

# Here's the Drill: Ontario's New Buy Ontario Procurement Rules – What You Need to Know

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As of April 13, 2026, Ontario has overhauled its public-sector procurement rules through a new *Buy Ontario Procurement Directive*. The goal is straightforward: favour Ontario and Canadian businesses and limit access by U.S. suppliers. The Directive does not, however, prevail over legislation.

The Directive applies broadly across Ontario ministries, agencies, and most broader public-sector organizations such as hospitals, colleges, universities, and school boards. It does not apply to procurements needed to address situations that are both urgent and unforeseen.

## What's Changed

**1. Stronger preference for Ontario and Canadian suppliers:** For most procurements, public-sector entities must now apply tiered preferences based on dollar value—starting with Ontario businesses for lower-value procurements and expanding outward as values increase. For large procurements, additional domestic weighting and benefit requirements apply.

**2. U.S. businesses are generally excluded:** U.S. suppliers must be excluded from new procurements (though not from existing Vendor of Record or similar pre-existing arrangements) unless one of two narrow exceptions applies:

- the U.S. supplier is the only viable option and the procurement cannot wait; or
- for services, the U.S. supplier commits to having at least 90% of the required staff to deliver the contracted services located in Canada.

Senior-level approval is required in all such cases.

**3. Special rules for vehicles and infrastructure:** The tiered preferences in point 1 do not apply to fleet vehicles or capital infrastructure. Instead, separate rules apply to:

- fleet vehicles, which must generally be Made-in-Ontario; and
- capital infrastructure projects, which now require Domestic Supply Chain Plans and, for procurements above \$368,000, allow up to 35% of evaluation points to be allocated to weighted domestic criteria (such as meeting Ontario's environmental and labour standards).

OPG and IESO are exempt from the infrastructure rules.

## Why This Matters

Public-sector entities will need to update procurement templates, evaluation criteria, and approval processes. Suppliers should be prepared to substantiate Ontario or Canadian presence, staffing levels, and supply-chain commitments. Misrepresentations about business status carry real contractual and reputational risk.

Further guidance is expected as the province releases additional implementation materials.

***The information and comments herein are for the general information of the reader and are not intended as advice or opinion to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.***

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