Federal Procurement
Sector Briefing

Buy Canadian Policy | June 15, 2026 Threshold Drop | SMB Procurement Program

Prepared by

NORTHERN ARC PUBLIC AFFAIRS

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> *By implementing the Buy Canadian Policy, the federal government is putting Canadian workers and industries first and becoming Canada's best customer. This policy creates demand across the country, while giving clear advantages to suppliers who invest, innovate and produce here at home.*
>
> **The Honourable Joël Lightbound, P.C., M.P.**
>
> Minister of Government Transformation, Public Works and Procurement
>
> Buy Canadian Policy Launch | December 16, 2025

$5M	**$37B**	**$79.9M**	**5**
Buy Canadian Threshold June 15, 2026	Annual Federal Procurement Spend	SMB Procurement Program (5 yrs)	Strategic Sectors with Canadian Preference

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Executive Summary

On December 16, 2025, the Government of Canada implemented the most significant structural change to federal procurement in a generation. The Buy Canadian Policy sets a binding direction for federal departments and agencies to prioritize Canadian suppliers and Canadian-made content across federal purchases. The policy is already moving real money. As of mid-April 2026, the Buy Canadian Policy has applied to a portfolio of solicitations valued at approximately $3.6 billion, with $527.9 million in contracts awarded under its terms.

The federal government purchases about $37 billion in goods and services every year. The Buy Canadian Policy is now reshaping how that spend reaches the market. On June 15, 2026, the threshold that triggers Canadian content preferences in strategic procurements drops from $25 million to $5 million. That single threshold change expands the pool of contracts where Canadian suppliers receive a structural scoring advantage by an order of magnitude. The Small and Medium Business Procurement Program launches in the same window. Together, these changes create the most consequential federal procurement opening for Canadian companies since the National Shipbuilding Strategy.

Most Canadian companies do not understand what is changing or how to position for it. Companies that have never sold to the federal government do not know where to register, which procurement vehicles they qualify for, or which departments are buying what they make. Companies that already hold federal contracts do not know how the Canadian Value-Added scoring works, how to maximize their Canadian content credit, or how the Reciprocal Procurement Policy will affect their international competitors after Spring 2026.

This briefing maps the federal procurement landscape for Canadian companies. It outlines the policy architecture, the active programs, the ministerial portfolios that matter, and the engagement strategy required to capture the contract pipeline that opens between now and June 15. The target is $5 to $25 million in federal contract revenue over 6 to 12 months, depending on company size and category. Northern Arc's value is not paperwork. It is the political positioning at the ministerial, Deputy Minister, and PMO level that determines which Canadian suppliers become known to procurement decision-makers before solicitations are posted, not after.

WHAT MAKES THE BUY CANADIAN ERA DIFFERENT

A 10% Pricing Advantage. Under the Policy on Prioritizing Canadian Suppliers and Canadian Content in Strategic Federal Procurement, Canadian suppliers receive a 10% reduction to their financial proposal during evaluation. A Canadian bid of $1.0 million is evaluated as $900,000 against a foreign bid. That advantage applies in five strategic sectors: Defence and Security; Health and Pharmaceuticals; Infrastructure, Construction and Transportation; Information and Communications Technology; and Consumer and Industrial Goods and Materials.

A 25% Canadian Value-Added Weight. Procuring entities allocate either 25% of total evaluation score to a Canadian Value-Added requirement, or apply a 25% credit based on Canadian content. A bid with 60% Canadian content can see its evaluated price reduced by 15%. The math compounds with the 10% supplier advantage. Companies that maximize Canadian content do not just qualify. They win.

The Threshold Drops to $5M on June 15. On December 16, 2025, the policy applied to procurements at $25 million and above. By June 15, 2026, the threshold drops to $5 million. The number of contracts subject to Canadian preference expands by an order of magnitude. Mid-sized companies that never competed at the $25 million ceiling will compete under the new rules at $5 million.

A Dedicated SMB Pathway. Budget 2025 committed $79.9 million over five years to a new Small and Medium Business Procurement Program led by Innovation, Science and Economic Development Canada. The program creates dedicated procurement streams and navigation support so Canadian SMEs can access federal contracts on a level playing field for the first time.

CANADA'S INDUSTRIAL SOVEREIGNTY: THE NATIONAL ARGUMENT

Prime Minister Carney has been explicit. In his words, nostalgia is not a strategy. The federal government has spent decades buying foreign goods and services that Canadian companies could have built. The cost of that pattern has been a hollowed-out industrial base, a productivity gap that has widened steadily against the United States, and a national security posture too dependent on suppliers outside our borders.

The Buy Canadian Policy is the federal government's answer. It treats federal procurement as a strategic economic tool rather than an administrative function. Public dollars are now expected to circulate inside the Canadian economy, not exit it. The Defence Industrial Strategy, launched in February 2026, applies the same logic to defence procurement through the BUILD-PARTNER-BUY framework. The Spring Economic Update 2026 reinforced this direction with $103.8 million over five years to establish the Defence Investment Agency as a stand-alone entity, additional investment in the Canada Strong Fund as a sovereign wealth vehicle, and a confirmed launch window for the Small and Medium Business Procurement Program.

For Canadian companies, the policy environment has never been more favourable. Federal departments are not just open to Canadian suppliers. They are required to prioritize Canadian suppliers. The companies that establish themselves now will benefit from a procurement architecture designed to keep contracts inside Canada for the next decade.

