



The Canadian market is poised for resilience and steady growth despite recent economic volatility. *Photo: Adobe Stock*

Innovation in procurement drives savings and efficiencies

by Tammy Rimes

We are entering 2026 after a year of significant change. While the initial shocks from tariffs and supply chain disruptions have begun to wane, the effects of a volatile procurement landscape persist in budget discussions, procurement timelines, and organizational expectations.

Public sector organizations are focusing on making the best use of existing procurement tools, policies, and contracts. This has given rise to increasing inquiries from organizations of all sizes and types, seeking to reduce administrative burden, strengthen procurement resilience, and align purchasing processes with buy Canadian goals.

Brynn Bruder, senior research analyst at Deltek, notes the Canadian market is poised for resilience and steady growth despite recent economic volatility. Public sector investment and anticipated gross domestic product (GDP) growth are expected to strengthen confidence in Canada's long-term economic stability.

“Key investment priorities include infrastructure modernization, technology innovation, and sustainability initiatives – each creating significant opportunities for suppliers and service providers,” Bruder said.

Deltek's “2026 Canadian Government Market Outlook” report examines these strategic areas:

- Infrastructure projects will be leveraged to drive long-term economic growth and resilience, with priority given to initiatives of national importance – particularly in transportation, housing, and clean technology.
- The artificial intelligence (AI) market is expected to accelerate as Canada positions itself as a global AI innovation hub and municipalities expand their AI budgets. Demand will be strong for contractors specializing in machine learning integration, generative and agentic AI applications, cloud-based AI solutions, and AI compliance consulting.

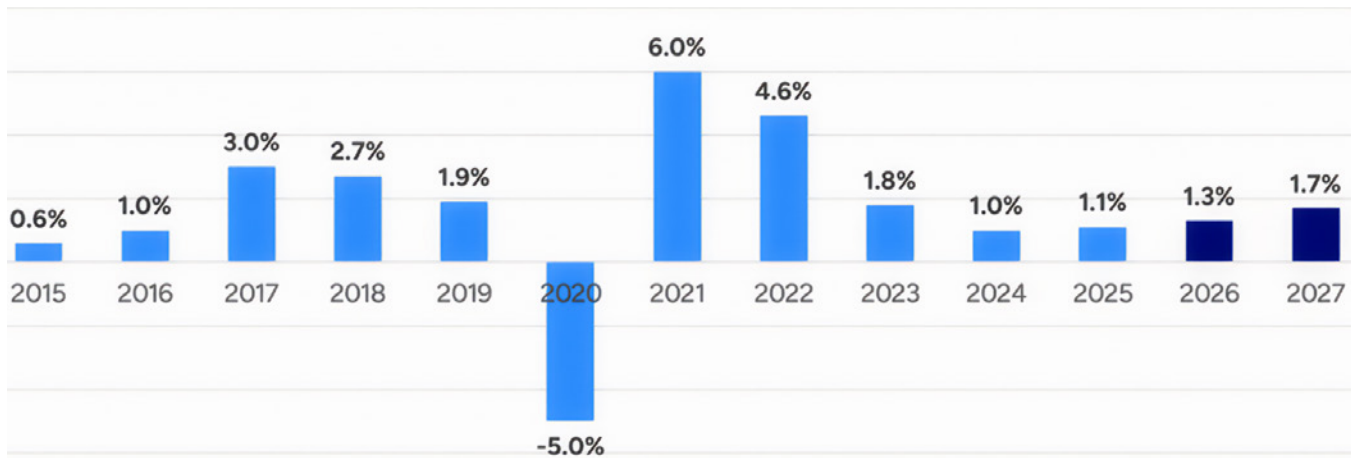
- Sustainability remains a central theme, with municipalities funding initiatives that merge climate resilience with low-carbon development. Supported by federal programs such as the Green Municipal Fund, cities are embedding sustainability indicators into planning processes to ensure housing, transportation, and public services align with long-term environmental goals.
- To drive further efficiencies, municipalities are becoming more intentional in using co-operative contracts. These already solicited and awarded contracts, also known as group purchasing, expedite the process to procure goods, services, and construction.

Simplifying Campus Parking

Managing parking on a college campus comes with its own set of complexities – from payment collection to permit management and daily enforcement.

