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Buy Canadian, Buy Small:
Closing the Procurement Gap



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Buy Canadian, Buy Small: Closing the Procurement Gap

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Public procurement can protect jobs and strengthen local supply chains, and it matters more now than ever as U.S. tariffs are having an impact on many Canadian small businesses. Yet procurement systems at all three levels of government remain difficult for small businesses to access. This report outlines the barriers and provides recommendations on how governments can remove these barriers.

Introduction

Canada's small businesses are being squeezed from two directions at once. They are absorbing rising costs and tighter cash flows at home and are facing an escalating trade war that threatens their access to their largest export market. At the same time, one of the most powerful tools governments have to support them, the billions of dollars they spend each year on public procurement, remains largely out of reach for the very businesses that need it most.

Public procurement can be a powerful economic tool. When governments buy from Canadian and local businesses, they support jobs, strengthen domestic supply chains, encourage competition, and keep more economic activity in local communities. It should be an obvious source of support for small businesses, especially now.

The pressures are real and mounting. A CFIB member survey conducted in June 2026[1] found that small businesses are contending with high costs of doing business (72.6%), limited cash flows (38.6%), and uncertainty about future economic conditions (52.7%). These challenges are now being intensified by a sharp escalation in trade tensions between Canada and the United States.

Effective August 22, 2026, the United States added a new 50% tariff on a wide range of Canadian goods, including but not limited to dairy, alcohol, cement, plastic products, wood products, textiles and apparel, tools, toys/games, art/antiques and hockey equipment[2]. Some of the tariffs apply to goods that were previously duty-free under the Canada-U.S.-Mexico Trade Agreement (CUSMA).

[1] Source: CFIB, June 2026 Your Voice Survey, June 2026, 1,330 responses
[2] For full list of Canadian goods under newly announced 50% U.S. tariffs, use the links below.

The expected damage to small businesses is significant. According to CFIB's August 2026 member survey[3] on the 50% U.S. tariffs, conducted while the measures were still proposed, 93% of businesses exporting to the U.S. were aware of the tariffs and 90% were concerned about their potential impact. Among exporters to the U.S., 40% reported that some of their products were included on the tariff lists, and of those with affected products, 77% expected revenue losses if the tariffs were implemented, while 35% foresaw revenues falling by at least half.

The competitiveness effects were also significant: 78% of exporters believed a 50% U.S. tariff would make their products uncompetitive in the U.S. market, 75% said it would prompt them to reduce their dependence on the U.S. market, and 78% remained in a wait-and-see mode to see how trade policy uncertainty may affect them.

With the 50% tariffs now in effect, these concerns have taken on greater significance. Canada has now matched them dollar for dollar as of September 8, 2026 and the US has added further tariffs in response as of September 15th. Together, these developments have intensified current conditions and added further pressure on business owners across Canada.

This is precisely the moment when public procurement should step in. As tariffs are expected to lower demand for Canadian goods in the U.S. market, procurement can serve as an alternative demand channel to help small businesses sustain themselves, protect jobs, and continue contributing to their local economies. Governments can provide meaningful relief by increasing procurement opportunities specifically for small businesses.

Yet procurement systems are still not designed with small businesses in mind. Large firms often have dedicated legal, compliance, and procurement teams. Small businesses do not. For many small and medium-sized businesses (SMEs), the time required to find an opportunity, understand the requirements, and prepare an application can outweigh the potential benefit of bidding. The result is that public spending meant to strengthen the Canadian economy too often flows past the small businesses that anchor it.

The federal government has begun to recognize some of these challenges. It recently announced the Small Business Procurement Program, which aims to remove long-standing barriers that have made federal contracting difficult for smaller firms and to help them compete for and win government work. Beginning in summer 2026, the government started implementing measures requiring federal buyers to better consider the needs of small businesses, improving the Procura chatbot, and expanding the use of standardized solicitation and contract templates. Additional measures planned for the end of 2026 include simplified procurement summaries, reusable supplier attestations, standardized bid formats, bid-completeness checks, and a new program to recognize trusted Canadian small businesses.

Many of these measures reflect improvements CFIB has advocated for over many years, and their introduction is a welcome step. If the Small Business Procurement Program delivers that kind of system-wide improvement, it holds real promise, and governments should be encouraged to build on it.

Motor vehicles: https://www.whitehouse.gov/wp-content/uploads/2026/07/ANNEX-I-3.pdf *(despite the name, this list contains no cars. It covers electronics and telecom equipment, furniture and home goods, building materials)*
Alcohol: https://www.whitehouse.gov/wp-content/uploads/2026/07/ANNEX-I-2.pdf
Dairy: https://www.whitehouse.gov/wp-content/uploads/2026/07/ANNEX-I-1.pdf

[3] Source: CFIB, Special Tariffs survey 2026, August 2026, 1,833 responses

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The barriers and recommendations that follow identify where further progress is still needed and where these measures can be strengthened as they roll out.

