

## Summary — Bill 72 (Buy Ontario Act, 2025)

### What Contractors Need to Know About the Buy Ontario Act

Bill 72, enacted on December 11, 2025, creates the Buy Ontario Act (Public Sector Procurement), 2025, giving the Ontario government broad authority to prioritize Ontario- and Canada-based goods and services in public sector procurement through binding directives issued by the Management Board of Cabinet.

Key elements of the Act include:

- Authorization for government-wide mandatory procurement directives applicable across ministries, agencies, municipalities, and broader public-sector organizations.
- Authority to require preference for Ontario- or Canadian-made goods and services, including construction materials and professional services, when specified by directive.
- Strong enforcement tools, including compliance audits, corrective action orders, and the ability to withhold provincial funding for non-compliance.
- Application to third-party supply chain managers, who must comply with Buy Ontario requirements through contractual obligations.
- Repeal of the Building Ontario Businesses Initiative Act, 2022, replacing it with a broader and more enforceable framework.

Critically, the Act itself sets the legal authority, while the real operational impact comes from directives, some of which began coming into force in April 2026, particularly affecting capital infrastructure and municipal procurement.

## Impact on the Construction Industry

### 1. Stronger Local Preference in Public Projects

Construction projects funded or procured by the province, municipalities, hospitals, school boards, and agencies may now be required to favour Ontario-based suppliers, contractors, consultants, and materials when directives apply.

#### Practical effect:

- Ontario-based general contractors and trades may gain a competitive edge.
- Non-Ontario or foreign suppliers may face eligibility restrictions or scoring penalties.

### 2. Changes to Bid Evaluation Models

While Bill 72 does not prescribe specific scoring rules, directives may legally allow:

- Mandatory domestic content thresholds
- Weighted evaluation criteria favouring Ontario supply chains
- Restrictions limiting bids to Ontario or Canadian businesses in certain procurements.

This represents a shift away from strictly lowest-price procurement toward policy-driven value assessments.

### 3. Expanded Compliance Obligations for Contractors

Contractors bidding on public work will face new reporting and verification requirements, particularly around:

- Origin of materials
- Location of service delivery
- Use of Ontario-based subcontractors and suppliers.

Supply chain transparency will become more important during both bidding and project execution.

### 4. Increased Risk for Non-Compliance

Public owners who fail to apply Buy Ontario directives may face funding clawbacks, while contractors may be:

- Disqualified from bidding
- Subject to audits or performance reviews
- Removed from vendor rosters if directives mandate enforcement consequences.

This increases contractual risk and elevates procurement diligence.

### 5. Municipal and Infrastructure Project Implications

Unlike previous legislation, Bill 72 extends fully into **municipal procurement**, including infrastructure and capital projects, where new municipal-specific Buy Ontario directives are already active.

This materially affects:

- Roads, bridges, transit, water/wastewater projects
- Vertical construction funded through municipal-provincial agreements

## Impact on the Competitive Bidding Process

Area	Change
Bid eligibility	Potential restrictions on non-Ontario firms
Bid scoring	Local content may affect evaluation outcomes
Procurement fairness	Increased deviation from price-only models
Tender documents	More mandatory declarations and certifications
Risk management	Higher legal and compliance exposure

## Strategic Takeaways for Construction Firms

- Ontario-based firms should reassess supply chains to maximize local content.
- Non-Ontario firms must monitor directives carefully for eligibility risks.
- Joint ventures with Ontario partners may become more common.
- Bid teams should expect more complex tender conditions and audits.

## Bottom Line

Bill 72 fundamentally reshapes public-sector construction procurement in Ontario, shifting emphasis from open international competition toward economic development, domestic resilience, and policy-driven procurement, with direct consequences for how construction bids are structured, evaluated, and enforced.

## References

1. [Ontario Legislative Assembly. Bill 72: Buy Ontario Act, 2025 \(Statutes of Ontario, 2025, c. 27\).](#)
2. [Government of Ontario. Buy Ontario Act, 2025, S.O. 2025, c. 27 \(Consolidated Statute\).](#)
3. [Miller Thomson LLP. What Ontario's New Buy Ontario Act Means for Construction and Infrastructure Firms.](#)
4. [Edilex. Bill 72: Buy Ontario and the New Domestic Procurement Policy — What Procurement Professionals Need to Know \(April 9, 2026\).](#)
5. [The Civics Project. Ontario Bill 72 \(Buy Ontario Act, 2025\): Legislative Overview.](#)