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To: ["Direct to Mayor and Council"](#)

Date: 2/5/2025 7:17:54 PM

Subject: Emerging Issue Note: Pending U.S. tariffs potential impact on City of Vancouver (February 5, 2025)

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Good evening Mayor and Council,

Staff have identified that the pending U.S. tariffs and their potential impacts to the City of Vancouver has gained significant interest across outlets. 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 February 1, 2025, the U.S. announced plans to impose tariffs of 25% on Canadian goods, and a tariff of 10% on energy exports imported into the U.S. from Canada effective February 4, 2025. Subsequent negotiations between the U.S. and Canada on February 3 led to a 30-day pause on these tariffs. These developments have raised inquiries from media outlets about potential economic impacts to the City, particularly regarding the amount of business and trade the City does with U.S. vendors and suppliers.

#### Communications approach in brief

At this time, we have issued holding statements reactively to a handful of media outlets. The responses to CTV and Glacier Media outline the percentages of the City's suppliers from Canada, the U.S., and other countries; the amount of business the City conducted with U.S. suppliers in 2024; and that staff will await direction from Council following the Special Council meeting planned for later this month. Until then, staff will examine the specifics of any tariffs and assess potential options if/when they are imposed. Additional communication tactics will be evaluated following the Special Council meeting.

#### Key messages

- A Notice of Motion was made during a City Council meeting on February 4, 2025, concerning the City's response and strategy on potential US tariffs, with this to be discussed at a yet-to-be-scheduled Special Council meeting to take place before the end of February 2025. Once staff has direction from Council, we will have more information on this matter. Until then, as this is an evolving situation, the City would need to examine the specifics of any tariffs and assess and review potential options if/when they are imposed.

## Key facts

- City staff will examine the specifics of any tariffs and assess and review potential options if/when they are imposed.
- The City has not made any changes to its contracts and suppliers as a result of the potential tariffs as of February 5, 2025.
- The City has done business with more than 32,000 vendors from 2009 to the present. Over this 16-year period, the City's suppliers have been located in the following countries:
  - Canada: 29,550 suppliers (91%)
  - United States: 2,451 suppliers (8%)
  - Other Countries: 189 suppliers (1%)
- In 2024, the City did direct business with only 224 U.S. Vendors, which represented a spend of approximately \$6.1 million dollars (CAD).

## 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.

How will the US-Canada tariff situation affect Vancouver's hosting of FIFA 2026, including the budgeting, procurement and security? What steps are you taking right now with regard to planning and funding for the project due to the tariffs?

A Notice of Motion was made in City Council on Feb. 4, 2025, concerning the City's response to and strategy concerning potential US tariffs, with this to be discussed at a yet-to-be-scheduled Special Council meeting, to take place before the end of February 2025. Once staff has direction from Council, we will have more information on this matter. Until then, as this is an evolving situation, the City would need to examine the specifics of any tariffs and assess and review potential options if/when they are imposed.

#### Related links

[CTV, Isabella Zavarise - Vancouver city council votes to defer 'Choose Canada' motion to special meeting](#)

Given this is an evolving issue, 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](mailto:maria.pontikis@vancouver.ca). You are welcome to direct any media inquiries to [media@vancouver.ca](mailto:media@vancouver.ca).

Best,

Paul

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The City of Vancouver acknowledges that it is situated on the unceded traditional territories of the x m k y m (Musqueam), S wxwú7mesh (Squamish), and s lilw ta (Tsleil-Waututh) Nations.