a new framework, that includes enhanced compliance, reporting and enforcement mechanisms, and potentially including the withholding of provincial funds and transfers.
- 2.2 The BOA is part of the province's response to economic uncertainty and global supply chain pressures related to United States (U.S.) protectionist economic policies, with the goal of leveraging public sector purchasing power to support Ontario businesses and workers.
- 2.3 On January 16, 2026, the MPBSDP posted the BOA on the Ontario Regulatory Registry (Proposal 26-MPBSD001) for comments to be submitted by March 2, 2026. Specific feedback was requested on the:
- Proposed regulation to add municipalities and local boards as public sector entities under the BOA; and,
 - Proposed Management Board of Cabinet directives requiring public sector entities to give preference to Ontario-made goods and services when procuring light duty fleet vehicles and major goods and services in capital infrastructure and construction projects.
- 2.4 Regional staff provided comments to the regulatory registry and completed a Ministry survey prior to the March 2, 2026, deadline. Excerpts from the Region's response to the MPBSDP are provided in Attachment #1 - Durham Region staff comments and survey responses on the proposed BOA.
- 2.5 Effective March 27, 2026, municipalities have been added as prescribed public sector entities under the BOA and received direction on March 30, 2026 to prioritize Ontario and Canadian good and service requirements in specific strategic procurement categories.

3. Previous Reports and Decisions

- 3.1 In response to the U.S. announcement of import tariffs on Canadian goods and energy, the Regional Chair and the Mayors of the Area Municipalities in Durham Region released a statement on February 3, 2025, that stated, "...we align to stand up for our people and businesses... [and]... we must also safeguard and support the businesses that are the backbone of our local economy and community."

- 3.2 On February 5, 2025, based on ongoing economic uncertainties due to U.S. tariff threats and policies and challenges and risks created by geo-political events, the Regional CAO directed staff to implement the following four actions:
- For low-value (< \$100,000) quotes and requests for proposals, avoid requiring U.S. content, encourage non-U.S. vendors and monitor U.S. content within already awarded contracts;
 - Contact existing vendors to explore options to reduce U.S. products;
 - Piggyback on federal and provincial Vendor of Record contracts; and
 - Explore non-U.S. options for information technology (IT).
- 3.3 On March 26, 2025, Regional Council approved a motion to ensure Durham's procurement is resilient, aligns with domestic trade opportunities and supports local economic development.
- 3.4 On June 25, 2025, Council received [Report #2025-COW-24](#) and directed that staff report back on an as-needed basis, to update Regional Council on the 'Made in Durham' Regional procurement initiatives and implications.

4. Key Provisions of the *Buy Ontario Act, 2025*

- 4.1 On March 27, 2026, municipalities, local boards and municipal services corporations were added as prescribed public sector entities except in relations to a long-term care (LTC) home or any work done to prepare a site to be used as a LTC home including construction or renovation work.
- 4.2 Effective April 13, 2026, the directive applies to the acquisition of light-duty fleet vehicles, requiring municipalities to prioritize vehicles manufactured in Ontario or supplied by Ontario-based producers where available and operationally feasible.
- 4.3 Effective May 15, 2026, additional requirements apply to capital infrastructure procurements, introducing vendor disclosure obligations of major goods through a Domestic Supply Chain Plan, with mandatory evaluation or scoring considerations applied through either a 10% evaluation advantage or a weighted evaluation score with requirements varying based on procurement value thresholds.
- 4.4 Municipalities are required to retain documentation supporting procurement decisions where the directive applies, including vendor Domestic Supply Chain Plans and the rationale for applying evaluation preferences or exemptions. To support compliance and reporting purposes, municipalities must provide procurement-related information and data upon request to the Province, including to the Ministry of Public and Business Service Delivery and Procurement or Supply Ontario.

- 4.5 The directive permits municipalities to apply exemptions for capital infrastructure procurements where Ontario-content requirements would result in unreasonable cost, delay, or delivery risk, including where compliance would increase estimated project costs by 25 per cent or more, subject to documented justification and approval by the municipality.
- 4.6 A consolidated summary of the applicable requirements, thresholds, and evaluation approaches is provided in Attachment #2- Summary of Sections 4.2.1 and 4.2.2 of the Municipal Buy Ontario Procurement Directive.
- 4.7 This represents a significant policy shift related to operations and governance. Refer to Attachment #3 - Buy Ontario Act- Key Provisions for further details.