Canadore College, in North Bay, Ont., serves 5,000 students across programs

Real GDP Growth Canada



Following a downward trend in real GDP growth, the Canadian economy is expected to stabilize and grow in the coming years. While real GDP growth will plateau around one per cent in 2025, it will rise to a modest 1.3 per cent in 2026, then 1.7 per cent in 2027. *Source: OECD*

in skilled trades, aerospace and aviation technology, IT, and health and human services. The campus historically used traditional pay stations set up at various locations across parking areas. A driver enters the parking lot to find an available space, parks, and then exits their car to locate a pay station. Payment must be entered into a kiosk system and a printed ticket placed on the front dash of the parked vehicle.

Over time, this methodology became cumbersome for both drivers and parking operators. Compliance was largely a manual, time-consuming process. Kiosks require maintenance, and mechanical failures can be common. When down, the frustrated driver must walk the lot to find a working station. And payments are not always submitted, resulting in lost revenue for the college. Inclement weather only adds to the driver's strain, having to complete the process in rain and snow.

The college decided to modernize their parking systems with a digital solution to alleviate these stressors. Taking it further, they streamlined the procurement process by choosing a co-operative contract, solicited and awarded to HONK, an innovative digital payment and parking management solution for municipalities and campuses.

With the new system, drivers can download a free app to their phone or simply scan a QR code for a guest checkout experience. Online payments are made while drivers are still in their vehicles or walking to their destination.

Digital payments encourage greater compliance, higher revenue generation, easier administration, and a streamlined driver experience. The solution fully integrates with the supplied license plate recognition technology, providing more efficient enforcement.

“By leveraging a co-operative contract,” said Matt Critchell, HONK’s chief revenue officer, “organizations can reduce complexity and move forward more quickly, allowing open communication and enabling a supplier to act as a trusted advisor while building strong working relationships.”

Energy Efficiency Pays Off

Canadian municipalities have long recognized that energy efficiency is a smart financial strategy and environmental goal. Reducing energy waste frees funds to be reinvested in community priorities such as parks, libraries, and public services.

At Cortellucci Vaughan Hospital, in Ontario, integrated building technologies have had a substantial impact on facility operations. Through a 30-year public-private partnership, Johnson Controls smart solutions, including Metasys building controls and OpenBlue smart building platform, have led to a:

- 44 per cent reduction in natural gas consumption
- 28 per cent decrease in greenhouse gas emissions
- 19 per cent reduction in overall energy use

The hospital now operates 33 per cent more energy efficiently than the local industry median for acute care hospitals. Beyond energy savings, digital optimization has freed up 600 hours annually in preventive maintenance time and reduced troubleshooting by approximately 4,000 hours per year – while achieving LEED Silver certification.

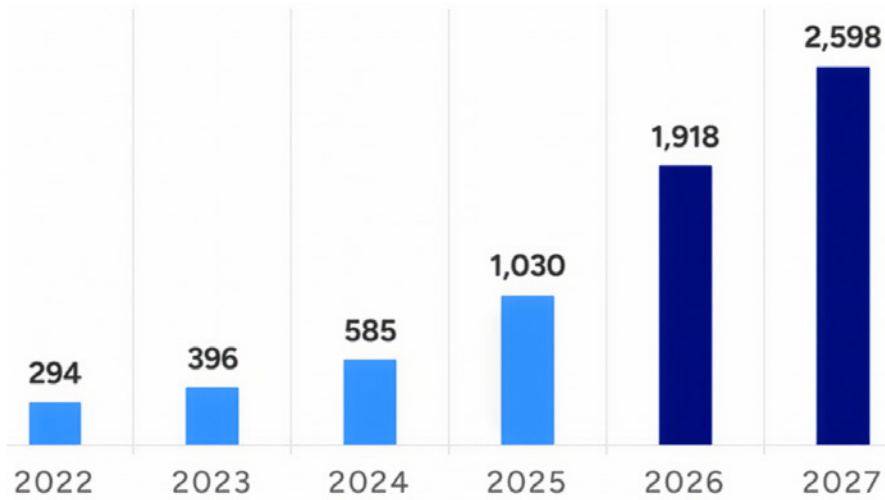
Utilizing innovative technologies and tailored solutions to optimize building performance, lower utility expenses, and meet sustainability targets not only deliver measurable cost savings but also strengthen local economies and enhance quality of life.

