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January 11, 2017

City of Toronto  
Government Management Committee  
100 Queen Street West  
Toronto, ON M5H 2N2

Dear Members of the Government Management Committee,

**RE: GM 23.7 Feasibility of Developing a Canadian Content Policy for Toronto's Procurements in Compliance with Existing Trade Agreements**

It has come to our attention that the Committee will formally receive a report authored by staff of the city's Purchasing and Materials Management Division, which recommends against the implementation (or re-implementation, as it were) of the City's Canadian Content Policy for public procurement, but that also raises the prospect of exploring how Canadian Content policies might factor in to a reformed city-wide procurement strategy.

On behalf of the 315,000 members of Unifor, Canada's largest union in the private sector, I encourage the members of this Committee to reconsider the staff's recommendation and, instead, continue to explore the possibility of re-constituting its (now-suspended) Canadian Content Policy in a manner that complies with existing trade treaties. Canadian Content requirements in public procurements are effective economic policy tools that strive to ensure Canadians stand to benefit from the public purchase of goods and services. According to the City's own estimates, such a policy could help ensure hundreds of millions of public dollars<sup>1</sup> are used to stimulate our domestic economy, each year. And, in our view, the complexities of verifying Canadian Content in local procurements must be met with creative solutions and not treated as a deterrent to have such a policy.

In addition to recommending a re-constitution of its Canadian Content Policy, I also encourage the Committee to advise city staff to explore how best Canadian Content and local economic development policies can be incorporated into modern procurement strategies as part of the City's upcoming "procurement transformation" initiative. This should happen precisely as a means for the City to challenge and test any presumed local policy restrictions resulting from new, "next-generation" international and domestic trade treaties - specifically the Canada-European Union CETA.

<sup>1</sup> According to the PMMD report, page 7, over the span of 3.5 years approximately \$1.65 billion worth of procurement contracts were issued by the City of Toronto – all of which fall outside the scope of the Canada-EU CETA procurement rules and may be guided by the terms of a re-constituted Canadian Content Policy.

Unifor has long been critical of the CETA specifically with respect to the new restrictions it imposes on cities and towns and how they structure the procurement of goods and services. Like Unifor, the City of Toronto has been critical too.

In 2012, representatives of our predecessor union, the Canadian Auto Workers, brought our concerns surrounding the CETA, and the impact the deal could have on local economic development policies, to the City's attention, along with other municipal councils across Ontario. The discussions that took place resulted in the eventual passage of an amended motion from the City's Executive Committee in 2012, wherein City Council requested the Province of Ontario issue a "clear and permanent exemption" from the CETA and that the Province "otherwise protect the powers of municipalities, hospitals, school boards, utilities, universities and other sub-federal agencies to use public procurement, services and investment as tools to create local jobs and otherwise support local economic development."<sup>2</sup>

Through this motion, it is evident that the will of City Council (including various current members of this Government Management Committee<sup>3</sup>) was to ensure trade treaties, like CETA, would not thwart the City's ability to manage its purchasing decisions or to prevent the establishment of procurement policies that support local economic development. Now that CETA has been provisionally applied (although the future of the pact remains uncertain<sup>4</sup>) it is imperative that this Committee continue to explore ways of exercising its own powers of policy-setting to support local economic development and create jobs through public procurement.

The City of Toronto has consistently proven itself to show bold leadership on critical policy issues important not only to its own citizens, but to the people of Canada more broadly. How municipalities approach their procurement practices and policies in the wake of new, expansive trade and market liberalizing disciplines, will play an important role in ongoing local development efforts.

We will be watching carefully the outcomes of this Committee discussion and look forward to a positive outcome.

Sincerely,



**Naureen Rizvi**  
**Ontario Regional Director**

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<sup>2</sup> See: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX16.2>

<sup>3</sup> The amended motion (EX.16) was carried by City Council on March 5, 2012 by a vote of 36-5. Government Management Committee members Janet Davis, Paul Ainslie, Josh Colle and Vincent Crisanti voted in favour of the amended motion.

<sup>4</sup> At present, only seven of the EU's 28 member states have ratified the Canada-European Union CETA, including some of Europe's largest economies (e.g. Italy, France and Germany). Further, the European Court of Justice has yet to rule on the validity of key (and controversial) elements of the trade pact. Should the ECJ deem CETA incompatible with EU law, the CETA cannot come into full force.