5. Administrative and Financial Implications

- 5.1 There may be potential increased costs and supply implications where domestic capacity is unable to deliver goods and/or services that meet local service standards at reasonable costs.
- 5.2 In addition, there is considerable administrative work required to ensure compliance and new reporting requirements including:
- Updating existing procurement policy; procedures and templates;
 - Develop staff training and guidance;
 - Adjustments to fleet and capital infrastructure purchasing practices;
 - Establish processes to track and justify exemptions and approvals;
 - Establishing new reporting requirements; and
 - Communications with the vendor community.

6. Next Steps

- 6.1 Next steps include implementation of new procurement and reporting requirements as well as updating the Purchasing By-Law (where applicable).
- 6.2 Regional staff to continue to monitor provincial communications related to the BOA and any forthcoming directives. The Province is offering training sessions through mid-April to early June. Staff also continue to participate in various municipal procurement forums.

7. Relationship to Strategic Plan

- 7.1 This report aligns with/addresses the following Strategic Directions and Pathways in Durham Region's 2025-2035 Strategic Plan:

a. Resilient Local Economies

- R1. Attract and retain quality employers that strengthen key economic sectors, including energy and technology.
- R2. Support the growth of new business startups and small to medium local businesses.
- R3. Develop, attract, and support a skilled and qualified workforce, including youth and newcomers.
- R4. Protect and strengthen the local agriculture sector and food supply chains.
- R5. Cultivate and promote local arts, culture, quality of place, and tourism that embrace urban excitement and country charm.

b. Strong Relationships

- S1. Enhance inclusive opportunities for community engagement and meaningful collaboration.
- S2. Build and strengthen respectful relationships with First Nations, Inuit, Métis, and urban Indigenous communities.
- S3. Collaborate across local area municipalities, with agencies, non-profits, and community partners to deliver co-ordinated and efficient services.
- S4. Advocate to the federal and provincial government and agencies to advance regional priorities.
- S5. Ensure accountable and transparent decision-making to serve community needs, while responsibly managing available resources.

8. Conclusion

8.1 Regional staff provided comments to the Province in response to the proposed Buy Ontario framework, outlining key considerations and potential implications for municipal procurement practices. Key themes included the need for additional clarification, sufficient transition time to support effective implementation, confirmation of alignment with applicable trade treaty obligations, and support to mitigate potential cost increases and supply constraints. Staff also requested consideration of exemptions in circumstances where domestic supply is not available or where existing funding requirements imposes procurement restrictions.

8.2 While the Province has since proceeded with the proposal and municipalities are now prescribed public service entities, these considerations remain relevant as municipalities work to understand and operationalize the new requirements.

- 8.3 This report is provided for Council's information to ensure awareness of the Province's updated direction via the Municipal Buy Ontario Procurement Directives released March 27th and 30th requiring municipalities to prioritize Ontario and Canadian goods and services in the areas of light-duty fleet and construction.
- 8.4 Staff will continue to monitor the implementation of the Buy Ontario initiative, and ensure compliance with the new requirements. Staff will report back to Council as required.
- 9. Attachments**
- 9.1 Attachment #1: Durham Region Staff Comments and Survey Responses on the proposed *Buy Ontario Act*
- 9.2 Attachment #2: Summary of Sections 4.2.1 and 4.2.2 of the Municipal Buy Ontario Procurement Directive
- 9.3 Attachment #3: Buy Ontario Act- Key Provisions

Respectfully submitted,

Original Signed By

Nicole Pincombe, CPA, CMA
Commissioner of Finance and Treasurer

Recommended for Presentation to Committee

Original Signed By

Elaine C. Baxter-Trahair
Chief Administrative Officer

Durham Region Staff Comments and Survey Responses on the Proposed *Buy Ontario Act*

