

Housing, Infrastructure and Communities Canada’s Buy Canadian Policy for grant and contribution programming

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Table of Contents

- [The Government of Canada’s Buy Canadian Policy](#)
- [HICC’s Buy Canadian Policy](#)
- [Recognition of provincial and territorial approaches](#)
- [HICC grant and contribution programs in scope](#)
- [Effective date of application](#)
- [HICC Buy Canadian requirements](#)
 - [Application](#)
 - [Policy requirements](#)
 - [Roles and responsibilities](#)
 - [Monitoring and reporting](#)
- [Ensuring compliance with the HICC Buy Canadian Policy](#)
- [Exceptions](#)
- [Enquiries](#)

- [Appendices](#)
 - [Appendix A. Programs in scope](#)
 - [Appendix B. Example of a meaningful approach](#)
 - [Appendix C. Definitions](#)

The Government of Canada's Buy Canadian Policy

The Government of Canada has introduced new policies to protect, build, and transform Canadian strategic industries. Central to this plan is the introduction of a new Buy Canadian Policy suite, designed to help make Canada's economy stronger, more resilient to global shocks, and better able to support Canadian workers and businesses. It does this by prioritizing Canadian materials, suppliers, and content in federal procurement and through grants, contributions, loans, and other federal funding mechanisms. The overall objectives of the approach are to make Canada its own best customer, build resilient domestic supply chains, strengthen Canadian industries and jobs, and expand access and opportunity for Canadian businesses.

On September 5, 2025, the Prime Minister [announced](#) that the Government's Buy Canadian Policy would extend to grant and contribution (G&C) programs. The Buy Canadian Policy Framework for federal procurement, and its supporting instruments, came into effect on December 16, 2025. Please refer to the Government of Canada's official website for the most up to date information on [Buy Canadian](#). The framework and its constituent policy instruments aim to protect and support domestic industry by encouraging the participation of Canadian suppliers and use of Canadian content (including specified materials) and reducing dependency on foreign inputs.

Federal departments and agencies, including Housing, Infrastructure, and Communities Canada (HICC) are required to implement Buy Canadian approaches that align with the federal procurement policy framework in their G&C programs. These approaches may be tailored to the Departmental context of diverse programs, recipients, and projects.

HICC's Buy Canadian Policy

HICC's Buy Canadian Policy (the Policy) is the Department's approach to implement Buy Canadian for its grant and contribution programs. It details the Department's Buy Canadian requirements, the programs and projects to which they will be applied, the grounds to seek exception, and other aspects of the approach.

Recognition of provincial and territorial approaches

Where a province or territory has a policy framework in place that supports Buy Canadian objectives, the Minister of Housing and Infrastructure reserves the right to recognize this as fulfilling HICC's Buy Canadian requirements. Recognition of a provincial or territorial policy framework in HICC's funding agreements would be subject to the Minister's determination that the provincial or territorial approach is reasonable and aligned to federal objectives. In the event of recognition, projects subject to the provincial or territorial policy would be deemed to meet HICC's Buy Canadian requirements. This offers an opportunity to avoid administrative

duplication while still meeting federal requirements and objectives in support of building a strong and diversified Canadian economy.

HICC grant and contribution programs in scope

HICC's Buy Canadian Policy will ensure that all grant and contribution programs encourage recipients to Buy Canadian and to opt-into voluntary reporting for all projects, as and when possible given a program's and project's stage of implementation. In general, further application of the policy requirements will occur for programs where funding is not yet committed. For long-term or permanent funding programs where agreements are currently in place, incorporation of the policy requirements may occur at the time of agreement renewal.

As grants are not subject to performance conditions, grant recipients are encouraged to report on results achieved to show how Departmental funding has contributed to advancing Buy Canadian. For a list of current grant and contribution programs in scope for application of the HICC Buy Canadian Policy please refer to [Appendix A](#).

Effective date of application

HICC's Buy Canadian Policy is effective as of the date of publication April 17, 2026.

