

In municipal procurement, Buy Canada policies aren't so easy

by Doug Holmes

As Canadian consumers respond to U.S. import tariffs by boycotting American products, many municipalities across the country are also looking at how they can join the 'Buy Canadian' movement.

While some large cities like Toronto are looking to cancel procurement contracts with American firms, the reality is that small communities like Summerland have very few direct dealings with U.S.-based companies.

The District of Summerland does purchase U.S.-made goods, such as water and sewer pipes, but they are typically procured through local suppliers. These companies support other local businesses and many are now looking to source even more materials from regional and Canadian producers.

Indeed, shopping local is something we can all do.

Still, the transition away from U.S. goods and services won't happen overnight. North American economies are highly integrated, involving much co-investing and co-development. About US\$2.5bn worth of goods and services cross the Canada-U.S. border every day with most of Canada's exports, from wood to auto parts, being used for value-added products manufactured in the U.S. This blending of supply chains can create confusion over a product's country of origin and complicate the implementation of Buy Canadian policies.

We want to give preference to Canadian products and companies because if a business shuts or slows down due to tariffs, it's the local economy that will feel it most. However, we don't want to drown local suppliers in red tape by making them prove their products are sufficiently "Canadian" to be eligible to bid on contracts.

As we review our municipal procurement policies in the wake of the trade war, we need to ensure we don't inadvertently harm the Canadian suppliers we're trying to protect. Nor do we want to compromise municipal operations and service delivery to the public, or disregard financial responsibility by overpaying on contracts.

It should also be noted that Canada has 15 free trade agreements covering 51 countries so it's important that a Buy Canadian purchasing policy doesn't become a *de facto* boycott of goods from all our other trading partners. As the U.S. slides towards protectionism, we can best insulate ourselves by diversifying our trade relationships.

The tariff situation – both the U.S. tariffs and Canadian counter tariffs – has been chaotic and is changing constantly. Local governments in the BC Interior are actively sharing knowledge and discussing approaches so that we may coordinate measures and act together when and if necessary.

Local government is also working with the provincial and federal governments through the Union of BC Municipalities (UBCM) and Federation of Canadian Municipalities (FCM) to ensure a concerted 'Team Canada' approach to the tariffs.

On March 11, mayors and regional district chairs from around the province joined a zoom call with Premier David Eby, Municipal Affairs Minister Ravi Kahlon, and Minister of State Brittney Anderson to share insights on the impacts of the tariffs on our communities.

Premier Eby spoke of aligning procurement policies across all orders of governments, however neither the provincial nor federal governments have yet made changes to their purchasing practices or issued any directives to local government. The District of Summerland is therefore currently staying the course with its existing policies and trade agreement obligations while making every effort to buy Canadian where possible.

Doug Holmes is mayor of Summerland