

Authority: Executive Committee Item EX21.2, adopted as amended by City of Toronto Council on March 26 and 27, 2025
City Council voted in favour of this by-law on March 27, 2025

CITY OF TORONTO

BY-LAW 240-2025

To amend City of Toronto Chapter 195, Procurement, to enact provisions in response to U.S. Tariffs.

Whereas City Council wishes to amend City of Toronto Municipal Code Chapter 195, Procurement;

The Council of the City of Toronto enacts:

- 1.** City of Toronto Municipal Code Chapter 195, Procurement, is amended by adopting the amendments contained in Schedule 1 to this by-law, which shall be added as Schedule A to Chapter 195, Procurement.

Enacted and passed on March 31, 2025.

Frances Nunziata,
Speaker

John D. Elvidge,
City Clerk

(Seal of the City)

Schedule 1

Chapter 195, Procurement

SCHEDULE A, TEMPORARY PROVISIONS IN RESPONSE TO TARIFFS

195-A1.1 Effective period.

- A. The amendments to Chapter 195, Procurement, contained in this Schedule A shall be in force and effect at any time when in the opinion of the City Manager and the Chief Procurement Officer, in consultation with the Chief Financial Officer and Treasurer and City Solicitor, the following conditions have been met:
- (1) The Government of Canada or the Province of Ontario, or both, have provided direction to the City to take some or all the actions described in Schedule A to this by-law; or
 - (2) Tariffs have been implemented by the United States of America against Canadian goods imported into the United States after the date this by-law comes into force, and the federal Government of Canada has imposed retaliatory tariffs on American goods being imported into Canada from the United States in response.
- B. For greater clarity, the amendments contained in this Schedule A shall not be in force or effect when in the opinion of the City Manager and the Chief Procurement Officer, in consultation with the Chief Financial Officer and Treasurer and City Solicitor, the conditions in subsection A1.1A(1) and (2) have not been met.

195-A1.2. Definitions.

Section 2.1 of Chapter 195, Procurement, is amended as follows:

- A. by deleting the definitions “Competitive Procurement”, “Ineligible Supplier”, “Open Competitive Procurement” and “Supplier” from section 2.1
- B. by adding the following definitions to section 2.1:

CANADIAN SUPPLIER - A supplier, manufacturer or distributor of any business structure that conducts its activities on a permanent basis in Canada. The business either:

- i. has its headquarters or principal place of business in any province or territory of Canada; or
- ii. has at least 70% of its employees in Canada at the time of the bid submission of the applicable procurement process; or
- iii. is a Canadian Business Subsidiary.

CANADIAN BUSINESS SUBSIDIARY - A corporation operating in Canada, that acts as a supplier, manufacturer or distributor of goods and services and is controlled by a parent corporation outside of Canada, and where:

- i. the business subsidiary has permanent offices or production facilities, and
- ii. a minimum of 70% of the deliverables will be provided by employees based in Canada.

COMPETITIVE PROCUREMENT - A solicitation where suppliers as defined in this Schedule are given an opportunity to bid, whether by invitation or by advertisement to the public, and which may include a process for conducting negotiations with one or more suppliers.

INELIGIBLE SUPPLIER – A supplier that has been convicted of charges as described in Section 13.5 of the Chapter, and may from time to time, also include USA Based Suppliers, if they are deemed ineligible to bid on competitive City of Toronto solicitations in accordance with Section 3.2 of this Schedule.

NON-AMERICAN BUSINESS SUBSIDIARY - A business subsidiary controlled by a parent corporation operating on a permanent basis in the USA, that acts as a supplier, manufacturer or distributor of goods, where:

- i. the business subsidiary has permanent offices or production facilities outside of the USA; and
- ii. a minimum of 70% of the deliverables will be provided by employees based outside of the USA.

NON-AMERICAN SUPPLIER - A supplier, manufacturer or distributor of any business structure that does not meet the definition of “American Based Supplier”.

OPEN COMPETITIVE PROCUREMENT - A competitive solicitation method, where a notice of intended procurement is advertised to the public, giving suppliers as defined in this Schedule an equal opportunity to bid on the solicitation and prove their qualifications.

TRADE PARTNER SUPPLIER - A supplier, manufacturer or distributor of any business structure that conducts its activities on a permanent basis within a country that is a party to an international trade agreement applicable to municipalities in Canada. The Trade Partner Supplier either:

- i. has its headquarters or main office within a country that is a party to an international trade agreement applicable to municipalities in Canada, or
- ii. has at least 70% of its employees based in a country that is a party to an international trade agreement applicable to municipalities in Canada at the time of bid submission deadline of the applicable procurement process.

SUPPLIER - A person or group of persons that provides or could provide goods or services, and may include a Canadian Supplier, a Canadian Business Subsidiary, a Non-American Supplier, a Non-American Business Subsidiary, a Trade Partner Supplier, and a USA Based Supplier.

