



SAILY

Rethinking Procurement in Canada's \$1 Trillion Construction Cycle

INDUSTRY PERSPECTIVE

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Amit Sharma
Founder & Chief Executive Officer
Saily Strategic Solutions Inc.

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*A perspective on procurement, capability, and delivery within Canada's evolving
construction landscape.*



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Rethinking the Narrative

From where I sit, operating within this space, the issue is not simply one of labour availability. It is one of access.

Recently, a submission we prepared was deemed non-compliant. Not because of capability, experience, or approach, but because the proposal was submitted as five PDF files instead of two. A capable organisation, a strong team, and years of experience delivering complex projects were set aside due to a requirement that had no bearing on delivery outcomes.

The requirement itself was not unreasonable. Instructions exist for a reason. However, it highlights a broader question about how the system is designed and what it ultimately prioritises.

After nearly two decades of working across complex construction environments, the barrier encountered was not strategic, technical, or commercial. It was administrative. That is worth reflecting on.

At a time when the industry is encouraging new entrants to think in terms of automation, artificial intelligence, and system-level innovation, many of the processes used to engage the market remain largely unchanged.

Proposals continue to be submitted through static documents and email attachments, with limited use of structured digital environments that could guide submissions, reduce error, and improve consistency.

This is not a criticism of intent. It is a question of effectiveness. If the objective is to access the best capability available, then the system must be designed to enable that capability to demonstrate itself. At present, it often does the opposite.



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Procurement and the Scale of What Lies Ahead

The importance of this issue becomes clearer when viewed against the scale of what Canada could be preparing to deliver.

As outlined in Saily Strategic Solutions' Q1 2026 Canadian Construction Market Intelligence Report, major programs across housing, infrastructure, and defence are advancing simultaneously, competing directly for the same contractors, labour, and supply chains. This is not a future scenario. It is already underway.

Behind this sits a capital pipeline that could approach **\$1 trillion over the next decade**. This is driven not by a single program, but by overlapping commitments across federal, provincial, and defence investment. Defence alone represents a significant portion of this potential pipeline, with commitments in the region of **\$290 billion** tied to capability, infrastructure, and security. Provincial programs continue to advance at scale, with Ontario's capital plan exceeding **\$220 billion** and similar levels of sustained investment across other major jurisdictions.

\$1T

Capital Pipeline

Projected over the next decade across federal, provincial, and defence investment

\$290B

Defence Commitment

Tied to capability, infrastructure, and national security programs

\$220B

Ontario Capital Plan

Provincial investment advancing at scale alongside other major jurisdictions

These programs are not sequential. They are advancing in parallel, across sectors, regions, and delivery conditions, all drawing from the same supply chain and delivery ecosystem. This creates sustained pressure on the system, not just in volume, but in timing and coordination.

In this context, procurement is no longer a simple gateway to market. It becomes one of the primary mechanisms through which delivery capacity is either unlocked or constrained.



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Where the Real Gap Exists

The challenge is often framed as a shortage of labour. That framing is convenient, but it does not reflect what is being observed across projects.

The constraint sits higher up the value chain, concentrated in the layer of the industry responsible for structuring, coordinating, and delivering complex programmes. Project leaders, commercial specialists, estimators, and integrated project controls functions are all operating under increasing pressure. These are not roles that can be scaled quickly. They are developed over time, shaped by experience, and deployed selectively across the market.

The federal government's Spring Economic Budget has introduced measures to reduce reliance on external consultants. While the intent may be to stabilise internal capability and manage public expenditure, the practical implications are more complex.

Capability in this space is not purely academic. It is not something that can be developed through training alone or transferred directly from adjacent roles. There is a significant difference between understanding a process in theory and being able to apply it in a live, high-pressure delivery environment. Managing complex capital projects requires judgement developed through repeated exposure, the ability to respond to change in real time, and an understanding of how decisions impact delivery.

Professional consultants typically operate within established industry frameworks, often holding recognised accreditations such as MRICS or CIQS. These are not simply credentials, but indicators of a required standard of practice, accountability, and professional ethics. They represent a level of consistency and rigour that underpins how complex projects are structured and delivered.

There are aspects of project delivery that can be supported and developed within broader teams. However, when it comes to leading, structuring, and taking accountability for complex programmes, experience remains critical. Reallocating roles without aligning capability to responsibility introduces risk. This can manifest in the form of inefficiencies, duplication of effort, delays in decision-making, and ultimately reduced certainty in delivery.

