

Municipal Buy Ontario Procurement Directive

Municipal Sector Entities

Management Board of Cabinet

Effective Date: April 13, 2026

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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 Municipal Buy Ontario Procurement Directive supports this by requiring the municipal sector to prioritize Ontario and Canadian goods and services in procurements.

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 enable Ontario to set out procurement requirements in support of the government's Buy Ontario mandate.

3.0 Application and Scope

This Directive applies to municipal sector entities, which means all municipalities, local boards, and municipal services corporations that are prescribed as public sector entities under the Buy Ontario Act (Public Sector Procurement), 2025.

Municipal sector entities should refer to the regulation under the Buy Ontario Act (Public Sector Procurement), 2025 for details about the specific entities that are prescribed.

The table below specifies the dates that each of the requirements of this Directive take effect for specific municipal sector entities.

Organization→	Municipalities	Local Boards	Municipal Services Corporations
4.1 General	April 13, 2026	June 1, 2026	June 1, 2026
4.2.1 Strategic Category - Fleet Vehicles	April 13, 2026	June 1, 2026	June 1, 2026
4.2.2 Strategic Category - Capital Infrastructure	May 15, 2026	June 1, 2026	June 1, 2026

The Municipal Buy Ontario Procurement Directive does not apply 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.

This Directive does not prevail over legislation.

4.0 Requirements

4.1 General

Documentation

Municipal sector 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

Municipal sector entities must prepare and provide information and data as requested by Supply Ontario, Ministry of Public and Business Service Delivery and Procurement (MPBSDP), the Ministry of Municipal Affairs and Housing (MMAH), and Treasury Board Secretariat (TBS).

4.2 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.

4.2.1 Fleet Vehicles

Objective

The objective of section 4.2.1 is to support the domestic automotive industry and jobs in the province by leveraging the significant purchasing power of the public sector.

Municipal sector 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 4.2.1 applies:

- To all new procurements of new light-duty passenger fleet vehicles with a Gross Vehicle Weight Rating 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 4.2.1 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 Gross Vehicle Weight Rating (GVWR) greater than 4,500 kg
- Used vehicles

Requirement

Municipal sector 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 municipal sector 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 municipal sector entity determines that purchasing or leasing such

a vehicle is not operationally feasible, the entity may consider alternative acquisition strategies.

Municipal sector entities should refer to the Operational Guide for information about how to apply these requirements.

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.

4.2.2 Capital Infrastructure

Objective

The objective of section 4.2.2 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 4.2.2 applies to all new capital infrastructure procurements. 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.

Municipal sector entities must apply this Directive to the use of Vendor of Record arrangements (VORs) managed by Supply Ontario or other purchasing arrangements, whenever possible. Municipal sector entities must not use purchasing arrangements to avoid the requirements of this Directive.

Section 4.2.2 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.

Municipal sector entities may apply the requirements of the Directive to procurements not covered by the Directive, where feasible.

Requirement

Municipal sector 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 (4.2.2).

Table 1 – Domestic Supply Chain Plan Methods

Domestic Supply Chain Plan Approach	Method to be Applied
Domestic Supply Chain Plan - Evaluated	<p>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.</p> <p>Below \$347,400 for construction procurements, and below \$139,000 for 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>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

	<ul style="list-style-type: none"> • 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 municipal sector 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 municipal sector entity has determined would maximize the use of Ontario and Canadian-made Goods and Services.</p>

If it would not be feasible to require vendors to submit a Domestic Supply Chain Plan on account of the procurement model, municipal sector entities may use an alternative method that is consistent with and advances the objective of this section (4.2.2).

Municipal sector entities may 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, etc.

Value for money exclusion

On a case-by-case basis where strictly necessary, a municipal sector entity may exclude a procurement from the requirements of section 4.2.2 when the following criteria are met:

- A detailed market assessment indicates that applying the requirements in this section (4.2.2) could increase the procurement’s estimated cost by 25% or more compared to not applying the requirements; and,
- Appropriate approval has been obtained to exclude the procurement based on the value of the procurement.

A municipal sector 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, municipal sector entities should:

- Where possible, negotiate terms for the funding that would allow requirements of section 4.2.2 to apply to the capital infrastructure procurement; and
- Apply the requirements to the capital infrastructure procurement unless they conflict with the funding arrangement with the Crown in right of Canada.

Reliance on attestations

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

5.0 Implementation and Support

Municipal sector entities should use the information and operational direction designed to support this Directive, 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-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 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.