<p>Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001)</p> <p>Questions/Requests</p>	<p>Durham Region Staff Responses</p>
<p>COMMENT ON THE FOLLOWING:</p> <p>PRESCRIBING MUNICIPALITIES AND LOCAL BOARDS</p> <p>MPBSDP is proposing to make a regulation that would add municipalities and local boards as prescribed public sector entities under the Act. This would allow the government to require municipalities and local boards to comply with procurement directives issued under the Act.</p> <p>To do this, MPBSDP is proposing that the following be prescribed as public sector entities under the Act:</p> <ul style="list-style-type: none"> • municipalities • local boards as defined in section 1 of the Municipal Act, 2001 and section 3 of the City of Toronto Act, 2006 <p>Prescribed public sector entities under the regulation would not include municipalities or local boards while acting as:</p> <ul style="list-style-type: none"> • A generator within the meaning of the Electricity Act, 1998 that owns or operates a generation facility in accordance with subsection 144(2) of that Act • A licensee or prospective licensee within the meaning of the Fixing Long-Term Care Act, 2021 	<p>Response:</p> <p>While acknowledging the province’s intention to expand procurement directives to municipalities, it is important to highlight this represents a significant policy shift and would introduce a significant administrative and reporting burden. The Region recognizes the value of supporting domestic procurement through the BOA, yet recommends a measured approach to implementation, one that allows municipalities to maintain autonomy in aligning procurement strategies with both provincial and local priorities without prescribing municipal procurement involvement. All municipalities in Ontario must have Purchasing By-law as required under the <i>Municipal Act</i> and must comply with trade treaties along with ensuing transparency and accountability through Council. It is recommended that guidance and support be provided to municipalities to reinforce their ongoing efforts to support Ontario and Canadian jobs and economies.</p>

Note: Excerpts from the Region’s submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001)

<p>COMMENT ON THE FOLLOWING:</p> <p>LIGHT DUTY FLEET VEHICLES MPBSDP is proposing a policy to support the domestic automotive industry and automotive jobs in the province by leveraging the significant purchasing power of the public sector.</p> <p>The proposed policy would require Ontario's public sector purchases or leases vehicles that are manufactured in Ontario or from original equipment manufacturers operating in Ontario, as follows:</p> <ul style="list-style-type: none"> • Public Sector Entities must purchase or lease Made-in-Ontario fleet vehicles (referred to as "Tier 1") when they acquire light-duty passenger vehicles. • If a Tier 1 vehicle is unavailable, or it is not operationally feasible to purchase or lease from Tier 1, public sector entities are required to purchase or lease a vehicle from an Ontario Vehicle Producer (referred to as "Tier 2"). • Where a Tier 1 or Tier 2 vehicle is unavailable or it is not operationally feasible to purchase or lease, the public sector entity may consider alternative acquisition strategies that align with the proposed policy's intent. 	<p>Response: Municipalities support Ontario manufacturing but seek flexibility. It would be helpful if the province provided a list of Tier 2 manufacturers and didn't leave public entities to determine. The "2" denotes Canadian manufacturer rather than Ontario manufacturer. We request the province use the 11th VIN digit, which represents the assembly plant. Restricting procurement of vehicles meeting the VIN "2" will significantly narrow the pool of suppliers for certain vehicles. Public entities are unable to determine Tier 1 or Tier 2 proceeding with a contract award/purchase where a VIN# isn't available (i.e. the vehicle hasn't hit the production line yet). Further clarification regarding the treatment of electric vehicles would be helpful. For procurement processes above CETA thresholds, we have concerns that the policy could be seen to breach the non-discrimination provision in CETA. Consider limiting this policy to procurement falling under CETA thresholds. A clear definition of "not operationally feasible" would be helpful. Does it include budget, delivery timelines, supply availability? What about existing fleet standards a municipality already has in place? It would be helpful if the Province provided a guiding document to assist public sector entities determining if a vehicle is unavailable or is not operational feasible.</p>
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<p>Survey Question 3. [NOTE: Questions 1 & 2 related to Survey Participants] Are there any procurement methods or capital infrastructure/construction procurement models that should be treated differently or excluded from the policy? Please explain.</p> <p>Survey Question 4. Should the proposed policy have a monetary threshold below which the policy would not apply? Yes or no?</p> <p>Survey Question 5. If you answered "Yes" to Question 4, at what monetary threshold would you consider appropriate and why?</p> <p>Survey Question 6. Are there project types or project funding for which the policy should not apply? Yes or no?</p> <p>Survey Question 7. If you answered "Yes" to Question 6, which project types or funding sources should the policy not apply to?</p> <p>Survey Question 8. Are there any organizations that are captured should be excluded? If yes, which ones and why?</p>	<p>Response 3. Non-competitive & emergency procurements should be excluded. Furthermore, it is recommended that capital projects currently in procurement or post-award phases be exempt from the new regulations.</p> <p>Response 4. Yes</p> <p>Response 5. Thresholds should be aligned with treaty thresholds or provide indemnification for claims brought against agencies that comply with BOA Directives. We are concerned that any advantage provided to a domestic supply chain could be seen as a breach of the Non-Discrimination provision in CETA.</p> <p>Response 6. Yes</p> <p>Response 7. Where project funding does not allow time for the preparation of a Domestic Supply Chain Plan/evaluation of said plan, at the discretion of the agency, the policy should not apply. This may include when timeframes for funding agreements (for example – federally funded projects) do not allow for compliance with the policy. The organization should be allowed to disregard the policy in these cases.</p> <p>Response 8. No</p>
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Note: Excerpts from the Region's submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001)

