



## Schedule “C” to By-law 2014-1 Procurement Policy - Putting Canada First

**EFFECTIVE DATE:** April 29, 2025

**EXPIRY DATE:** Refer to Section 8

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### 1. PURPOSE

In response to the imposition of tariffs by the United States of America (“US”) on Canadian good imports, this Procurement Policy – Putting Canada First (“Policy”) serves as an addendum to the existing Purchasing By-law and will supersede any procurement and contract management related policies and procedures while in effect.

The intent of this Policy is to create a structured framework that enables the City of Greater Sudbury (“City”) to adopt strategies that:

- ✓ **Support for the Canadian Economy:** Where possible, procurement decisions will consider the economic benefit to the Canadian economies to offset the harm imposed by US based tariffs.
- ✓ **Leverage Buying Power:** Aligned with any federal or provincial legislation or direction to municipalities to support a unified, cross-Canada approach that effectively leverages the considerable buying power of Canadian municipalities and other public sector organizations to support a broader trade and economic strategy.

### 2. APPLICATION AND SCOPE

This Policy applies to the City of Greater Sudbury and the local boards and corporations listed within Section 5. (4) of the Purchasing By-law.

This Policy applies to all new procurements of Goods, Services and Construction.

### 3. GUIDING PRINCIPLES

This Policy shall be governed by the following principles:

- ✓ **Fair, Open, and Transparent Procurement:** The City of Greater Sudbury remains committed to competitive bidding and adherence to Applicable Trade Agreements.
- ✓ **Flexibility:** The implementation of this Policy will be complex and will introduce both unique opportunities and challenges. As a result, a flexible and adaptive approach is essential to effectively navigate evolving market conditions, supply chain constraints, and trade dynamics. This flexibility will ensure that procurement decisions remain aligned with the City's strategic

objectives while allowing for adjustments as needed to achieve best value and maintain service delivery to the public.

- ✓ **Best Value and Budget Compliance:** Procurement decisions must prioritize obtaining the best value for the City while ensuring all expenditures comply with Budget Policies and remain within the Council Approved Budgets.

#### 4. DEFINITIONS

Capitalized terms contained within this Policy have the definition set-out in the Purchasing By-law or below:

**“Canadian Goods”** means a Good which more than half of the total direct costs (at least 51 percent) must be incurred in Canada. Additionally, the Good must have undergone its last substantial transformation in Canada.

**“Canadian Service”** means a Service provided by a natural person based in Canada (includes Construction):

- If a requirement consists of only one Service, which is being provided by more than one natural person, the Service will be considered to be Canadian if a minimum of 70 percent of the total price for the Service is provided by natural persons based in Canada; or
- If a requirement consists of two or more Services and the requirement will be certified on an aggregate basis, the Service will be considered to be Canadian if a minimum of 70 percent of the total price for the Service is provided by natural persons based in Canada.

**“Canadian Supplier”** means a Supplier that has a Place of Business (i.e. office or production facility) in Canada.

**“Non-US Goods”** means a Good which more than half of the total direct costs (at least 51 percent) must be incurred in a country other than the US. Additionally, the Good must have undergone its last substantial transformation in a country other than the US.

**“Non-US Services”** means a Service provided by a natural person not based in the US (includes Construction):

- If a requirement consists of only one Service, which is being provided by more than one natural person, the Service will be considered to be non-US if a minimum of 70 percent of the total price for the Service is provided by natural person not based in the United States of America; or
- If a requirement consists of two or more Services and the requirement will be certified on an aggregate basis, the Service will be considered to be non-US if a minimum of 70 percent of the total price for the Service is provided by natural person not based in the US.

**“Non-US Supplier”** means a Supplier that has a Place of Business (i.e. office or production facility) in a country other than the US.

**“Place of Business”** means an establishment where a Supplier conducts activities on a permanent basis that is clearly identified by name and accessible during normal business hours.