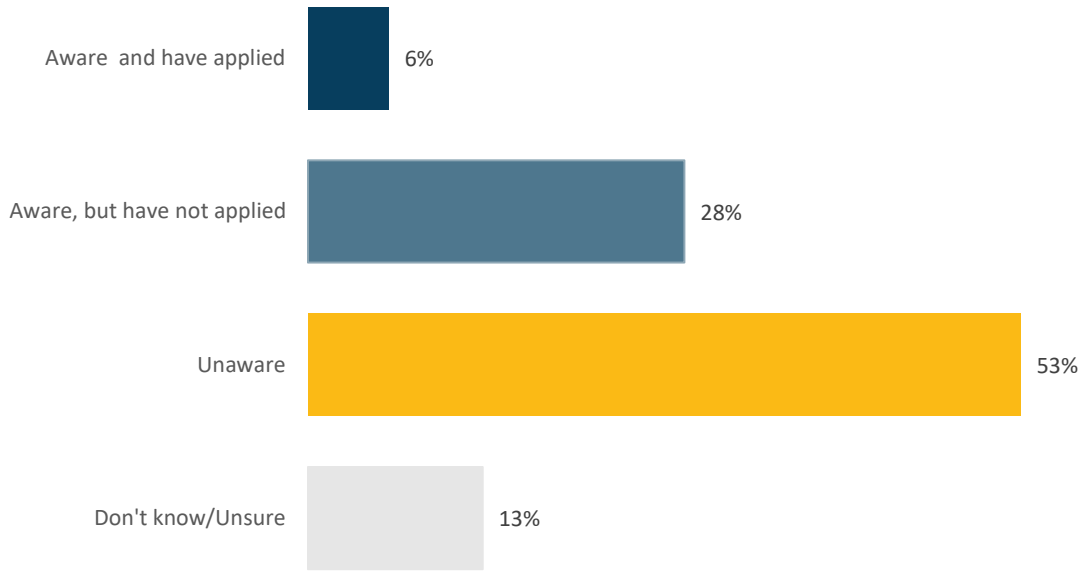
This report examines the barriers small businesses face at all levels of government and provides recommendations that governments can implement to increase small business participation and make public procurement more open and accessible for small businesses.

Issue 1: Awareness of Opportunities

At the federal level, awareness of available federal procurement opportunities remains an important issue for SMEs. Many SMEs are not applying for federal procurement opportunities because they do not know where to find them, do not receive relevant alerts, or find portals like Canada Buys difficult to navigate. In the June 2026 CFIB member survey, only 6% of respondents said they were aware of federal procurement opportunities and had applied, 28% said they were aware of opportunities but had not applied, 53% said they were not aware these opportunities existed (see Figure 1).

Figure 1

In the past three years, has your business been aware of federal procurement opportunities, and have you applied for any? (% of responses)



Source: CFIB, June 2026 Your Voice Survey, June 4 - 29, 2026, n = 1,330

Canada Buys, the Government of Canada's official procurement portal operated by Public Services and Procurement Canada, is the central platform where federal departments and agencies publish tender opportunities and where suppliers register to do business with the federal government. It was launched in 2023 to modernize and consolidate federal procurement into a single system. Despite this, portals like Canada Buys do not have embedded filters to identify opportunities specifically catered to SMEs or to search by contract size. **Creating an online portal dedicated to small business procurement opportunities, and adding filters to search by contract size, would make relevant opportunities easier to find.** On its own, however, a new portal will not resolve the awareness gap unless small businesses know it exists**. The federal government should therefore actively promote the portal to**

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the small business community, and continue to partner with organizations such as CFIB to raise awareness among business owners.

At the provincial and municipal levels, unlike the federal Canada Buys portal, provinces and municipalities typically rely on third-party electronic tendering services such as Merx, Biddingo, and Bids & Tenders, which often require registration or a paid membership to access opportunities. This adds a direct cost and administrative step that federal procurement does not impose, and it falls hardest on the smallest firms. **Provincial and municipal governments should create a dedicated procurement portal for SMEs and improve search functions, filters, and notification systems so businesses can more easily identify opportunities relevant to their sector, location, and operational capacity.**

Issue 2: Complexity and Administrative Burden

At the federal level the complexity of procurement processes also hinders the ability for small businesses to participate. In a survey, 65% agreed that even with Buy Canadian policies, federal procurement remains too complex for their business to submit a bid, and 76% agreed that federal procurement rules tend to favour large firms over small and medium-sized businesses.[4]

Business owner feedback highlights how the current rules dissuade small businesses from participating in federal procurement calls. For instance, a medium-sized occupational health and safety consulting firm with offices in Ontario and Quebec said, " that the time and effort needed to reach a procurement agreement is a major barrier." The business had to spend unpaid time in meetings to determine project objectives, develop workplans, negotiate compensation, and review contracts.