<p>Survey Question 9. What risks do you anticipate public sector entities may face resulting from this policy? Choose one of the following: Cost increases, project delay, other.</p>	<p>Response 9. Increased costs (both product costs and administrative expenses for organizations to implement and support this policy) and delays in procurement are anticipated. We are concerned that any preference given to a domestic supply chain could be viewed as violating the Non-Discrimination provision in CETA. There may be protests from local businesses such as dealers and distributors who carry and resell products made outside Ontario, Canada, or the United States. Furthermore, it is recommended that capital projects currently in procurement or post-award phases be exempt from the new regulations.</p>
<p>Survey Question 10. What will be the impact of the proposed implementation date on your organization? Will your organization be ready by the implementation date?</p>	<p>Response 10. No – organizations will need more time to develop templates, procedures, etc. along with training staff. It would be of assistance if the Province could provide template language around the Domestic Supply Chain Plan requirement, since this has been in place for ministries since December. Organizations will need more details on DSCP requirements and what is involved, based on the need to update the processes and templates.</p>
<p>Survey Question 11. What types of support or resources would help your organization comply with the policy? Choose from the following: Guidance materials, training, a dedicated point of contact or questions, other.</p>	<p>Response 11. Provincial or federal funding would be critical to help offset the implementation and ongoing increased costs associated with prioritizing products made in Ontario and Canada. Our organization would benefit from all of the listed supports: comprehensive guidance materials, training sessions, a dedicated point of contact for questions, and especially template language as previously mentioned. Having access to standardized templates would greatly assist in meeting the Domestic Supply Chain Plan requirements. Additionally, establishing a dedicated point of contact is essential to ensure timely and accurate responses to any inquiries that may arise during the implementation process.</p>

Note: Excerpts from the Region’s submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001)

<p>Survey Question 12. The definition for “Capital infrastructure” includes all social & transit /transportation infrastructure projects. The definition of "Construction" means construction, reconstruction, demolition, repair, renovation of a building, structure or civil engineering or architectural work (includes site preparation, excavation, drilling, seismic investigation, supply of products, materials, equipment & machinery if included in and incidental to the construction) & the installation, repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement. Does the proposed definition for "Construction" provide the clarity needed to operationalize the proposed policy? If not, what refinements are needed?</p> <p>Survey Question 13a. “Ontario Made” - means the product originates within the province of Ontario - either grown, produced, or manufactured in Ontario. Does the proposed definition for "Ontario Made" provide the clarity needed to operationalize the proposed policy? If not, what refinements are needed?</p>	<p>Furthermore, it is recommended that capital projects currently in procurement or post-award phases be exempted from the new regulations.</p> <p>Response 12. The “Construction” definition is sufficient, but the “Capital Infrastructure” definition should also exclude professional consulting services. Currently consulting is only excluded from “Construction.”</p> <p>Response 13a. The term “originates” is ambiguous, and it is unclear whether this means location of i) final assembly; ii) substantial transformation; iii) where value is primarily added; or iv) first production step. This ambiguity could lead to difficulty defending decisions if challenged. Clarification is required before implementation. In addition, it would be very helpful if the Province issued certification or documentation that verifies the product meets the required definition for attestation and verification.</p>
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Note: Excerpts from the Region’s submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001)

Survey Question 13b. "Canadian Made" means the product originates from any one province or territory within Canada – either grown, produced, or manufactured in Canada. Does the proposed definition for "Canadian Made" provide the clarity needed to operationalize the proposed policy? If not, what refinements are needed?

