November 22, 2026

Ministry of Public and Business Service Delivery and Procurement
222 Jarvis Street
Toronto, Ontario M7A 0B6

Submitted electronically

RE: ERO 26-MPBSD020: Proposed Changes to Capital Infrastructure Requirements under the Buy Ontario Procurement Directive and Municipal Buy Ontario Procurement Directive to Strengthen Ontario's Buy Ontario Procurement Requirements

The Construction & Design Alliance of Ontario (CDAO) is pleased to provide a response regarding the proposed changes to the capital infrastructure requirements under the Buy Ontario Procurement Directive and Municipal Buy Ontario Procurement Directive.

The CDAO is comprised of seventeen industry associations, and serves as a collaborative forum for discussion, development and advocacy issues affecting the broader construction industry as it relates to provincial government policy, legislation and regulations. As an alliance of organizations focused on Ontario's infrastructure, CDAO's mission is to provide a collective voice to advance livable and sustainable communities while championing innovative and leading-edge infrastructure projects across the province. CDAO works with municipal and provincial governments to provide collective input and expert advice while supporting fair and competitive procurement and tendering processes in the interest of proactive and strategic investment in Ontario's infrastructure.

CDAO supports the Province's goal of using public procurement to strengthen Ontario and Canadian supply chains and supports the intent of the *Buy Ontario Act* to give priority to domestic businesses. There are, however, challenges with the current directive that should be addressed before additional requirements take effect. We recommend consistent rules for municipalities and bidders, clearer pathways for identifying suitable domestic suppliers during infrastructure design, and an implementation approach that reflects market capacity and project delivery realities.

Standardize municipal implementation
Municipalities are currently interpreting and applying domestic-preference requirements differently, creating uncertainty for owners and bidders, duplicating administrative work and increasing the cost of participating in public procurements.

CDAO's recommendations are for the Government of Ontario to:

- Publish common definitions for Ontario and Canadian goods and services, including how manufacturing, assembly, warehousing and labour count.
- Provide standard bid attestations, Domestic Supply Chain Plan templates and municipal training. Let bidders reuse current evidence across public buyers.

- Work with Supply Ontario to develop a searchable directory for domestic suppliers and specialty products, alongside a provincial prequalification process with periodic certification that builds on existing qualified supplier lists.

A consistent provincial approach would reduce duplication, improve compliance and make it easier for qualified domestic suppliers to participate. Without standardized definitions, criteria and implementation tools, municipalities risk developing different interpretations of what constitutes an acceptable domestic alternative or an unnecessary design barrier. This would reproduce the municipality-by-municipality fragmentation already experienced with the Municipal Buy Ontario Procurement Directive, creating further uncertainty and complexity for engineering consultants, suppliers, and contractors working across jurisdictions. The Ministry should establish clear, standardized requirements that can be applied consistently across all public-sector entities.

CDAO members are reporting that as s result of the Buy Ontario policies, predictability in terms of project scope, fees, schedules and project costs is being eroded. In particular, members note that while materials substitutions may be pursued for cost or supply reasons, they often require additional professional fees to evaluate and coordinate across disciplines and may not result in much cost savings.

Replace the 10 percent evaluation advantage for linear infrastructure
The current option for municipalities to apply a 10 percent evaluation advantage may affect bid rankings without demonstrating how much Ontario or Canadian content will actually be delivered, and it may make tender evaluation less transparent.

CDAO's recommendations for the Government of Ontario are to:

- Eliminate this option for linear infrastructure in favour of a standardized commitment-based approach.
- Establish a domestic-content threshold, with 51 percent or more as a proposed starting point for consultation.
- Require a simple attestation at bid closing for contractors and require only the qualified lowest bidder to submit a standardized Domestic Supply Chain Plan within 48 hours, as a condition of contract award. The plan should identify the top 15 to 20 categories of materials and labour using a simple Ontario, Canada or Neither designation. This would provide a clearer, more verifiable measure of domestic participation while limiting the burden placed on all bidders. Other construction sectors, such as ICI projects, may require a longer submission period to accommodate the complexity of the project.

