

Buy Ontario Procurement Directive

Ontario Public Service and Broader Public Sector

Management Board of Cabinet

Effective Date: April 13, 2026

Supply Chain Policy Branch
Supply Chain Policy and Oversight Division
Ministry of Public and Business Service Delivery and Procurement

Table of Contents

1.0	Introduction.....	3
2.0	Purpose	3
3.0	Application and Scope.....	3
4.0	Requirements	5
	4.1 General	5
	4.2 Building Ontario Businesses Initiative (BOBI)	5
	4.3 Procurement Restriction Policy (U.S. businesses).....	7
	4.4 Strategic Categories	8
	4.4.1 Fleet Vehicles.....	8
	4.4.2 Capital Infrastructure	10
5.0	Implementation and Support	14
6.0	Definitions.....	14

1.0 Introduction

The Buy Ontario Act (Public Sector Procurement), 2025 establishes a framework to prioritize Ontario and Canadian goods and services in procurement across the public sector. This supports Ontario workers and businesses by ensuring that public spending strengthens local supply chains and reduces exposure to global economic and trade uncertainty.

The Buy Ontario Procurement Directive supports this by requiring government and the broader public sector to prioritize Ontario and Canadian goods and services in procurements. It also incorporates related initiatives—the Building Ontario Businesses Initiative and the Procurement Restriction Policy—into a single Directive.

This directive is issued by Management Board of Cabinet under the authority of the Buy Ontario Act (Public Sector Procurement), 2025.

The Chair of Treasury Board and Management Board of Cabinet has the delegated authority to make periodic updates to procurement value thresholds in this Directive, in alignment with Ontario's trade commitments.

2.0 Purpose

The purpose of this Directive is to set out procurement requirements in support of the government's Buy Ontario mandate, including:

- The Building Ontario Businesses Initiative
- The Procurement Restriction Policy (U.S. businesses), and
- Strategic Categories (fleet vehicles and capital infrastructure)

3.0 Application and Scope

This Directive applies to government and BPS entities as specified in the table below:

- Government entities:
 - all ministries
 - all provincial agencies (including any that are Other Included Entities under the OPS Procurement Directive), including, for greater clarity, all public bodies within the meaning of the *Public Service of Ontario Act, 2006*
 - Ontario Power Generation Inc. and each of its subsidiaries (OPG)
 - the Independent Electricity System Operator (IESO)
- Designated broader public sector organizations (BPS entities) within the meaning of the Broader Public Sector Accountability Act, 2010 (i.e. subject to the [BPS Procurement Directive](#)).

The table below specifies which requirements of this Directive apply to specific government and BPS entities.

Organization→	Ministries & Provincial Agencies	OPG and IESO	Designated BPS Organizations
4.1 General	Yes	Yes	Yes
4.2 Building Ontario Businesses Initiative	Yes	Yes	Yes
4.3 Procurement Restriction Policy (U.S. Businesses)	Yes	Yes	Yes
4.4.1 Strategic Category - Fleet Vehicles	Yes	Yes	Yes
4.4.2 Strategic Category - Capital Infrastructure	Yes	No	Yes

The Buy Ontario Procurement Directive does not apply to:

- To procurements needed to address a situation that is both urgent and unforeseen (i.e. emergencies). In these cases, organizations should follow their internal procedures to effectively manage these emergency procurements.
 - The OPS Procurement Directive sets out rules and provides flexibility when there is an emergency (see section 4.4.6).
 - The BPS Procurement Directive provides BPS organizations with the ability to determine their own processes in emergency situations.

There are no exemptions to this Directive.

This Directive does not prevail over legislation.

In the event of any conflict or inconsistency between any applicable procurement directives and this Directive, this Directive and its requirements prevail to the extent of

the conflict or inconsistency. The requirements of the Procurement Restriction Policy (section 4.3) prevail over any other requirements within this Directive to the extent of any conflict or inconsistency.

4.0 Requirements

4.1 General

Government and BPS entities must continue to comply with any applicable direction that applies to procurements including all applicable procurement directives and any related approval requirements.

Documentation

Government and BPS entities are required to retain documentation for any procurements covered by this directive, including details to support any decisions or approvals related to the application of this Directive.