Survey Question 14. "Ontario Service" – means any service provided by an individual or a supplier, manufacturer or distributor of any business structure based in Ontario. Does the proposed definition for "Ontario Service" provide the clarity needed to operationalize the proposed policy? If not, what refinements are needed?

Survey Question 15. "Canadian Service" means any service provided by an individual or a supplier, manufacturer or distributor of any business structure based in Canada. Does the proposed definition for "Canadian Service" provide the clarity needed to operationalize the proposed policy? If not, what refinements are needed?

Response 13b. The term "originates" is ambiguous. It is unclear whether this means location of i) final assembly; ii) substantial transformation; iii) where value is primarily added; or iv) first production step. This ambiguity could lead to difficulty defending decisions if challenged. Clarification is required before implementation. In addition, it would be very helpful if the Province issued certification or documentation that verifies the product meets the required definition for attestation and verification.

Response 14. Ambiguous - what does "business structure based in Ontario" mean? If trying to encourage Ontario service, local jobs, the service provider, should be required to employ Ontario employees. This situation may present contradictions; for example, a service provider or distributor may offer products that are not "Ontario Made," yet still qualify as an "Ontario Service" provider. Greater clarity is required, as these service providers contribute to local employment and support the provincial economy.

Response 15. Ambiguous. What does "business structure based in Ontario" mean? If trying to encourage Ontario service, local jobs, the service provider should be required to employ Ontario employees. This situation may present contradictions; for example, a service provider or distributor may offer products that are not Ontario Made yet still qualify as an Ontario Service Provider. Greater clarity is required, as these service providers contribute to local employment and support the provincial economy.

Survey Question 16. Is it feasible to require a vendor to submit a Domestic Supply Chain Plan that identifies the source of every major good and service they intend to use in the project, including those provided by subcontractors? Yes or no?

Survey Question 17. If you answered "No" to Question 17, please elaborate and include if there are any potential limitations or what you believe would make it easier for vendors to submit a Domestic Supply Chain Plan.

Survey Question 18. Is it feasible for public sector buyers to include a list of major goods and services in a procurement covered by this proposed policy for vendors to respond to?
Yes or no?

Survey Question 19. If you answered "No" to Question 19, please elaborate why you think it is not feasible for public sector buyers to include a list of major goods and services?

Response 16. Yes, but there is need for flexibility for vendors regarding level of detail and timing for design-build, Construction Manager and Integrated Project Delivery type projects. Agencies may find it practical to mandate this requirement, but vendors might struggle to comply with the requirements.

For major infrastructure project tenders, general contractors typically select subcontractors at the last minute to keep costs low. As a result, requiring Domestic Supply Chain Plan (DSCP) submission at closing would present considerable challenges. In addition, for large scale infrastructure projects, agencies should have some flexibility in the definition of "Major" given the level of detail triggered. Additionally, in design-build, Construction Management, or Integrated Project Delivery projects, the primary goods are usually specified during the design stage after hiring, rather than at the competition phase.

Response 17. N/A

Response 18. No, will require flexibility in the definition of "major" and in timing for non-traditional tender procurements such as design-build. "Major" should be defined as a realistic threshold or definition to ensure information is provided without a prohibitive amount of work by the proponent and by the evaluation team of the agency. Having a framework with clear thresholds would be helpful.

Response 19. N/A

Survey Question 20. Do you think bidders have the resources to develop and submit a supply chain plan for bid evaluation? Yes or no?

Survey Question 21. If you answered "No" to Question 20, please elaborate why you think bidders do not have the resources to develop and submit a Domestic Supply Chain Plan for evaluation?

Survey Question 22. Are there any circumstances such as market availability, or specialized goods or services that could present challenges in applying the policy requirements? Please elaborate.

Survey Question 23. Should the policy prescribe a standardized scoring methodology, or should procuring entities have the flexibility to select their own approaches? Will this flexibility be needed in more complex construction models?

Survey Question 24. The following is an example of evaluation methodologies tied to procurement value thresholds. Are there alternative approaches that could achieve the policy intent while minimizing administrative burden?