THE COMPETITIVE GAP: WHY URGENCY MATTERS

Canadian companies that have already sold to the federal government, hold supplier registrations, and have relationships with Procurement Assistance Canada are positioned to capture the contracts that move in the first wave after June 15. Most Canadian companies are not in that position. They have never registered as a federal supplier, have not pre-qualified under ProServices or TBIPS, and have no relationship with the program officers who will write solicitations against the new rules.

Comparable Canadian companies, ones that prepared early, are capturing $5 to $25 million in federal contract revenue across PSPC standing arrangements, ProServices supply arrangements, Innovative Solutions Canada awards, and direct departmental procurement.

The first $527.9 million in Buy Canadian-tagged contracts has already been awarded between December 2025 and April 2026. By the time the threshold drops on June 15, 2026, the companies that registered early and built relationships will be on the supplier lists. The companies that wait will be responding to solicitations from outside the contracting officer's shortlist.

The question is not whether your company qualifies. The question is whether your company will be known to the procurement decision-makers before the new rules take effect.

How Federal Procurement Decisions Are Actually Made

Before examining specific programs, it is essential to understand how federal procurement decisions actually happen. Public tendering documents describe eligibility criteria, evaluation methodology, and award processes. They do not describe how decisions are shaped. The gap between formal process and actual decision-making is where opportunities are won or lost.

The Three Levels of Federal Decision-Making

Political Level: Ministers and Ministerial Staff. Ministers set strategic priorities for their departments. Minister Lightbound at PSPC determines how the Buy Canadian Policy is implemented across the federal procurement system. Minister Joly at ISED leads the Small and Medium Business Procurement Program. Secretary of State Stephen Fuhr leads defence procurement. Ministerial offices filter what reaches the Minister and shape how files are framed. When a Minister's office understands that a particular Canadian company represents strategic capability or regional value, that understanding flows through the department to the contracting officers writing solicitations.

Bureaucratic Level: Deputy Ministers and ADMs. Deputy Minister Arianne Reza and Associate Deputy Minister Michael Mills oversee PSPC operations. Sector ADMs lead acquisitions across defence, IT, professional services, and real property. They evaluate technical merit, manage supplier registrations, and recommend awards. A Canadian company known to the relevant ADM and category manager is positioned ahead of competitors that submit blind bids through CanadaBuys.

Central Agency Level: The Prime Minister's Office and Treasury Board. The PMO coordinates national economic strategy. Treasury Board, under President Shafqat Ali, sets the procurement directives that govern how all departments contract. When the PMO understands a Canadian company is essential to industrial sovereignty, regional employment, or critical supply chain resilience, that understanding shapes how multiple departments approach contract opportunities involving the company's capabilities.

Why Alignment Matters

These three levels must be aligned for significant procurement outcomes. A Minister may express interest, but if the Deputy Minister's team has not assessed the file favourably, the company never appears on a shortlist. Both may be aligned, but if the PMO has different priorities, interdepartmental coordination on multi-department buys fails. Most companies engage only with the contracting officer who writes the solicitation. They submit bids and wait.

Northern Arc ensures that when solicitations are written, the political level has already identified the company as strategically important, the bureaucratic level has assessed the company favourably, and the PMO already understands how supporting this company advances national priorities. The bid becomes confirmation of a decision that has already been shaped at every level that matters.

Part One: The Procurement Architecture

The federal procurement system has been remade in the last twelve months. The Buy Canadian Policy and its supporting instruments operate alongside long-standing supply arrangements, challenge-based procurement programs, and dedicated SME pathways. The following maps the active components of the architecture and what each one does for a Canadian supplier.

Pathway	Type	Size Range	Timeline
Buy Canadian Policy (5 strategic sectors)	Bid preference	$5M+ from June 15, 2026	In force; threshold drop June 15
SMB Procurement Program	Set-aside / streamlined access	TBD by sector	Spring 2026 launch
ProServices Supply Arrangement	Pre-qualified pool	Below CKFTA threshold	Quarterly refresh
TBIPS / Solutions-Based SAs	IT professional services	Below CKFTA threshold	Continuous
Innovative Solutions Canada — Challenge	Grant + procurement	Up to $150K (P1) / $1M (P2)	Rolling challenges
Innovative Solutions Canada — Testing	Procurement of prototypes	Variable (TRL 7-9)	Ongoing
Standing Offers / Supply Arrangements	Pre-arranged pricing	Variable, multi-year	Refresh schedules
Defence Investment Agency / BUILD tier	Strategic Partner status	Multi-year, $M+	Framework summer 2026
PSAB Set-Asides (Indigenous Business)	Mandatory set-aside	5% of departmental contracts	Ongoing
Reciprocal Procurement Policy	Eligibility filter	Above $10K (interim)	Full launch Spring 2026
CONTRACT PIPELINE TARGET		$5–25 MILLION	OVER 6–12 MONTHS

The Buy Canadian Policy

The Buy Canadian Policy came into force on December 16, 2025. It is the central instrument that anchors every other procurement change. The policy applies to all federal departments and agencies listed in Schedules I, I.1, and II of the Financial Administration Act. Crown corporations and their subsidiaries are encouraged to align with the framework. The Buy Canadian Policy also extends across federal grants and contributions programs, meaning it shapes not only procurement but also the conditions attached to billions in federal funding flowing to industry, research institutions, and infrastructure.

The policy operates through three coordinated instruments: the Policy on Prioritizing Canadian Suppliers and Canadian Content in Strategic Federal Procurement, the Policy on Prioritizing Canadian Materials in Federal Procurement, and the Policy on Reciprocal Procurement. Together, these three instruments redefine which suppliers compete for federal contracts, how their bids are evaluated, and what materials must be sourced from Canada.