## 5. POLICY

It is policy that:

- a) Procurement of Goods and Services with an estimated Total Acquisition Cost below \$353,300 that are covered by TCAOQ and CFTA be awarded to only Canadian Suppliers that will utilize only Canadian Services and only permit the supply or use of Canadian Goods.
- b) Procurement of Construction with an estimated Total Acquisition Cost below \$8,800,000 that are covered by TCAOQ and CFTA, be awarded to only Canadian Suppliers that will utilize only Canadian Services and only permit the supply or use of Canadian Goods.
- c) Procurement of Goods and Services with an estimated Total Acquisition Cost of \$353,300 or greater and Construction with an estimated Total Acquisition Cost of \$8,800,000 or greater that are covered by TCAOQ, CFTA, and CETA be awarded to only Non-US Suppliers that will utilize only Non-US Services and only permit the supply or use of Non-US Goods.
- d) Procurement of transit vehicles: The City, when procuring transit vehicles, may, in accordance with the terms of CETA require that the Supplier contracts up to 25 percent of the contract value in Canada.
- e) Chief Administrative Officer (CAO) be authorized to release funding sources required to address any additional budget requirements as a result of tariffs.

## 6. POLICY EXEMPTIONS

Exemptions to this Policy will be permitted if adherence:

- is not feasible due to the lack of viable substitutions;
- would cause significant delay;
- would result in negative impacts on Canadian Suppliers; or
- is not in the best interest of the City.

Provided that:

- Canadian, and/or Non-U.S. Suppliers, Services, and/or Goods receive preference through value-added evaluation criteria, where feasible and permissible under Applicable Trade Agreements;
- The Agent has been consulted;
- Authorization is obtained from the ELT Member as per applicable procedures. (Authorized Persons may obtain a blanket exemption for specific Suppliers, Goods, Services, or Construction.); and
- A copy of the exemption authorization has been provided to Purchasing prior to the Contract Award.

The following exceptions are not subject to ELT Member approval and may be approved by the Authorized Person:

- The removal of the requirement of Canadian Goods from Section 4. A and b), if replaced with Non-US Goods.

## **7. ROLES AND RESPONSIBILITIES**

### Executive Leadership Team:

- Monitor the trade relationship between Canada and the US and provide strategic direction.
- Authorize Policy exemption requests.

### Chief Financial Officer/Treasurer:

- Financial and Budget advice and guidance.
- Coordinate the release of funding sources required to address any additional budget requirements because of tariffs.

### Chief Procurement Officer (Agent):

- Monitor the trade relationship between Canada and the US and recommend policy amendments in response to significant changes.
- Provide related procedures and guides.
- Provide Policy and Applicable Trade Agreement advice and guidance.
- Ensure compliance with the Policy.
- Provide mechanism to limit competition to Canadian Suppliers under Applicable Trade Agreement thresholds and other sourcing strategies.
- Research and analysis of Suppliers, Services and Goods.

### Authorized Persons:

- Monitor the trade relationship between Canada and the US and mitigate risk to Department operations accordingly.
- Research and analysis of Suppliers, Services and Goods.

## **8. REVIEW AND EXPIRY**

This Policy will remain in effect while US tariffs or the threat of tariffs on Canadian goods persist, which are not in accordance with the Canada-United States-Mexico Agreement.

At the direction and discretion of the CAO, this Policy shall be implemented and/or paused given the pauses and changes in the Canadian and US trading environment.

The Policy will be reviewed regularly to ensure alignment with municipal needs, Applicable Trade Agreements and economic conditions.

## **9. APPROVAL AND IMPLEMENTATION**

This Policy shall take effect upon approval by City Council and will be implemented in conjunction with the City's existing Purchasing By-law.

## **10. REFERENCED DOCUMENTATION:**

- [By-law 2014-1 A By-law Governing Procurement Policies and Procedures](#)
- Procedure for Procurement Policy – Putting Canada First