Response 20. No, it may not be practical for vendors to submit them. For major infrastructure RFTs, general contractors usually select subcontractors at the last moment to minimize costs, so submitting DSCP at closing is challenging. In design-build, CM, or IPD projects, key goods are often chosen during the design phase after hiring rather than during the competition.

Response 21. N/A

Response 22. The policy should ensure that it allows for procurement of products that are not made in Ontario or Canada where those are required by organizations (because Ontario/Canadian are unavailable or not feasible). In addition, the policy needs to provide for approval by agencies if the vendor cannot supply the Ontario and Canada goods or services. Further, the policy needs to provide for potential remedies by agencies in situations where the vendor does not supply the promised Ontario or Canada goods or services.

Response 23. The policy should allow for procuring entities to select their own approach where necessary while still achieving the policy objective of supporting Ontario and Canadian goods and services.

Response 24. A summary schedule to the DSCP, outlining the overall spend on Ontario and Canada goods and services would assist in assessment of the Plan. The evaluation methodology for high value is overly complex and convoluted. It is recommended that we follow methodology above for medium-dollar value procurement for high-dollar value

<p><u>Low-dollar value procurements:</u></p> <ol style="list-style-type: none"> 1. Require vendors submit a Domestic Supply Chain Plan (DSCP) 2. Evaluate bids as follows: <ol style="list-style-type: none"> a. Vendor offering highest proportion of Ontario Made goods and Ontario Services in DSCP will receive: <ol style="list-style-type: none"> (i) For Price-Only Procurements: A 10% reduction in price (for evaluation purposes only); (ii) For Procurements with Rated Criteria: A 10% increase to the evaluation score. b. All other vendors will be evaluated without adjustment. <p><u>Medium dollar value procurements:</u></p> <p>Vendors submit DSCP, Evaluate bid as follows:</p> <ol style="list-style-type: none"> a. Only the vendor offering the highest proportion of Ontario-made goods and Ontario Services, followed by Canadian-made goods, and Canadian Services in their DSCP will receive: <ol style="list-style-type: none"> (i) For Price-Only Procurements: A 10% reduction in price (for evaluation purposes only); (ii) For Procurements with Rated Criteria: A 10% increase to the evaluation score. b. All other vendors will be evaluated without adjustment <p><u>For high-dollar value procurements:</u></p> <p>Vendors submit a DSCP, Evaluate bid as follows:</p> <ol style="list-style-type: none"> a. Assign a max 10% to the total evaluation score to the DSCP b. Select the vendor whose DSCP score is at least 50% higher than the top-ranked vendor, and 	<p>procurements. For high-dollar value procurement, there is no "Price-Only" procurement method outlined, this methodology implies that a qualitative evaluation procurement method is the only procurement approach to employ high-dollar value procurements.</p> <p>Currently for high-dollar value construction contracts, bidders submit bids to the specified construction schedule outlined in the bid document. Key dates for contractors' construction schedule are validated and confirmed only after the award of the contract.</p>
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Note: Excerpts from the Region's submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001)

(i) their bid price is within 10% and
 (ii) their construction schedule is no more than 10% longer, the ministry or provincial agency the public sector entity should award the contract to that vendor, subject to all other award conditions.

Survey Question 25. In the example above, evaluation methodologies are tied to procurement value thresholds. How might this approach impact your organization? What should the procurement value thresholds be to best reflect the capital infrastructure procurement and construction environment?

Response 25. Low, medium, and high value should be defined, and must align with trade treaty obligations to ensure municipalities are able to comply with both. For procurement processes above the CETA thresholds, we have concerns that any advantage provided for a domestic supply chain could be seen to breach the Non-Discrimination provision in CETA. Consider limiting this policy to procurement processes that fall under the CETA thresholds. If implemented, we expect significant administrative effort to implement and apply the policy given our current organizational practices, policies and By-law.

The evaluation methodology for high value is overly complex and convoluted. It recommended that we follow methodology above for medium-dollar value procurement for high-dollar value procurements instead. For high-dollar value procurement, there is no "Price-Only" procurement method outlined, this methodology implies that a qualitative evaluation procurement method is the only procurement approach to employ high-dollar value procurements. Currently for high-dollar value construction contracts, bidders submit bids to the specified construction schedule outlined in the bid document. Key dates for contractors' construction schedule are validated and confirmed only after the award of the contract.