THE JUNE 15 INFLECTION POINT

The threshold for Canadian preference in strategic procurement drops from $25 million to $5 million on June 15, 2026. The Small and Medium Business Procurement Program launches in the same window. The Reciprocal Procurement Policy moves from interim to full implementation. These three changes hit federal procurement in the same week.

A federal IT services solicitation valued at $7 million, posted on June 15, 2026, will operate under the Buy Canadian Policy. The same solicitation posted on June 14 would not have. A Canadian company that registered as a supplier and pre-qualified through ProServices in March will be eligible to bid with the 10% pricing advantage and Canadian Value-Added credit. A Canadian company that has not registered will be sitting on the sidelines while the first new wave of contracts moves.

Policy on Prioritizing Canadian Suppliers and Canadian Content

This is the central evaluation policy. It applies to procurements above the financial threshold ($25 million now, $5 million from June 15, 2026) in five strategic sectors: Defence and Security; Health and Pharmaceuticals; Infrastructure, Construction and Transportation; Information and Communications Technology; and Consumer and Industrial Goods and Materials. Professional services that directly support these sectors are also covered.

Where the policy applies, three mechanisms operate together. First, competition is open to Canadian suppliers and to suppliers from countries that hold reciprocal trade agreement access. Second, Canadian suppliers receive a 10% reduction to their financial proposal during evaluation. Third, the procuring department either allocates 25% of the total evaluation score to a Canadian Value-Added requirement, or applies a 25% credit equivalent to the proportion of Canadian Value-Added in the bid. A bid with 60% Canadian Value-Added would have its evaluated price reduced by 15% under the price-based methodology.

The cumulative effect is significant. A Canadian bid at $1.0 million with 60% Canadian content competes against a foreign bid as if it were priced at $850,000. That is a 15% structural advantage on price alone, before any quality scoring or technical evaluation. For Canadian suppliers in the five strategic sectors, this is the most consequential pricing change in federal procurement history.

To qualify as a Canadian supplier under the policy, a company must have a Canadian place of business operating on a permanent basis, register and file taxes in Canada (GST/HST, corporate income tax), maintain a Canadian registered address, and employ personnel or conduct day-to-day business activities in Canada. Companies organized as joint ventures qualify if each member meets these criteria.

Policy on Prioritizing Canadian Materials

A complementary policy requires Canadian-produced steel, wood products, and aluminum in federal construction and defence procurements valued at $25 million or more, where at least $250,000 worth of these materials is required and Canadian supply is available. The materials must be melted and poured in Canada (steel), solid wood produced in Canada including finished goods (wood), or smelted and cast in Canada (aluminum). Simply being sold by a Canadian company does not satisfy the requirement.

For construction firms, infrastructure contractors, and defence platform manufacturers, this rule changes supplier sourcing decisions. Canadian fabricators and mills that previously competed on price alone now compete with structural advantages built into the procurement framework itself. For mid-sized Canadian materials suppliers, the policy creates new revenue opportunities that did not exist twelve months ago.

Policy on Reciprocal Procurement

The Interim Policy on Reciprocal Procurement took effect on July 14, 2025. It limits federal procurement above $10,000 to suppliers from Canada or from trading partner countries that grant Canadian suppliers reciprocal market access. Suppliers from non-reciprocal jurisdictions are excluded except in defined exception cases. The interim policy is scheduled to be fully implemented in Spring 2026, transitioning into a permanent reciprocal procurement regime.

The strategic effect of the Reciprocal Procurement Policy is to compound the Canadian preference. A foreign competitor from a non-reciprocal jurisdiction is not just at a 10% pricing disadvantage. They are excluded from eligibility entirely. Canadian companies that have historically lost on price to suppliers from countries without reciprocal arrangements will see those competitors disappear from the bid pool.

Small and Medium Business Procurement Program

Budget 2025 committed $79.9 million over five years to a new Small and Medium Business Procurement Program led by Innovation, Science and Economic Development Canada in partnership with PSPC. The Spring Economic Update 2026 confirmed the program launches later in spring 2026. The program creates dedicated procurement streams reserved for Canadian SMEs, modernizes the digital tools used by federal contracting officers to find SME suppliers, and provides navigation support for Canadian companies new to federal procurement.

For Canadian SMEs that have never sold to the federal government, the SMB Procurement Program is the most accessible entry point in the new architecture. The program is explicitly designed for companies that have struggled to compete with larger incumbents. Federal departments will have new tools to identify and contract with Canadian SMEs in goods and services categories where SME participation has historically been low.

The strategic positioning question for any Canadian SME is straightforward. Will your company be in the SMB Procurement Program’s supplier database when contracting officers run their first searches under the new tools? Companies that complete supplier registration, identify their applicable goods and services identification numbers, and engage Procurement Assistance Canada before the program launches will be visible. Companies that complete this work after the launch will be playing catch-up while early movers capture the first wave.

Procurement Assistance Canada and Supplier Onboarding

Procurement Assistance Canada (PAC) is the unit within PSPC responsible for helping Canadian SMEs and diverse businesses navigate federal procurement. PAC operates a national infoline (1-800-811-1148) and regional offices across Canada. PAC provides free seminars, one-on-one guidance on supplier registration, and technical support on how to identify federal procurement opportunities in a company's goods and services categories.