HICC Buy Canadian requirements

The Policy is issued pursuant to the Government of Canada's broader Buy Canadian Policy and reflects adaptations for HICC's operating context for grant and contribution programs deemed in scope.

Application

For the programs to which it applies (see [Appendix A](#)), all new funding agreements will incorporate an attestation that the funding activities will adhere to HICC's Buy Canadian policy. The Buy Canadian Policy requirements outlined below cover all HICC funded grants and contributions projects valued at \$25 million in total eligible costs or greater, inclusive of all applicable taxes, reflective of the total estimated project value at time of application.

The Minister of Housing and Infrastructure reserves the right to apply the requirements of the Policy to projects that are otherwise excluded from application, at its sole discretion. Where the procurement involves significant use of materials, even below applicable thresholds (i.e., \$250,000 or greater for priority materials – steel, aluminum and wood products), HICC strongly encourages recipients to implement the policy requirements for materials wherever feasible.

Policy requirements

- For projects with total eligible costs above the specified threshold, recipients are required to put in place Buy Canadian measures expected to meaningfully prioritize (i.e., have a material impact on increasing use of) Canadian materials, suppliers, and/or content.
- Recipients may wish to consult Appendix B, which provides an adaptation of Canada's requirements for federal procurement as an example of a meaningful approach.

Strategic benefits

- Recipients may also consider, as part of their approach, strategic benefits for Canadian industries beyond impacts on an individual housing or infrastructure project's level of Canadian content. This could include, for example, expected benefits in terms of, or commitments to grow, Canadian research and development, supply chain, manufacturing footprint, or other forms of strategic capacity in the production of Canadian materials, goods, or services in line with the intent of Buy Canadian requirements.

Roles and responsibilities

HICC is responsible for:

- Developing and issuing supporting policy instruments, guidance materials, resources and tools to support consistent interpretation and application of the Policy.
- Determining applicability of the Policy to each grant and contribution project within programs deemed in scope.
- Encouraging all grant and contribution recipients to Buy Canadian and to opt-in to voluntary reporting, for all projects.
- Ensuring that accurate records are created and maintained, including ensuring that any Minister-approved exceptions are fully documented, including the rationale, supporting evidence, and approval.

Funding recipients are responsible for:

- Implementing Buy Canadian measures per the Policy.
- Ensuring statements of work and specifications support the Policy.
- Committing in their funding agreement to adhere to the Policy when applicable thresholds are met and implementing projects in accordance with the policy.
- Verifying and ensuring compliance to the Policy in the delivery of the project.

Monitoring and reporting

HICC will be responsible for:

- Implementing mechanisms to monitor compliance with the HICC Buy Canadian Policy and assess the effectiveness of the various requirements under the Policy, including reporting obligations on key indicators.
- For instance, reporting on the number and value of grant and contribution funding agreements requiring Canadian materials, content and suppliers, as well as the value of Canadian materials, content and suppliers used in grant and contribution projects.

Funding recipients are responsible for:

- Monitoring compliance with the Policy throughout the project lifecycle.
- Supporting any data reporting requirements applied by HICC, including report on the value of Canadian materials, content and suppliers used in their project(s).

- Ensuring that accurate and complete project records are created and maintained to support verification of compliance with the Policy.

Ensuring compliance with the HICC Buy Canadian Policy

Recipients will commit in funding agreements to:

- Adhere to the Buy Canadian Policy in the contracts they issue to deliver the project.
- Maintain appropriate documentation and records which could be requested by HICC, including through post-project audits.
- Seek a Ministerial exception if changes in market availability or other factors make it infeasible to meet Buy Canadian commitments.

The Department will:

- Ensure recipients report on Buy Canadian metrics.
- Monitor compliance with funding agreement commitments.
- Audit recipients on implementation of Buy Canadian commitments.
- Enforce conditions when needed, including halting or withholding payment, deeming some expenditures ineligible, or terminating a funding agreement, where a recipient has defaulted on the terms of their funding agreement as related to the Policy.

