

Indigenous Procurement

www.canada.ca/indigenousbusinessprocurement

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Government
of Canada

Gouvernement
du Canada

Canada

Why Indigenous Economic Development Matters



Investments in economic development and wealth creation make significant contributions to improving quality of life indicators and have significant positive ripple effects on overall indigenous prosperity.

The Truth and Reconciliation Commission Call to Action #92

- Economic development is a key component of reconciliation.
- Equitable access to jobs, training, and education as well as the importance of an increased participation of Indigenous peoples in economic development.

Indigenous businesses, business leaders and organizations require short-term investment to assist businesses to Build Back Better:

1. Increased access to business services, planning and development expertise.
2. Increased access to affordable and sufficient capital.
3. Increased access to markets and contracting opportunities.
4. More timely access to land and leveraging of infrastructure funding opportunities.

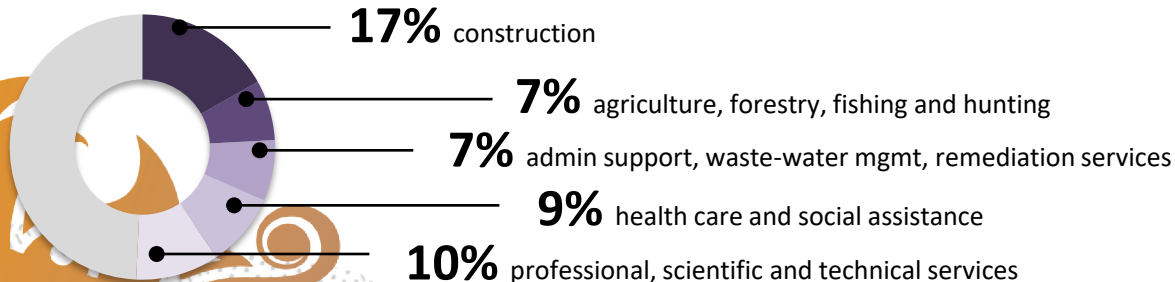
\$27.7B Annually

Potential increase in GDP resulting from increased economic opportunities for Indigenous peoples (a boost of 1.5% to the Canadian economy)*.



*Source: National Indigenous Economic Development Board (2016), Reconciliation: Growing Canada's Economy by \$27.7B.

Optimize procurement opportunities for Indigenous business. The Indigenous economy is very diverse and has been consistently growing for the past decade.



Inclusive Recovery will uplift Indigenous communities that have historically been marginalized.



Indigenous Services Canada's Role

Outreach

- Lead coordination, outreach, and raise awareness to the federal procurement community and Indigenous business community on Indigenous procurement considerations
- Together with PSPC, work with Indigenous partners to identify, reduce, and eliminate barriers to federal procurement

Managing Registrations

- Register verified Indigenous businesses in the Indigenous Business Directory and perform audit function

Continued Engagement

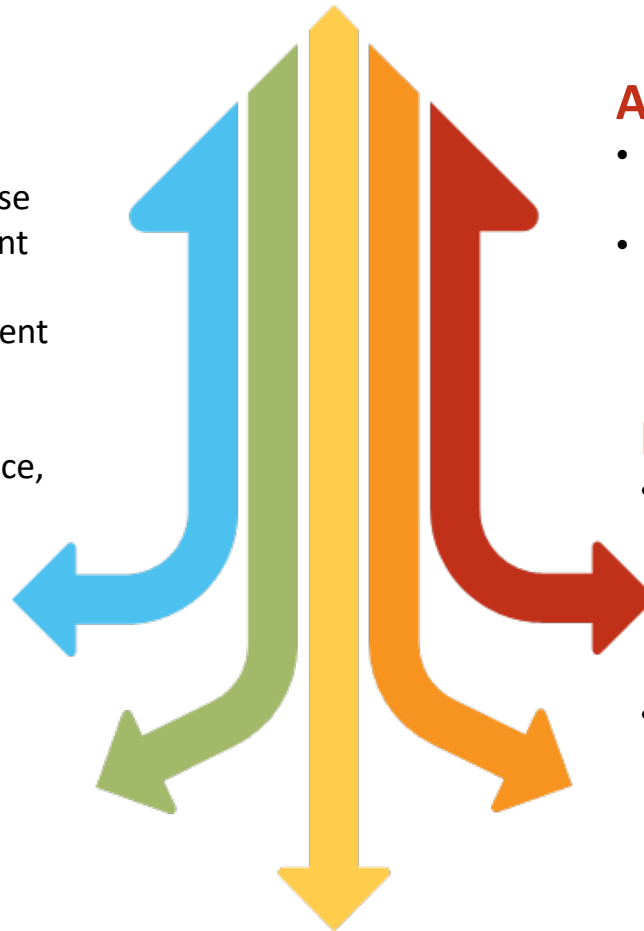
- Lead meaningful engagement and consultations that are accessible to Indigenous partners and the federal procurement community for a longer-term transformative Indigenous Procurement Strategy