In another instance, the same firm received a 35-page contract with less than one day to review it. The owner also noted that a federal agency used their methodology to shape a future tender.

These examples show that small businesses which may not have the same resources as larger firms, such as dedicated legal, compliance, and procurement teams, are at a disadvantage when it comes to navigating the procurement process. To mitigate this barrier, the federal government should use plain-language contract terms and clearer guidance, publish upcoming procurement opportunities earlier, ideally one year in advance where possible, and use shorter and standardized contracts.

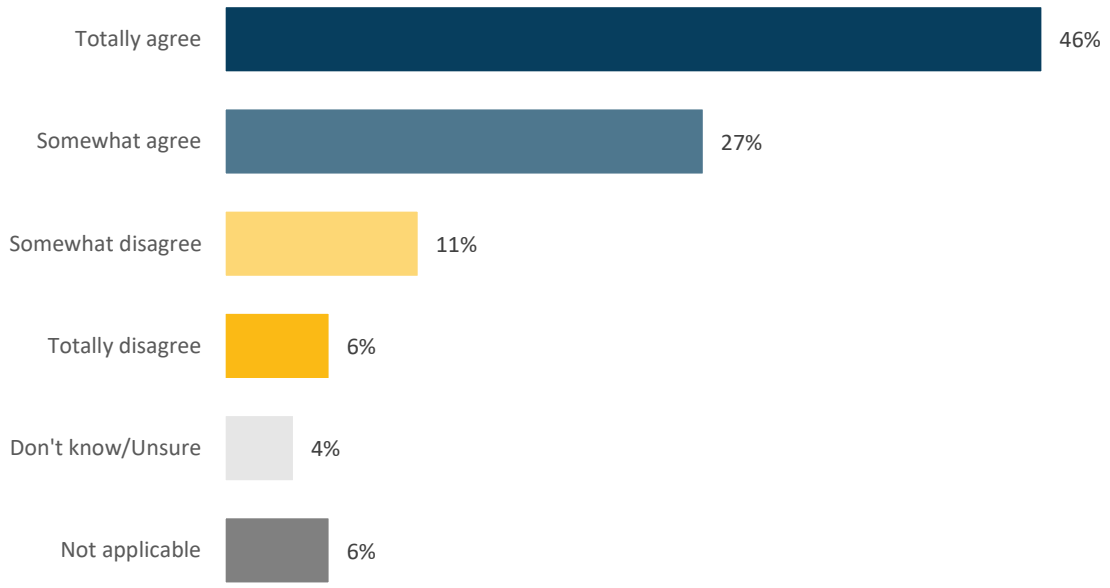
Provincially, CFIB's Quebec 2022 Omnibus survey offers a closer look at how these burdens are felt on the ground in one province. Among small businesses surveyed in Quebec, 66% agreed that government requirements were too burdensome, 73% said procurement application paperwork reduced their interest in participating (see Figure 3), and 85% said simplifying administrative requirements would encourage greater participation (see Figure 4). While these findings are specific to Quebec, they illustrate how administrative requirements can discourage small business participation in public procurement**. To reduce these burdens, provincial governments should simplify procurement processes, use plain-language procurement documents, shorten applications for smaller contracts, and scale insurance, bonding, indemnification, and other risk requirements to the size of the opportunity.**

