



**City of Kingston
Report to Council
Report Number 26-130**

To: Mayor and Members of Council
From: Desirée Kennedy, Chief Financial Officer & City Treasurer
Resource Staff: Lana Foulds, Director, Financial Services
Brent Funnell, Manager, Procurement
Date of Meeting: June 16, 2026
Subject: Municipal Buy Ontario Legislated Requirements

Council Strategic Plan Alignment:

Theme: Regulatory & compliance

Goal: See above

Executive Summary:

The purpose of this report is to provide further information on the [Municipal Buy Ontario Procurement Directive](#) (“Directive”) that was recently issued by the Province under the [Buy Ontario Act \(Public Sector Procurement\), 2025](#) (“Act”) to prioritize Ontario/Canadian goods and services in public sector procurements and to amend the City’s Procurement By-law accordingly.

To leverage public sector procurement spending in support of Ontario’s economy, municipalities and municipal entities—including local boards and wholly-owned municipal services corporations—are now prescribed as public sector entities under the Act and, as a result, all these organizations will have to comply with the newly released Directive.

The Directive provides specific requirements for the procurement of fleet vehicles and capital infrastructure. To ensure compliance with the Directive, amendments to the City’s Procurement By-law are being recommended. City staff recommend that the amending by-law receive all three readings at the June 16, 2026 Council meeting, as the Directive is now in effect.

June 16, 2026

Page 2 of 7

Recommendation:

That Council approve the by-law attached to Report Number 26-130 as Exhibit A, entitled “By-Law to Amend City of Kingston By-Law Number 2022–154, A By-Law to Establish a Procurement Policy for the City of Kingston”; and

That Council provide all three readings to “A By-Law to Amend City of Kingston By-Law Number 2022–154, A By-Law to Establish a Procurement Policy for the City of Kingston”, as per Exhibit A attached to Report Number 26-130.

June 16, 2026

Page 3 of 7

Authorizing Signatures:

ORIGINAL SIGNED BY CHIEF

FINANCIAL OFFICER & CITY TREASURER

**Desiree Kennedy, Chief
Financial Officer & City
Treasurer**

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Paige Agnew, Commissioner, Growth & Development Services

Jennifer Campbell, Commissioner, Community Services

Neil Carbone, Commissioner, Corporate & Emergency Services

p.p.

David Fell, President & CEO, Utilities Kingston

Not required

Jenna Morley, City Solicitor

Ian Semple, Commissioner, Transportation & Infrastructure Services

June 16, 2026

Page 4 of 7

Options/Discussion:

This report outlines the requirements of the [Municipal Buy Ontario Procurement Directive](#), as issued by the Province under the [Buy Ontario Act \(Public Sector Procurement\), 2025](#), explains the implications for municipal procurement, and recommends amendments to the City's Procurement By-Law.

Background

In [Council Report Number 25-107](#), Council approved recommended amendments to the City's Procurement By-Law that would give preference, where possible, to Canadian-sourced goods and services in response to the potential impacts of imposed tariffs by the United States and Canada.

Later in 2025, the Province of Ontario enacted the [Buy Ontario Act \(Public Sector Procurement\), 2025](#), which provides authority for the Management Board of Cabinet to issue binding procurement directives related to public sector entities. The Act enables the Province to require procurement practices that prioritize Ontario and Canadian goods and services. In late March 2026, the Province released the [Municipal Buy Ontario Procurement Directive](#) (the "Directive") with the objective of strengthening local supply chains, supporting Ontario businesses, and reducing exposure to global economic and trade uncertainty. The Directive establishes mandatory procurement requirements for municipalities intended to increase consideration of Ontario and Canadian goods and services in municipal purchasing processes specific to fleet vehicles and capital infrastructure.

Analysis

Staff have reviewed details of the legislation and have participated in a variety of municipal working group sessions hosted by Supply Ontario and others related to the Directive. The Directive applies to municipal sector entities, which includes municipalities, local boards, and Municipal Services Corporations. Effective April 13, 2026, municipalities were required to comply with the Directive; effective June 1, 2026, local boards and Municipal Services Corporations are also required to comply. Procurements that commenced prior to the dates indicated within the Directive are not subject to the new regulations.

The Directive introduces the following requirements:

1. Prioritization of Ontario and Canadian goods and services in procurements covered by the Directive.
2. Specific policy requirements for strategic procurement of both capital infrastructure and light duty fleet vehicles.

June 16, 2026

Page 5 of 7

Light Duty Fleet Vehicles

This category is effective April 13, 2026. Municipal sector entities must purchase or lease Made-in-Ontario Fleet Vehicles when they acquire new light-duty passenger vehicles with a Gross Vehicle Weight Rating at or less than 4,500 kg.

