

Capital Infrastructure Policy Requirements (under Buy Ontario Procurement Directives)

Frequently Asked Questions

Background

1. What is the Municipal Buy Ontario Procurement Directive?

As of April 13, 2026, the Municipal Buy Ontario Procurement Directive came into effect.

The Directive introduced procurements requirements to maximize the use of Ontario- and Canadian-made goods and services in capital infrastructure procurements, including projects that support Ontario's capital plan, and for light-duty passenger fleet vehicles.

The Directive is issued by the Management Board of Cabinet (MBC) under the Buy Ontario Act (Public Sector Procurement), 2025.

2. Why was the capital infrastructure Procurement Direction refined and expanded to include the Broader Public Sector and Municipal Sector?

The Buy Ontario Capital Infrastructure Procurement Direction was initially introduced in December 2025 for ministries and provincial agencies as an interim approach. This allowed Ontario to implement early measures to maximize the use of Ontario- and Canadian-made goods and services while gathering feedback and assessing early implementation impacts.

Expanding the policy to the Broader Public Sector and Municipal Sector maximizes the economic benefits of the policy, supports domestic supply chains, and strengthens outcomes across the public sector.

Key Definitions

“Construction” means construction, reconstruction, demolition, repair or renovation of a building, structure or other civil engineering or architectural work and includes site preparation, excavation, drilling, seismic investigation, the supply of products and materials, the supply of equipment and machinery if they are included in and incidental to the construction, and the installation and repair of fixtures of a building, structure or other civil engineering or architectural work, but does not include professional consulting services related to the construction contract unless they are included in the procurement.”

“Canadian-Made Good” means a good that meets any one of the following criteria:

- Is wholly manufactured or originating in Canada,
- At least 51% of the total direct costs of producing or manufacturing the good have been incurred in Canada, or
- Is labelled as “Made in Canada” or “Product of Canada”.

“Canadian Service” means a service wholly provided by individuals (natural persons) located in Canada.

“Ontario Service” means a service wholly provided by individuals (natural persons) located in Ontario.

“Ontario-Made Good” means a good that meets any one of the following criteria:

- It is wholly manufactured or originating in Ontario, or
- At least 51% of the total direct costs of producing or manufacturing the good have been incurred in Ontario.

Scope

3. Who does the Capital Infrastructure policy requirements apply to?

The policy applies to:

- Ministries and provincial agencies (excluding Ontario Power Generation and its subsidiaries and the Independent Electricity System Operator)
- Designated broader public sector organizations (BPS entities) as set out in section 1(1) of the [*Broader Public Sector Accountability Act, 2010*](#):

- Municipal sector entities means all municipalities, local boards, and wholly owned municipal services corporations that are prescribed as public sector entities under the Buy Ontario Act (Public Sector Procurement), 2025

4. What procurements are in scope of the Capital Infrastructure policy requirements?

The Capital Infrastructure policy requirements apply to all new procurements of capital infrastructure which include the following procurements:

The following procurements are in scope:

- Construction
- Fixtures, furniture and equipment that are included in and incidental to the Construction of the facility and required to support the facility's operational readiness immediately following completion of Construction, whether those items are delivered through the construction contract or procured separately.
- Transit fleet vehicles, including rolling stock (e.g., subways or rail cars) and buses but excluding light duty passenger vehicles (for reason that are already captured under the Made-in Ontario Vehicle Fleet policy).
- When using Vendor of Record Arrangements managed by Supply Ontario or other purchasing arrangements whenever possible. Covered entities should not use purchasing arrangements to avoid the capital infrastructure procurement requirements
- Non-competitive procurements

5. What procurements are not in scope of the Capital Infrastructure policy requirements?

The Capital Infrastructure policy requirements does not apply to the procurement of:

- Medical equipment
- Information technology
- Fixtures, furniture or equipment acquired solely for ongoing or operational purposes after the facility is operational
- Routine maintenance, repair and operations (MRO) unless it involves repairing or renovating the physical structure

6. Are there exclusions from the Capital Infrastructure policy requirements?

Yes. Only where strictly necessary, a procurement could be excluded if a detailed market assessment shows that applying the requirements could increase the procurement's estimated cost by 25% or more compared to not applying the requirements. The covered entity could seek approval to exclude the procurement from the policy requirements. The approving authority must review the business case and approve the value for money exclusion.

Ministries or provincial agencies must obtain deputy minister or CEO approval unless when the OPS Procurement Directive requires a level of procurement approval higher than deputy minister. BPS and municipal entities must require a similar level of approval.

7. How do I verify the origin of the good and service?

Covered entities may rely on vendor's attestation to the source of origin for each major good and each major service. A vendor's Domestic Supply Chain Plan included as part of their bid can be treated as evidence of what goods are Ontario-Made Goods or Canadian-made Goods and what services are Ontario or Canadian Services.

8. Does this Capital Infrastructure policy requirements apply to contract extensions?

No, the Capital Infrastructure policy requirements do not apply to contract extensions.

9. What is considered new procurement?

New procurement is a procurement that has not yet been issued or posted by the date the applicable section of this Directive takes effect.

10. Why are the Capital Infrastructure policy requirements limited to new procurements only?

The policy will apply to all capital infrastructure procurements posted on or after this policy comes into effect for the public sector entity with the intention of minimizing impacts to existing contracts and ongoing procurement processes.

Requirements

11. What are the Capital Infrastructure policy requirements?

For each capital infrastructure procurement, covered entities must apply one of the approved methods when using a Domestic Supply Chain Plan (DSCP) to maximize the use of Ontario-Made and Canadian-Made goods and Ontario and Canadian services for major goods or services in procurements covered by the Buy Ontario Procurement Directive, while also maintaining value for money and the timely delivery of infrastructure projects.