[4] CFIB June 2026 Your Voice Survey, June 4 - 29, 2026, n = 1,330

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Figure 3

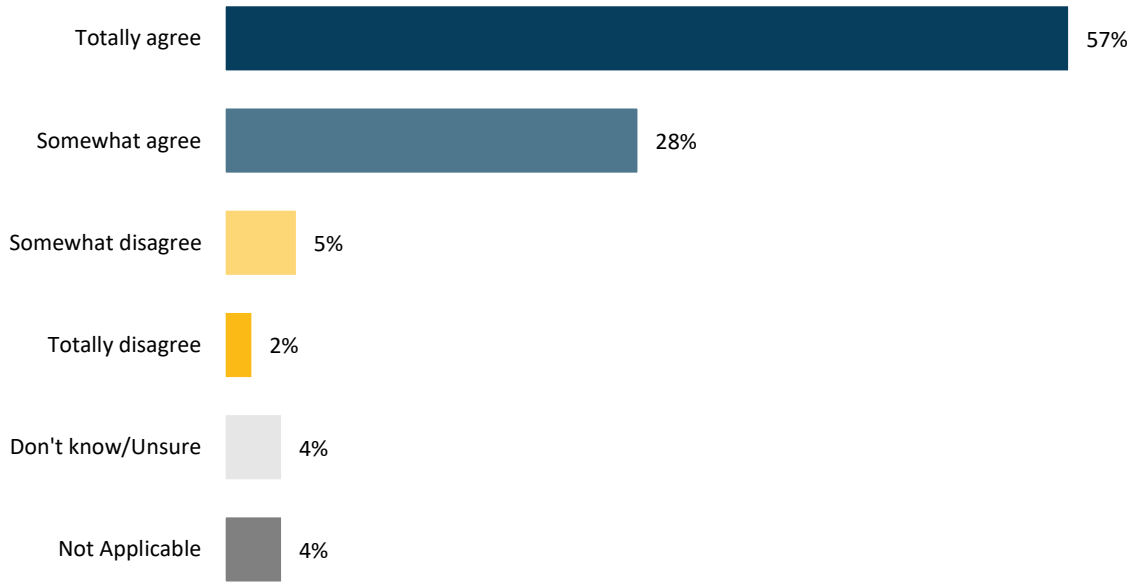
73% of entrepreneurs say that the paperwork associated with public tenders reduces their interest in participating



Source: CFIB, Quebec 2022 March Omnibus Survey, March 14 – April 7, 2022, n = 435

Figure 4

85% of SMEs would participate more in public tenders if administrative requirements were reduced and simplified



Source: CFIB, Quebec 2022 March Omnibus Survey, March 14 – April 7, 2022, n = 434

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Issue 3: Contract Size and Bundling

Contract size is a further barrier at the federal level. Indeed, 71% of small businesses agreed that lowering minimum contract sizes would make Buy Canadian policies more helpful.[5] Key concerns with the Buy Canada Policy are high minimum spend thresholds such as the Policy on Prioritizing Canadian Suppliers and Canadian Content in Strategic Federal Procurements (CSCC) at $5 million, and the Policy on Prioritizing Canadian Materials in Federal Procurement for defence and construction at $25 million. These high-value thresholds are a significant barrier, since they are often set above the scale of work most small businesses can bid on. To address this, the federal government should lower minimum contract sizes wherever possible and break large contracts into smaller components so SMEs can also compete for them directly.

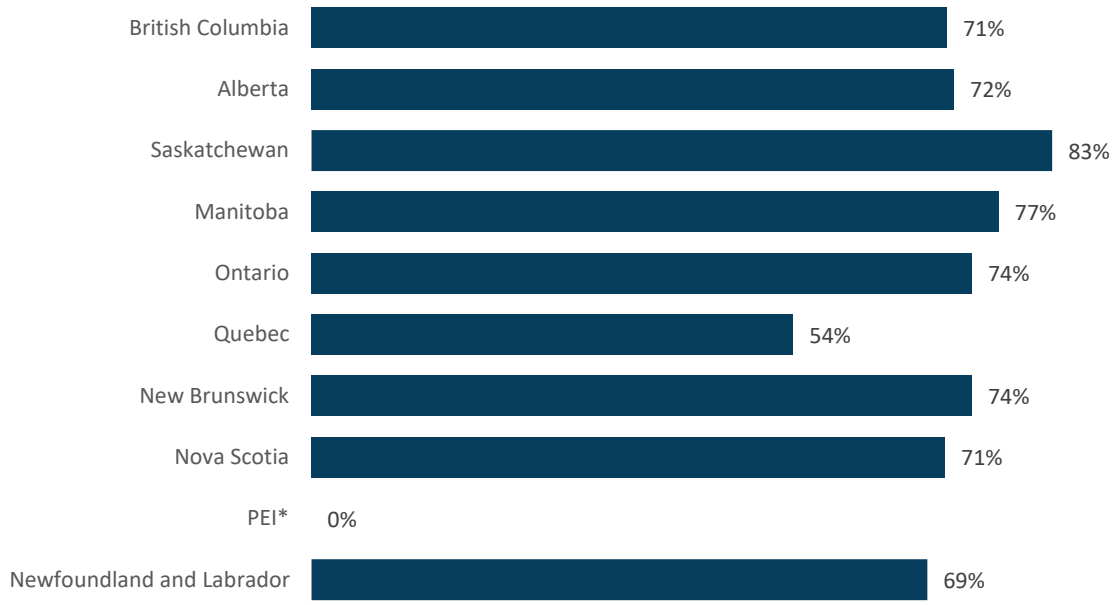
The same barrier is even more pronounced at the provincial level, where it is compounded by how large contracts are bundled together. Provincial opportunities are often packaged into major infrastructure, construction, and resource projects that are beyond the reach of most SMEs. As a result, large firms frequently secure these contracts and then subcontract portions of the work to smaller businesses, leaving SMEs competing for subcontracting opportunities rather than bidding directly as prime contractors, which reduces their ability to capture the full economic benefits of public procurement. This concern is shared across the country: a majority of small businesses across the country indicated that reducing contract sizes would make procurement more accessible (see Figure 5).[6] **To address it, CFIB recommends that governments debundle large projects wherever possible and create smaller, more appropriately sized contracts that allow SMEs to compete directly for procurement opportunities.**

