

Summary of some Ontario Municipal Government Responses to U.S. Initiated Tariff Related Activities

As municipalities are in the early stages of providing Council with options to respond to U.S. Initiated Tariff Related Activities, the actions outlined below are not a comprehensive list, but outline some opportunities that are available to and be pursued by municipalities.

GENERAL

- Several municipalities have launched Tariff Response Teams (e.g., Brampton, Lincoln, Oakville).
- Several municipalities have tariff response plans in development (e.g., Burlington, Region of Peel)

TORONTO

Mar. 19, 2025: On Mar. 17, 2025, Mayor Chow released their response plan, "*City of Toronto-United States Tariff Response: A Strategy to Protect Toronto Businesses, Workers and Residents*," which will be considered by Council between Mar. 26 – 28, 2025. The report outlines short-term actions for the City to pursue over 30 days including:

- Supporting Canadian businesses through changes to the City's procurement practices:
 - Only allowing Canadian companies to bid on new competitive procurement under approximately \$350,000 for goods and services and \$8.8 million for construction, in line with the Canada-EU Comprehensive Economic and Trade Agreement (CETA) and the terms to which the City is bound.
 - Favouring Canadian and non-American suppliers in competitive procurement.
 - Giving City staff the ability to make US-based suppliers ineligible to bid on competitive procurement when deemed in the best interest of the City.
 - Increasing procurement from Toronto and GTA suppliers. For example, the City's Fleet Services Division is working with the Automotive Parts Manufacturers' Association to identify local suppliers for key parts to service fleet vehicles, reducing a historic reliance on US-produced automotive parts.
 - Directing staff of City Divisions that rely heavily on U.S.-sourced supplies to develop alternative procurement strategies – in partnership with other municipalities where possible – and report back to the City Manager within 90 days.
 - Seeking to have the City's agencies and corporations adopt similar policies where possible.
- Deferring property taxes for industrial properties to provide cashflow relief:
 - This initiative will allow eligible industrial property owners (i.e., those demonstrating significant financial hardship due to tariffs) to defer tax payments from June 1 to November 30, 2025, without incurring late fees or interest charges.
 - Estimated program cost of \$300,000 to \$750,000, offset against budgeted tax revenues.

- Launching a “Love Local” campaign to encourage residents and businesses to choose Canadian-made goods and services
- Providing dedicated supports and promotional efforts for Toronto’s manufacturing and industrial sector, including a “one-window concierge service” for Toronto businesses, intensifying business retention and expansion efforts with most at-risk businesses, and launching a promotional media campaign celebrating Toronto’s manufacturing sector
- Partnering with regional municipalities and the Province through Supply Ontario to reduce reliance on U.S.-based suppliers
- Expanding global markets for Toronto businesses through industry and export development partnerships
- Supporting technology adoption for businesses to increase competitiveness, including launching an AI Economic Development and Adoption Strategy
- Increasing procurement opportunities for Indigenous, Black and diverse suppliers and social enterprises by refining contract scopes, updating solicitation criteria, organizing supplier engagement events, and offering pre-bid meetings to convey City’s social procurement priorities to companies
- Helping businesses prepare for tariff and technological disruptions
- Directing City spending toward Canadian-owned and local businesses:
 - Limiting travel to U.S. to essential business travel only which will also require approval by the City Manager
 - Limiting low-value business and employee expenses from U.S.-owned retailers
 - Limiting employee use of U.S.-based ridesharing platforms where locally owned alternatives exist

The City will consider a company to be American if they are headquartered in the U.S. and at least 70% of their employees are in the U.S. at the time of bid submission. Subsidiaries of U.S. companies can be considered Canadian if they have a permanent office or production facility in Canada and at least 70% of the contracted work will be done by Canada-based employees.

The City also announced its intention to purchase 17 new pumper (fire) trucks from a Canadian company as one of its first steps in tariff response.

MISSISSAUGA

Mar. 5, 2025: Council approved several actions in response to U.S. economy policy, including:

- Amending the City’s procurement policy to prioritize Canadian and non-U.S. suppliers, especially for medium and high-value projects, and streamline the process to support more local, diverse, and smaller businesses:
 - City staff advancing Low Value Acquisitions (LVA) will be encouraged to buy “Made in Canada” products.
 - Medium Value Acquisitions (MVA) are done so invitationally by acquiring three quotes while High Value Acquisitions (HVA) require open competition bids. The City will increase dollar threshold amounts for both MVA and HVA

processes (construction and non-construction) to provide greater flexibility to contract with non-U.S. suppliers.

- Adjusting award methodology: If a U.S. bidder ranks the best but there is a Non-U.S. bidder within 20% of the U.S. price, the City will have the flexibility to award the contract to the Non-U.S. bidder.
- Launching a "Choose Canada" campaign encouraging residents and businesses to support the local economy by purchasing Canadian-made products and services
- Enhancing business support and outreach: the City will engage with local businesses to understand their needs and provide access to resources for navigating tariff disruptions, including market diversification support for those looking to enter new markets beyond the U.S.
- Advocating to senior levels of government for support for impacted businesses

The City will consider a company to be American if they conduct their activities on a permanent basis in the U.S. and employ more than 65% of its full-time employees inside the U.S. on the closing date of the bid request.

