



## Administration and Operations Committee Report

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**To:** The Chair and Members of the Administration and Operations Committee  
**From:** Laura-Lynn Rouse, Purchaser  
**Date:** Tuesday, February 17, 2026  
**Report #:** RPT-0076-26  
**Subject:** Buy Ontario Act, 2025 – Overview of Legislative Changes and Comments for Provincial Feedback  
**Purpose:** For Information and Direction

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### Recommendation

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That Staff Report RPT-0076-26 “Buy Ontario Act, 2025 – Overview of Legislative Changes and Comments for Provincial Feedback” be received as information;

And that staff be directed to submit comments on the proposed regulations and directives in advance of the respective deadline for comments, March 2, 2026.

### Executive Summary

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Following the enactment of the Buy Ontario Act, 2025, the Province of Ontario has released two directives for comment by March 2, 2026.

The proposed regulation to add municipalities to the list of public sector entities subject to the Act is largely welcome and aligns with Council's expressed desire to be able to build real Buy Canadian / Buy Ontario provisions into the Purchasing By-law.

The proposed directives regarding light duty fleet vehicles and infrastructure/construction projects will support Ontario businesses and goods and services suppliers, but there are concerns that the directive may limit competitiveness, resulting in higher costs, supply chain concerns and place administrative burdens on both municipalities and contractors.

### Strategic Plan Priority

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Strategic Priority 1 - Economic and Financial Resilience

Strategic Priority 4 - Stable and Responsive Governance

### Impacts and Mitigation

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#### Social Impacts

Recent Provincial legislation aims to boost the Ontario economy by prioritizing Ontario and Canadian goods and services. The Buy Ontario Act, 2025 (the “Act”) aims to stabilize the impact of tariffs and international trade and re-align priorities towards domestic protectionism. For local contractors and sub-contractors this creates both competitive advantages and administrative challenges to meet the compliance requirements.

## Environmental Impacts

By directing public sector procurement to prioritize Ontario and Canadian-made goods and services, the Act could offer several environmental benefits including reduced transportation emissions, lower packaging waste, and stronger compliance with environmental regulations. Shorter supply chains reduce the distance goods must travel, lowering their carbon footprint. These products also require less protective packaging for long-distance shipping. Additionally, manufacturers in Ontario must comply with stringent Canadian and provincial regulations on waste management, pollution control, and energy efficiency, which are often more rigorous than some countries where imported goods originate. Ontario also has a clean electricity grid which results in lower production-related greenhouse gas (GHG) emissions compared to regions reliant on fossil fuels.

However, prioritizing geographic origin may limit access to the most energy-efficient or lowest-emission products if they are not manufactured in Ontario or Canada. In some cases, the County may need to procure items with higher energy use or greater lifecycle emissions because preferred alternatives are produced elsewhere. For example, the County's efforts to reduce transportation emissions could be constrained if electric vehicles or other low-carbon fleet options are not manufactured in Canada / Ontario.

## Economic Impacts

The Act creates a legislative framework to mandate Ontario public sector entities to prioritize Ontario-made goods and services through enforceable procurement directives. It is anticipated that with the implementation of the directives, the County may see higher costs for infrastructure projects and vehicle purchases as well as possible supply chain issues.

Public sector entities face new compliance and funding risks while suppliers and contractors must be prepared to show Provincial/Canadian supply chain use. Staff will require longer preparation and evaluation time for contract awards. Contractors and subcontractors may require a longer tendering period and may be required to produce more administrative documentation. This may impact smaller, more hands-on businesses if they wish to bid on projects. County staff continue to respond to legislative updates and changes and will adjust the purchasing process and policy as required.

## **Report**

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### Background

On November 20, 2025 the Provincial Government introduced Bill 72, Buy Ontario Act, 2025 (The "Act"), and this received Royal Assent December 11, 2025. The Act authorizes the Management Board of Cabinet to issue directives requiring public sector entities to comply with specified procurement policies, procedures or standards. This Act repeals the Building Ontario Businesses Initiative Act, 2022 which did not apply to municipalities.

The Act outlines that directives may be forthcoming to:

- Require that preference be given to Ontario or Canadian made goods or to services provided in Ontario or Canada by the vendor providing a Domestic Supply Chain Plan for major goods and services and that being evaluated through a pre-established evaluation criteria. Vendors that use more Ontario-made goods and Ontario Services and Canadian-made goods and Canadian Services would receive a higher score and have an advantage in the evaluation;

- Impose requirements intended to:
  - Support Ontario businesses and promote Ontario made goods or services provided by Ontario businesses, or
  - Protect Ontario businesses by limiting eligibility to participate in public sector entity procurements;
- Require the implementation of vendor performance standards and practices;
- Establish reporting requirements and/or procedures;
- Require public sector entities to use specified compliance and enforcement measures and to implement directives.