A Made-in-Ontario Fleet Vehicle is a vehicle manufactured in Ontario. Where a Made-in-Ontario Fleet Vehicle is unavailable or not operationally feasible to purchase or lease, the entity is required to purchase or lease a new vehicle from an Ontario Vehicle Producer. An Ontario Vehicle Producer is defined as an Original Equipment Manufacturer (OEM) that sells vehicles and maintains a minimum of 1,500 annualized jobs across its Ontario footprint, including fully and partially owned vehicle assembly plants and related facilities.

If vehicles meeting the requirements set out in the Directive are unavailable or are not operationally feasible, the municipality must document the rationale for the exception and obtain the appropriate approval authority to proceed with the procurement outside the requirements of the Directive.

Municipalities that are currently under contract, and/or have contract extensions built into their original procurements, are temporarily excluded from the light duty fleet vehicle policy requirements. Those municipalities will be required to comply with the requirements once the contract and all extension years expire. The City's current contract for light duty fleet vehicles expires in August 2030.

Capital Infrastructure

This category is effective May 15, 2026, and includes construction, reconstruction, and renovations, furniture, fixtures and equipment (included in and incidental to the construction), as well as transit fleet vehicles (including buses).

Municipal sector entities must include in their procurement documents:

- A request for a domestic supply chain plan from each vendor that identifies the source and value of each defined major good and each service defined in the procurement document.
- The criteria to be evaluated, as described by the policy and directive:
 - Construction under \$347,400 or goods/services under \$139,000 – apply a 10% evaluation advantage to the vendor with the highest proportion of Ontario-made goods and services.
 - Construction over \$347,400 or goods/services over \$139,000 – apply the same 10% advantage as described above or, alternatively, set a mandatory minimum threshold for Ontario/Canadian content based on a prior market analysis. Vendors would commit to this as part of their bid submission.

June 16, 2026

Page 6 of 7

Municipal sector entities must also retain procurement records demonstrating how the Directive was considered and applied for the applicable procurement.

Procurement Services staff have reviewed the requirements imposed by the Act and the Directive with applicable department staff and senior leadership and are working directly with departments to ensure procurement documents and subsequent evaluation processes for capital infrastructure and light duty fleet are compliant with the Directive. Sourcing templates have also been modified to include required criteria, and Procurement Services will continue to monitor and update as the applicable regulation unfolds.

To support collaborative engagement with industry stakeholders, Procurement and Engineering staff met with members of the Kingston Construction Association to discuss the new requirements and related procedural changes.

Exclusions from Requirements of the Directive

On a case-by-case basis, a municipality may exclude a procurement from the requirements of the Directive when the following criteria have been met:

- A detailed market assessment indicates that applying the requirements of the Directive 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 and the circumstances and rationale are documented.

With appropriate approval, a municipality may also exclude a procurement from the requirements of the Directive in the event of an emergency, as defined in the City's Procurement By-law, where a time-sensitive procurement is necessary to address immediate risks or service disruptions.

Staff are recommending that delegated authority be given to the City Treasurer, or designate, to approve exclusions from the requirements of the Directive on a case-by-case basis. Where the criteria for a Value for Money Exclusion have been met or where a time-sensitive procurement is required in the event of an emergency.

Other Municipal Entities

The Directive applies to municipal sector entities, which is defined as all municipalities, local boards, and municipal services corporations that are prescribed as public sector entities under the *Buy Ontario Act (Public Sector Procurement), 2025*. City staff have reached out to City agencies and boards to ensure they are aware of the legislation and the potential impacts to their procurement processes. Staff will continue to be available to work with the local boards to support any significant procurements that may be subject to this legislation.

June 16, 2026

Page 7 of 7

Procurement By-law Amendments

To ensure compliance with the Directive, amendments to the City's Procurement By-Law, as set out in Exhibit A, are being recommended to:

- Reflect the requirements of the Municipal Buy Ontario Directive.
- Reinforce that procurement processes must remain open, fair and transparent, while allowing for Ontario and Canadian based requirements where permitted.
- Strengthen defined terms, and further clarify roles and responsibilities of Procurement Services, the City Treasurer, and user departments.
- Delegate authority to the City Treasurer, or designate, to make any determination, decision, or approval related to the Buy Ontario Act including a decision to exclude a procurement from the requirements of the Act or any Directive issued under the Act.

Existing Policy/By-Law

[By-Law Number 2022–154](#), A By-Law to Establish a Procurement Policy for the City of Kingston

Notice Provisions

None.

Financial Considerations

This legislation is expected to place upward pressure on capital costs and could potentially take precedence over traditional lowest-price procurement principles. Some capital infrastructure projects could see cost escalation upwards of 10%.

