The Honourable Joël Lightbound
Minister of Government Transformation, Public Works and Procurement and Quebec Lieutenant
Ministre-Minister.PWGSC@tpsgc-pwgsc.gc.ca.

RE: Bill C-40 Predictable procurement and effective delivery of defence infrastructure

Dear Minister Lightbound,

The Canadian Construction Association (CCA) supports the objective of Bill C-40, the *Strengthening Canada's Defence Sector Act*. Modernizing defence procurement can help Canada strengthen its operational readiness and create greater certainty for businesses investing in the capacity to deliver defence infrastructure.

CCA welcomes efforts to streamline decision-making and strengthen procurement expertise through the proposed Defence Investment Agency (DIA). As the legislation is implemented, we want to ensure that the new framework provides contractors with the predictability, transparency and workable procurement conditions needed to build capacity and deliver projects on time.

Canada's construction industry will be an important delivery partner as defence infrastructure investment increases. Contractors will need sufficient visibility and certainty to plan workforce, equipment, materials, financing and supply-chain capacity well in advance of construction.

CCA therefore encourages the Government to consider the following implementation priorities as the new framework is developed.

1 Provide industry with clear lines of responsibility

The creation of the Defence Investment Agency will introduce a new organization into an already complex federal procurement environment.

Industry would benefit from a clear description of the respective roles of the Defence Investment Agency, Public Services and Procurement Canada, National Defence and Defence Construction Canada, including which organization will lead specific types of infrastructure projects and how responsibilities will be coordinated. Clear points of accountability will help contractors navigate procurements efficiently and reduce the risk of overlapping processes or approvals.

2 Maintain predictable and transparent procurement processes

Contractors make significant business decisions based on the federal project pipeline and anticipated procurement timelines.

As the Defence Investment Agency develops its procurement approach, CCA encourages the Government to provide industry with as much visibility as possible regarding upcoming opportunities, procurement methods, qualification requirements and anticipated timelines.

Clause 2, proposed section 11 provides for exceptions to competitive procurement. CCA recognizes that such flexibility may be necessary in certain circumstances, particularly where national security, urgency or specialized capabilities are involved. We encourage the Government to clearly set out how these exceptions will be applied in practice, including the circumstances in which they may be used and the associated approval process. A clear and predictable framework for the use of non-competitive procurement will help maintain industry confidence, support fair access to opportunities and allow contractors to better assess where to invest capacity.

3 Use construction contracts that support project delivery

Contract structure has a direct impact on competition, pricing and the ability of contractors to deliver projects efficiently.

For regulations under clause 38, CCA encourages the Government to continue using established Canadian construction contract standards, including Canadian Construction Documents Committee (CCDC) forms where appropriate, and to clearly identify any project-specific departures during the procurement process. Contract conditions should reflect market realities and allocate risk to the party best positioned to manage it. Early consultation with industry on any new mandatory terms would help identify potential delivery challenges before they are incorporated into procurements.

4 Keep compliance obligations proportionate

Clauses 38 and 39 would enable regulations on compulsory activities, cost information and related penalties. CCA would welcome greater clarity on how these provisions are expected to apply to construction contractors in practice. In particular, industry would benefit from clear guidance on the scope of information that may be required, how commercially sensitive information will be protected, and how new requirements will interact with existing federal reporting obligations.

Where contractors may be directed to undertake specific activities, the framework should take into account technical feasibility, available workforce and equipment capacity, delivery timelines and associated costs. Clear notice, reasonable opportunities to respond and accessible review mechanisms would also help contractors understand their obligations and participate with greater confidence.

5 Explain access to financing

Clause 2, proposed section 10 provides the Defence Investment Agency with authority to use tools such as loans and advance payments, alongside expanded financing authorities for Public Services and Procurement Canada.

CCA would welcome greater clarity on how these tools are intended to support construction delivery and whether they will be accessible to contractors participating in defence infrastructure projects.Industry would benefit from clear eligibility criteria, application processes and guidance on the types of investments that may qualify, including workforce, equipment, materials and other capacity-building needs. This clarity will be particularly important for small and medium-sized contractors assessing whether they can invest in the capacity required to participate in future defence projects.

In conclusion, CCA supports the Government of Canada's efforts to strengthen defence procurement and accelerate the delivery of critical infrastructure.

As Bill C-40 moves toward implementation, greater clarity on roles and responsibilities, procurement processes, contractual requirements, compliance obligations and financing tools will help contractors understand how the new framework will operate and make informed decisions about investing in the capacity needed to deliver.

CCA would welcome the opportunity to continue working with your officials and to provide practical construction-sector expertise as the implementation framework and associated regulations are developed.

Sincerely,



Rodrigue Gilbert
President
Canadian Construction Association

Cc: The Honourable Stephen Fuhr, Secretary of State (Defence Procurement)
The Honourable David J. McGuinty, Minister of National Defence