Advice and Guidance

- Lead the development of new measures and guidance on the PSIB
- Point of contact for advice and interpretation of the PSIB and obligations within modern treaties

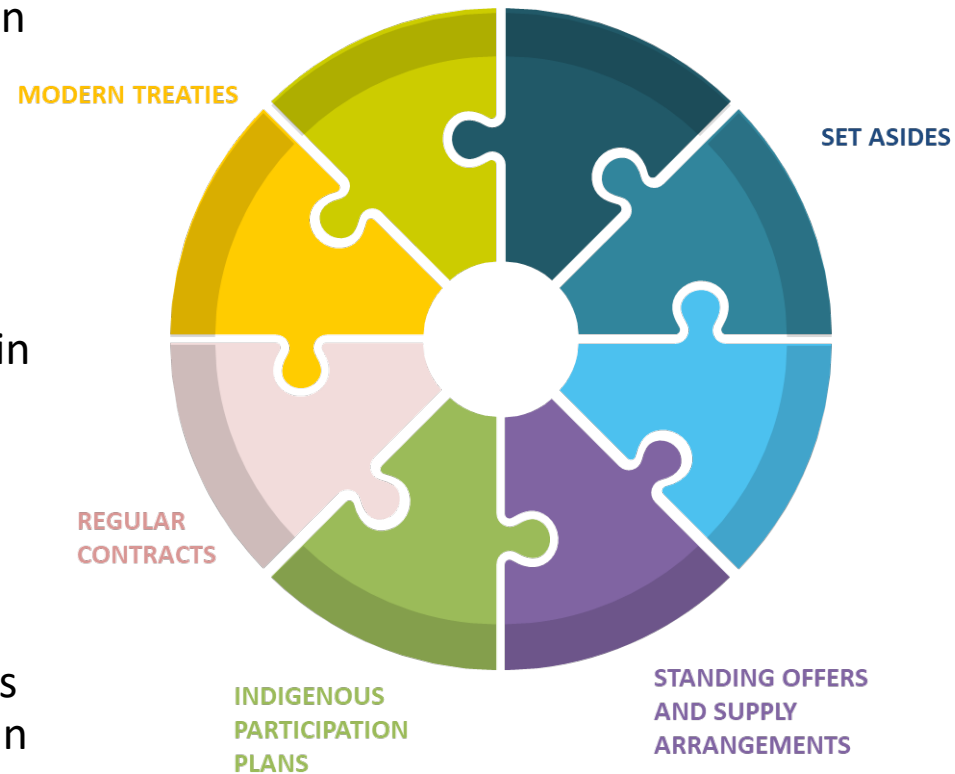
Planning & Reporting

- Coordinate departmental procurement plans in order to support monitoring and reporting activities (including A24 and CLCA.net)
- Consolidate and publicly report annually on departmental results on meeting the target of at least 5%



What is Federal Indigenous Procurement?

- The Indigenous-led business sector has emerged as a key lever to generate wealth in Indigenous communities and help close socio-economic gaps via own source revenues and Indigenous labour force participation.
- The federal **Procurement Strategy for Indigenous Business (PSIB)** is instrumental in enabling Indigenous businesses to procure with the federal government.
- PSIB leverages existing government procurement needs to create opportunities to generate wealth in Indigenous communities and close socio-economic gaps by increasing Indigenous participation within procurement processes.



Existing Indigenous procurement measures

PROCUREMENT OBLIGATIONS UNDER MODERN TREATIES

Modern treaties (CLCAs) are constitutionally protected agreements. Of the current **25 modern treaties** in effect, **22** have economic measures/procurement obligations – including the new federal directive on ***Government Contracts, Including Real Property Leases, in the Nunavut Settlement Area (Nunavut Directive)***.