Exceptions

On a case-by-case basis, and on approval of the Minister of Housing and Infrastructure, HICC may exclude projects or individual contracts otherwise subject to the Policy where one or more of the following exceptions applies:

- **Best value** – where application of the Policy is expected to result in a cost increase of 25% or more above current market rates, such pricing may be deemed unreasonable, inconsistent with sound stewardship, and not providing best value;
- **Public Interest** – where the application of the Policy would otherwise be inconsistent with the public interest; this may include projects targeted to equity-deserving groups or underserved populations where application may place undue hardship on recipients;
- **No capacity or availability** – where the materials or the good or service are not produced in Canada in sufficient and reasonably available quantities and/or of a satisfactory quality;
- **Undue Delay** – where the application of the Policy would result in undue delays to procurement processes or project delivery (e.g., where an issue of a request for proposals is imminent, due to supplier timelines)
- **Commercial Off-The-Shelf (COTS) Products** – where there is no well-established supply chain in Canada, to be determined on a case-by-case basis.

Use of an exception listed above must be supported by documentation.

Enquiries

For questions related to the HICC Buy Canadian Policy as it relates to a specific program application, please direct your inquiries to the unit responsible for the program.

Appendices

Appendix A. Programs in scope

The HICC Buy Canadian Policy requirements shall apply to the following grant and contribution programs and are reflected in program terms and conditions:

- [Build Communities Strong Fund \(BCSF\)](#)
 - Direct Delivery stream
 - Provincial-Territorial stream
- [Canada Public Transit Fund \(CPTF\)](#)

At the next renewal of funding agreements, the HICC Buy Canadian Policy requirements may apply to the following grant and contribution programs and are reflected in program terms and conditions:

- Build Communities Strong Fund (BCSF)
 - Communities stream
- Canada Public Transit Fund (CPTF)
 - Baseline Funding stream

The Policy's application to any future programs will be determined at the time of their launch.

Appendix B. Example of a meaningful approach

Prioritize Use of Canadian Materials – Steel, Aluminum and Wood Products

- Ensure that design and technical specifications, including those outlined in any statement of work, support the use of materials produced in Canada as defined in [Appendix C](#), definitions. The statement of work would not include restrictive specifications or design choices that would unnecessarily limit the feasibility of using materials as defined in the Policy.
- Ensure that the use of Canadian materials is mandatory in the delivery of the project when the total estimated value for a given material – Canadian steel, aluminum and wood products – is equal to or greater than \$250,000.
- After contract award, monitor delivery of the contract.

Prioritizing Canadian Suppliers

Canadian Supplier

(for definition, see [Appendix C](#))

This requirement seeks to support Canadian industries and ensure that Canadian suppliers are prioritized in HICC grant and contribution projects for programs in scope and aligned with HICC application thresholds.

- When the Policy applies and no exception is applicable, competition is open to Canadian suppliers and, if any international trade agreements apply, suppliers of an applicable trading partner.
- Bids from eligible Canadian suppliers will receive a 10% reduction to the total value of their financial proposal only for the purpose of the evaluation and it will not impact the actual offer price.

Prioritizing Canadian Content

Canadian Content

(see [Appendix C](#), definitions)

This requirement seeks to support Canadian industries and ensure that Canadian content is prioritized in HICC grant and contribution projects for programs in scope.

Selection Methodologies

- When establishing the requirements of a call for proposals, the recipient will determine which of the two following methodologies shall be applied for evaluation:

Point-Rated Methodology

- Allocate 25% of the total evaluation score to the Canadian Value-Added requirement criterion.
- Mandatory Canadian Materials (as defined under [Appendix C](#)) must be excluded from this calculation.

Price-Based Methodology

- Where point-rated criteria methodology may not be suitable, use a price-based evaluation credit of 25% applied to financial proposal at evaluation. This is only for the purpose of the evaluation and will not impact the actual offer price (the default is 25% but can be adjusted).
- Mandatory Canadian Materials (as defined under [Appendix C](#)) must be excluded from this calculation.