Reporting

Government and BPS entities must prepare and provide information and data as requested by Supply Ontario, Ministry of Public and Business Service Delivery and Procurement (MPBSDP), and/or Treasury Board Secretariat (TBS). Designated BPS organizations may receive requests for information and data from their funding ministries.

4.2 Building Ontario Businesses Initiative (BOBI)

Scope

Unless otherwise stated, section 4.2 applies to all procurements for goods and services (consulting and non-consulting services).

This section (4.2) does not apply:

- To procurements covered by section 4.4.1 (Fleet Vehicles) or section 4.4.2 (Capital Infrastructure).
- To treasury operations services procured by the Ministry of Finance or the Ontario Financing Authority, including treasury operations services procured by the Ministry of Finance or the Ontario Financing Authority for a public body as defined in Part II of the Capital Investment Plan Act, 1993.
- When government and BPS entities use an existing Vendor of Record arrangement or other available arrangements.

See the Definitions section (6.0) of the Directive for the definitions of Ontario and Canadian business.

Government and BPS entities must follow the direction in the Building Ontario Businesses Initiative – A Guide for Buyers on the application of this section (4.2).

Requirement

Wherever feasible, government and BPS entities must use the BOBI strategy specified in the table below for the applicable procurement type and value.

For procurements under this section (4.2), government and BPS entities must follow the processes set out in the Building Ontario Businesses Initiative – A Guide for Buyers.

Procurement Value	Strategy
Government entities Goods – Below \$34,700 Services – Below \$139,000 BPS entities Goods & Services – Below \$139,000	Give preference to Ontario businesses.
Government entities Goods – At or above \$34,700 and below \$368,000 Services – At or above \$139,000 and below \$368,000 BPS entities Goods & Services – At or above \$139,000 and below \$368,000	Give preference to Canadian businesses
Government entities Goods & Services – At or above \$368,000 BPS entities Goods & Services At or above \$368,000	Give preference to businesses of Ontario's trading partners. Apply weighted domestic criteria in procurement evaluations.
Government entities At or above \$50M BPS entities At or above \$50M	For procurements with an estimated value of \$50 million or more, in specified sectors include an Industrial Regional and Technology Benefit (IRTB) requirement for vendors

The requirement for government and BPS entities to give preference to Ontario businesses in the first row of the table above does not apply to the following procurements:

- A good or service procured for commercial sale or resale or for use in the production of a good or service intended for commercial sale or resale.
- The services of a lawyer, paralegal or notary public.
- The services of an expert witness to be used in a court or legal proceeding.
- A good or service that is not available from an Ontario business.

For clarity, the other requirements of this section (4.2) continue to apply to these procurements.

4.3 Procurement Restriction Policy (U.S. businesses)

Objective

The Procurement Restriction Policy is designed to restrict United States (U.S.) businesses from accessing public sector procurements in Ontario.

Scope

Section 4.3 applies to:

- All new procurements of goods and services (consulting and non-consulting services) at any value.
- Any procurement method – invitational, open competitive or non-competitive.

Section 4.3 does not apply:

- When government and BPS entities use an existing Vendor of Record arrangement or other available arrangements.
- To contract extensions included in the original agreement.

A U.S. business means a supplier, manufacturer or distributor of any business structure (includes a sole proprietorship, partnership, corporation or other business structure) that:

1. has its headquarters or main office located in the U.S., and
2. has fewer than 250 full-time employees in Canada at the time of the applicable procurement process.

If a bidder or vendor is a subsidiary of another corporation, part 1 of the definition above is met if that bidder or vendor is controlled by a corporation that has its headquarters or main office located in the U.S.

A government or BPS entity can rely on a business' representation that it does not meet the definition of a U.S. business.

Requirement

- Government and BPS entities must exclude U.S. businesses from procurements, however, procuring from U.S. businesses is allowed if any of the following circumstances apply:
 - A U.S. business is the only viable source for the good/service, and the procurement cannot be delayed.
 - For procurements for services, the U.S. business commits to having at least 90 percent of the required staff to deliver the contracted services located in Canada.
- Except where the OPS Procurement Directive requires a level of procurement approval higher than deputy minister, a government entity must obtain deputy minister or CEO approval, as appropriate, to procure from a U.S. business, regardless of the value.
- BPS entities must require a similar level of approval.
- Government and BPS entities must continue to use existing Vendor of Record arrangements (VORs) or other arrangements available to public entities.

