



REVIEWING REGIONAL INDIGENOUS PROCUREMENT

Barriers and Wise Practices



CANADIAN COUNCIL FOR
**INDIGENOUS
BUSINESS**



About the report

Reviewing Regional Indigenous Procurement- Barriers and Wise Practices is funded by Indigenous Services Canada (ISC). It is the second report of a multi-report collaboration with ISC focused on Indigenous procurement.

About the design

The cover and additional report graphics were designed by CCIB, Associate, Marketing and Communications, Jolene Arcand. The artwork in this report was designed using a modern take on the traditional Indigenous woodland art style.



Contents

Executive Summary	1
Objective	1
Barriers	2
Wise Practices	3
Recommendations	4
Background	5
About CCIB	6
Methodology	7
Interview Sample Group Demographics	8
Barriers	11
Barriers Faced by Indigenous Businesses	12
Barriers for Indigenous Businesses	15
Barriers Faced by Regional Procurement Representatives	23
Wise Practices	33
Engagement, Development, and Implementation	35
Incentives, Measures, and Evaluation Criteria	41
Awareness and Communication	47
Accountability and Reporting	49
Education and Support	51
Final Advice, Tips, and Valuable Tools	55
Supports Utilized and Desired by Indigenous Entrepreneurs	65
Recommendations	68
References	73



Executive Summary

Objective

To best inform regional and federal approaches to Indigenous procurement, CCIB interviewed Indigenous entrepreneurs and regional procurement representatives to understand barriers, wise practices, and recommendations for effective Indigenous procurement.

Barriers

Indigenous entrepreneurs cited numerous barriers relating to administrative burden and engagement with procurement processes. While administrative burden and the number of platforms were cited as the foremost barriers, Indigenous entrepreneurs also highlighted several other flaws in the procurement process that hinder or deter their engagement, such as extended payment periods and a lack of clarity around return-on-investments (ROI), government interference, application pre-requisites, and considerations such as lowest bid.

Indigenous entrepreneurs also highlighted several barriers that arose specifically because they were Indigenous businesses. Nearly a third (29%) cited access to capital and risk aversion or discrimination, respectively, as barriers to their engagement, while the remaining were divided between concerns around proving Indigeneity and the weaponization of Indigenous engagement points (where points for Indigenous engagement in evaluation criteria offer a greater opportunity to non-Indigenous businesses than Indigenous businesses thereby

countering their intention).

For regional procurement representatives, making connections and engaging with Indigenous businesses; identifying and verifying Indigeneity; and lacking policies, direction, and support were the foremost barriers to their engagement in Indigenous procurement. Other barriers that were cited included the number of directories, creating room for government-to-government relationships, cultural awareness, determining best practices and understanding barriers, corruption/nepotism, and Indigenous erasure.

Indigenous entrepreneurs and procurement representatives also highlighted several barriers relating to insurance, bonding, and security clearance.



Wise Practices

Engagement, Development, and Implementation of Indigenous Procurement Policies

- *Engagement* – hold roundtables to gather perspectives and establish Indigenous Advisory and Monitoring Committees to guide efforts.
- *Development* – simplify language, processes, and requirements; support capacity development; gather supply chain data; and develop informed Indigenous spend targets and Indigenous business definitions.
- *Implementation* – centralize opportunities and the administration of Indigenous procurement, ensure effective change management and strong leadership.

Incentives, Measures, and Evaluation Criteria

- Establish set-asides and incentives for Indigenous businesses, such as Bid Value Reductions.
- Utilize invitationals, direct awards, sole-sourcing, low-dollar value direct tenders, and unbundling.
- Incentivize meaningful partnerships and relationships between Indigenous businesses and corporations while maintaining rigor.
- Consider the increased socio-economic benefits of Indigenous procurement and re-define best value.

Awareness and Communication

- Ensure communication and awareness of opportunities by sharing opportunities with Indigenous businesses and organizations, providing early notice, and devolving the administration of these efforts to Indigenous organizations to increase trust and engagement.

Accountability and Reporting

- Develop internal and public reporting requirements for Indigenous procurement efforts; this should involve the establishment of holistic success metrics and KPIs, internal accountability measures, and auditing processes for partnerships and bids involving Indigenous Peoples or businesses.

Education and Training

- Establish internal and external training on Indigenous and broader procurement processes, tailored support, and feedback processes for Indigenous businesses.

