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To: ["Direct to Mayor and Council"](#)
Date: 2/21/2025 5:52:31 PM
Subject: Emerging Issue Note: Impact of U.S. tariffs on existing City of Vancouver contracts, including Lime e-Scooters (February 21, 2025)

Dear Mayor & Council,

The pending U.S. tariffs and their potential impacts to the City of Vancouver continues to attract media interest with a focus on the City's current contracts, particularly regarding the City's e-scooter contract with Lime. In response, staff have prepared a brief package with key messages, key facts and relevant Q&As that may be helpful to you in media interviews or conversations with stakeholders and constituents.

Issue in brief

On Feb. 11, 2025, Vancouver City Council directed staff to initiate an urgent, high-level review of capital projects, suppliers, procurement and trade agreement exposure to identify opportunities to Buy Local/Buy Canadian on a priority basis and report back with strategies to support the Team Canada approach.

Communications approach in brief

At this time, we have shared that staff are reviewing capital projects, procurement and trade agreements at a high-level as directed by Council at the Feb. 11, 2025 meeting. Staff will consider opportunities to Buy Local /Buy Canadian on a priority basis and report back on strategies to support the Team Canada approach.

Key messages

- All capital projects, suppliers, procurement and trade agreement may be reviewed at a high-level by staff as part of the work directed by Council.
- In all situations, the City will continue to seek the best value in procurement, taking into consideration applicable tariffs.
- Staff will be reporting back to Council on potential strategies and for further direction in the coming weeks.

Key facts

- The City has not made any changes to its contracts and suppliers as a result of the potential tariffs as of February 5, 2025.
- On Feb. 11, 2025, Council directed staff to initiate an urgent high-level review of capital projects, suppliers, procurement, and trade agreement exposure and opportunities to Buy Local / Buy Canadian and report back as soon as possible with immediate and long-term strategies supporting the Team Canada approach.
- Staff will be reporting back to Council in the coming weeks on potential strategies and for further direction.

- Specifically on Lime (e-scooters):
 - Lime officially launched its shared e-scooter program in Vancouver on September 12, 2024, with 100 e-scooters and 27 parking stations across Hastings-Sunrise and Grandview-Woodland.
 - The shared e-scooter program currently has surpassed 50 stations. Over time, future stations will continue to expand west into Mount Pleasant, False Creek and Downtown.
 - Lime has dozens of staff members working full time all year round in Canada serving 11 cities and in peak season Lime employs or works with well over 100 people across the country, including a commitment to hire local teams and work with community partners and businesses.
 - All of Lime's markets across Canada are operated by local teams and their Canadian leads reside in BC
 - Lime has had nearly 1.4 million unique riders take over 7 million rides on Lime e-scooters and e-bikes in Canada.

Questions & Answers

Does the City's current procurement policy favour local or Canadian suppliers?

The City's Procurement Policy is aligned to comply with Canadian trade agreements, which generally prohibit local preferences in government procurement. When a procurement is covered by a trade agreement, the process must be open, fair and transparent, without giving preference to local suppliers. Canada is party to many internal and international trade agreements. Municipal procurements are covered by several of these agreements including:

Canadian Free Trade Agreement (CFTA)

Canada-European Union Comprehensive Economic and Trade Agreement (CETA)

Canada-United Kingdom Trade Continuity Agreement (Canada-UK TCA)

If tariffs are imposed, will there be changes to where the City sources goods and materials? From construction supplies to vehicles to equipment?

The City buys a small amount of goods and services directly from the United States, consisting of approximately \$6 to \$7 million dollars (CAD) annually. A great portion of this spend and the contracts currently in place are related to software and business IT applications. The main goods purchased directly from the United States are books and publications by the Vancouver Public Library (VPL).

The majority of the City's procurement is with Canadian suppliers directly. However, they may carry products manufactured in the United States in their catalogues.

The City will continue to seek the best value in procurement, taking into consideration applicable tariffs. Where vendors have existing contracts to the City, and they source materials from the U.S., it would be up to the vendor to determine any changes to their sourcing.

Will the City will end its shared e-scooter system contract with Lime and consider switching to a Canadian company?

Staff will review the City's contracts and its legal obligations and will report back to Council on potential strategies, but no action would be taken until further direction is given by Council.

Related Media

- CityNews story: <https://vancouver.citynews.ca/2025/02/21/canadian-company-vancouver-reconsider-us-company-contract-trade-wars/>
- Media statement from Sonia Kandola, Director of Government Relations at Lime:

"Lime won this competitive contract based on our ability to provide the highest-quality service for Vancouver, with significant investments in local hiring and infrastructure, and it is what we have delivered to the terms of our contract. This will continue to be our focus going forward. This letter is nothing but a cynical attempt to make up for a losing proposal that failed to meet the high standard of service Vancouver residents deserve.

It is disrespectful to the hundreds of thousands of Canadian riders and the dozens of Canadian Lime staff members who have made Lime Canada's shared micromobility provider of choice. Thanks to them, Lime has powered millions of sustainable trips in cities across the country over the last seven years. We are proud of our Canadian operations, our deep roots in the Canadian communities we serve, and the relationships we've built with cities and provinces nationwide."

We will provide a follow up note if context or messaging requires updates. If you have any questions about the foregoing, please reach out to Maria at maria.pontikis@vancouver.ca. You are welcome to direct any media inquiries to media@vancouver.ca.

Best,

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