SET ASIDES

PSAB restricts, or conditionally restricts, certain contracts, or a portion of a contract, exclusively for competition among qualified Indigenous businesses, where capacity exists (i.e. limited bidding)

INDIGENOUS SUBCONTRACTING AND OTHER OPPORTUNITIES

Subcontracting and other forms of participation can be incorporated into a set aside or open tender as a portion of the total value of the contract. Other forms of Indigenous participation may include employment, skills development and training. These are flexible and can be tailored to a particular procurement. Prime Contractors are required to submit evidence (i.e. paystubs, IDs, receipts, etc.) to ensure they are meeting the requirements.

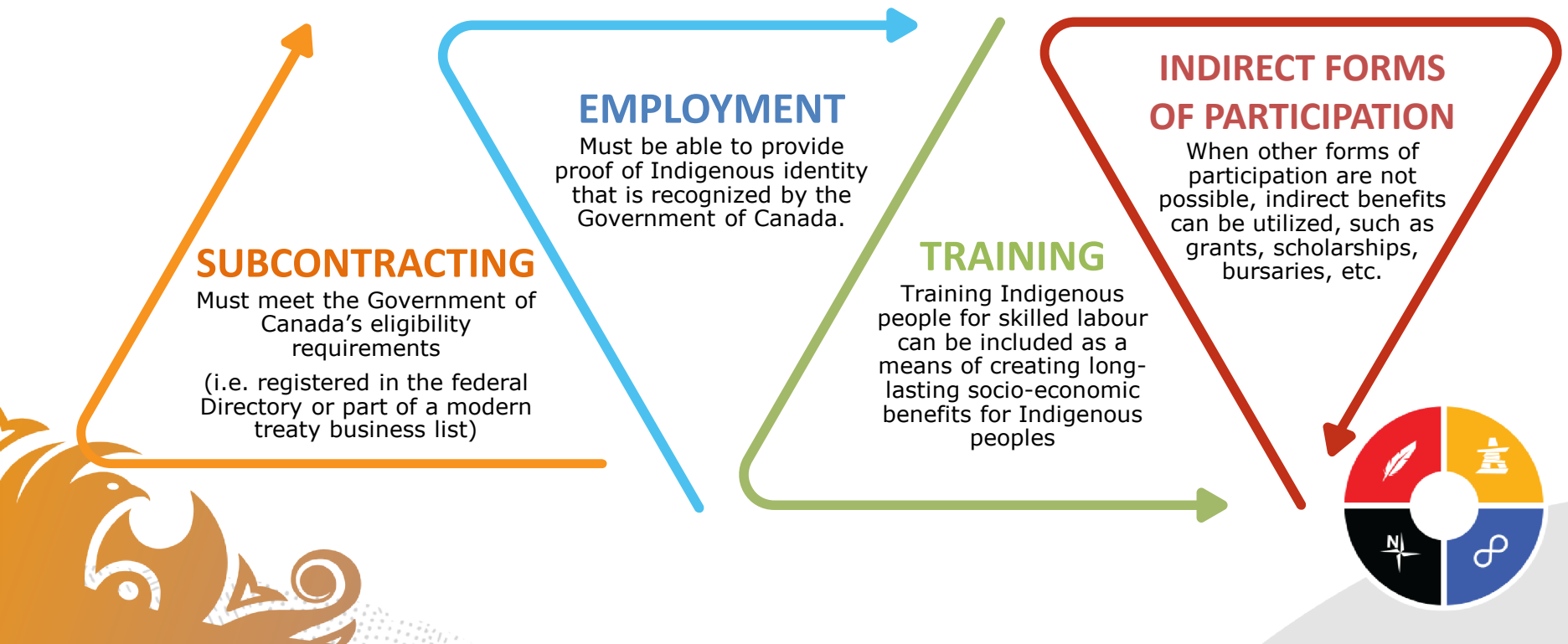
OPEN CONTRACTS WON BY INDIGENOUS FIRMS

Indigenous businesses may win contracts open to all suppliers. To count towards PSAB departmental objectives, the Indigenous firms must meet PSAB eligibility criteria.