Consider domestic options early in design
Domestic-content expectations introduced after key design decisions have been made can require redesign, restrict competition, increase costs and delay procurement.

The implementation of Buy Ontario requirements must also recognize the current realities of a fluctuating construction market. Market uncertainty and volatility can contribute to project delays, material cost increases and changes in availability, making it increasingly difficult for project teams to maintain established budgets and schedules. Requirements should therefore allow sufficient flexibility to account for changing market conditions and supply chain constraints throughout the project lifecycle.

Additionally, CDAO members have raised concerns regarding the increasing expectations being placed on architects beyond their usual and customary professional services. For example, architects are increasingly being asked to assess material alternatives, supply constraints and associated cost implications without clear guidance, defined parameters or consistent criteria for applying Buy Ontario requirements. This creates additional professional responsibilities and can lead to inconsistencies in how the policies are interpreted and applied across projects.

CDAO's recommendations for the Government of Ontario are to:

- Provide clear guidance on the expectations placed on design professionals, including the scope of assessments required and the criteria to be used when evaluating domestic material alternatives.
- Ask owners and design teams to screen for domestic options early and reassess once technical requirements and lead times are clearer.
- Review specifications and approved product lists for unnecessary barriers to qualified domestic products.
- Assess market capacity by category and consider available quantities, delivery schedules, safety, compatibility, maintenance, spare parts and lifecycle cost.
- Start with established supply chains and use collaborative delivery projects to test how early contractor input can improve sourcing decisions. Early market assessment would allow domestic products to be incorporated where practical without compromising project performance or delivery.

Provide clear exceptions and define responsibilities

Not every project can use a domestic option without affecting safety, technical performance, compatibility, availability, schedule or value for money. Without clear exceptions and an agreed allocation of responsibility, owners, designers and contractors may face avoidable disputes, risk premiums and inconsistent decisions.

CDAO's recommendations for the Government of Ontario are to:

- Allow a short, documented design-review justification where domestic options cannot meet project requirements.
- Include examples for new builds and upgrades where existing equipment must remain compatible.
- Require owners to disclose sourcing, exceptions and verification requirements before tender.
- Define responsibility for design integration, manufacturer certification and performance, and contractor compliance with the tender documents.

Set clear terms for municipal BOBI expansion

Expanding BOBI requirements without clear and consistent terms could produce uneven municipal practices, limit access to specialized expertise and expose technical procurements to decisions based on unclear criteria.

CDAO's recommendations for the Government of Ontario are to:

- Publish common definitions, guidance and reusable evidence requirements before rolling out enhanced BOBI requirements to municipalities.
- Explain how local benefit and local knowledge will be evaluated, how Ontario and Canadian engineering services and labour will qualify, and how buyers should document decisions.

- Preserve access to specialized expertise and interprovincial labour mobility.
- Require Qualifications-Based Selection for engineering and other professional design services, and involve licensed engineers in oversight of technically complex procurements.
- Align Ontario's requirements with federal Buy Canadian frameworks and use procurement and regulatory systems to support the development, incubation and commercialization of homegrown technologies. These measures would strengthen domestic capacity while protecting quality, fairness and public safety.

Phase in the design requirements
Immediate implementation would be difficult for projects already in design, contracts already being prepared and materials subject to long manufacturing lead times.

CDAO's recommendations for the Government of Ontario are to:

- Provide an implementation and transition period of no less than 12 months, developed in consultation with municipalities, designers, contractors and suppliers.
- Use early implementation to assess bid participation, verifiable domestic content, administrative effort, project costs and delays before extending requirements further. A measured transition would allow for any unintended consequences to be addressed and avoid disrupting projects already underway.

These recommendations build on CDAO's Guide to Design and Construction Procurement Best Practices, developed by industry leaders from across our member organizations as a practical resource for public owners. We invite the Ministry to review the Guide alongside this submission.

CDAO would welcome the opportunity to meet with the Ministry to discuss this submission, the Guide and practical next steps for implementation. To arrange a meeting at the Ministry's convenience, please contact our Administrator, Susan Lee at cdaocanada@gmail.com.

Sincerely,



Andrew Hurd
Chair, Construction and Design Alliance of Ontario