<p>Survey Question 26. How would you propose to evaluate a vendor’s Domestic Supply Chain Plan in the case of more complex construction models (such as Alternative Financing and Procurement or AFP models)?</p>	<p>Response 26. In project delivery methods like design-build, Construction Manager, or Integrated Project Delivery (IPD), essential goods are typically chosen during the design phase after hiring has occurred, rather than being identified during the contractor or designer selection process. With complex construction projects, the project scope often isn't defined at the procurement stage, so bidders can't provide a complete Domestic Supply Chain Plan. Instead, they might be asked to outline their intentions or detail their connections with suppliers based in Ontario or Canada. They may also need to show how they've prioritized domestic supply chains on previous projects.</p>
<p>Survey Question 27. Public sector entities must prepare and provide information and data as requested by the MPBSDP or Supply Ontario. Do you have systems, tools, or processes to meet reporting and data requirements?</p>	<p>Response 27. Currently, our systems, tools, and processes are mainly limited to collecting data and reporting on centralized procurements that are competitively bid through the centralized Purchasing unit. Creating a submission form for the DSCP could help us collect the necessary data. However, depending on the required format, submitting this data could demand significant administrative effort and increase the burden on municipalities, especially if detailed data is required. Any data reporting requirements should be flexible, allowing each organization to use its existing systems to minimize additional administrative work.</p>
<p>Survey Question 28. What is an appropriate frequency of information or data request? Choose one of the following: Weekly, Monthly, Quarterly, Other.</p>	<p>Response 28. Annually</p>

Summary of Sections 4.2.1 and 4.2.2 of the Municipal Buy Ontario Procurement Directive

Strategic Category	Procurement Value	Key Requirements	Exclusions	Effective Date
Fleet vehicles, (Light-Duty ≤ 4,500 kg)	Applies to all procurement values (purchase or lease)	<p>Purchase or lease vehicles manufactured in Ontario or from Original Equipment Manufacturers (OEMs) operating in Ontario.</p> <p>If not available, purchase from an Ontario Vehicle Producer.</p> <p>If Ontario Manufacturer or Ontario Vehicle Producer are unavailable or not operationally feasible, the entity may consider alternative acquisition strategies</p>	<ul style="list-style-type: none"> • existing contracts • extensions of original agreements • short term leases less than 12 months • specialty, upfitted vehicles, such as ambulances, police cruisers, enforcement, emergency response, • vehicles for covert or surveillance purposes • used vehicles 	April 13, 2026
Capital Infrastructure	Construction < \$347,400 Goods/Services < \$139,000	<p>Include in the procurement documents:</p> <ul style="list-style-type: none"> • A list of each major good and each service required for the deliverables being procured. • A requirement for vendors to submit a Domestic Supply Chain Plan that identifies, at a minimum, the source of each of the listed major goods and each service. <p>Apply 10% evaluation advantage to the bidder with the highest proportion of Ontario-Made Goods and Ontario Services in their Domestic Supply Chain Plan</p>	<ul style="list-style-type: none"> • medical equipment • information technology • fixtures, furniture or equipment acquired solely for ongoing or operational purpose safter the facility is operational • routine maintenance, repair and operations (MRO) unless the MRO activities involve repairing or renovating the physical structure 	May 15, 2026

Strategic Category	Procurement Value	Key Requirements	Exclusions	Effective Date
Capital Infrastructure	Construction ≥ \$347,400 Goods/Services ≥ \$139,000	Include in the procurement documents: <ul style="list-style-type: none"> • A list of each major good and each service required for the deliverables being procured. • A requirement for vendors to submit a Domestic Supply Chain Plan that identifies, at a minimum, the source of each of the listed major goods and each service. Must apply one of the following: <ul style="list-style-type: none"> • Apply 10% evaluation advantage to the bidder with the highest proportion of Ontario-Made Goods and Ontario Services, followed by Canadian-Made Goods and Canadian Services in their Domestic Supply Chain Plan; or • The Domestic Supply Chain Plan accounts for 10% of the total evaluation score for procurement. Select the vendor whose Domestic Supply Chain Plan score is at least 50% higher than the top-ranked vendor; and <ul style="list-style-type: none"> ○ Their bid price is within 10%; and ○ Their construction schedule is no more than 10% longer, the municipal sector entity should award the contract to that vendor, subject to all other award conditions 	<ul style="list-style-type: none"> • medical equipment • information technology • fixtures, furniture or equipment acquired solely for ongoing or operational purpose after the facility is operational • routine maintenance, repair and operations (MRO) unless the MRO activities involve repairing or renovating the physical structure 	May 15, 2026

