



Report
Staff Report
 The Corporation of the City of Brampton
 3/19/2025

Date: 2025-03-17

Subject: **Implementing Brampton's "Made in Canada" procurement policy - RM 14/2025**

Contact: Sean Morgan, Director, Purchasing

Report number: CAO's Office-2025-246

RECOMMENDATIONS:

1. That the report from Sean Morgan, Director, Purchasing to the Committee of Council Meeting of March 19, 2025, re: **Implementing Brampton's "Made in Canada" procurement policy - RM 14/2025**, be received.
2. That Council approve the implementation of a "Made in Canada" procurement policy, for the duration of American tariffs on Canadian goods, at the City of Brampton as set out in this report, including the:
 - i. approval of the proposed exclusion of "American Vendors" (and associated exceptions); and
 - ii. authorization for the Chief Administrative Officer to take such actions, and make such changes to the City's procurement processes, policies, and documents, as deemed appropriate to give effect to the proposed "Made in Canada" procurement policy, in consultation with the City Solicitor.
3. That staff review existing contracts with American vendors and report back to Council on options for terminating contracts with American vendors and instead procuring from Canadian or non-American vendors.

OVERVIEW:

- On January 29, 2025, Council requested City staff to report back on a "Made in Canada" procurement policy in response to anticipated United States tariffs on Canadian goods.
- On March 3, 2025, the City announced a "Made in Canada" Procurement Policy to support Canadian businesses in response to U.S. imposed tariffs.

- The City's procurement processes and policies are governed by interprovincial, national, and international trade agreements and legislation.
- The City has obligations under applicable trade agreements, including the Comprehensive Economic and Trade Agreement (CETA) and the Canadian Free Trade Agreement (CFTA).
- The City defines an American vendor as based in the USA, as indicated by their jurisdiction of incorporation or location of their primary office.
- The City will exclude all American vendors and make an exception for American vendors under certain circumstances as outlined in the report.
- The report authorizes the Chief Administrative Officer (CAO) to make necessary changes to the City's procurement process to implement the 'Made in Canada' procurement policy.
- Additionally, the report directs staff to review existing contracts with American vendors and report to Council on options for terminating U.S. contracts in favour of Canadian or non-American vendors.

BACKGROUND:

The City has been reviewing procurement processes and policies and investigating options to consider alternatives to U.S. goods where possible, other strategies to avoid the impact of tariffs, and procurement strategies to respond to tariffs.

On January 29, 2025, a motion was carried at the Committee of Council meeting for a "Made in Canada" procurement policy in response to tariff threats from the United States and to prioritize Canadian businesses.

The City spends over \$350 million annually on goods, services, and construction. It has active contracts worth approximately \$35 million, or 10% awarded directly to U.S. vendors. More than 98 percent of the City's vendors are based in Canada.

Trade Agreements – CETA and CFTA

The City has obligations under applicable trade agreements that establish certain thresholds. The Canada-European Union Comprehensive Economic and Trade Agreement (CETA) trade agreements apply to procurements above \$353K for non-construction-related goods and services and \$8.8M for construction.

The Canadian Free Trade Agreement (CFTA) applies to procurements of goods and services above \$133,800 and construction above \$334,400.

Purchasing By-law 19-2018

The City's Purchasing By-law establishes fair and transparent processes and policies for purchasing goods and services while ensuring the most cost-effective use of City funds to achieve the best value for money. It is aligned with international and domestic trade agreements, including CETA and CFA, which is the case for all orders of government within Canada.

CURRENT SITUATION:

The City will define an "American Vendor" as:

- Vendors / Bidders based in the USA, as indicated by their jurisdiction of incorporation or location of their primary office.
- Subsidiaries of an American Vendor shall be deemed to be American Vendor, even if not incorporated or located in the USA.

American Vendors will be excluded from the City of Brampton procurements except in the following circumstances as determined by staff:

- At least 60% of total contract value is attributable to goods, services, or construction that are produced or manufactured in, or provided by workforce located in, Canada or other locations other than the USA. The vendor / bidder must provide supporting documentation about the value and origin of goods/services if requested by the city.
- Emergency Purchase (under section 8.5 of the Purchasing By-law) where there is no reasonable alternative or substitute to an American Vendor.
- No cost procurement (under section 8.6 of the Purchasing By-law).
- Circumstances described in the following sections of Schedule C of the Purchasing By-law:
 - section 1 (lack of qualified bidders);
 - section 2 (single vendor with no reasonable alternative or substitute);
 - section 3 (change order with existing vendor);
 - section 4 (necessary due to unforeseen events);
 - section 7 (circumstances which are exceptionally advantageous to the City, such as a bankruptcy or receivership);
 - section 11 (compatibility with existing goods, or specialized goods that must be maintained by the manufacturer); and
 - section 12 (warranty work).
- Operational necessity, as determined by the CAO based on the recommendation of the relevant department head.

CORPORATE IMPLICATIONS:

Financial Implications: There are no financial implications from the report's recommendations.

Other Implications:

Purchasing Implications – The City's Purchasing division will support the implementation of the "Made in Canada" procurement policy and mitigate any risks associated with excluding American vendors from the City's procurement process.

STRATEGIC FOCUS AREA:

This report reflects the City's **Government & Leadership** strategic focus area by implementing Brampton's "Made in Canada" procurement policy to support Canadian businesses through the City of Brampton procurements while U.S. tariffs remain in effect.

CONCLUSION:

This report enables City staff to implement the City's "Made in Canada" procurement policy and supports ongoing efforts to prioritize Canadian vendors. The report also authorizes the Chief Administrative to make any changes necessary to the City's procurement process to implement the policy.

Authored by:

Reviewed by:

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