For any Canadian company pursuing federal procurement, the supplier onboarding sequence runs through three steps. Register in the Supplier Registration Information system (SRI) to obtain a Procurement Business Number (PBN). Identify the Goods and Services Identification Numbers (GSINs) that match the company's products and services so federal buyers can find the company in standard searches. Set up a CanadaBuys account for solicitations above $25,000 (goods) or $40,000 (services and construction). Companies that pre-qualify under ProServices, TBIPS, or other supply arrangements complete additional registrations through the Centralized Professional Services System and SAP Ariba.

SUPPLIER REGISTRATION CHECKLIST

Procurement Business Number (PBN). Required for any company bidding on contracts not posted on SAP Ariba. Issued through the Supplier Registration Information system.

CanadaBuys Account. Federal procurement opportunities above $25K (goods) and $40K (services / construction) are posted on CanadaBuys. Account is free.

SAP Ariba Registration. Mandatory for ProServices and TBIPS supply arrangements. Without an Ariba business number, supply arrangement awards may be set aside.

Indigenous Business Directory (IBD). For Indigenous-owned or partially Indigenous-owned firms. Required for Procurement Strategy for Indigenous Business (PSAB) set-asides.

ProServices and TBIPS Supply Arrangements

ProServices is the mandatory PSPC method of supply for professional services valued below the Canada-Korea Free Trade Agreement (CKFTA) threshold. The supply arrangement covers fifteen streams across 185 categories. Streams 1 through 7 mirror Task-Based Informatics Professional Services (TBIPS) and cover IT and informatics. Streams 8 through 12 cover non-informatics professional services including accounting, project management, environmental services, business consulting, and technical, engineering and maintenance services. Stream 12 specifically (Technical, Engineering and Maintenance Services) is the entry point for engineering consultancies, testing and certification firms, and equipment maintenance providers.

For Canadian SaaS companies, software services firms, and IT consultancies, ProServices and TBIPS are the highest-leverage supply arrangements in the federal portfolio. Pre-qualified suppliers appear in CPSS search results when federal departments need to issue Requests for Proposal below the CKFTA threshold. Departments are required to invite a minimum of two pre-qualified suppliers per solicitation, and best practice is to invite more. A Canadian company that pre-qualifies in the relevant categories appears in dozens of searches per quarter without doing anything beyond maintaining the SA in good standing.

Pre-qualification under ProServices requires evidence of one year in business, demonstrated project experience in each category applied for, and reference substantiation. New suppliers and new categories are added quarterly through the perpetual refresh process. Companies that have not pre-qualified before June 15, 2026 will miss the first wave of solicitations issued under the lowered Buy Canadian threshold.

Innovative Solutions Canada

Innovative Solutions Canada (ISC) is the federal government's mechanism for procuring innovations that are not yet commercially available. Twenty federal departments allocate 1% of their annual budgets to ISC, creating an ongoing pool of challenges. The program operates through two streams. The Challenge Stream funds Canadian SMEs to develop solutions to specific federal challenges, with Phase 1 grants up to $150,000 (occasionally $300,000) for proof of feasibility, and Phase 2 grants up to $1 million for prototype development. The Testing Stream allows federal departments to purchase prototypes from Canadian companies (TRL 7-9) and test them in real-life operational settings.

For Canadian companies developing novel technology, ISC is a procurement on-ramp that converts directly into ongoing federal contracts. Phase 3, the Pathway to Commercialization, places successful innovators in a pre-qualified pool that federal departments can buy from for three years. Eligibility requires for-profit Canadian incorporation with fewer than 500 employees, at least 50% of full-time employees ordinarily working in Canada, and at least 50% of annual wages paid to Canadian-based personnel. ISC is the strongest pathway for Canadian technology companies that want to convert R&D investment into federal procurement revenue.

Standing Offers and Supply Arrangements

Beyond ProServices, PSPC operates dozens of category-specific Standing Offers and Supply Arrangements covering everything from office furniture and IT hardware to professional services, language services, and security services. The Standing Offers and Supply Arrangements Application (SOSA App) is the central tool federal departments use to access pre-arranged pricing. A standing offer is an offer from a pre-qualified supplier to provide goods or services at fixed pricing, activated through call-ups. A supply arrangement is a pre-qualified pool of suppliers, activated through Requests for Proposal among the pool.

For Canadian companies in goods or services categories with active standing offers or supply arrangements, joining the relevant SO or SA is the most efficient way to convert federal demand into recurring contract revenue. Refresh schedules vary by category, but most SOs and SAs accept new suppliers periodically through structured solicitations. The strategic question is whether the company is monitoring the relevant CanadaBuys notices for refresh windows and meeting the qualification criteria when those windows open.

Defence Investment Agency and BUILD Tier Procurement

The Defence Industrial Strategy launched on February 17, 2026 established a separate procurement architecture for defence and security sector buys. The Defence Investment Agency (DIA), currently within PSPC and being established as a stand-alone entity through legislation introduced in spring 2026, applies the BUILD-PARTNER-BUY hierarchy. BUILD designation reserves preferred procurement for Canadian-owned companies with Canadian-developed IP and Canadian production capacity in ten named capability areas: aerospace, ammunition, digital systems, in-service support, personnel protection and medical countermeasures, sensors, space, specialized manufacturing, training and simulation, and autonomous systems. The Spring Economic Update 2026 committed $103.8 million over five years to establish the DIA as a stand-alone entity with expanded authorities.

