

## DRAFT RESOLUTION

Re: Amendment to Purchasing Bylaw No. 11477

THAT Council directs staff to review Purchasing Bylaw No. 11477, based on the proposed policy direction outlined in the draft resolution from Councillor Cannan dated March 31, 2025, and report back to Council with options to enhance the Bylaw's effectiveness and compliance in alignment with prioritizing Canadian suppliers.

### BACKGROUND:

On March 17, 2025, Councillor Cannan indicated their intent to bring forward a resolution regarding amendments to [Purchasing Bylaw No. 11477](#) to prioritize Canadian suppliers.

### COUNCILLOR CANNAN COMMENTS:

#### Preamble

Kelowna City Council is entrusted with the responsibility of providing good governance through setting policies, bylaws, strategic planning, financial oversight, and supervising City Administration. Regular review of policies is a hallmark of responsible governance. It ensures that the City remains compliant, efficient, and responsive to changing legal, market, and operational conditions—thereby upholding public trust.

#### Background

Bylaw No. 11477, establishing the City's Purchasing Policy, was adopted on November 6th, 2017. Since its adoption, City staff have periodically reviewed the policy to ensure that it meets Kelowna's procurement needs, adheres to best practices, and complies with legal obligations. However, there is no record of a City Council reviewing this Purchasing Bylaw since being adopted in 2017. Although there is no one-size-fits-all answer, best practices suggest that a municipal procurement policy should be comprehensively reviewed every three years, with targeted reviews of specific elements on an annual basis when necessary.

In light of ongoing U.S. tariff discussions that could impact Canadian goods and services, our local government should amend its procurement policy to prioritize Canadian suppliers whenever possible. By doing so, we can:

- **Protect Local Economic Stability** – Reducing reliance on U.S. suppliers helps shield our community from trade disruptions and price increases.
- **Ensure Supply Chain Security** – Strengthening local and national sourcing ensures reliable access to essential goods and services.

- **Support Canadian Businesses and Jobs** – Keeping taxpayer dollars within Canada stimulates economic growth and innovation.
- **Reduce Costs and Environmental Impact** – Local procurement minimizes transportation expenses and aligns with sustainability goals.
- **Promote Fair Trade Practices** – As U.S. states implement "Buy American" policies, it is in our best interest to support Canadian-made products and services.

Updating our city procurement policy is a proactive step to safeguard our economy, ensure responsible spending, and promote long-term resilience for our community.

### **Policy Purpose**

The purpose of this policy update is to ensure that the City of Kelowna prioritizes the procurement of goods and services from Canadian businesses—including local and British Columbian manufacturers/suppliers—whenever feasible. This initiative is designed to support the local and national economy, maximize value for taxpayers, and promote consistency in procurement practices even with changes in leadership or staff.

### **Policy Statement**

The City of Kelowna is committed to supporting both the local and national economy by giving preference to Canadian suppliers and manufacturers whenever all relevant factors (price, quality, availability, sustainability, and service) are equal. This policy will be implemented in full compliance with applicable provincial, federal, and international trade agreements.

#### **I. Canadian-First Procurement Approach**

The City of Kelowna shall:

- **Prioritize Suppliers:**
  - Give preference to local, followed by British Columbian and then Canadian suppliers/manufacturers when factors are equal.
- **Require Justification:**
  - Mandate formal justification when selecting non-Canadian vendors if competitive Canadian alternatives exist.
- **Encourage Local Sourcing:**
  - Promote the use of locally sourced goods, services, and labor whenever practical and permissible.
- **Incorporate Canadian Content:**
  - Embed Canadian content criteria into bid evaluations, ensuring no conflict with international trade obligations.
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#### **II. Compliance with Trade Agreements**

The City shall ensure that its procurement practices comply with all applicable trade agreements, including:

- The Canada-European Union Comprehensive Economic and Trade Agreement (CETA)
- The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- The Canada-United States-Mexico Agreement (CUSMA/USMCA)
- Any relevant provincial or municipal trade policies

### III. Supplier Development and Engagement

To further support Canadian businesses, the City shall:

- Engage with local suppliers to increase their awareness of procurement opportunities.
- Collaborate with economic development organizations to strengthen Canadian supply chains.
- Encourage capacity-building initiatives for vendors to meet municipal needs.

### IV. Exceptions and Special Considerations

While prioritizing Canadian suppliers, the City recognizes that international sourcing may be necessary when:

- Specialized goods or services are not available from Canadian vendors.
- Significant cost savings can be achieved that positively impact budget constraints.
- Trade agreement obligations necessitate the fair treatment of international suppliers.

All exceptions must be documented with a formal justification process.

### V. Monitoring and Reporting

To ensure accountability and continuous improvement, the City shall:

- Track procurement spending by country of origin.
- Conduct annual reviews to assess the effectiveness and impact of the Canadian-first approach.
- Adjust procurement strategies based on market conditions, supplier availability, and feedback from staff, vendors, and stakeholders.

### VI. Implementation and Review

- Implementation: This policy shall take effect immediately upon Council approval.
- Review Cycle: The comprehensive policy shall be reviewed by City Council every three years. Additionally, specific elements may be reviewed on an annual basis to ensure ongoing alignment with legal requirements, market conditions, and the City's strategic objectives.

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This revised document is intended to ensure that procurement decisions are made in a transparent, competitive, and efficient manner that provides the highest value for money while best serving the interests of Kelowna's taxpayers.

Date: March 31, 2025