

Subject: Municipal Considerations in Cooperative Procurement

Moved by: Councillor Colin McLellan

Seconded by: Mayor Carolyn Amyotte

WHEREAS Canoe Procurement Group of Canada ('Canoe Procurement') is a Rural Municipalities of Alberta operated procurement group experiencing rapid growth (+100% gross sales 2023-2024, total purchases \$780 million) with more than 6000 public service members across Canada including the Township of North Kawartha ('North Kawartha');

AND WHEREAS Canoe Procurement partners with the State of Minnesota's Procurement Group, Sourcewell, whose contracts represent approximately 83.5% of available contracts through Canoe Procurement, and whose original solicitations are developed under United States ('U.S.') legal and procedural frameworks before being adapted for Canadian use;

AND WHEREAS the inclusion of Canadian distribution capability in U.S. procurement solicitations does not alone address the potential evaluation priority placed on serving a membership primarily located in the U.S. bound by Buy USA federal procurement requirements, creating evaluation priorities that may differ from Canadian public sector needs;

AND WHEREAS Canadian public sector use of contracts from cooperative groups in the U.S. may disadvantage Canadian businesses from accessing the public tax base, promotes Canadian business investment in the U.S., and unnecessarily outsources administrative work and the associated contract fee returns internationally;

AND WHEREAS procurement groups may create barriers for Canadian small businesses by issuing broad scope Requests for Proposals ('RFPs') that can charge monthly fees, rely on national/international distribution networks, and favour businesses with larger margins, greater variety of products offered, and resources to meet multiple international standards;

AND WHEREAS governments and their agencies represent significant local and national buying power and should strive to support and grow businesses that benefit the communities whose tax dollars are invested;

AND WHEREAS widespread use of international group procurement contracts may weaken our domestic supply chain resiliency for the items governments and their agencies require to meet the needs of those they represent including items of military relevance;

AND WHEREAS Ontario's "Procurement Restriction Policy – A Guide for Buyers" indicates if a "procurement document has already been issued" and that "a new procurement is one that has not yet been posted (e.g. on an electronic tendering system) or has not yet been issued to vendors to submit a response" creating an unintended gap whereby existing cooperative purchasing program contracts may circumvent the intent of the Policy;

AND WHEREAS Ontario municipal and agency use of group purchasing contracts may represent breaches of the Ontario Quebec Trade and Cooperation Agreement without proper tendering;

AND WHEREAS the Government of Canada's July 12, 2025 "Interim Policy on Reciprocal Procurement" states "suppliers from countries that limit Canadian access to their own government contracts can be restricted from bidding on Canadian federal contracts" and complete policy is under present consideration;

AND WHEREAS some procuring entities may incorrectly interpret Article 504.8 of the Canadian Free Trade Agreement ('CFTA') which may inadvertently circumvent Canadian competitive tendering requirements when purchasing through procurement groups not party to the CFTA, while also applying certain restrictions interprovincially;

THEREFORE BE IT RESOLVED THAT

The Township of North Kawartha update its Procurement Policy to incorporate local priorities when compliant with trade agreements and regulate group procurement purchases. This includes restricting group procurement contracts to those where North Kawartha has proactively posted a Notice of Intent for participation with the original signing authority prior to use to maximize transparency and reduce unnecessary administrative groups' involvement in the procurement process.

AND FURTHERMORE:

Council requests that Canoe Procurement Group of Canada include members of Provincial partner agencies on its governing board and increase

transparency in administrative fee distribution and Canadian interest scoring on RFPs issued by Sourcewell;

AND that Canoe Procurement Group of Canada issue parallel Canadian RFPs where arrangements currently rely on foreign origin solicitations to give members the greatest selection and ensure Canadian vendors have equitable opportunities;

AND Council requests that the Government of Ontario amend its March 2025 Procurement Restriction Policy to prohibit the use of any group purchasing contracts whose contents do not conform to the Policy and impose this prohibition on provincial funds distributed to municipalities not covered by the Broader Public sector directives;

AND Council requests that the Government of Canada require, as a condition of federal funding, that when cooperative procurement contracts are used they originate from organizations whose solicitation processes provide access consistent with Canada's trade agreement obligations and procurement frameworks that offer reciprocal opportunities for Canadian suppliers;

AND Council requests that the Government of Canada ensure that the "little or no control" exemption under Article 504.8 of Chapter 5 of the Canadian Free Trade Agreement is not applied in a manner that shields purchases which do not align with the law, intent, or spirit of the Agreement;

AND Council requests that the Governments of Ontario and Canada assist subnational governments and agencies in navigating complicated trade agreements with training and government operated programs such as pre-approval certification.

CC

Office of the CEO & Executive Director, Canoe Procurement Group

Peterborough County

AMO Municipalities

Mayor Robin Jones, AMO President

Mayor Gary McNamara, LAS Board Chair

Canadian Public Procurement Council

Canadian Federation of Independent Businesses

Office of Dave Smith, MPP Peterborough-Kawartha

Office of the Minister of Public and Business Service Delivery and Procurement of Ontario

Office of the Minister of Economic Development, Jobs Creation and Trade of Ontario

Office of the Minister of Municipal Affairs and Housing of Ontario

Office of the President of the Treasury Board of Ontario

Office of the Auditor General of Ontario

Office of the Premier of Ontario

Office of Jamie Schmale, MP Haliburton-Kawartha Lakes

Office of the Minister of Industry of Canada

Office of the Minister responsible for Canada-U.S. Trade, Intergovernmental Affairs, Internal Trade and One Canadian Economy of Canada

Office of the Minister of Government Transformation, Public Works and Procurement of Canada

Office of the Auditor General of Canada

Office of the Prime Minister of Canada