This is not an argument against strengthening internal capability. It is an argument for recognising where specialist input adds value. Rather than removing experienced consultants or reducing access to specialist capability, there is an opportunity to rethink how that capability is engaged. Procurement can play a role in this by shifting the emphasis away from resource-based inputs and toward value-driven outcomes. Instead of incentivising time and cost alone, the focus can be placed on how effectively teams solve problems, manage risk, and deliver results.



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Rethinking Access to Capability

If the constraint is access, then the solution extends beyond refining procurement processes. It requires a more deliberate understanding of the market itself.

At present, engagement with the supply chain is largely reactive. Opportunities are issued, responses are received, and selection is made based on compliance, experience, and price. What is missing is a structured view of capability.

There is an opportunity to move toward a model where capability is mapped, assessed, and developed in advance of procurement, rather than discovered through it. This begins with digitisation. Investment is already being made at the infrastructure level, with cloud-based platforms supporting data and system integration. The next step is extending this into the supply chain, creating structured datasets that reflect not just past performance, but demonstrable capability.

Over time, this creates a more informed and dynamic market. Firms can be evaluated on what they are capable of delivering, not solely on what they have previously delivered. Where capability exists but is constrained by scale, access to capital, or resources, there is an opportunity to respond differently.

Rather than excluding these organisations, they can be treated as part of the solution.

- If the objective is to deliver at scale, then part of that effort must involve preparing the supply chain to meet that demand. This may include targeted investment, partnerships, and mechanisms that enable capable firms to grow into larger roles within the market. In this context, government moves beyond being a purchaser of services and becomes an active participant in shaping the delivery ecosystem.



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Moving Beyond Rate-Based Procurement

A similar shift is required in how capability is evaluated.

Many procurement processes continue to rely heavily on hourly rates and resource-based pricing. While this provides a level of comparability, it does not always reflect how projects are delivered in practice. Lower rates do not necessarily result in better outcomes. Inefficiencies in coordination, decision-making, and delivery structure can quickly offset any perceived savings.

There is an opportunity to introduce a different approach. One option is to incorporate problem-based procurement at the early stage. Rather than asking firms to price time, the process can invite them to respond to a defined delivery challenge. This includes outlining methodology, identifying risks, proposing resource strategies, and providing a structured fee aligned to the proposed solution.

Such an approach shifts the focus from inputs to outcomes. It allows clients to assess how teams think, how they structure delivery, and how they respond to complexity.

It also creates a more meaningful basis for comparison, moving beyond rate cards and toward capability.



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Procurement as a Strategic Lever

If the scale of investment ahead is to be realised effectively, the system must evolve. This does not require removing rigour or reducing accountability, but it does require more precise alignment between procurement strategy, project complexity, and delivery conditions.

Procurement must be viewed not as a process, but as a strategic tool. It is the mechanism through which capability is accessed, risk is allocated, and outcomes are ultimately shaped. At a time when multiple major programs are advancing concurrently, the way this mechanism is designed has a direct influence on whether delivery capacity is effectively utilised or unintentionally constrained.

When approached strategically, procurement can do more than select from the existing market. It can expand it. Earlier engagement with delivery teams allows for better alignment between scope, budget, and delivery conditions, reducing inefficiencies later in the project lifecycle. Problem-based approaches create space for firms to demonstrate how they think and operate, while structured digital platforms improve consistency and reduce administrative friction.

- ❏ Over time, this shifts procurement from a transactional exercise to a system-level lever — one that not only determines who delivers projects, but how effectively the market itself is prepared to deliver them.



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A System That Matches the Scale of the Challenge

The scale of what Canada is preparing to deliver requires a system that is aligned with that ambition. Systems have evolved incrementally to date, but what lies ahead will test whether that approach is sufficient.

The talent, capability, and innovation required already exist within the market. The challenge is not creating capability, but enabling it.

The task in front of the industry is not simply to build more. It is to build differently, and to ensure that the systems used to engage the market are capable of supporting that shift.

Looking Ahead

Over the next 12 to 24 months, I will be exploring this space further through Saily Strategic Solutions, working to bring together like-minded individuals across the industry to examine procurement more closely.

The objective is not to replace existing frameworks, but to enhance them. The focus will be on improving how capability is accessed, how markets are engaged, and how procurement can evolve to better support delivery across all clients.

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