Contacts:

Lana Foulds, Director, Financial Services, 613-546-4291 extension 2209

Brent Funnell, Manager, Procurement, 613-546-4291 extension 2452

Other City of Kingston Staff Consulted:

Applicable City Departments

Exhibits Attached:

Exhibit A – By-Law to Amend City of Kingston By-Law Number 2022–154, A By-Law to Establish a Procurement Policy for the City of Kingston

City of Kingston By-Law Number 2026-XX

By-Law to Amend City of Kingston By-Law Number 2022–154, A By-Law to Establish a Procurement Policy for the City of Kingston

Whereas:

The Corporation of the City of Kingston (the “**City**”) is a single-tier municipality incorporated pursuant to an order made under section 25.2 of the *Municipal Act*, R.S.O. 1990, c. M.45.

The powers of a municipality must be exercised by its council (*Municipal Act, 2001*, S.O. 2001, c. 25 (the “**Municipal Act, 2001**”), s. 5 (1)).

A municipal power must be exercised by by-law unless the municipality is specifically authorized to do otherwise (*Municipal Act, 2001*, s. 5 (3)).

A municipality must adopt and maintain policies with respect to its procurement of goods and services (*Municipal Act, 2001*, s. 270 (1)).

On October 4, 2022, council of the *City* (“**council**”) enacted *City of Kingston By-Law Number 2022–154, “A By-Law to Establish a Procurement Policy for the City of Kingston”*.

Council for the *City* considers it necessary and desirable for the public to amend *City of Kingston By-Law Number 2022–154*.

Therefore, council enacts:

1. Amendment

1.1 *City of Kingston By-Law Number 2022–154* is amended as follows:

(a) clause 2.1 (c) is amended to state:

comply with the requirements of subsection 270 (1) of the *Municipal Act*, the *Buy Ontario Act* and applicable trade treaties except as otherwise set out in this By-law.

By-Law to Amend By-Law 2022–154

- (b) clause 3.1 (b) is amended to state:

encourage open, fair and transparent processes that ensure, to the extent permitted by the *Buy Ontario Act*, equal access to all qualified Suppliers;

- (c) clause 3.1 (f) is amended to state:

provide, to the extent permitted by the *Buy Ontario Act* and except as otherwise set out in this By-law, for reciprocal non-discrimination and geographic neutrality;

- (d) section 5.1 is amended to state:

Procurement Services is Delegated authority to develop and maintain Procurement Protocols, Solicitation Document templates and other supporting documents to direct the City's Procurement activities in accordance with this By-law, the *Buy Ontario Act* and applicable trade treaties.

- (e) section 5.2 is amended to state:

The City Treasurer is Delegated authority to approve Procurement Protocols, Solicitation Document templates and other supporting documents and shall ensure that they are consistent with the purposes, goals and objectives of this By-law and with the *Buy Ontario Act* and applicable trade treaties.

- (f) clause 8.4 (e) is amended to state:

researching, developing, maintaining, updating and communicating Procurement Protocols, Solicitation Document templates and supporting documents; and

- (g) section 8.5 is amended to state:

Commissioners and Directors are responsible for:

- (a) ensuring that their group or Department complies with this By-law;
- (b) encouraging sound Procurement practices;

By-Law to Amend By-Law 2022–154

- (c) ensuring that appropriate education and training is provided to employees involved in Procurement activities;
 - (d) effectively planning Procurement requirements;
 - (e) ensuring that the preparation of Solicitation Documents, including all specifications, performance requirements and the description of the scope of work are all made in consultation with Procurement Services;
 - (f) retaining documentation for any Procurements covered by the *Buy Ontario Act*, including details to support any decisions or approvals, including approved exclusions, related to the application of the *Buy Ontario Act*; and
 - (g) preparing and providing information and data as requested by Supply Ontario, Ministry of Public and Business Service Delivery and Procurement, the Ministry of Municipal Affairs and Housing, or the Treasury Board Secretariat;
- (h) section 8.6 is amended to state:

The City Treasurer, or as Delegated by the City Treasurer, may make any determination, decision or approval related to the *Buy Ontario Act*, including a determination that a directive issued under the *Buy Ontario Act* does not apply to a Procurement because an emergency exists and a decision to exclude a Procurement from the requirements of the *Buy Ontario Act* or a directive issued under the *Buy Ontario Act* if all of the required criteria are met.

1.2 Schedule A to *City of Kingston By-Law 2022–154* is amended as follows:

- (a) the definition of “**Buy Ontario Act**” is added to state:

“**Buy Ontario Act**” means the *Buy Ontario Act (Public Sector Procurement)*, 2025, S.O. 2025, c. 27, Sched. 1, including any regulations made or directives issued thereunder;

By-Law to Amend By-Law 2022–154

2. Coming into Force

2.1 This by-law will come into force and take effect on the day it is passed.

1st Reading date

2nd Reading date

3rd Reading date

Passed date

Janet Jaynes
City Clerk

Bryan Paterson
Mayor