Covered entities may use an alternative approach if it would not be feasible to require vendors to submit a Domestic Supply Chain Plan on account of the procurement model if it is consistent with and advances the objective of the policy.

When determining which approach to use, covered entities must select the approach that best supports the objectives of the capital infrastructure procurement policy, including maximizing the use of domestic goods and services, achieving value for money, and avoiding project delays.

NOTE: Please refer to section 4.4.2 of Buy Ontario Procurement Directive or section 4.2.2 of the Municipal Buy Ontario Procurement Directive for the requirements

12. What constitutes major good?

In the capital infrastructure policy requirements, "major goods" means durable materials, systems or components that are essential to ensuring the operational readiness or performance of the deliverable, and include:

- Structural materials: Concrete, steel and other metals, lumber, stone, aggregates
- Building envelope components: Windows, glass, roofing systems, bricks
- Mechanical and electrical systems: HVAC units, generators, elevators
- Specialty items: Prefabricated panels, major fixtures
- Fixtures, furniture and equipment
- Transit fleet vehicles

Note: These are examples of Major Goods that are not intended to be exhaustive and may vary depending on the procurement, as determined by the procuring entity. The list of major goods could vary depending on the type of capital infrastructure procurements.

13. What if using a Domestic Supply Chain Plan isn't feasible for a procurement?

Where it is not feasible to require vendors to submit a Domestic Supply Chain Plan, the procuring entity may use an alternative method, provided that the method is consistent with and advances the purposes of the policy.

To use alternative methods, ministries must document their rationale in all cases and obtain the appropriate approvals and must obtain approval from the Deputy Minister, CEO, or equivalent, unless a higher level of procurement approval is required under the OPS Procurement Directive.

Broader Public Sector entities must seek a comparable level of approval.

Municipalities, local board and municipal services corporations, must seek appropriate approval (based on the value of the procurement) to use an alternative approach.

14. How are buyers required to implement the Capital Infrastructure policy requirements?

Buyers are required to implement the policy through their procurement processes through the use of a Domestic Supply Chain Plan. Covered entities must select one of two approaches:

- an evaluated approach, or
- a commitment approach.

The selected approach must be clearly identified in the procurement document. Buyers determine the appropriate approach based on the estimated value of the procurement and the nature and circumstances of the deliverables being produced.

Where it is not feasible to require vendors to submit a Domestic Supply Chain Plan, covered entities may apply an alternative approach, provided it is consistent with and advances the objectives of the Capital Infrastructure policy requirements.

NOTE: For more detailed operational guidance please refer to the Buy Ontario Capital Infrastructure Procurement: A Guide for Buyers.

Applying the Capital Infrastructure policy requirements

16. We were planning to post a procurement next week that we have been working on for a few months. Does this policy apply?

Yes, the Capital Infrastructure policy requirements apply to any new procurement that has not been posted or issued on the date the Capital Infrastructure policy requirements come into effect for the public sector entity.

17. How will the Capital Infrastructure policy requirements impact current contracts?

The capital infrastructure policy requirements only apply to new procurements and does not apply to existing contracts. However, when there is an available and unexercised option to extend the term of an existing contract, the procuring entity should determine whether to exercise that option or conduct a new procurement in accordance with this policy.

18. Should we cancel current contracts?

No. The capital infrastructure policy requirements apply to new procurements only. The policy does not require the termination of existing contracts.

19. How do buyers manage potential cost increases or delays when applying the capital infrastructure procurement requirements?

A 25% value-for-money exclusion may be used on a case-by-case basis and only where it is strictly necessary. To apply this exclusion, buyers must:

- undertake a detailed market assessment demonstrating that applying the requirements could increase the estimated cost of the procurement by 25% or more compared to not applying them;
- obtain approval from the Deputy Minister, Chief Executive Officer, or equivalent, or Treasury Board / Management Board of Cabinet, where required; and
- document the rationale and evidence supporting the decision for reporting and oversight purposes.

20. Many capital projects depend on federal funding. What happens when there is a conflict in funding requirements?

Buyers are required to follow the Capital Infrastructure policy requirements unless they conflict with federal funding requirements for capital projects. Public Sector Entities are encouraged to negotiate terms for Federal funding that allow maximizing Ontario-Made goods and services.

21. Is there a threshold for how much foreign product is allowed in a good before it is not considered Ontario Made or Canadian Made? For example, if a product is made up of parts and all of the parts are foreign sourced, but the final product is assembled in Ontario, does that count as Ontario Made?

To qualify as Ontario-Made or Canadian-Made, the product must meet one of the criteria in the respective definition (see Definitions). Buyers can rely on the bidder's attestation to confirm compliance.

What Supports are Available?

22. What resources do public sector entities have available to help implement the new Policy?

The following resources will be available to help public sector entities implement the policy:

- **Guide for Buyers** - provides detailed instructions on how to apply the policy.
- **Supply Ontario** will serve as a point of contact for procurement related questions.

23. Where can I submit questions related to the Policy?

Questions can be submitted to doingbusiness@supplyontario.ca.

Vendors

24. How will businesses be made aware of the Capital Infrastructure policy requirements?

Ontario Businesses will be made aware of the policy through engagement and education that supports businesses about how to find procurement opportunities.

Reporting and Information Requests

25. What are the reporting requirements?

Public Sector Entities must prepare and provide information and data as requested by the Ministry of Public and Business Service Delivery and Procurement (MPBSDP), the Ministry of Infrastructure (MOI), the Ministry of Municipal Affairs and Housing (MMAH), Treasury Board Secretariat (TBS) and/or Supply Ontario.