



Update on U.S. Tariffs and The City's Supply Chain

EC2025-0350

15 April 2025



Verbal Report C2025-0253:

- Update Council Executive Committee on tariffs, supply chain disruptions or any other proposed regulatory changes that would have a significant negative impact on The City of Calgary's supply chain and/or financial position.



Recommendation

That Executive Committee recommends Council receive this presentation for the corporate record.



Tariff Situation as of Today

**Council Update on
February 25, 2025**

March 4 2025

- 25% U.S. tariff on Canadian imports (excl. oil/energy) took effect
- Canada announced retaliatory measures, targeting U.S. goods estimated at \$30 billion

March 5/6 2025

- Alberta outlined tariff impact, urged federal support for affected industries
- Canada adjusted counter-tariffs, delayed some actions to assess effects
- As of March 6, partial rollbacks announced, signaling easing tensions

March 12/13 2025

- U.S. imposed 25% tariff on all steel and aluminum, raising infrastructure costs
- Canada hit back with counter-tariffs on U.S. steel, aluminum, and more

April 2/3 2025

- U.S. expanded tariffs with 25% on foreign-made passenger vehicles and auto parts
- Canada matched with 25% tariffs on all automobiles imported from the United States, that are not compliant with CUSMA (North American free trade agreement)

Into the Future

- Ongoing Canada-U.S. talks may shift tariffs or trade deals
- City adjusts procurement to reduce financial and operational risk



What Does This Mean for The City's Contracts

Limited Immediate Risk but Ongoing Monitoring



95% Canadian suppliers
70% are within Alberta

Suppliers are asked to demonstrate actual impact

It is still too early to fully measure long-term effects

Building Resilience Through Supplier Collaboration



Collaborating with suppliers on a case-by-case basis to strengthen partnerships

We anticipate future cost pressures, and are preparing to respond

Understand inflationary pressures, quantifying supply chain impacts

Full Impact Will Become Clear Over Time



Full procurement cycle takes time to complete and refresh

Contract impacts from economy or policy shifts will be delayed

All parties are proactively managing potential exposure





The City's Supply Chain Resiliency (SCR)

The City continues to take this matter seriously and remains prepared with daily monitoring and exploring alternative strategies.

Key Strategies The City has put in Action:



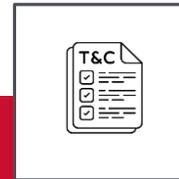
Awarding contracts to multiple suppliers to increase diversity and resilience in our supply chain.



Exploring alternate logistic routes to avoid border impacts.



Engaging in advance purchasing and delivery of materials to avoid tariff impacts.



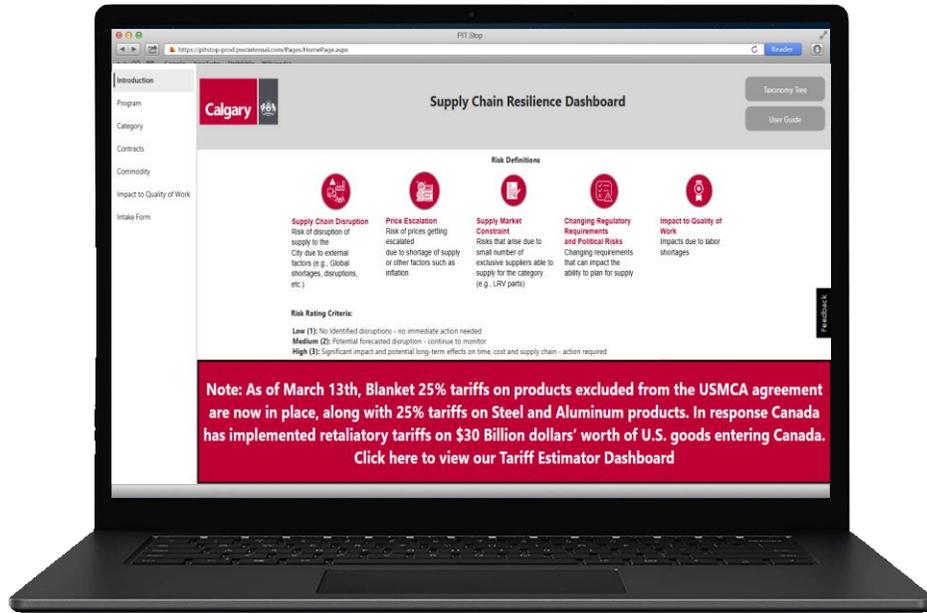
Reviewing and updating Terms & conditions to mitigate City's exposure risk.



