



February 26, 2026

Ministry of Public and Business Service Delivery and Procurement
222 Jarvis Street
Toronto, Ontario
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Email: MLITSD.Submissions@ontario.ca

Dear Minister,

RE: 26-MPBSD001 Buy Ontario Act (Public Sector Procurement), 2025

The Toronto and Area Road Builders Association (TARBA), the Ontario Sewer and Watermain Construction Association (OSWCA), the Greater Toronto Sewer and Watermain Contractors Association (GTSWCA), and the Heavy Construction Association of Toronto (HCAT) represent hundreds of civil construction companies. Our members deliver a significant portion of provincial and municipal capital infrastructure projects across Ontario — particularly those related to transit, transportation, bridge, water, sewer, and stormwater. Our industry employs tens of thousands of people every year, engages a complex supply chain of materials and equipment, and delivers projects funded by municipal, provincial, federal, and private sector sources.

We support the intent of the Buy Ontario Act to strengthen the domestic economy and improve supply chain resilience by prioritizing the use of local contractors using local goods and services. This policy is an important way to leverage public procurement to build up local capacity and support local businesses in these uncertain economic times. That being said, there are some drawbacks to this approach that need to be seriously considered to ensure we are not adding undue delay and cost to our infrastructure projects.

As the government considers the practical implementation of this policy, we want to offer some constructive insights on:

1. the current lack of domestic supply of fundamental building equipment and materials;
2. the unnecessary red tape of the proposed Domestic Supply Chain Plan and its ability to delay the tendering of projects and increase project costs; and
3. provide two alternative options that balance the policy's intent with reasonable administration.

Lack of Domestic Supply

Ontario's construction industry operates through a highly competitive, bid-based procurement model with tight project timelines. Contractors assemble project-specific supply chains based on technical specifications, material performance standards, availability, and schedule requirements. While we are fortunate to have many core inputs sourced locally — including aggregates, ready-mix concrete, and standard asphalt — the industry relies on a range of specialized material inputs and equipment that are not produced in Ontario. These include, but are not limited to, structural steel, pipe resin, asphalt binders and specialty additives, cement manufacturing materials including raw slag, corrosion inhibitors, and some high-performance reinforcement materials. In addition, virtually all heavy equipment used in the industry — such as excavators, loaders, graders, pavers, rollers, milling machines, and GPS-guided control systems — is manufactured outside Ontario, and often outside Canada.

In addition to this, there are numerous municipal and provincial specifications that are prescriptive about what products and/or materials are to be used on a specific class of project, often requiring products and materials that are not made in the province. These specs would contradict Buy Ontario provisions and would cause serious confusion in the market about what materials to use and what approach to follow.

Civil infrastructure projects are delivered through supply chains that are local where possible, national where practical, and international where necessary. This approach has been forged over decades and cannot be undone in short order. Policies that assume full domestic availability across all inputs do not reflect current market realities.

Even where it is feasible to establish or expand domestic production of these materials, doing so will require significant capital investment, regulatory approvals, and time — measured in years/decades, not months. In the interim, the Province must remain focused on its other stated priority: delivering the public infrastructure that Ontario residents and communities depend on.

Industry Concerns with Proposed Domestic Supply Chain Plan Requirement

The proposed Domestic Supply Chain Plan requirement, regardless of procurement amount, will add excessive red tape and uncertainty in the bid process for both contractors and municipalities. This will result in unpredictable cost escalations and schedule risk for infrastructure projects without providing the clarity or support necessary for industry compliance.

The requirement that proponents submit a Domestic Supply Chain Plan detailing sources of all major goods and services, for *all* procurement amounts, lacks defined thresholds for "major." Without clear material/value thresholds, industry may need to map the origin of every supply item across complex supply chains, irrespective of economic significance or risk. This could overwhelm bidders with administrative compliance tasks that divert resources from project

delivery. It will also introduce inconsistent bids between contractors, ranging in detail, and make assessment by the public project owner that much more difficult.