Another example comes from Vancouver, where the False Creek Neighbourhood Energy Utility showcases how innovative technology can transform waste into valuable resources.

The installation of two ultra-efficient centrifugal heat pumps allows thermal energy to be recovered from municipal wastewater. These systems deliver over three units of thermal energy per unit of electricity consumed – achieving efficiencies exceeding 300 per cent. The expansion provides low-carbon heating to 10,000 residents, Emily Carr University of Art and Design, Creekside Community Recreation Centre, and local businesses across seven million square feet of space.

The project is expected to reduce greenhouse gas emissions by 7,000 tons annually while supporting the City of Vancouver’s goal of reducing carbon emissions by 50 per cent by 2030.

Forecasted AI Bids & Tenders



Deltek is forecasting growth in Canadian public sector AI opportunities through 2027, driven by trends identified in historical bid and tender data. *Source: Deltek GovWin IQ*

Collaboration on Facility Assessments

As a large municipality, the City of Vancouver has a huge responsibility of maintaining buildings and facilities across its region. In 2018, the city contracted for an initial assessment of all buildings across diverse services, including administrative, recreational, social housing, emergency services, libraries, and maintenance facilities.

The city issued a public RFP to find a partner to undertake facility condition assessments on this large portfolio. Awarded to FCAPX Inc., a division of Roth IAMS Ltd., this contractual relationship evolved into a collaborative partnership.

From the outset, the project was a model of teamwork. Extensive consultations established clear project goals, leading to a comprehensive assessment of over 650 buildings. The integration of data into the city's asset planner database provided valuable insights. When the city wanted to extend the project contract, they partnered with Roth IAMS through a co-operative contract.

The impact of this collaboration provided financial benefits to the city. Through the 2022-2025 contract, the city benefited from preferred pricing, mitigating the impact of inflation and ensuring cost-effective services. Accessing rates through a co-operative contract saved the city approximately

\$256,000 to date with additional savings to accrue in 2026-2029.

Online for Greater Revenues

With a rich history of buffalo roaming its grassy plains, and as a summer nesting ground for the migratory trumpeter swan, the City of Grande Prairie is a large northern city in Alberta.

With a population of nearly 70,000, and a total trading area of nearly 300,000 residents, the city's procurement and supply chain management department is responsible for the procurement of goods, services, and construction for all its city departments. The department is also responsible for dispensing and selling commodities no longer needed.

"A few years ago, the city had an aging non-useable building and asked our department to dispose of all the internal assets," said Jason Graves, senior buyer, explaining how the city moved to online auctions to streamline efforts and bring in greater revenues. "In the past, we would have moved these items to an off-site auction site or sold through existing internal systems. However, my previous director decided to try something different."

When buying new vehicles and heavy equipment, the city historically used the old equipment for trade-ins. Instead, Graves decided to auction four items – a grader, backhoe, and two loaders – to

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determine if greater revenues could be gained. He was pleasantly surprised when the auction resulted in much higher revenues than a typical trade-in value.

“Dealers are happier, as they didn’t want the old equipment due to the work to repair and re-sell themselves,” he said.

Moving to an online auction spreads the reach to a wider range of buyers, nationally and internationally. For example, no longer needed exercise equipment was sold. It is now used by a Canadian bobsled team for training purposes. Dozens of meeting room chairs were eventually sold for a school in Africa. When shuttering an older recreation centre and selling internal assets, including the mechanical equipment, the main breaker was sold

and now used in the studio that films the *Stranger Things* series.

Graves said one of the more difficult items to re-sell is office furniture. If it does not sell on the auction site, it is then entered into an internal online catalogue that is accessible by other city departments. If someone needs a chair, table, or filing cabinet, they can review the catalogue to choose a used item rather than having to purchase new furniture. All new auction items are listed on Thursdays, rotating items to keep interest high. This routine has created a greater customer following.

While quickly moving surplus property and freeing storage space are key benefits, the auctions have also generated greater revenues. Ultimately, these additional

funds helped the city from having to reduce personnel positions when faced with budgetary constraints.

“Surplus property sales is not often a priority,” said Frank Wilson, Western Canada manager with GovDeals. “Moving online not only increase revenues, it reduces processing costs while the seller can address assets on their own timeline.”



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