FOCUS ON: Subcontracting and Other Opportunities

- Subcontracting and other forms of participation can be incorporated into a set aside or open tender.
- It is a portion of the value of a contract that is set aside for Indigenous participation
- Flexible and can be tailored to a particular procurement
- Prime Contractors are required to submit evidence (i.e. paystubs, IDs, receipts, etc.) to ensure they are meeting the requirements



FOCUS ON: Subcontracting and Other Opportunities

CURRENT OPPORTUNITIES POSTED ON CANADABUYS

[Near Shore Fishery Research Vessel \(NSFRV\)](#)

The Department of Fisheries and Oceans (DFO) and the Canadian Coast Guard (CCG) have a requirement to build and deliver (1) new Near Shore Fishery Research Vessel (NSFRV). The primary function of the NSFRV is oceanographic science. Secondary missions require capabilities consistent with search and rescue and environmental response.

[Automatic Identification Technology \(AIT\) Project](#)

DND has a requirement for the acquisition of hardware, supporting software, development and integration services for automated data capture capabilities required in order to support and implement an AIT capability. In tandem, the AIT initiative will support the modernization of the DND's supply chain processes to provide opportunities for supply chain optimization and improved efficiency.

[Akpatok Island Remediation](#)

The remediation project will include the excavation of impacted soils for offsite disposal and the containerization and offsite disposal of non-hazardous waste and hazardous waste (lead based paint, drums, asbestos, etc.).



Significant Changes Announced in 2021

Federal Indigenous procurement is being modernized to better enable Indigenous businesses compete for and win federal government contracts, participate more fully in the Canadian economy, and contribute to wealth generation in Indigenous communities. The following changes took effect on August 6, 2021:

- ✓ **Established a mandatory minimum target of 5% of the value of federal contracts be awarded to businesses owned and led by Indigenous peoples**
- ✓ **Renamed to Procurement Strategy for Indigenous Businesses (PSIB)**
- ✓ **Simplified the definition of an Indigenous business to remove full time employee requirement**
- ✓ **Expanded the size and number of the geographic areas where procurements are to be limited to Indigenous businesses (i.e. where the population is at least 51% Indigenous from 80%)**



What is Calculated as Part of the 5%?

SET ASIDES

Under the Procurement Strategy for Indigenous Business

MODERN TREATIES

Contracts awarded to beneficiaries in modern treaty areas with procurement obligations



OPEN TENDERS

Open tendered contracts awarded to Indigenous firms (registered in the IBD or a beneficiary of a modern treaty)

OPTIONAL

Subcontracting opportunities and under \$10K acquisition card purchases (registered in the IBD or a beneficiary of a modern treaty)

Note: Elders, bands and tribal councils are exempt from registration in the IBD, however, contracts with these individuals and/or groups are included in the 5% calculation.



Short and Medium-term Enhancements



Developing a new local/regional approach to PSIB

Previously, a procurement could be localized under PSIB using rated criteria. A new approach to limiting PSIB to regional/ local areas is being developed.

Increased Outreach

Indigenous Services Canada and Procurement Assistance Canada are developing new strategies and partnerships to increase outreach efforts to Indigenous suppliers

New Guidance Material

The PSPC Supply and SACC manuals have been updated to reflect recent changes and include new guidance (e.g. conditional set asides, subcontracting, etc.)

ISC's website will be updated to provide further guidance to federal organizations and Indigenous businesses

ISC is developing a GCPedia page to communicate with the Indigenous Procurement Coordinator Network



FOCUS ON: Inuit-Crown Partnership Committee

- Inuit Nunangat is the Inuit homeland which stretches across Canada's Arctic and consist of four regions: Inuvialuit Settlement Region, Nunavut, Nunavik, and Nunatsiavut
- The *Inuit Nunangat Declaration* on the Inuit-Crown Partnership was signed by the Prime Minister, the Inuit Tapiriit Kanatami President, and the Leaders of the four Inuit land claims organizations in 2017.
- The *Declaration* outlines how the federal government and Inuit leadership will work in partnership on shared priorities through the Inuit-Crown Partnership Committee (ICPC).
- The ICPC is a joint Committee with a Terms of Reference that is capable of approving work plans, and policy and program change to advance reconciliation between Inuit and the Crown.
- The ICPC respects existing Inuit land claim agreements.



FOCUS ON:

Procurement Obligations in Modern Treaties - NUNAVUT

On December 20, 2019 a [new Directive](#) took effect for Government of Canada Procurement in the Nunavut Settlement Area.

The Directive:

- clarifies obligations for government officials;
- allows for increased participation in government contracts in Nunavut by Inuit firms on the Inuit Firm Registry;
- strengthens bid evaluation criteria related to Inuit and Nunavut benefits; and,
- includes requirements for a government-wide approach to provide Inuit firms with a fair and reasonable opportunity to submit bids.