5 CFIB Quebec 2022 March Omnibus Survey, March 14 – April 7, 2022, n = 434

6 CFIB June 2026 Your Voice Survey, June 4 - 29, 2026, n = 1,292

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Figure 5
Share of small businesses saying that reduced minimum contract size would make procurement more accessible, by province (% of responses)



Source: CFIB, June 2026 Your Voice Survey, June 4 - 29, 2026, n = 1,292
Note: *Small sample size (<40).

Issue 4: Defining What is 'Canadian'

At the federal level, the Buy Canadian Policy approach has taken on greater urgency as U.S. tariffs are reducing demand for Canadian goods in the American market. Many SMEs are already responding to these trade pressures: one-third of SMEs have already moved away from U.S. suppliers or customers, and another third are considering it. Of those seeking alternatives, 67% are turning to Canadian partners.[7]

Federal procurement can play an important role in supporting this shift toward domestic supply chains. SMEs will not be able to benefit from the federal government's Buy Canada Policy until some of the key design implementation issues are addressed.

The design of the policy shapes which businesses can benefit. When the federal government implemented the Buy Canadian Policy in December 2025, it set out a definition of a Canadian supplier: a business with a permanent place of business in Canada, clearly identified by name and accessible during normal business hours, or a joint venture whose members each meet that test. Canadian content, in turn, is measured by the manufacturing, research and development, and other economic activity a bidder carries out in Canada. Even with this definition in place, a further concern is that the overly narrow interpretation of "Buy Canadian" risks focusing on Canadian raw materials rather than

[7] Source: CFIB, Special Tariffs survey 2026, August 2026, 1,833 responses

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Canadian-owned and operated businesses. This could unintentionally exclude SMEs that generate Canadian jobs and economic activity but source inputs globally. CFIB recommends redefining "Buy Canadian", so it is broad enough to include Canadian-owned and operated SMEs who operate with global supply chains.

As noted earlier, the Small Business Procurement Program is intended to address several of these barriers. Its impact will depend on how effectively the government implements it, and the measures still leave key gaps unaddressed, particularly awareness and the narrow interpretation of “Buy Canadian.” The recommendations at the end of this report detail the further steps needed to close them, and the areas where this program can be strengthened as it is rolled out.

At the provincial level, governments are increasingly enacting their own Buy Canadian procurement regimes, which raise the same design questions for small businesses that arise federally. Ontario is the furthest along. The Buy Ontario Act (Public Sector Procurement), 2025 came into force in December 2025, and the government has since issued directives requiring the public sector to prioritize Ontario and Canadian goods and services in procurement. The Buy Ontario Procurement Directive took effect in April 2026 and includes requirements such as a domestic supply chain plan for capital infrastructure procurements and a made-in-Ontario sequence for fleet vehicle purchases.

This direction has since been reinforced at the political level. In August 2026, following the latest round of U.S. tariffs, the Premier of Ontario issued a memorandum to the chairs of the province’s public-sector agencies, boards, and commissions, the government bodies responsible for much of Ontario’s public purchasing, directing them to review their supply chains and planned procurements and to shift purchasing away from American businesses toward domestic ones wherever possible. The memorandum described the province’s Buy Ontario policies as “a floor, not a ceiling,” and noted that the provincial government spends more than $30 billion each year on procurement that could be directed to Ontario and Canadian businesses.

The province has also signalled that compliance is not optional. Ontario's Minister of Municipal Affairs and Housing wrote to the province's 444 municipalities, making clear the government's expectation that they fully comply with Buy Ontario policies and maximize their use of Ontario and Canadian goods and services, and indicating that municipalities could put provincial funding at risk if they do not. The Premier reinforced the message, stating that Ontario's rule is to "buy Ontario first, Canada second."

This approach raises a distinct concern. A policy that directs public bodies to buy from within a single province first works against the free flow of goods and services across the country and can disadvantage Canadian small businesses located outside Ontario. CFIB supports a pan-Canadian approach to procurement that strengthens domestic supply chains while keeping internal trade open, rather than provincial preferences that pit businesses in one province against those in another. Reducing interprovincial trade barriers, not adding to them, is one of the most effective ways governments can support small businesses across Canada. For this reason, procurement policies should prioritize Canadian-owned and operated businesses broadly, rather than narrowing eligibility to a single province.