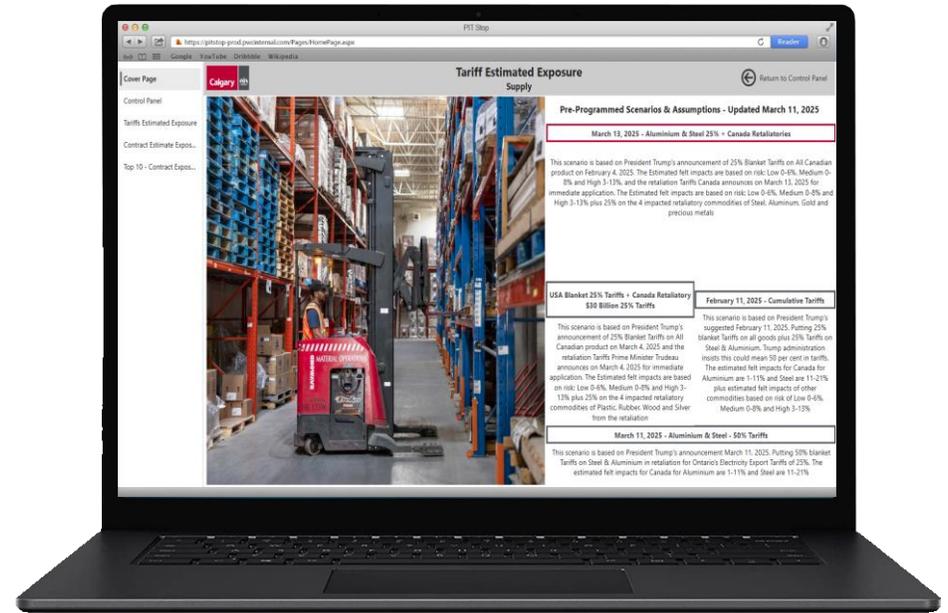
Reviewing required product specifications and determining if there are local alternatives.



Driving Smart Decisions in Supply Chain Resilience



Supply Chain Resiliency Dashboard



Tariff Estimated Exposure Dashboard

Innovative historical data analysis to proactively identify risks or supply chain threats, setting the standard for how The City plans ahead.

Advanced forecasting model estimates tariff impacts across commodities, positions us as a leading municipality in smart procurement strategies.



Enhancing our procurement practices



Strong Canadian Supplier Base

Approximately **95%** of all City contracts and spending are with Canadian suppliers.



Enhancing Procurement Policies

To further support local, Canadian, and non-American.



Leading in Social Procurement

The City is ahead of most municipalities in prioritizing local suppliers.



Boosting Small Business Participation

Increased Social Procurement weighting for **small/medium businesses**. Encouraging City staff to **prioritize Buying Local/Canadian** for small purchases.