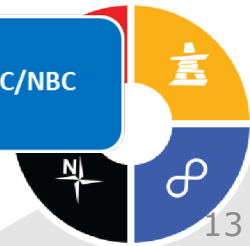
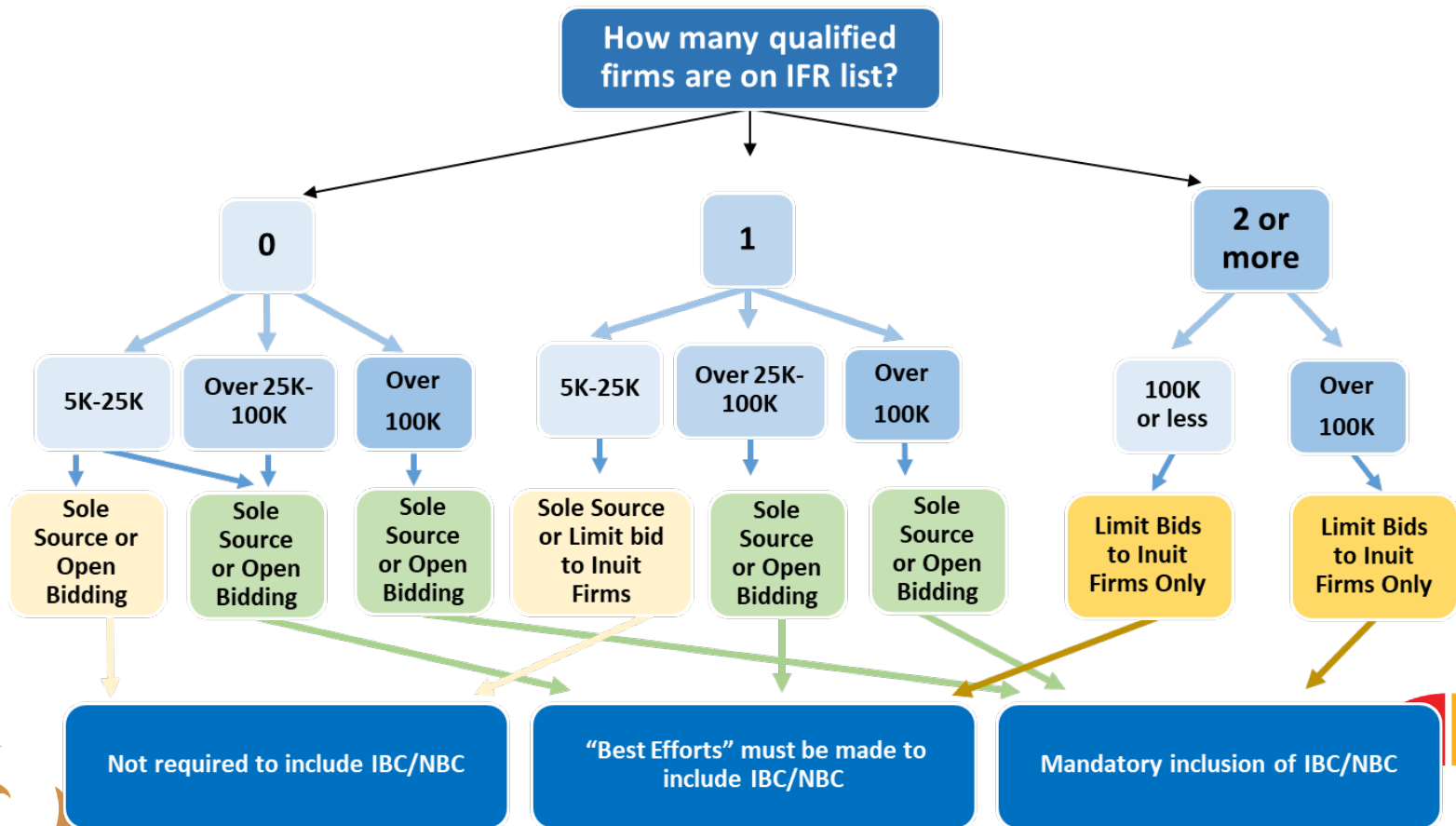
The Directive is available here: <https://www.tbs-sct.canada.ca/pol/doc-eng.aspx?id=32610>