Value for Money Exclusion (Capital Infrastructure Procurements):

The BOA Directive includes an explicit value for money exclusion that may be applied on a case by case basis and only where strictly necessary, for capital infrastructure procurements subject to the Directive. This provision indicates, a municipal sector entity may exclude a capital infrastructure procurement from the Ontario and Canadian content requirements only where both of the following conditions are met:

- A detailed market assessment demonstrates that applying the requirements could increase the estimated cost of the procurement by 25 per cent or more compared to not applying those requirements; and
- Appropriate approval has been obtained to apply the exclusion, based on the value of the procurement and the municipality's established approval authorities.

Where a value for- money exclusion is applied, the municipality is required to retain- documentation supporting the market assessment and approval decision

Buy Ontario Act Key Provisions

1 Scope and Applicability

- 1.1 The *Buy Ontario Act*, (BOA) authorizes the province to issue binding procurement directives and set policies, procedures, and standards.
- 1.2 On March 27, 2026, municipalities, local boards and municipal services corporations were added as prescribed public sector entities except in relations to a long-term care (LTC) home or any work done to prepare a site to be used as LTC home including construction or renovation work.
- 1.3 The latest directive from the province issued on March 30, 2026, requires municipal sector to prioritize Ontario and Canadian goods in service in procurements for the following strategic categories:
 - Light duty vehicles at or less than 4,500 kgs – effective April 13, 2026
 - Capital Infrastructure – effective May 15, 2026
- 1.4 The Municipal Buy Ontario Procurement Directive does not apply to procurements needed to address a situation that is both urgent and unforeseen (for example, emergencies).
- 1.5 This represents a significant policy shift related to operations and governance. Prior to this directive, municipalities had discretion over local procurement activities including bidder eligibility, evaluation criteria and performance standards, based on Regional Council directives and Purchasing By-laws. The provincial Municipal Buy Ontario Procurement Directive directs municipalities to following the provincially set procurement approaches outlined in the BOA. The Region of Durham, like many Ontario municipalities, has already demonstrated strong commitments to adapting local municipal procurement to support local, Ontario and Canadian businesses and services.

2 Procurement Preference Hierarchy

- 2.1 The BOA establishes the following clear hierarchy for strategic categories to procurement decisions:
 - Ontario made goods and services.
 - Canadian goods and services.
 - International sources only where local options are unavailable or unreasonable.
- 2.2 Provincial directives provide further detail on bid weighting and evaluation methodologies to operationalize this hierarchy.

3 Compliance and Enforcement

- 3.1 Municipalities are to comply with provincial reporting, monitoring and enforcement requirements, and possibly other provincial directives. Provincial reviews may be conducted to ensure compliance by public sector entities as well as vendors. Noncompliance may result in funding holdbacks, fines, and/or vendor performance management or disqualification. Compliance with Buy Ontario directives is expressly not considered discriminatory under the *Discriminatory Business Practices Act*, however municipalities could still be challenged under federal trade treaties.

4 Regional Feedback to the Ministry was provided on March 2, 2026.

The key themes within the Regional feedback included:

- 4.1 An appeal to exclude municipalities from the BOA, given consistent policies municipalities have already voluntarily implemented, that retain the local flexibility required to deliver both local economic development support and taxpayer affordability based on unique strategic local objectives.
- 4.2 The need for additional clarification, guidance and adequate time to ensure proposed procurement requirements can be implemented effectively.
- 4.3 Request for provincial assurance that there will be no conflicts with federal trade treaties, and the need for legal clarity to protect municipalities from future challenges related to trade compliance and procurement fairness.
- 4.4 Refer to Attachment #1 Durham Region Staff Comments and Survey Responses on the Proposed BOA for Excerpts from the Region's submission to the Ministry of Public and Business Service Delivery and Procurement (MPBSDP) Ontario Regulatory Registry Proposal 26-MPBSD001).