The Act proposes that non-compliance by a public sector entity can trigger government withholding of funding and reviews initiated by the Minister, creating significant operational and financial risk for public sector entities that fail to comply.

Compliance with the Buy Ontario Act is deemed not to violate the Discriminatory Business Practice Act. This distinction removes one of the significant hurdles preventing municipalities from establishing Canada / Ontario preference clauses in their Purchasing By-laws. The Act does not, however, provide an exemption for municipalities to establish more restrictive “buy local” policies that would favour businesses in their immediate areas.

### Analysis

The Province of Ontario is currently seeking input into the following:

1. Proposed Regulation to Add Municipalities and Local Boards as public sector entities under the Act. Council has previously expressed support, in principle, for a buy Ontario/buy Canadian preference, however some of the prescriptive directives may result in reduced competition, increased costs and additional administrative burdens. As previously reported to Council, the majority of County of Brant procurement already aligns with the intent of these directives to support and procure from Ontario and Canadian businesses.
2. Proposed Directives regarding Ontario made preferences for light duty fleet vehicles and capital infrastructure and construction projects. These directives are intended to support the domestic automotive and construction industries in the province by leveraging the purchasing power of the public sector.

The proposed Made in Ontario Fleet Policy (Attachment 2) would require Ontario's public sector to purchase or lease vehicles that are manufactured in Ontario or from original equipment manufacturers operating in Ontario. This policy is currently in draft format and has not yet been implemented.

The Made in Ontario Fleet Policy will not apply to specialty vehicles, such as ambulances, police cruisers, enforcement vehicles and emergency response vehicles or vehicles with a Gross Vehicle Weight Rating (GVWR) greater than 4,500 kg (medium and heavy-duty trucks, such as snowplows).

The Capital Infrastructure Policy (Attachment 3) will support Ontario manufacturers, trades and subtrades by requiring municipalities to give weighted preference to contractors and trades who are both Canadian and Ontario companies and who source materials, goods and sub-trades from Canada and Ontario. There is expected to be documentation and source tracking required to demonstrate that this requirement has been met.

The Capital Infrastructure Policy is expected to result in larger public entities who do a numerous major construction projects may be able to leverage significant buying power. Additional administrative burdens will likely be placed on municipalities, contractors, consultants, and sub-contractors, which may be a struggle for smaller companies to compete.

To address the communication/training of contractors, consultants, and sub-contractors of the Act, staff will investigate what role the County may play in providing information materials and providing assistance to help vendors navigate the new requirements.

### Summary and Recommendations

As directives continue to be drafted and submitted for comment, analysis on the potential impacts will continue to be analyzed and presented for Council's consideration. Once enacted, staff will be developing implementation plans and procedures and proposed amendments to the Purchasing By-law as required. Staff will also monitor the impact of directives as imposed, noting any trends towards longer project tendering periods, insufficient staffing to regulate the directives, smaller numbers of vendors able to bid resulting in a less competitive process, higher costs for projects and longer lead times for products and services.

In general, the Act and its directives are to have a positive impact in terms of utilizing more Ontario and Canadian goods, assisting with the economic forecast, job creation and a more positive outlook from members of the Community.

In response to the Survey with respect to these specific regulations / directives under the Act, staff have prepared draft responses to the questionnaire and comments, as outlined in Attachment 1. The questionnaire closes March 2, 2026. The comments in Attachment 1 were developed collaboratively with Operations, Community Services and Finance staff to ensure a comprehensive, corporate-wide perspective to the proposed legislation.

While the Act has been passed by the Ontario Legislature, many of the directives remain undeveloped, and these comments can assist to inform the Province's development of such. Should Council wish to include any additional comments with the submission to the Province, staff welcome any discussion and input.

**Attachments**

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- 1. Proposed Policy and County Feedback, Buy Ontario Act, 2025
- 2. Draft Made in Ontario Fleet Vehicle Procurement Policy
- 3. Draft Capital Infrastructure Policy Elements

**Reviewed By**

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- H. Boyd, GM of Corporate Services
- P. Mete, GM of Community Services
- D. Mellor, GM of Operations
- H. Mifflin, Director of Finance, Treasurer

**Copied To**

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- A. Newton, CAO

**By-law and/or Agreement**

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| By-law Required   | No |
| Agreement(s) or other documents to be signed by Mayor and /or Clerk | No |