4.4 Strategic Categories

These requirements set out Ontario's approach to procurements in key strategic categories that support the goals of the Buy Ontario Act (Public Sector Procurement), 2025. The requirements reflect Ontario's priorities for public sector procurement and may change over time to respond to emerging issues or challenges.

4.4.1 Fleet Vehicles

Objective

The objective of section 4.4.1 is to support the domestic automotive industry and jobs in the province by leveraging the significant purchasing power of the public sector.

Government and BPS entities are required to purchase or lease vehicles that are manufactured in Ontario or from original equipment manufacturers operating in Ontario as specified below.

Scope

Section 4.4.1 applies:

- To all new procurements of new light-duty passenger fleet vehicles with a Gross Vehicle Weight Rating (GVWR) at or less than 4,500 kg.
- Regardless of the value or method of the procurement (invitational, open competitive or non-competitive) or procurement type (purchase or lease).

Section 4.4.1 does not apply to:

- Existing contracts that were executed prior to the effective date of this policy
- Contract extensions included in the original agreement
- Short term leases up to 12 months
- Vehicles that are physically modified or upfitted (excluding changes that only affect the visual appearance of the vehicle) for an intended operational use or function. This includes, but is not limited to specialty vehicles, such as ambulances, school buses, police cruisers, enforcement vehicles and emergency response vehicles
- Vehicles purchased for covert or surveillance purposes
- Vehicles with a GVWR greater than 4,500 kg
- Used vehicles

The Building Ontario Businesses Initiative (BOBI) requirements in section 4.2 do not apply to fleet vehicle procurements covered by this section (4.4.1).

Requirement

Government and BPS entities must purchase or lease Made-in-Ontario Fleet Vehicles when they acquire new light-duty passenger vehicles using an applicable procurement process.

If a Made-in-Ontario Fleet Vehicle is unavailable or if a government or BPS entity determines that it is not operationally feasible to purchase or lease such a vehicle, the entity is required to purchase or lease a new vehicle from an Ontario Vehicle Producer.

If a Made-in-Ontario Fleet Vehicle or a vehicle from an Ontario Vehicle Producer is unavailable, or if the government or BPS entity determines that purchasing or leasing such a vehicle is not operationally feasible, the entity may consider alternative acquisition strategies.

Government and BPS entities should refer to the Operational Guide for information about how to apply these requirements.

Use of central common services

Ministries and any provincial agencies that are required to use mandatory Central Common Services must use the MTO Fleet Management Centre for the purchase or lease of fleet vehicles.

Use of VORs or other purchasing arrangements

Government and BPS entities must comply with this policy when using vendor of record arrangements (VOR) or other arrangements available to them, including, but not limited to:

- Government entities that must use an enterprise-wide VOR (provided by Supply Ontario) in accordance with the OPS Procurement Directive.
- BPS entities that must use existing VORs or any other purchasing arrangement in accordance with the Broader Public Sector Procurement Directive.

Documentation

If a Made-in-Ontario Fleet Vehicle or a vehicle from an Ontario Vehicle Producer is unavailable or the vehicle is not operationally feasible, document the rationale and seek appropriate approval.

4.4.2 Capital Infrastructure

Objective

The objective of section 4.4.2 is to maximize the use of Ontario-Made and Canadian-Made Goods and Ontario and Canadian Services in procurements covered by the Directive, while maintaining value for money for Ontario and the timely delivery of infrastructure projects.

Scope

Section 4.4.2 applies to all new procurements of capital infrastructure. For the purposes of this section, “capital infrastructure procurements” means:

- Construction (see Definitions).
- Fixtures, furniture and equipment that are included in and incidental to the Construction of the facility and required to support the facility’s operational readiness immediately following completion of Construction, whether those items are delivered through the construction contract or procured separately.
- Transit fleet vehicles, including rolling stock (e.g., subways and rail cars) and buses, but excluding light duty passenger vehicles.

This section (4.4.2) does not apply to OPG or IESO.

Government and BPS entities must apply the requirements of this section (4.4.2) when using Vendor of Record arrangements (VORs) managed by Supply Ontario or other purchasing arrangements, whenever possible. Government and BPS entities must not use purchasing arrangements for the purposes of avoiding the requirements of this section (4.4.2).

Section 4.4.2 does not apply to the procurement of:

- Medical equipment.
- Information technology.