For Canadian companies with defence applications or dual-use technology, the BUILD tier is the highest-value procurement positioning available in the federal system. Northern Arc covers the defence procurement architecture in detail in our Defence Sector Briefing. Companies whose products serve both civil and defence customers should pursue BUILD designation alongside their general supplier registration, because the two pathways do not overlap and BUILD-tier status unlocks contracts that the general Buy Canadian framework does not address.

Indigenous Business Directory and PSAB

The Procurement Strategy for Indigenous Business (PSAB) requires federal departments to direct a minimum of 5% of contracting activity to Indigenous-owned or partially Indigenous-owned firms. PSAB set-asides operate through targeted solicitations on CanadaBuys where only firms registered in the Indigenous Business Directory (IBD) are eligible to bid. For Indigenous-owned Canadian companies and for Canadian companies with substantive Indigenous partnership structures, IBD registration unlocks a procurement pool that closes off the rest of the supplier universe.

The Indigenous Business Directory is administered by Indigenous Services Canada and validates ownership criteria. Companies meeting the criteria should register before pursuing PSAB-eligible solicitations, as eligibility is verified at the contracting stage. For Canadian companies considering Indigenous partnership structures, the procurement value of substantive partnership (not performative consultation) can be significant in categories where federal departments are seeking to meet PSAB targets.

Key Dates and Deadlines

Date	Milestone
In force now	Buy Canadian Policy applies to strategic procurements at $25M and above
In force now	Interim Reciprocal Procurement Policy excludes non-reciprocal foreign suppliers above $10K
In force now	Mandatory Canadian steel, wood, and aluminum in $25M+ construction and defence projects
Spring 2026	Small and Medium Business Procurement Program launch
Spring 2026	Full Reciprocal Procurement Policy implementation
Spring 2026	DIA established as stand-alone entity through legislation
April 1, 2026	Federal fiscal year begins; departmental procurement budgets reset
June 15, 2026	Buy Canadian threshold drops from $25M to $5M (strategic procurement)
Summer 2026	DIA Strategic Partner framework / BUILD-tier designations begin
Continuous	ProServices, TBIPS perpetual refresh (quarterly)
Continuous	Innovative Solutions Canada Challenge calls (rolling)

Date	Milestone
Continuous	PAC seminars and supplier onboarding workshops

Part Two: Federal Departments and Positioning

Understanding which federal ministries hold the relevant authority is essential for strategic positioning. The goal is not just to register as a supplier and respond to solicitations. The goal is to ensure that when contracting officers run searches, write Statements of Work, and evaluate bids, decision-makers in the relevant ministerial offices already understand why your company matters.

Public Services and Procurement Canada (PSPC)

PRIORITY: HIGH | Minister: Hon. Joël Lightbound, P.C., M.P. (Government Transformation, Public Works and Procurement)

Secretary of State (Defence Procurement): **Stephen Fuhr** | Deputy Minister: **Arianne Reza** | Associate Deputy Minister: **Michael Mills**

PSPC is the Government of Canada's central purchasing agent. It manages the contracting authorities that govern most federal procurement, operates the supply arrangements (ProServices, TBIPS, and category-specific SOs and SAs), administers the Buy Canadian Policy, and houses Procurement Assistance Canada. As of June 9, 2025, the Minister responsible for PSPC has exclusive authority over services and construction procurements for the federal government, in addition to the existing authority over goods. Departments contracting outside PSPC delegations are required to align with PSPC tools and templates.

Minister Lightbound has positioned the Buy Canadian Policy as a generational shift toward nation-building procurement and long-term economic resilience. Secretary of State Fuhr leads the defence procurement portfolio, including the Defence Investment Agency. Deputy Minister Reza oversees day-to-day departmental operations. Northern Arc engages Minister Lightbound's office, the Secretary of State for Defence Procurement's office, and PSPC's sector ADMs to ensure clients are positioned within the categories and supply arrangements that match their capabilities.

Innovation, Science and Economic Development Canada (ISED)

PRIORITY: HIGH | Minister: Hon. Mélanie Joly (Industry) | Mandate: SMB Procurement Program lead, ISC, innovation funding

ISED leads the Small and Medium Business Procurement Program, administers Innovative Solutions Canada, and oversees the broader innovation funding ecosystem (IRAP, RAII, Strategic Response Fund, NGen, ElevateIP). Minister Joly's mandate explicitly connects industrial strategy with procurement modernization. For Canadian companies whose technology has both commercial markets and federal government applications, ISED is the second priority engagement after PSPC. ISED's programs feed directly into procurement positioning: a company that holds an ISC Phase 2 prototype contract is well-positioned for Phase 3 procurement, and a company with IRAP support carries a federal validation signal that contracting officers recognize.

Treasury Board Secretariat

PRIORITY: MEDIUM | President: Hon. Shafqat Ali | Mandate: Procurement directives, Buy Canadian implementation across departments

Treasury Board sets the policy directives that govern how all federal departments contract. The Directive on the Management of Procurement now incorporates the Buy Canadian Policy framework, requires contracting authorities to advise business owners on how to leverage procurement for Canadian economic interests, and places responsibility on senior designated officials to implement the Buy Canadian Policy in their organization. For companies positioning for procurement, Treasury Board engagement is rarely the front door but is the institution that determines how every department is required to apply the policy in practice.

Department of National Defence (DND)

PRIORITY: HIGH (defence and dual-use companies) | Minister: Hon. David McGuinty | Defence procurement pipeline: $180B over 20 years

For Canadian companies with defence applications or dual-use technology, DND and the Defence Investment Agency are the primary engagement target alongside PSPC. The BUILD-PARTNER-BUY framework operates separately from the general Buy Canadian Policy, and the Strategic Partner designation framework is being defined now. Northern Arc covers the defence procurement architecture in detail in our Defence Sector Briefing. Companies pursuing both general and defence procurement should engage Minister McGuinty's office in parallel with Minister Lightbound's.