FOCUS ON:

Procurement Obligations in Modern Treaties - NUNAVUT

Inuit Benefits Criteria and Nunavut Benefits Criteria Required by the Directive

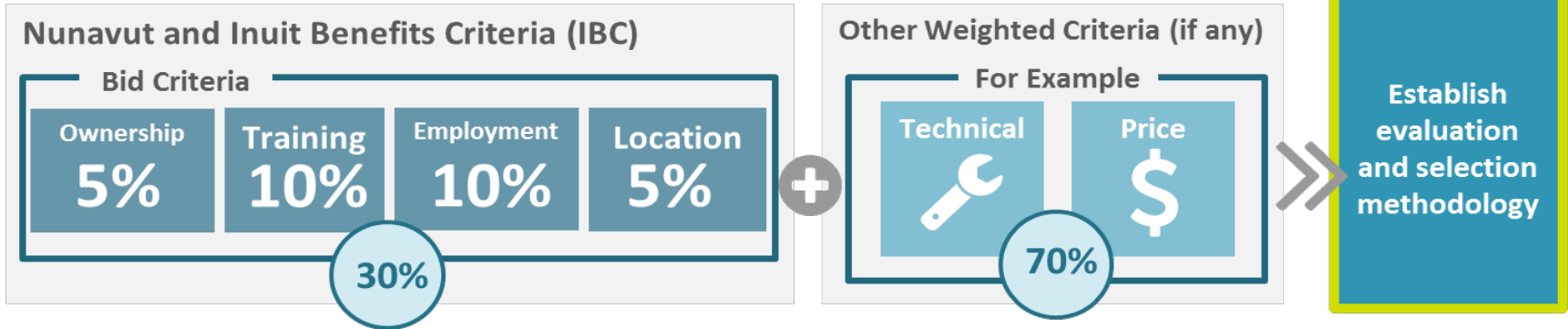


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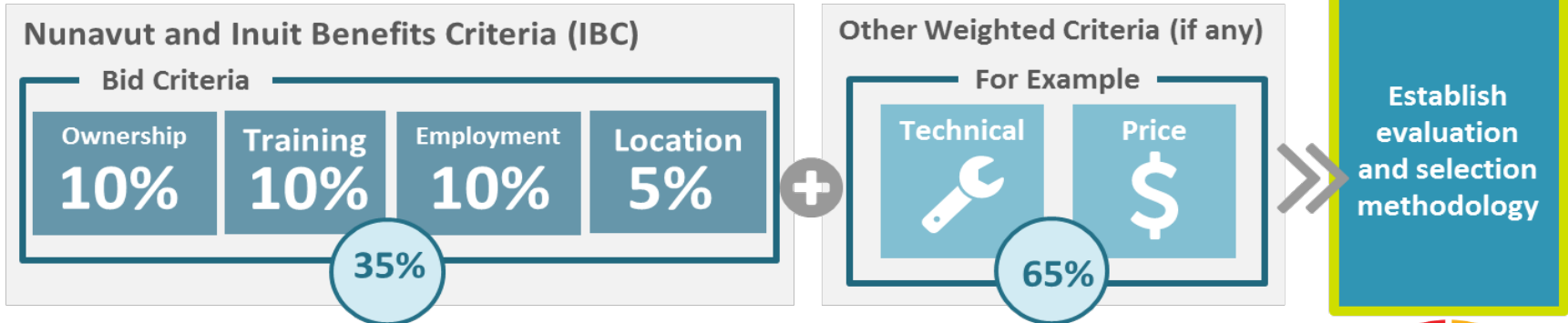
Procurement Obligations in Modern Treaties - NUNAVUT