In its current form, the Domestic Supply Chain Plan requirement risks raising project costs and introducing legal uncertainty — especially where provincial directives intersect with existing trade agreement obligations and federal Buy Canada thresholds.

Alternative Proposals

To achieve the policy objective of strengthening Ontario/Canadian supply chains without unduly hampering infrastructure delivery, we recommend the following alternatives:

Option 1: Require Source Details Only for Up to 5 Project Materials

Rather than capturing every supply item in a detailed plan, require bidders to identify up to five high-value/amount materials or equipment categories for source verification (Ontario or Canadian origin). This would:

- keep the administrative burden on the materials with the greatest economic impact on Buy Ontario objectives;
- Reduce compliance costs and simplify bid preparation; and still
- Provide meaningful insight into domestic sourcing for major expenditure categories.

Top materials could include categories such as structural steel, asphalt, and concrete — reflecting significant portions of contract value and the different inputs required for different types of construction projects.

Option 2: Government-Identified Priority List of Ontario/Canadian Products

The government should publish a specific list of products and materials that it intends to prioritize for domestic sourcing in construction projects — focusing on items where Ontario/Canadian manufacturing capacity exists or can be established or scaled. This would:

- Provide clarity and predictability for bidders on which materials must be sourced locally;
- Enable focused engagement with suppliers to scale capacity ahead of demand; and
- Avoid imposing costly documentation for niche or negligible items where local production does not exist.

This approach balances long-term economic development goals with practical short-term project delivery considerations.

One example the government can leverage is the Ministry of Transportation (MTO) Designated Sources for Materials (DSM) — an official pre-qualified list of products and approved vendors that are suitable for use on highway construction and maintenance contracts. This list can be updated to identify which are from Ontario or Canada and simplify both industry compliance as

well as municipal verification. It would also provide a consistent basis for evaluating domestic content where applicable and ensure that quality and performance standards embedded in OPS and MTO specifications are maintained.

MTO Standardization Efforts

Lastly, we would draw your attention to the important initiative by MTO to standardize municipal building specifications through the OPSS.MUNI - a practical and powerful complement to the Buy Ontario objective. Standardization reduces fragmentation across municipalities, where varying asphalt mixes, aggregate gradations, concrete requirements, and material approvals currently limit economies of scale. By creating consistent, province-wide – or at least region-wide – technical requirements, OPSS.MUNI enables Ontario manufacturers and suppliers to invest with confidence, scale production, and compete effectively across multiple jurisdictions. In this way, specification harmonization becomes a foundational enabler of domestic supply chain growth. Rather than layering additional reporting requirements onto a fragmented system, the Province can leverage OPSS.MUNI to create predictable, standardized demand for Ontario-made products, strengthening local industry while protecting cost efficiency and timely infrastructure delivery.

Concluding Summary

Our associations remain committed to working collaboratively with the Province and municipalities to ensure the Buy Ontario Act achieves its intended economic objectives without compromising the timely, cost-effective delivery of critical infrastructure. Ontario's civil construction industry stands ready to support domestic capacity growth, provided the policy framework reflects current market realities, recognizes supply chain constraints, and leverages existing tools such as the MTO Designated Sources for Materials and OPSS.MUNI standardization efforts.

Refining the Domestic Supply Chain Plan requirement, by either adopting a targeted priority product list or limiting disclosure to up to five high value materials, will provide clarity, reduce unnecessary compliance burden, and ensure continued competitiveness and efficiency in delivering critical public infrastructure.

Implementation timing is also critical. Ontario's civil construction sector operates within a tightly scheduled construction season, with procurement and material orders planned months in advance. A rushed rollout of new Domestic Supply Chain Plan requirements would create uncertainty during active tender cycles, delay projects, and disrupt material supply. This would jeopardize the construction season, put businesses and jobs at risk, and set back the delivery of essential infrastructure across the province.

Through a practical approach to domestic sourcing, the government can strengthen Ontario manufacturing while safeguarding competition, affordability, and project delivery for



municipalities and taxpayers alike. We welcome the opportunity to continue this dialogue and contribute constructively to the successful implementation of this important legislation.

Sincerely,

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