USA BASED SUPPLIER- A supplier, manufacturer or distributor of any business structure that conducts its activities on a permanent basis in the United States of America ("USA"). The business either:

- i. has its headquarters or principal place of business in any state or territory of the USA; or
- ii. has at least 70% of its employees in the USA at the time of the bid submission of applicable procurement process.
- iii. USA Based Supplier does not include a Non-American Business Subsidiary.

195-A1.3. Monetary thresholds and applicable trade agreement.

- A. If in the opinion of the Chief Procurement Officer, there is a change to the monetary thresholds applicable to municipal procurement in the Canadian Free Trade Agreement, the Trade and Cooperation Agreement between Ontario and Quebec, or the Canada-European Union Comprehensive Economic and Trade Agreement, the Chief Procurement Officer shall be authorized to immediately apply the changed monetary thresholds to Sections 3.1(B)(1), 3.1(O), 4.1(D), 6.4(A), 7.2(A), 7.4(A), 10.2(C), 11.1(A) and 11.1(G) of Chapter 195 to align with the updated trade agreements.
- B. The City Solicitor, in consultation with the Chief Procurement Officer, is authorized to submit a bill directly to Council to reflect the outcome of A1.3(A).

195-A1.4. General duties and responsibilities of Chief Procurement Officer

- A. § 195-3.1(D)(2) is deleted and replaced as follows:
 - (2) Rejecting bids made by ineligible and suspended suppliers, or that are otherwise in contravention of this Chapter, Schedule A to this Chapter, or Council policy regarding supplier eligibility and conduct;
- B. § 195-3.1(D)(2) is amended by adding Subsection (9) as follows:
 - (9) Developing and including measures in solicitations, where appropriate and where possible, to prefer bids submitted by Canadian Suppliers and Trade Partner Suppliers, as applicable, in accordance with this Schedule A.

195-A1.5. “Buy Canadian” measures

§ 195-6.3 is amended by adding Subsections 6.3.1, 6.3.2 and 6.3.3 as follows:

- 6.3.1 For new competitive procurements issued on or after March 7, 2025, Canadian Suppliers shall be the only suppliers eligible to bid on City solicitations valued under the applicable Canada-European Union Comprehensive Economic and Trade Agreement monetary thresholds for municipal procurement, as follows:
 - (i) under \$353,300 for goods and services, and
 - (ii) under \$8,800,000 for construction.
- 6.3.2 For new procurements with values exceeding the monetary thresholds in Section A1.5 of this Schedule A and which are subject to the Canada-European Union Comprehensive Economic and Trade Agreement, the Chief Procurement Officer will include measures in the City’s solicitations to prefer bids submitted by Canadian Suppliers and Trade Partner Suppliers, where appropriate and where possible.
- 6.3.3 All procurements undertaken under Sections 6.3.1 and 6.3.2. shall be conducted and contracts executed in accordance with the applicable authority for competitive procurements as set out in the Chapter and in Chapter 71, Financial Control.

195-A1.6. Bids from American Based Suppliers – Potential restrictions

§ 195-6.3 is amended by adding Section 6.3.4 as follows:

- 6.3.4 USA Based Suppliers may be deemed ineligible to bid on competitive City procurements, if it is deemed by the City Manager, or their delegate, and the Chief Procurement Officer, in consultation with the City Solicitor, to be in the best interest of the City to not allow bids from USA Based Suppliers.

195-A1.7. Non-competitive procurement exceptions – USA Based Suppliers

§ 195-7.1 is amended by adding Section 7.1.1 and 7.1.2 as follows:

- 7.1.1 A non-competitive procurement may be undertaken with a USA Based Supplier only if, in the opinion of the City Manager, or their delegate, and the Chief Procurement Officer, in consultation with the City Solicitor, it would be in the best interest of the City.
- 7.1.2 Non-competitive procurements undertaken under Section 7.1.1 shall be awarded and contracts executed in accordance with the applicable authority for non-competitive procurements as set out in the Chapter and in Chapter 71, Financial Control.

195-A1.8. Limited solicitation exceptions

§ 195-7.2 is amended by adding Subsections C and D as follows:

- (C) Where, in the opinion of the City Manager and the Chief Procurement Officer, in consultation with the City Solicitor, it would not be in the City's best interest to solicit open competitive bids.
- (D) Limited solicitations undertaken under Section 7.2 (C) shall be awarded and contracts executed in accordance with the applicable authority for limited solicitations as set out in the Chapter and in Chapter 71, Financial Control.

195-A1.9. Conflict with policies and procedures.

If there is a conflict or inconsistency between the Chapter and this Schedule, the Schedule shall govern and take precedence.