

Letter sent by e-mail.

Ottawa, April 1, 2026

The Honourable Gregor Robertson, P.C., M.P.

Minister of Housing and Infrastructure; and
Minister responsible for Pacific Economic Development
Canada
180 Kent Street
Ottawa, ON K1P 0B6

The Honourable Joël Lightbound, P.C., M.P.

Minister of Government Transformation, Public Works
and Procurement
Public Services and Procurement
11 Laurier St, Portage III
Gatineau, QC K1A 0J9

Subject: Federal infrastructure funding and procurement opportunities must include small businesses – unionized or not

Dear Minister Roberston and Minister Lightbound:

We are writing on behalf of 13 industry associations representing independent small and medium-sized businesses to underscore the importance of ensuring that government infrastructure funding and procurement-related programs are fair, open, and inclusive. Policies and programs must be designed to allow equal participation for all SMEs, regardless of workforce models or supply-chain realities, and should avoid inadvertently favouring large businesses or providing preferential treatment to certain contractors over others.

Small businesses build strong communities

First, we are writing to raise concern that the recent Budget 2025 announcement of the \$51-billion Building Communities Fund indicated a priority for projects using unionised labour, which risks excluding a substantial portion of Canada’s SMEs. While full details of the Building Communities Fund have yet to be revealed, we remain concerned that, as presented in the Budget, it would effectively exclude many small and medium-sized businesses. The vast majority (96%) of SMEs are non-unionised.¹ Such an exclusion risks leaving thousands of local employers, workers, and entrepreneurs on the sidelines of major federal projects.

SMEs are at the heart of Canada’s communities. They hire locally, purchase locally, and reinvest profits into the communities where they operate. Excluding them from federal funding means communities may miss out on critical improvements, employment opportunities, and the broader economic benefits that flow from local investment

SMEs are the true job creators in Canada, responsible for roughly two-thirds of private sector employment. Their participation in public projects ensures that federal investments stay in communities, supporting families, fostering skills and training opportunities, and building long-term economic resilience. **A fair, open and inclusive approach to federal infrastructure funding—one that allows equal participation from all SMEs independent of**

¹ CFIB, Your Voice Survey, October 2023, final results. n=2,817.

their workers' chosen labour model—would strengthen local economies, promote competition, and ensure that communities of all sizes benefit from national investments.

Labour and fair access for SMEs

The federal government should reject any attempt to impose restrictive Project Labour Agreements (PLAs), Building Trades Union-exclusive Community Benefits Agreements (CBAs), or prevailing wage requirements tied to specific collective bargaining agreements on federally funded projects and programs. In fact, the federal government's continued preference for programs that favour unionised companies has significant implications for fairness, competition, and cost-effectiveness.

It is important to recognize that non-unionised businesses and businesses unionised independently of the Building Trades Unions provide competitive wages, benefits, and extensive on-the-job training, including apprenticeships that bring young Canadians into the trades. By prioritizing unionised firms or prioritizing one union family over others, programs like the Building Communities Fund will shut out most skilled tradespeople, restrict competition, and risk increasing project costs. The focus of any public investment should be on the quality of work, the broader economic benefits, and the ability to deliver results—not on union status. **Ensuring that all firms can participate equally, regardless of any union their workers have chosen to organize with will strengthen Canada's workforce, improve efficiency, and ensure that infrastructure projects reflect the diversity and strength of the Canadian labour market.**

Procurement and “Buy Canada First”

The federal government plays an active role in funding housing, infrastructure, and other public projects, it is essential that these investments (whether delivered through federal procurement or funding programs) are accessible and inclusive for all SMEs. **With the government aiming to set a precedent through its “Buy Canada First” approach, it is equally important that this policy be designed to work effectively across all levels of government / departments, and for contracts of all sizes (including those under \$10,000).**

A genuine “Buy Canada First” approach should support Canadian-owned and -operated businesses, rather than restrict participation based on labour structure or supply chain realities. In fact, many Canadian SMEs source their materials from outside Canada simply because domestic options are limited or unavailable.

Excluding these businesses from federal funding or procurement opportunities undermines the very principle of a “Buy Canada First” approach, because it ignores the broader economic contributions SMEs make to local employment, innovation, and community development across the country. **To ensure the policy reflects economic realities, the governments must allow SMEs to participate regardless of where goods are sourced, provided the business itself is Canadian-owned and operated.**

At the same time, federal procurement processes are already difficult for SMEs to access. Non-competitive contracts remain common, and many departments repeatedly award work to the same large firms. This reinforces existing barriers and undermines confidence in a fair and open system. SMEs also face significant administrative hurdles, including complex rules, excessive paperwork, unclear eligibility requirements, and a perception that contracts are awarded to the lowest bidder rather than based on overall value or community benefit. These challenges collectively shut many small businesses out of federal opportunities. While measures such as the “new SME procurement help desks” and “procurement targets” signal an effort to increase SME participation, they are not enough on their own. **The federal government must go further. Procurement processes should be designed to ensure SMEs can meaningfully participate by offering greater transparency, simpler requirements, and open and competitive bidding.**

Conclusion

To achieve strong, efficient, and cost-effective results, we need every qualified small- and medium-sized business at the table, regardless of how their workforce is organized. Open and inclusive funding and procurement opportunities will deliver better value, stronger competition, and more resilient communities. SMEs are ready and able to contribute to Canada's growth and infrastructure development, but they must be given a fair chance to compete.

We can be reached at michelle.auger@cfib.ca to further discuss this issue or answer any questions you may have.

We look forward to your response.

Sincerely,

Jasmin Guenette
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Canadian Federation of Independent
Business (CFIB)

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Progressive Contractors Association
of Canada (PCA)

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Merit Contractors Association of
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Shelley Peters
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CC: The Right Honourable Mark Carney, Prime Minister of Canada
The Honourable Rechie Valdez, Minister of Women and Gender Equality and Secretary of State for Small Business and Tourism