Ontario is not alone in enacting such measures. Quebec applies a penalty on bids from U.S. companies without a local establishment, and Manitoba has amended its purchasing legislation to give preference to Canadian suppliers. These measures reflect a clear intent to support domestic businesses, but, like the federal policy, they carry a further risk. Origin-based requirements, such as domestic supply chain

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plans and made-in-province sequencing, can disadvantage Canadian-owned and operated SMEs that create jobs and economic activity in Canada but source some inputs globally.
Provincial requirements can also make participation more difficult through overly prescriptive tender specifications that are written around a particular product or supplier rather than the outcome being sought. One CFIB member, a Quebec-based manufacturer of communication systems for hospitals, schools, and long-term care facilities, reported that provincial tender requirements were often based on the specifications of a U.S. competitor's product, including features that were not available from Canadian manufacturers and, according to the business, were not always necessary for the end user. The company argued that these specifications limited opportunities for Canadian-made products to compete fairly despite offering comparable solutions. This example demonstrates why a "Buy Canadian" approach must go beyond simply restricting eligibility to Canadian companies. To truly support Canadian businesses, governments must also examine the specifications embedded in procurement calls to ensure they do not favour foreign companies. Provinces should assess whether procurement specifications are inadvertently modelled on foreign companies and review their criteria to ensure they reflect Canadian-made products and domestic capabilities, rather than requirements derived from foreign suppliers.

At the municipal level, the same definitional challenge reaches the level of government closest to small businesses. Recent efforts by municipalities to prioritize Canadian procurement opportunities have also demonstrated the importance of carefully defining what constitutes a local or Canadian business. A playground equipment and installation firm in the City of Ottawa recently highlighted this challenge. This Canadian-owned and operated small business was excluded from bidding on certain municipal playground projects following changes to the City's "Buy Canada First" procurement approach.

For more than 30 years, the company had supplied and serviced playground installations for the city, employing residents, relying on local installation crews, and providing maintenance and repair services within the community. However, because the playground equipment was not sourced from a Canadian manufacturer, the business became ineligible to compete for certain contracts despite being Canadian-owned and operated. According to the company, the change put approximately $2.5 million in annual work at risk and threatened local jobs. This example demonstrates that procurement policies focused exclusively on product origin can unintentionally exclude Canadian-owned businesses that create local jobs, support local suppliers, and contribute to the local economy.

This concern is heightened at the municipal level, where "buy local" measures can be narrower still than "Buy Canadian." A policy that favours goods produced within a single city or region risks excluding Canadian-owned and operated businesses that serve that community but manufacture or source elsewhere in Canada or abroad.

This is no longer just a matter of individual municipal choice. Municipalities across Canada have moved to prioritize Canadian or local suppliers in procurement, with Toronto amending its procurement by-law in March 2025 and Brampton adopting "Made in Canada" purchasing preferences in April 2025. Toronto's restrictions have remained in force as trade tensions escalated; a 2026 city report found that 96% of suppliers awarded through open competitive procurements were Canadian-based, and 94% were Ontario-based. In Ontario, this shift is now embedded in provincial law: the Municipal Buy Ontario Procurement Directive, which took effect in April 2026, extends the province's Buy Ontario requirements to municipalities, local boards, and municipal services corporations, requiring them to prioritize Ontario and Canadian goods and services in certain procurements. As municipalities are

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increasingly required to apply origin-based preferences, the absence of a clear and consistent definition of a Canadian or local business becomes a more pressing problem, since the same rules meant to support local economies can exclude Canadian-owned SMEs that do not meet a narrow origin test.

The distinction matters as more municipalities move in this direction. In August 2026, following the escalation in U.S. tariffs, the Mayor of Ottawa announced a motion to be brought before city council to strengthen support for local businesses, buy local, and protect local jobs. Initiatives of this kind are well intentioned, but they reinforce why a clear and consistent definition of a Canadian business is needed. Without a clear definition, "buy local" and "Buy Canadian" policies can work against the very small businesses they are meant to support.

Municipal election campaigns in Ontario have amplified this trend further. In Windsor, Mayor Drew Dilkens has made a "Buy Windsor, Buy Canadian" procurement policy part of his 2026 re-election platform, proposing to ban U.S. businesses from winning City of Windsor contracts, requiring municipal fleet vehicles be Windsor-made, and adding weighted criteria favouring local sourcing. While intended to protect local jobs amid the U.S. trade war, commitments of this kind illustrate the risk of advancing origin-based restrictions through campaign rhetoric. Dilkens himself acknowledged that a procurement review would be needed to ensure fair pricing and avoid overpaying for Canadian-only options. Such measures can also carry legal and financial exposure, since municipal procurement above certain thresholds is covered by trade agreements such as the Canadian Free Trade Agreement (CFTA) and the Canada-European Union Comprehensive Economic and Trade Agreement, so broad supplier bans may invite challenges and higher costs. Without a clear and consistent definition of what counts as a Canadian or local business, these shifting commitments risk creating confusion for small businesses and a patchwork approach in how "Buy Canadian" is applied from one municipality to the next.