Federal Engagement Summary

Department	Priority	Minister	Key Role
PSPC	HIGH	Joël Lightbound	Buy Canadian, supply arrangements, central procurement
PSPC — Defence Procurement	HIGH	Stephen Fuhr (SoS)	Defence Investment Agency, BUILD tier
ISED	HIGH	Mélanie Joly	SMB Procurement Program, ISC, innovation funding
Treasury Board	MEDIUM	Shafqat Ali	Buy Canadian implementation across departments
DND (defence companies)	HIGH	David McGuinty	Defence procurement, IDEaS, IRAP DI Assist
Indigenous Services	MEDIUM	Patty Hajdu (also Jobs)	PSAB set-asides, IBD administration
Relevant Sector Departments	VARIABLE	Various	Direct departmental contracting in your category

Part Three: Provincial and International Stacking

Federal procurement is the primary opportunity, but provincial and international procurement creates additional revenue and strengthens federal positioning. The following highlights the most relevant provincial and international procurement pathways that stack with federal Buy Canadian engagement.

PROVINCIAL CONVERGENCE: ONTARIO LEADS

On December 11, 2025, the Buy Ontario Act, 2025 received Royal Assent. The Act grants the Management Board of Cabinet authority to issue directives requiring public sector entities in Ontario to prioritize Ontario and Canadian goods and services. The Act repeals the prior Building Ontario Businesses Initiative Act once new regulations are finalized.

Other provinces are following. Provincial procurement portals across Canada are being updated to reflect new Canadian preference rules that mirror the federal framework. Companies engaging the federal Buy Canadian process can apply the same supplier registration, Canadian Value-Added documentation, and category positioning to provincial and broader public sector procurement (hospitals, universities, school boards, municipalities) where significant additional contract volume is available.

Provincial Procurement Pathways

Ontario. The Buy Ontario Act, 2025 will create a directive-driven Ontario preference regime once the Management Board of Cabinet publishes implementing rules. The Government of Ontario maintains a Vendor of Record (VOR) framework for ongoing procurement. The Ontario broader public sector procurement (hospitals, universities, school boards, municipalities) operates through Supply Ontario and represents tens of billions in annual purchasing.

British Columbia. The BC Bid procurement portal is the central solicitation site for the Government of British Columbia and broader public sector entities. BC has historical experience with regional preference frameworks and is monitoring federal Buy Canadian implementation closely.

Alberta. Alberta Purchasing Connection (APC) is the provincial procurement portal. Alberta Treasury Board and Finance maintains procurement policy authority. Several Alberta sectoral procurement frameworks (oil and gas, infrastructure, health) include preference structures that complement federal Buy Canadian.

Quebec. The Système électronique d’appels d’offres (SE@O) is the central Quebec procurement portal. Quebec has historically applied regional preference frameworks more aggressively than other provinces and continues to do so under federal coordination.

INTERNATIONAL MARKET LAYER

Canadian companies that build supplier relationships with the federal government carry that validation into international markets. The Trade Commissioner Service (TCS) connects Canadian exporters with foreign government buyers, particularly through trade missions and defence exhibitions. Export Development Canada (EDC) provides export credit insurance and trade finance for Canadian exporters pursuing international government contracts. The Canadian Commercial Corporation (CCC) is the federal Crown corporation that contracts directly with foreign governments on behalf of Canadian companies, providing a sovereign-to-sovereign procurement vehicle that simplifies international government sales.

For Canadian companies pursuing allied government procurement, the Canada-Japan Equipment and Technology Transfer Agreement (signed January 2026) and Canada’s participation in the EU SAFE Initiative (joined February 2026) create new pathways for defence and dual-use technology exports. Federal Buy Canadian success becomes a procurement reference for allied government buyers in the U.S., U.K., Australia, Japan, and the EU.

International Procurement Pathways

Trade Commissioner Service (TCS). Trade Commissioners in Canadian embassies and consulates worldwide facilitate introductions to foreign government buyers and connect Canadian companies with international defence and procurement opportunities. TCS coordinates participation in defence exhibitions, technology missions, and bilateral trade events.

Export Development Canada (EDC). EDC offers export credit insurance, working capital guarantees, and a $5 billion Trade Impact Program for Canadian exporters pursuing international contracts. Budget 2025 also announced EDC will launch a $2 billion concessional trade finance envelope. EDC's tools bridge payment timing gaps and reduce risk on international government contracts.

Canadian Commercial Corporation (CCC). CCC is a federal Crown corporation that signs prime contracts with foreign governments on behalf of Canadian companies. The CCC structure provides sovereign-backed contracting that allied governments and emerging-market customers find easier to procure through. For Canadian companies pursuing government-to-government sales, CCC is the highest-leverage pathway available.

Why Canadian Companies Are Positioned to Succeed

The Buy Canadian Architecture Was Built for You. For the first time in modern federal procurement history, Canadian ownership and Canadian content are explicit structural advantages built into bid evaluation. The 10% pricing reduction, the 25% Canadian Value-Added scoring, and the Reciprocal Procurement exclusion of non-reciprocal foreign suppliers are not preferences applied at the margin. They are central evaluation mechanics. Canadian companies that have struggled to compete on price against international suppliers in commodity categories will see their competitive position transform on June 15, 2026.