- Fixtures, furniture or equipment acquired solely for ongoing or operational purposes after the facility is operational.
- Routine maintenance, repair, and operations (MRO) unless the MRO activities involve repairing or renovating the physical structure.

Government and BPS entities may apply the requirements of this section (4.4.2) to capital infrastructure procurements not covered by the Directive, where feasible.

For Capital Infrastructure procurements, at any dollar value, Section 4.4.2 replaces the applicable Building Ontario Businesses Initiative (BOBI) requirements found in Section 4.2.

Requirement

Government and BPS entities must do all of the following in respect of each capital infrastructure procurement:

- Include in the procurement documents:
 - A list of each major good and each service required for the deliverables being procured.
 - A requirement for vendors to submit a Domestic Supply Chain Plan that identifies, at a minimum, the source of each of the listed major goods and each service.
- Use one of the applicable methods for Domestic Supply Chain Plans described in Table 1 below that best supports the objective of this section (4.4.2).
- Apply Weighted Domestic Criteria (see Table 2), wherever feasible.
- Refer to operational guidance issued by the ministry for direction about how to apply of any of these requirements, including but not limited to Domestic Supply Chain Plans or methods, Weighted Domestic Criteria requirements, etc.

Table 1 – Domestic Supply Chain Plan Methods

Domestic Supply Chain Plan Approach	Method to be Applied
Domestic Supply Chain Plan - Evaluated	Include in the procurement documents one of the approaches below to evaluate the Domestic Supply Chain Plan. The approach should be selected based on the estimated procurement value. Ministries and Provincial Agencies: Below \$34,700 for goods procurements, and below \$139,000 for services and construction procurements Designated Broader Public Sector Organizations: Below \$347,400 for construction procurements, and below \$139,000 for

	<p>goods or services procurements</p> <ul style="list-style-type: none"> Apply a 10% evaluation advantage to the bidder with the highest proportion of Ontario-Made Goods and Ontario Services in their Domestic Supply Chain Plan. <p>Ministries and Provincial Agencies: At or above \$34,700 for goods procurements, and above \$139,000 for services and construction procurements</p> <p>Designated Broader Public Sector Organizations: At or above \$347,400 for construction procurements, and at or above \$139,000 for goods or services procurements</p> <p>Choose <u>one</u> of the following:</p> <ul style="list-style-type: none"> Apply a 10% evaluation advantage to the bidder with the highest proportion of Ontario-Made Goods and Ontario Services, followed by Canadian-Made Goods and Canadian Services in their Domestic Supply Chain Plan; or The Domestic Supply Chain Plan accounts for 10% of the total evaluation score for the procurement. Select the vendor whose Domestic Supply Chain Plan score is at least 50% higher than the top-ranked vendor, and <ul style="list-style-type: none"> their bid price is within 10% and their construction schedule is no more than 10% longer, the government or BPS entity should award the contract to that vendor, subject to all other award conditions.
Domestic Supply Chain Plan - Commitment	<p>Include in the procurement documents a mandatory eligibility requirement for vendors to commit in a Domestic Supply Chain Plan to meet or exceed a specified proportion of Ontario or Canadian-Made Goods and Services as a part of the procurement. The specified proportion may be any percentage of the total estimated procurement value that the government or BPS entity has determined would maximize the use of Ontario and Canadian-made Goods and Services.</p>

Table 2 – Weighted Domestic Criteria

Procurement Value	Strategy
Above \$368,000	Apply weighted domestic criteria in procurement evaluations (e.g., vendors to demonstrate how they meet Ontario’s environmental and

	labour standards). When using weighted domestic criteria, it cannot be worth more than 35% of the overall weighting for the procurement.
--	--

Government and BPS entities may use an alternative method than those described in the Domestic Supply Chain Methods Table if all of the following criteria are met:

- It would not be feasible to require vendors to submit a Domestic Supply Chain Plan on account of the procurement model.
- The alternative method is consistent with and advances the objective of this section (4.4.2).
- Except where the OPS Procurement Directive requires a level of procurement approval higher than deputy minister, a government entity must obtain deputy minister or CEO approval, as applicable, to use the alternative method. BPS entities must require a similar level of approval. The approval should document the rationale and evidence of how the alternative is consistent with and advances the objective of this section (4.4.2).