Weighting Bid Criteria in Bids

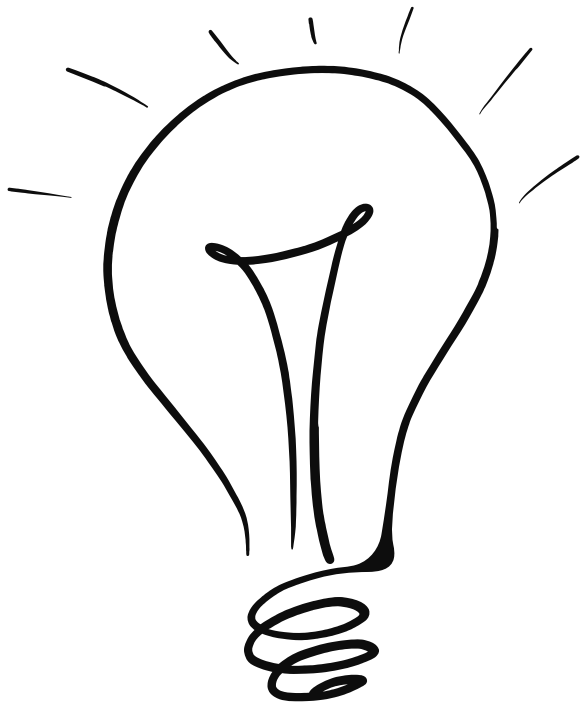
Scenario 1: Limited Bidding to Inuit Firms



Scenario 2: Open Tenders NOT Limited to Inuit Firms



Understanding the Local Indigenous Population



- Familiarize yourself with local Indigenous communities, for help finding nearby communities go to [Crown –Indigenous Relations and Northern Affairs Canada](#).
- Gather information on local demographics, socio-economic and economic trends, with the [Aboriginal Peoples Survey](#), to inform your strategic decisions, address knowledge gaps, help build your company’s business case, and assess opportunities available.
- Account for legal considerations (i.e. modern treaties and self-government agreements) using [Aboriginal and Treaty Rights Information System](#).
- Refer to the [federal Indigenous Business Directory](#) for information on Indigenous suppliers in the area.
- Contact [ISC](#) for additional resources for identifying Indigenous business capacity



Using the Online Indigenous Business Directory

IDENTIFYING CAPACITY

The [IBD](#) is a search engine available to private industry, municipal and provincial governments and the federal procurement community for identifying qualified Indigenous suppliers in various sectors.



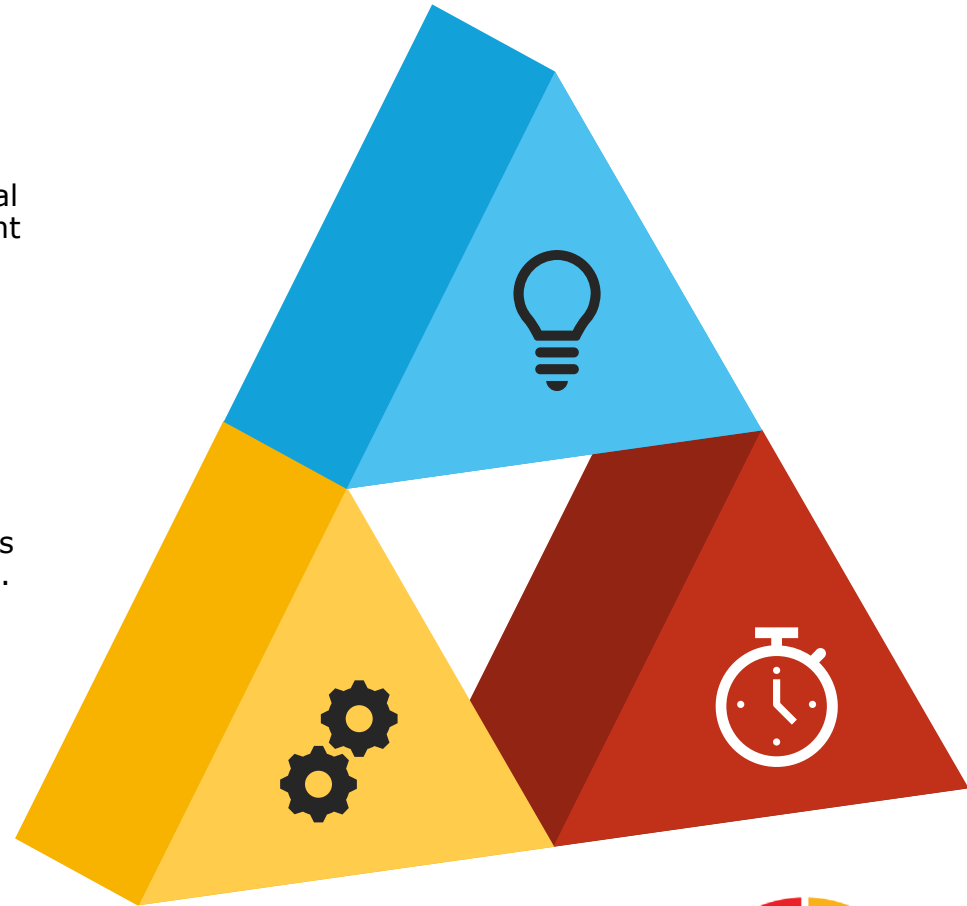
EASY & FAST

If you have an Indigenous supplier you need registered it takes about 15 mins. Once registration is complete, ISC reviews and confirms registration within 48 hours.