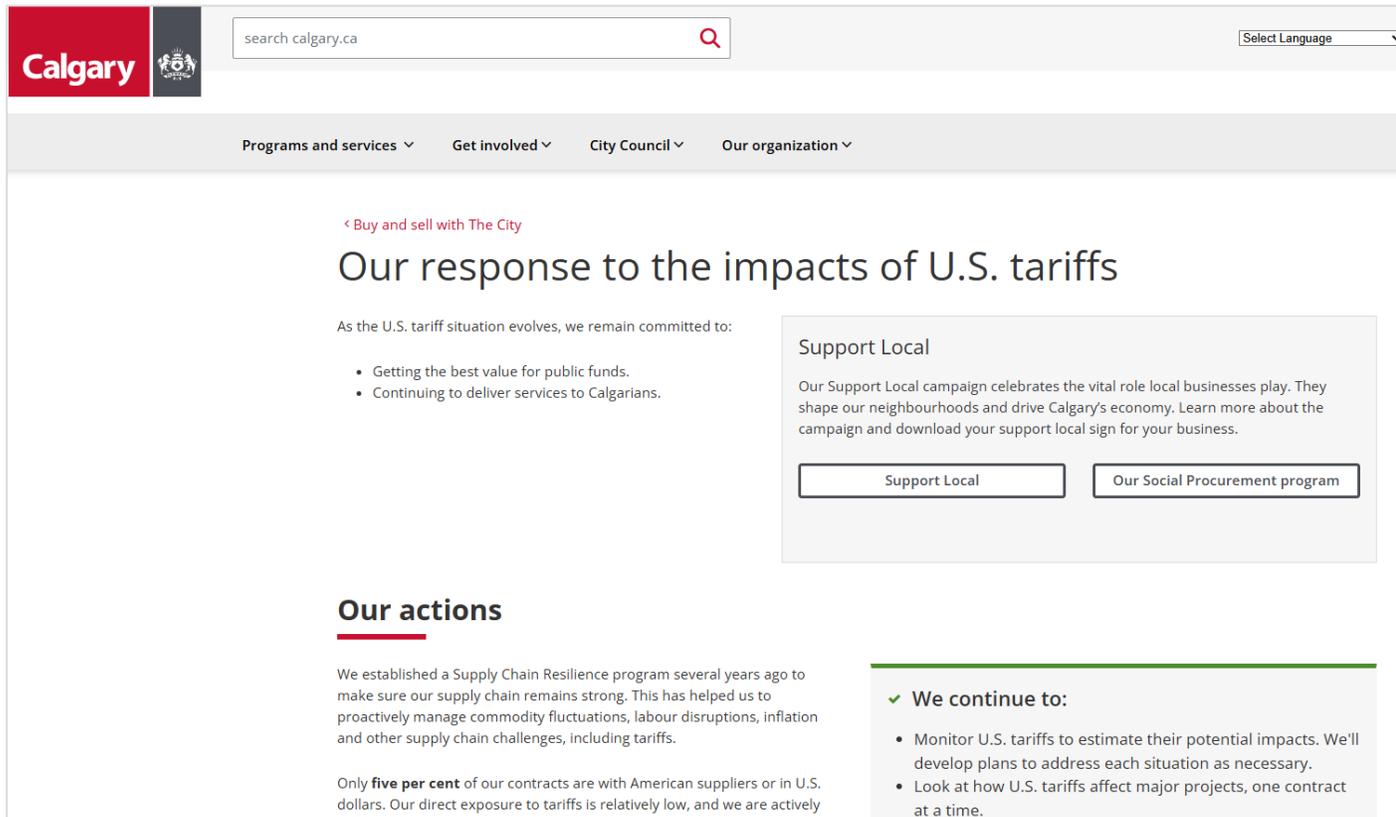
Collaborating Supply Chains Across Canada



Connecting with procurement colleagues from other governments, regional partners and industry associations to identify, support or advocate for supply chains.

- **Municipal Governments** – Edmonton, Vancouver, Toronto, Hamilton, Halifax, and Ottawa
- **The Province** – Alberta Transportation and Economic Corridors
- **Federal Agencies** – Export Development Canada and Privy Council
- **Regional Partners** – Public Advisory Committee and Calgary Economic Development
- **Industry Associations** – Procurement Foundry, Public Procurement Group

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The screenshot shows the City of Calgary website with the following content:

- Search bar: search calgary.ca
- Language selector: Select Language
- Navigation menu: Programs and services, Get involved, City Council, Our organization
- Breadcrumb: < Buy and sell with The City
- Section title: Our response to the impacts of U.S. tariffs
- Text: As the U.S. tariff situation evolves, we remain committed to:
 - Getting the best value for public funds.
 - Continuing to deliver services to Calgarians.
- Support Local section:
 - Text: Our Support Local campaign celebrates the vital role local businesses play. They shape our neighbourhoods and drive Calgary's economy. Learn more about the campaign and download your support local sign for your business.
 - Buttons: Support Local, Our Social Procurement program
- Our actions section:
 - Text: We established a Supply Chain Resilience program several years ago to make sure our supply chain remains strong. This has helped us to proactively manage commodity fluctuations, labour disruptions, inflation and other supply chain challenges, including tariffs.
 - Text: Only **five per cent** of our contracts are with American suppliers or in U.S. dollars. Our direct exposure to tariffs is relatively low, and we are actively
 - Section: We continue to:
 - Monitor U.S. tariffs to estimate their potential impacts. We'll develop plans to address each situation as necessary.
 - Look at how U.S. tariffs affect major projects, one contract at a time.

Visit calgary.ca/tariffs

Stay informed about The City of Calgary's ongoing response to U.S. tariffs and up-to-date information on:

- Procurement strategies
- Economic impacts
- Measures being taken to manage risks and support local businesses