To truly support small businesses and the broader economic benefits they create through local hiring, community investment, and regional economic activity, municipal Buy Canadian and buy-local policies should be designed to include Canadian-owned and operated SMEs and allow them to compete regardless of supply chain realities. Procurement decisions should also consider factors beyond the origin of inputs, including local employment, service quality, after-sales support, repair capacity, community impact, and business ownership.

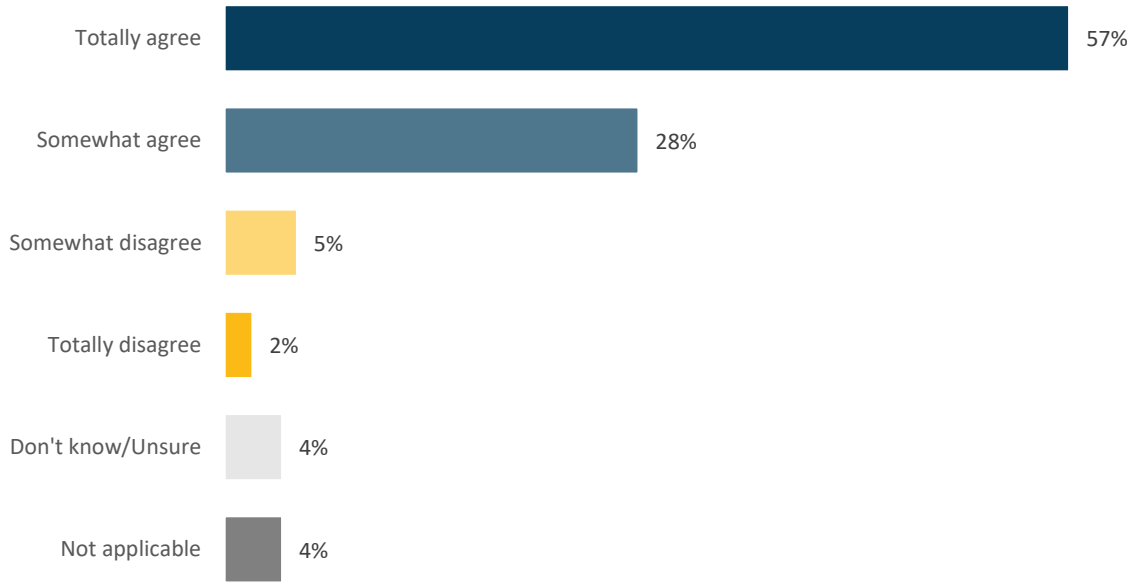
Issue 5: Value-based Procurement

Beyond how "Buy Canadian" is defined, small businesses also point to how bids are evaluated. A common concern raised by small businesses is that public procurement continues to place too heavy an emphasis on selecting the lowest-price bid rather than achieving the best overall value. In CFIB's Quebec 2022 Omnibus survey, 85% of Quebec SMEs surveyed said they would be more likely to participate if bids were evaluated on such factors as quality, expertise, innovation, durability, and overall value, rather than price being the most heavily weighted requirement (see Figure 6). While this finding is specific to Quebec, it points to a broader tension between lowest-price bidding and the goal of achieving the best overall value in public procurement.

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Figure 6

An overwhelming majority of SMEs (85%) want a revision of the bidder selection criteria for public tenders



Source: CFIB, Quebec 2022 March Omnibus Survey, March 14 – April 7, 2022, n = 434

Several municipalities have already taken steps toward broader value-based procurement approaches. In Alberta, the City of Calgary reports that approximately 95% of its contract value is awarded to Canadian suppliers and that roughly 70% remains within Alberta. Calgary's Benefit Driven Procurement Strategy includes local procurement objectives, and they recently increased the weighting given to broader value considerations in response to economic and trade pressures. Edmonton's procurement framework similarly recognizes the importance of integrating economic, quality, and environmental value considerations into procurement decisions while encouraging purchases from local SMEs where permitted. These examples demonstrate that municipalities can balance trade agreement obligations with procurement policies that recognize local economic benefits and broader value considerations beyond price alone. Municipal governments should therefore adopt a value-based procurement approach that considers the quality of goods and services, past performance, local economic impact, experience, service reliability, ability to meet timelines, and total lifecycle costs. **We encourage all levels of government to adopt this approach, as an overreliance on lowest-price bidding creates the same barriers for small businesses federally and provincially as it does at the municipal level. Shifting the primary weighting focus away from price would create a more level playing field for SMEs while helping municipalities achieve better long-term outcomes.**

Issue 6: Fairness and Transparency in the Bidding Process

Even when value is considered, the process itself can unintentionally favour incumbent suppliers or large organizations. In many cases, SMEs cannot afford to invest significant time and resources preparing procurement proposals. Unlike larger firms with dedicated teams, small business owners and their employees are often focused on managing day-to-day operations, serving customers, and keeping

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their businesses operational. This challenge is not unique to any one level of government; it arises in federal, provincial, and municipal procurement alike.