The Federal Government Is Already Spending Differently. In the four months between Buy Canadian Policy implementation (December 16, 2025) and mid-April 2026, federal departments awarded $527.9 million in contracts under the new framework, applied to a portfolio of solicitations valued at $3.6 billion. Specific examples include vaccines for provincial and territorial partners, facility management services, breathing apparatus maintenance, and communication bridge systems for the Department of National Defence. New subway trains for Toronto's Line 2 will be built with at least 55 percent Canadian content. The policy is moving real money to real companies right now.

Federal Validation Multiplies Other Revenue. Companies that hold federal contracts carry a credibility signal that strengthens every other revenue channel. Provincial governments procure differently from companies that already supply the federal government. Foreign governments evaluate Canadian companies more favourably when those companies have a federal procurement track record. Private-sector buyers, particularly in regulated industries (healthcare, defence, energy), use federal supplier status as a quality screen. The first federal contract is the hardest to win. Every contract after that compounds.

The Window for Early Mover Advantage Closes June 15. Federal contracting officers are not waiting for June 15 to develop their supplier shortlists. Solicitations posted in April, May, and early June are already shaping which Canadian companies are known to which procurement teams. By the time the threshold drops, the contracting community will have settled into preferred suppliers in the relevant categories. The Canadian companies that completed supplier registration, pre-qualified under the relevant supply arrangements, and built relationships with PAC and category managers in the first half of 2026 will be on those shortlists. The companies that arrive later will be cold contacts in a market where contracting officers already have warm ones.

POLITICAL VALUE: WHY SUPPORTING CANADIAN SUPPLIERS IS A WIN FOR GOVERNMENT

Prime Minister Carney has built his economic mandate on industrial sovereignty, productivity recovery, and using federal levers to keep Canadian dollars in the Canadian economy. The Buy Canadian Policy is a centrepiece of that mandate, alongside the Defence Industrial Strategy and the Canada Strong Fund.

Every federal contract awarded to a Canadian company is a political win that ministerial offices want to announce. Regional jobs, industrial sovereignty, supply chain resilience, and Canadian content all play well across constituencies and political affiliations. Ministers want to point to Canadian companies winning federal contracts. Companies that Northern Arc positions, ones that combine genuine capability with strategic narrative, are exactly the success stories that ministerial offices need.

What Northern Arc Public Affairs Brings

Northern Arc exists to align political will with bureaucratic process. We ensure that when federal procurement decisions are made, our clients are the answer that Ministers, Deputy Ministers, and the PMO have already agreed upon.

Hon. Kent Hehr, P.C., LL.B., Principal. Kent served as a Cabinet Minister in the Government of Canada, including as Minister of Sport and Persons with Disabilities and Minister of Veterans Affairs. He sat at the Cabinet table where contracting and funding decisions are approved. He understands how Ministers think, what they respond to, and how to frame Canadian capability for political support.

Abed Harb, Managing Partner. Abed served in the Prime Minister’s Office and as Senior Advisor to multiple Ministers. He understands how the PMO coordinates national strategy across departments, how ministerial offices evaluate requests, and how to align procurement positioning with cross-departmental priorities.

What We Do

Ministerial Engagement. We engage directly with the Ministers responsible for files that matter to our clients. For procurement, that means Minister Lightbound at PSPC, Secretary of State Fuhr on defence procurement, Minister Joly at ISED, and the relevant sector Minister whose department is buying what our clients sell. We ensure ministerial offices understand why each client represents strategic Canadian capability.

Deputy Minister and ADM Engagement. We engage with the senior bureaucrats who manage procurement portfolios and category authorities. Deputy Minister Reza, Associate Deputy Minister Mills, and the sector ADMs at PSPC are the institutional layer where supplier visibility translates into solicitation invitations.

PMO Engagement. We maintain dialogue with the Prime Minister's Office to frame our clients' capabilities as essential to national priorities: industrial sovereignty, regional employment, productivity recovery, and supply chain resilience. PMO awareness shapes how multiple departments approach files involving the company.

Procurement Strategy and Positioning. We advise on supplier registration sequencing, supply arrangement pre-qualification, Canadian Value-Added documentation, and procurement vehicle selection. We ensure clients are positioned in the procurement vehicles that match their capabilities, with the Canadian content documentation that maximizes their evaluation advantage under Buy Canadian.

Category Manager and PAC Coordination. We introduce clients to the category managers and PAC regional teams responsible for the goods and services categories where the client competes. This is the operational layer where federal procurement actually happens day-to-day, and warm introductions matter.

THE NARRATIVE WE WILL ADVANCE

"This is a Canadian company, with Canadian ownership and Canadian operations, building or delivering exactly what the Buy Canadian Policy was designed to support. The capability is real, the track record is established, and the Canadian Value-Added is documented. When Ottawa needs a Canadian supplier in this category, this is the company contracting officers should be calling."

The Sovereignty Multiplier: Canadian-developed capability, Canadian jobs, Canadian supply chain resilience, and where applicable, Indigenous economic partnership and regional development. Federal procurement that goes to this company advances multiple political and policy objectives simultaneously.

Engagement Timeline and Deliverables

Northern Arc's procurement engagement follows a structured six-month timeline designed to capture the contract pipeline that opens between now and the June 15, 2026 threshold drop, while building the ministerial relationships required for sustained procurement positioning.

Months 1–2: Foundation and Immediate Priorities

Federal Opportunities Briefing. Deliver a tailored federal opportunities briefing identifying every procurement vehicle, supply arrangement, and direct contracting opportunity the company qualifies for, with a sequenced engagement strategy and contract pipeline target.