RELIABLE

All businesses registered in the IBD are subject to audits to ensure they meet (and continue to meet) the PSIB eligibility criteria.



For Nunavut firms must be registered in the [Inuit Firm Registry](#) – its accessible online and can be used for identifying qualified Inuit firms in Nunavut.



Engagement and Relationship Building

BUILD COMMITMENT AND CAPACITY TO ENGAGE

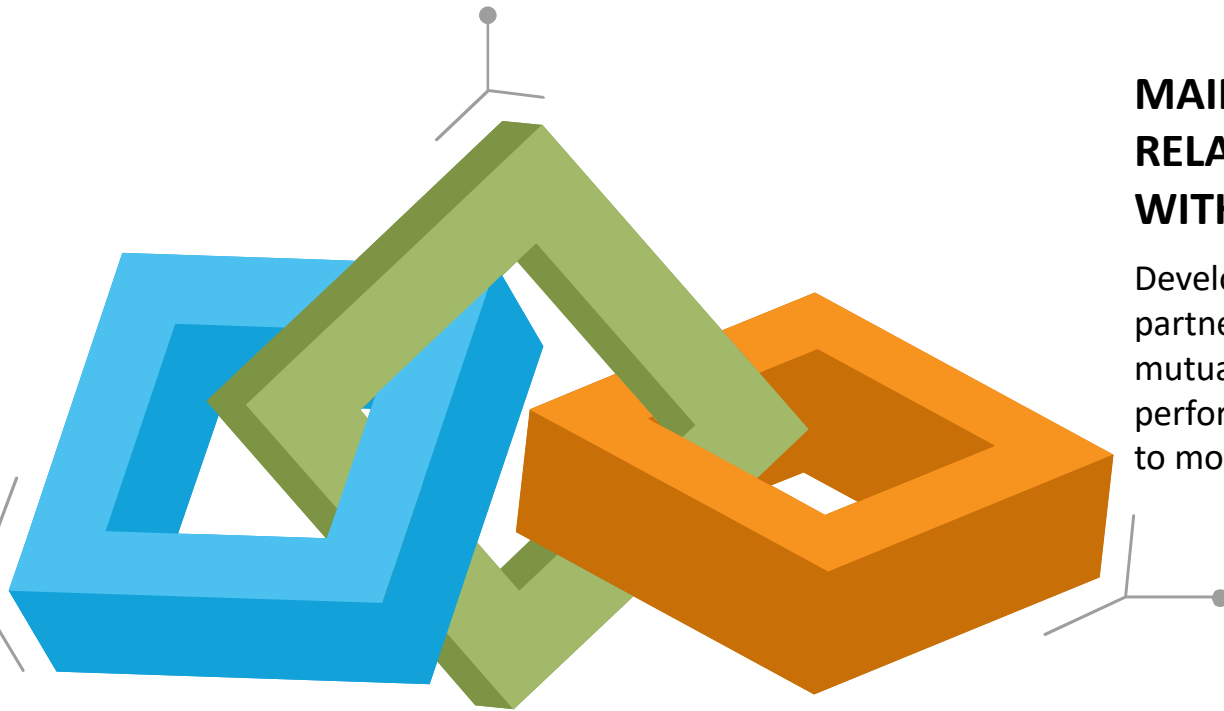
Discuss expectations, opportunities, values, goals, and commitments with the Indigenous community or business to maintain transparency, respect, and trust within the relationship.

ENGAGE AND ESTABLISH EARLY RELATIONSHIPS

Create an engagement strategy and develop an understanding of the culture, history, and dynamics of the Indigenous community or business you are working with. For more information on how to prepare for engagement.

MAINTAIN RELATIONSHIPS WITH RECIPROCITY

Develop working partnerships which are mutually beneficial and performance indicators to monitor progress.



Canadian Council for Aboriginal Business has online resources



Contact Us

IndigenousProcurement@canada.ca

1-800-400-7677

www.canada.ca/indigenousbusinessprocurement