VAUGHAN

Mar. 4, 2025: Vaughan was the first municipality in Ontario to amend their procurement policy in response to U.S. economic policy:

- The dollar threshold amount for "Low Dollar Purchases" increased from \$5,000 to a maximum of \$25,000. Procurements that fall within this category are allowed to be advanced as a direct purchase from vendors after obtaining 1-3 quotes (i.e., competitive process not necessary) so there is more flexibility over what company is awarded a contract.
 - A benchmark analysis of neighbouring municipalities showed that this would bring Vaughan in alignment with York Region, City of Mississauga, City of Brampton, and City of Markham
- The dollar threshold amounts for "Low to Mid Value Procurements" (Construction and Non-Construction) increased temporarily. These procurements require a minimum of three bids with lowest compliant bidder being award the contract.
- For procurements valued at or above the revised "Low to Mid Value Procurements" dollar threshold amounts ("High Value Procurements"), the City is leveraging collaborative procurement organizations, and is exploring further the use of alternative evaluation methods to competitive procurements that would favour non-American vendors (e.g., providing non-U.S. bidders a scoring advantage).

The City will consider a company to be Canadian if:

- The work will be done by a workforce of which at least 80% is non-U.S. based
- They have an office or production facility in Canada; and/or,
- Help Canadian knowledge workers and talent obtain experience delivering projects. Companies and projects that help Canadian workers will:
 - Be led by a Canadian
 - Have at least one of either the project manager position and at least one of the two project executives based in Canada;

- Spend a minimum of 75% of project delivery expenses for services provided by Canadians or Canadian companies.

NEW MARKET

Mar. 17, 2025: Council approved a report recommending:

- Amending invitational and open bid threshold amounts in the Town’s procurement policy
- Exploring language that can be added to invitational and open bid procurement processes that would favour Canadian bidders (e.g., if highest rank bid is non-Canadian but there is a Canadian bidder that scored with 25%, contract can be awarded to the Canadian company)
- Town establishing criteria for what qualifies as “Made in Canada” so it can promote accordingly (to be done in partnership with GTA Procurement Group)
- Town establishing definitions for Canadian and U.S. suppliers (to be done in partnership with GTA Procurement Group)
- Applying “Choose Local” branding to economic development initiatives
- Relaunching “Business Assistance Concierge Program”

YORK REGION

Mar. 6, 2025: Report to Council states that staff are anticipating claims from suppliers to be reimbursed for tariff-related contract price increases for goods imported from the U.S. To ensure continuity of business, Council authorized the CAO to negotiate any tariff-related increases beyond the current 15% contingency threshold.

DURHAM REGION

Mar. 19, 2025: Report updated Council on actions underway in Durham Region in response to U.S. economic policy:

- Interdepartmental Tariff Response Working Group has been formed and meets weekly (chaired by CAO)
- Region chairs a working group of solicitors from the six Regional governments under a joint retainer with trade and procurement experts to advise and support changes to procurement
- Region is proceeding to amend procurement practices to ensure resilience by:
 - Focusing on Canadian suppliers to bid on invitational purchases
 - Reviewing bid document language for potential opportunities
 - Looking to capitalize on interprovincial trade opportunities and support local businesses
 - Identifying products and supplies required from U.S. markets and looking for alternate sources of supply
- With the expectation that U.S. tariffs and Canadian countermeasure tariffs will likely cause capital project costs to increase:
 - Commissioners will develop two 2026 budget submissions – regular and worst-case scenario
 - Finance staff are working with departments to determine priority capital or operating contracts (next 8-12 months) to determine if there is a need to defer or take other action before looking at full scale capital budget deferrals

- Region will host a webinar for local exporters to learn about diversification opportunities
- A tourism marketing and promotional campaign is in development to showcase local producers and service providers
- Region is working on a trade diversification initiative, to connect local exporters with senior government support programs to help them diversify trade internationally

ST. CATHARINES

Mar. 17, 2025: Council approved:

- Temporary "Canada-First" procurement policy, prioritizing Canadian-made goods and services in municipal purchasing. The new procurement policy is expected to remain in effect until trade conditions improve.
- Implementing a series of initiatives to support businesses navigating tariff-related challenges, including facilitating connections between local suppliers and buyers, offering business continuity resources, and participating in regional economic development efforts to attract investment.

WELLAND

Feb. 3, 2025: Mayor Frank Campion issued a Mayoral Directive under the Strong Mayor Powers of the *Municipal Act, 2001*, mandating the immediate development and implementation of a temporary procurement policy putting Canadian goods first.

In response to this direction, a City of Welland Temporary Procurement Policy Addendum draft was created and presented to members of Council at the Workshop dated February 11, 2025. This proposed Addendum, once approved, will be a companion to the City's in place Purchasing Policy and By-Law 2024109.

OTTAWA

Feb. 4, 2025: City of Ottawa's finance committee voted in favour of an emergency motion calling for:

- staff to prepare an update outlining the economic forecast and potential negative impacts of U.S. economic policy on the City;
- staff to present a plan to ensure the City's procurement bylaws and processes are sufficiently flexible to support the purchase of local, Canadian and non-American goods and services, wherever possible;
- the Mayor to convene a meeting of local business leaders to develop an action plan to support and promote local products and businesses;
- the Mayor to work with the Mayor of Gatineau on a request to the other levels of government to eliminate interprovincial trade barriers;
- the City of Ottawa to collaborate with other levels of government and representative business and trade organizations in efforts to create local supply chains for products and services currently purchased from American companies; and,
- the City of Ottawa to examine only utilizing the banking and investment services of Canadian financial institutions.

WINDSOR

Apr. 14, 2025 (expected): City of Windsor will consider a motion to prioritize Canadian-made goods and services in its procurement process.