Value for money exclusion

On a case-by-case basis where strictly necessary, a government or BPS entity may exclude a procurement from the requirements of section 4.4.2 if all of the following criteria are met:

- A detailed market assessment indicates that applying the requirements in this section (4.4.2) could increase the procurement’s estimated cost by 25% or more compared to not applying the requirements.
- Except where the OPS Procurement Directive requires a level of procurement approval higher than deputy minister, a government entity must obtain deputy minister or CEO approval, as applicable, to exclude the procurement. BPS entities must require a similar level of approval.

A government or BPS entity may be required to provide information about any approved exclusion as a part of the reporting requirement under section 4.1 of this Directive.

Conflicts with funding agreements

If a capital infrastructure procurement is or will be funded in part by the Crown in right of Canada, government and BPS entities should:

- Where possible, negotiate terms for the funding that would allow the requirements of section 4.4.2 to apply to the capital infrastructure procurement; and

- Apply the requirements to the capital infrastructure procurement unless they conflict with the terms of the funding arrangement with the Crown in right of Canada.

Reliance on attestations

Government and BPS entities may rely on a vendor's Domestic Supply Chain Plan as evidence of what goods are Ontario or Canadian-Made Good or what services are Ontario or Canadian services for the purposes of this Directive.

Procurement Documents

Government and BPS entities should consult their procurement and legal advisors to determine which provisions, if any, to include in their procurement documents (e.g. request for bids, form of agreement) to support compliance with this Directive. See operational guidance for suggested provisions to include in the procurement documents.

5.0 Implementation and Support

Government entities must use the information and operational direction designed to support this Directive, available on [InsideOPS - Procurement Tools and Templates page](#).

BPS organizations must use the information and operational direction designed to support this Policy, available publicly on the following sites:

- [Doing Business with the Government of Ontario](#)
- [Supply Ontario's website](#)
- Questions? Contact doingbusiness@supplyontario.ca

6.0 Definitions

For the purposes of this Directive the following definitions apply:

“Canadian business” means 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 main office in any province or territory within Canada, or
- ii. has at least 250 full-time employees in any one province or territory within Canada at the time of the applicable procurement process.

“Canadian-Made Good” means a good that meets any one of the following criteria:

- Is wholly manufactured or originating in Canada,
- At least 51% of the total direct costs of producing or manufacturing the good have been incurred in Canada, or
- Is labelled as “Made in Canada” or “Product of Canada”.

“Canadian Service” means a service wholly provided by individuals (natural persons) located in Canada.

“Construction” means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.

“Made-in Ontario Vehicle” means a vehicle that is manufactured in Ontario and contains the number “2” as the first digit of the Vehicle Identification Number (VIN).

“major goods” means durable materials, systems or components that are essential to ensuring the operational readiness or performance of the deliverable, and include:

- Structural materials: Concrete, steel and other metals, lumber, stone, aggregates
- Building envelope components: Windows, glass, roofing systems, bricks
- Mechanical and electrical systems: HVAC units, generators, elevators
- Specialty items: Prefabricated panels, major fixtures
- Fixtures, furniture and equipment
- Transit fleet vehicles

“new procurement” means a procurement that has not yet been issued or posted by the date the applicable section of this Directive takes effect.

“Ontario Business” means a supplier, manufacturer or distributor of any business structure that conducts its activities on a permanent basis in Ontario. The business either,

- i. has its headquarters or main office in Ontario, or
- ii. has at least 250 full-time employees in Ontario at the time of the applicable procurement process.

“Ontario Service” means a service wholly provided by individuals (natural persons) located in Ontario.

“Ontario Vehicle Producer” means an Original Equipment Manufacturer (OEM) that sells vehicles and would meet the threshold of 1,500 annualized jobs across their Ontario footprint of active and/or planned fully and partially owned vehicle assembly and plants.

“Ontario-Made Good” means a good that meets any one of the following criteria:

- It is wholly manufactured or originating in Ontario, or
- At least 51% of the total direct costs of producing or manufacturing the good have been incurred in Ontario.

“treasury operations services” means services related to the management of financial assets and liabilities, and includes services related to any of the following activities:

1. Borrowing.
2. Debt management.
3. Risk management.
4. Cash management.
5. Banking.
6. Investing.
7. Services that are ancillary to the activities described in 1 to 6 above, including advisory and information services.