Supplier Registration and Pre-qualification. Coordinate supplier registration in SRI, GSIN identification, CanadaBuys account setup, and SAP Ariba registration where relevant. Pre-qualify the company under ProServices, TBIPS, or category-specific supply arrangements that match the company's capabilities.

Initial Ministerial Contact. Introduce the company to relevant ministerial offices across PSPC, ISED, and the sector Minister whose department is the primary buyer. Begin PAC regional office engagement.

Months 3–4: Building Momentum

Deepening Ministerial Relationships. Advance from introduction to substantive engagement with ministerial offices. Pursue capability briefings with departmental ADMs, particularly the procurement category managers who write Statements of Work in the company's area.

Innovative Solutions Canada Positioning. Monitor ISC challenge postings for alignment with the company's capabilities. Position for Phase 1 or Entry at Phase 2 applications. For companies with mature technology (TRL 7-9), pursue Testing Stream prototype procurement.

Standing Offer and Supply Arrangement Engagement. Identify category-specific SOs and SAs scheduled for refresh windows in 2026. Position the company to qualify in the next refresh cycle. Build relationships with the category managers responsible for the SO or SA.

Months 5–6: Consolidation

June 15 Readiness. Confirm the company is positioned to bid under the lowered Buy Canadian threshold. Verify Canadian Value-Added documentation is complete and audit-ready. Identify the first wave of solicitations expected at $5M–$25M values where the company should compete.

SMB Procurement Program Visibility. Ensure the company is visible in the Small and Medium Business Procurement Program supplier database when ISED launches the modernized digital tools. Coordinate visibility with PAC regional engagement.

Cross-Departmental Awareness. Ensure the company's capabilities are understood across all departments that buy in the relevant categories, not just the primary contracting department. Build PMO-level awareness of strategic value.

Investment and Expected Return

Northern Arc Public Affairs works on a monthly retainer of $10,000 plus applicable taxes. The initial engagement period is six months. The agreement includes a 30-day termination clause, meaning either party may cancel at any time with 30 days notice. After six months, the agreement continues month-to-month.

A six-month initial engagement totals $60,000. The contract pipeline target is $5 to $25 million in federal procurement revenue over 6 to 12 months, depending on company size, category, and existing federal procurement experience. For Canadian SMEs new to federal procurement, the lower end of the range is realistic in the first twelve months. For mid-sized companies in active strategic sectors, the upper end of the range reflects the scale of contracts that move under the lowered Buy Canadian threshold.

Procurement contract revenue compounds. The first federal contract opens supplier reputation, validates the company in evaluator workflows, and creates the track record required to bid larger solicitations. Companies that capture $5 million in federal contracts in year one typically see that figure double or triple in year two as procurement relationships mature and supply arrangements deliver call-ups against the now-known supplier.

ONGOING ENGAGEMENT

Federal procurement is not a one-time event. It is an ongoing relationship. Procurement officers rotate. Category managers turn over. Supply arrangements refresh on multi-year schedules. The Buy Canadian Policy will evolve as Treasury Board issues additional guidance, the Reciprocal Procurement Policy moves to full implementation, and the SMB Procurement Program rolls out new digital tools.

The foundational work of the first six months creates relationships and registers the company in the right places. Ongoing engagement maintains and leverages those relationships as procurement opportunities crystallize, refresh cycles open, and Budget 2027 commitments shape the next wave of departmental procurement priorities. Engagements typically extend 6 to 18 months as opportunities develop and procurement relationships deepen into recurring contract revenue.

Beyond direct contract revenue, federal procurement engagement provides strategic advantages: enhanced credibility with provincial governments and broader public sector buyers, easier private capital attraction (federal supplier status signals quality), reputational validation that strengthens international market entry, and access to procurement opportunities that never reach formal CanadaBuys posting because contracting officers identified a preferred supplier through PSPC's low-dollar-value or directed contracting authorities.

Conclusion

The Buy Canadian Policy is the most consequential structural shift in federal procurement in a generation. The 10% pricing advantage, the 25% Canadian Value-Added scoring, and the Reciprocal Procurement exclusion of non-reciprocal foreign suppliers transform how Canadian companies compete for federal contracts in five strategic sectors. On June 15, 2026, the threshold drops from $25 million to $5 million, expanding the universe of contracts subject to Canadian preference by an order of magnitude. The Small and Medium Business Procurement Program launches in the same window. The Reciprocal Procurement Policy moves to full implementation.

Canadian companies that prepare for these changes before they take effect will capture the contract pipeline that opens after June 15. Canadian companies that wait will be responding to solicitations from outside the contracting officer's shortlist, competing against suppliers who completed registration, pre-qualification, and ministerial relationship-building during the first half of 2026.

The gap is not eligibility. Most Canadian companies qualify for multiple procurement vehicles simultaneously. The gap is positioning. Companies that submit bids through CanadaBuys and wait are competing against companies that have already built ministerial awareness, completed supplier registration, pre-qualified under the relevant supply arrangements, and established the relationships with PAC and category managers that transform a technically sound bid into a contract award.

Northern Arc provides the political positioning that closes that gap. The six-month engagement delivers comprehensive positioning across PSPC, ISED, the relevant sector ministry, and the PMO. The target is $5 to $25 million in federal procurement revenue over 6 to 12 months. The window opens now and tightens on June 15.

Northern Arc Public Affairs looks forward to partnering with your company to capture the federal procurement opportunities that your Canadian capability deserves.

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