Appendix C. Definitions

The Government of Canada's official website for Buy Canadian lays out the below definitions. In the spirit of alignment with the procurement approach that is tailored to departmental grant and contribution context, HICC has included definitions for reference.

Construction

Construction means:

- A procurement considered construction as set out in the [Policy on Prioritizing Canadian Materials in Federal Procurement](#).

Produced in Canada

Produced in Canada means:

- Materials that have undergone primary manufacturing and fabrication in Canada.

Strategic Procurement

Strategic Procurement for HICC means:

- The [Infrastructure, Construction, Transportation](#) and Housing sector, which includes physical assets and systems essential for public and economic activity; services and materials involved in constructing, renovating, or demolishing buildings and structures; and goods and services enabling the movement of people and property. Examples include, but are not limited to: buildings, transportation infrastructure, mobility, utilities, environmental cleanup, facilities management.

Canadian Supplier

Canadian Supplier means:

- A supplier that has a place of business in Canada where it conducts activities on a permanent basis that is clearly identified by name and accessible during normal business hours; or, a joint venture where each member of the joint venture has a place of business in Canada where it conducts activities on a permanent basis that is clearly identified by name and accessible during normal business hours; and
 - is registered and files taxes in Canada (e.g., GST/HST, corporate income tax);
 - maintains a registered address in Canada and employs personnel and/or conducts day-to-day business activities in Canada; and
 - will not subcontract work to non-Canadian suppliers or individuals located outside Canada, in a manner that results in minimal value-added activities being performed within Canada.
- In assessing whether a supplier is Canadian, the recipient:
 - may consider the nature of the industry or sector, the geographical location of the supplier, and the level of activity typically performed by other suppliers competing in the same sector;
 - must provide the supplier with an opportunity to submit relevant evidence; and, must clearly document the rationale and supporting evidence for their decision.

Canadian Good

Canadian Good means:

- A good wholly manufactured or originating in Canada; or a product containing imported components that has undergone sufficient change in Canada in a manner that satisfies the definition specified under the Canada-United-States-Mexico Agreement (CUSMA) Rules of Origin. For the purposes of this definition, the reference to "territory of the Parties" in the CUSMA Rules of Origin is to be replaced with "Canada".

Canadian Service

Canadian Service means:

- A service wholly provided by (natural persons/individuals) based in Canada.
- Services include construction services.

Canadian Value-Added

Canadian Value-Added means:

- In relation to services, a Canadian Service or the proportion of the service contract performed by natural persons based in Canada; and
- In relation to goods, a Canadian Good or the value of the portion of the good produced in Canada or the difference between the dutiable value of the imported goods and the selling price, taking into account any value added by manufacturers and distributors, and including any costs incurred in Canada related to:
 - research and development,
 - sales and marketing,
 - communications and manuals,
 - customization, modifications, installation, and support,
 - warehousing, distribution, and logistics,
 - training and after-sales service.

Canadian Content

Canadian Content means Canadian Value-Added.

Applicable trading partner

Applicable trading partner means:

- A country or customs territory listed in the [schedule to the Canadian International Trade Tribunal Procurement Inquiry Regulations](#) as a party to one or more of the trade agreements that applies to the procurement process.

Supplier of an applicable trading partner

Supplier of an applicable trading partner means:

- A supplier that has a place of business in an Applicable trading partner where it conducts activities on a permanent basis that is clearly identified by name and accessible during normal business hours; or,
- A joint venture where at least one member of the joint venture has a place of business in an Applicable trading partner where it conducts activities on a permanent basis that is clearly identified by name and accessible during normal business hours, and all other members of the joint venture either meet this requirement or are a Canadian supplier.

Materials

Materials means:

- The materials (steel, wood products, and aluminum) and their corresponding definitions.

[Appendix C: Materials of the Policy on Prioritizing Canadian Materials in Federal Procurements](#)

outlines the definitions and thresholds for Materials produced in Canada required under the Policy. Sub-appendices are provided for each type of Material which includes in-scope materials for the application of the Policy's requirements.