



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

EC2025-0568  
17 June 2025

# Previous Council Direction

## 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

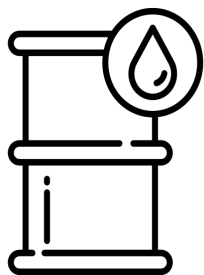
That Executive Committee recommends that Council receive this presentation for the corporate record.

# Tariff Situation as of Today

## Tariffs still in effect since March 4, 2025



Canada retaliatory measures on U.S. goods estimated at \$59 billion + limited automotive



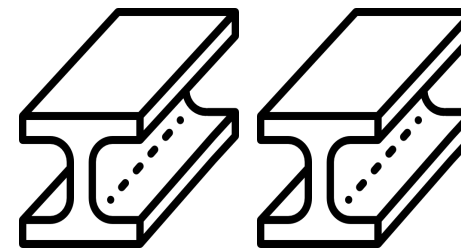
U.S. imposed 10% tariff on energy exports\*



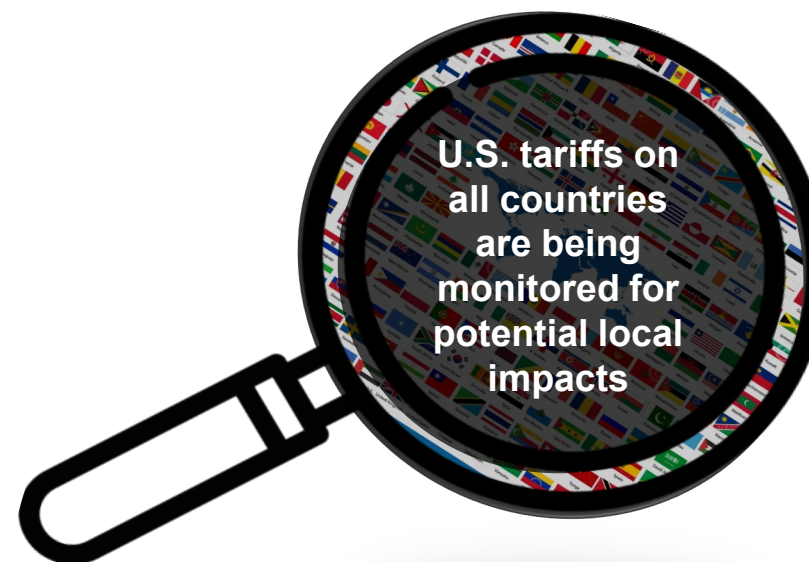
U.S. expanded tariffs with 25% on foreign-made passenger vehicles and auto parts\*

*\*carve outs and exceptions for CUSMA compliant goods*

## Tariffs update starting June 4, 2025



U.S. duty tariffs increased from 25% → 50% on all steel and aluminum



# Impact on The City's contracts



In **May**, **153** procurements have been awarded with **99.92%** of value to Canadian suppliers

# Resilience in Action: Mitigating Tariff Impacts

## \$34M steel pipe procurements avoid \$8M in potential tariffs

Alternative source successfully found in Mexico for  
North Calgary Water Servicing and Belvedere Feeder Main



## Expanding supplier base

Request for Information asking the market for new sources of large-diameter steel water pipes to reduce import reliance resulted in several responses.



## SPQ weighting boosts small business participation

\$158 million in City contracts had 10% Social Procurement Questionnaire weighting since March 31.



## Ongoing tariff exposure

~\$50,000 paid in direct tariff costs.  
Impacted goods include traffic control, video surveillance equipment and corporate inventory.

# Closing and Recommendation

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