One approach to addressing these concerns is including a fairness monitor as part of every procurement bid, which is currently optional and typically only considered by procurement teams if bidding proponents request one to be part of the process. These individuals can help ensure procurement processes are transparent, competitive, and accessible to SMEs. A fairness monitor could assess whether procurement requirements are clear and proportionate, whether contract sizes allow SMEs to compete, whether insurance and bonding requirements are reasonable, whether businesses have adequate time to prepare bids, whether evaluation criteria are transparent, and whether scoring and weighting are applied consistently throughout the process, as well as ensure vendors were not given an unfair financial advantage.

In addition to a fairness monitor, each bid could include a financial evaluator to ensure pricing estimates are realistic, which deters bad actors who submit low bids to secure the work knowing there will be future cost overruns. The inclusion of these typically third-party advisors should not drive up the cost of the procurement and should be integrated as a best practice.

For smaller procurement contracts, governments could implement a simplified SME fairness checklist applied to every bid while in the development stage, rather than appointing a dedicated fairness monitor. This lighter approach would help identify barriers before tenders are released while minimizing administrative cost and burden. **Governments at all levels should designate a fairness monitor for significant procurement contracts and implement a simplified SME fairness checklist for smaller contracts, while in development, to ensure the procurement process is transparent and accessible to small businesses.**

Recommendations

The recommendations below are drawn from the analysis throughout this report and are consolidated here by level of government to make public procurement more open and accessible to small businesses. While they are grouped by the level of government where each barrier was most evident, many apply across federal, provincial, and municipal procurement alike. CFIB encourages all levels of government to adopt the recommendations relevant to them, regardless of the heading under which they appear.

Federal:

- Create a centralized online portal for small business procurement opportunities and improve search functions, filters (including by contract size), and notification systems so businesses can more easily identify opportunities relevant to their sector, location, and capacity, and actively promote the portal to the small business community so businesses know it exists.
- Lower minimum contract sizes wherever possible, debundle large projects wherever possible and create smaller, more appropriately sized contracts that allow SMEs to compete directly for procurement opportunities and use plain-language contract terms and clearer guidance.
- Publish upcoming procurement opportunities earlier, ideally one year in advance where possible, and use shorter and standardized contracts.

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- Redefine Buy Canadian broadly enough to include Canadian-owned and operated SMEs with global supply chains.

Provincial:

- Create a dedicated, free procurement portal for SMEs so businesses are not required to register for or purchase memberships to third-party tendering services to access opportunities, and improve search functions, filters, and notification systems so businesses can more easily identify opportunities relevant to their sector, location, and capacity.
- Simplify procurement processes, use plain-language procurement documents, shorten applications for smaller contracts, and scale insurance, bonding, indemnification, and other risk requirements to the size of the opportunity.
- Assess whether procurement specifications are inadvertently modelled on foreign companies or preferred vendor specifications, and review procurement criteria to ensure they reflect Canadian-made products and domestic capabilities, rather than requirements derived from foreign suppliers.
- Debundle large projects wherever possible and create smaller, more appropriately sized contracts that allow SMEs to compete directly for procurement opportunities

Municipal:

- Adopt a value-based procurement approach that considers quality of goods and services, past performance, local economic impact, experience, service reliability, ability to meet timelines, and total lifecycle costs versus awarding contracts to the lowest-bidder.
- Allow Canadian-owned and operated SMEs to compete regardless of supply chain realities, and consider factors beyond the origin of inputs, including local employment, service quality, after-sales support, repair capacity, community impact, and business ownership.
- Designate fairness monitoring officers and financial evaluators for significant procurements and implement simplified SME fairness checklists for smaller contracts

Public procurement is one of the most direct tools governments have to support small businesses, strengthen local supply chains, and keep economic activity within Canadian communities. This role matters more than ever as U.S. tariffs reduce demand for Canadian goods and push businesses to seek customers and suppliers at home. By making procurement more open and accessible, governments at every level can ensure that small businesses are able to compete for and win public contracts, and that the economic benefits of public spending are shared more widely. CFIB urges federal, provincial, and municipal governments to act on the recommendations set out in this report, including those listed under other levels of government where they apply, so that small businesses can fully share in the benefits of public procurement.

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