Recommendations

- Centralize verification by devolving the administration of the Indigenous Business Directory and other directories to CCIB.
- Increase awareness of Indigenous procurement opportunities by collaborating directly with CCIB to disseminate them. Governments should work to share all Indigenous procurement opportunities with CCIB or make them readily identifiable.
- Implement support to assist Indigenous businesses with navigating administrative burdens, payment terms, and compliance requirements.
- Streamline processes while maintaining rigor.
- Increase bid competitiveness through bid value reductions, set-asides, direct award processes, and closed competitions for Indigenous businesses.
- Ensure early notice and communication of opportunities.
- Humanize the process by engaging in active outreach to Indigenous businesses and organizations and increasing the consideration of factors such as values alignment and socio-economic impacts.





Background

Given the significant procurement spends dispersed by provinces, territories, and municipalities, CCIB undertook this research to understand how to increase Indigenous procurement in these areas by learning about relevant barriers and best practices in each. We initially set out to solely explore best practices; however, the interviews demonstrated the need to explore the barriers to help enhance the understanding of recommendations. We spoke with Indigenous entrepreneurs and procurement representatives from various provinces, territories, and municipalities to get the perspectives on both sides of procurement and identify areas of alignment. Indigenous entrepreneurs understand best the issues affecting them and what works for them, while procurement representatives understand what works from a policy

and implementation standpoint and can provide an understanding of the barriers from the perspective of someone helping businesses address them. The findings generated through this research will hopefully encourage more provincial, territorial, and municipal governments to implement Indigenous procurement policies while also informing the federal government on what has and has not been working in other jurisdictions so it may tailor its efforts to achieving the 5% Indigenous procurement mandate accordingly. At its core, this research seeks to facilitate increased opportunities for Indigenous businesses and provide relevant insight to assist along the journey towards economic reconciliation and establishing true economic prosperity for Indigenous Peoples.

About CCIB

Canadian Council for Indigenous Business (CCIB) is a national, non-partisan association with a mission to promote, strengthen, and enhance a prosperous Indigenous economy. CCIB is committed to the full participation of Indigenous Peoples in Canada's economy by fostering business relationships, opportunities, and awareness. CCIB offers knowledge, resources, and programs to its members to foster economic opportunities for Indigenous Peoples and businesses across Canada. For more information, visit: www.ccib.ca.

CCIB's research continuously strives to support Indigenous communities and companies in Canada. This influential work is used in developing policies and programs for federal and provincial governments and Canadian corporations. Identifying how Indigenous businesses can participate in supply chains, make meaningful connections through networking events,

and develop customized business lists of relevant Indigenous companies are just a few ways CCIB's research has supported the Indigenous economy in Canada. Just as CCIB supports Indigenous Peoples and businesses, CCIB also assists non-Indigenous organizations in fostering meaningful relationships with Indigenous Peoples, businesses, and communities.

Since 2010, CCIB has regularly published research highlighting the need to change Indigenous procurement frameworks to support Indigenous businesses better. To streamline and strengthen Indigenous procurement, in 2018, CCIB established its Supply Change™ program to simplify procurement RFPs/applications and provide a centralized point of contact for businesses, corporations, and government agencies to connect through the Indigenous Procurement Marketplace and Newsfeed on Tealbook while verifying Indigenous

businesses through the Certified Indigenous Business (CIB) designation. Since the program's establishment, CCIB has collaborated with various corporations and government agencies, such as PSPC and PAC, to increase communication and awareness of procurement opportunities for Indigenous businesses. CCIB's efforts also drove the Government of Canada's

establishment of the 5% Indigenous procurement mandate. CCIB continues to work to provide opportunities for Indigenous entrepreneurs beyond our procurement efforts through our TIB, Grants, Capital Skills, and Defence Accelerator Programs, as well as various other opportunities as they arise.

Methodology

This report utilizes the findings from qualitative, in-depth interviews conducted with Indigenous businesses with provincial, territorial, and municipal procurement experience and representatives of different provincial, territorial, and municipal governments engaged directly with Indigenous procurement or sustainable/social procurement. In total, we were able to interview 21 participants consisting of 10 Indigenous entrepreneurs, five provincial or territorial procurement representatives, and six municipal procurement representatives. As a condition of being interviewed, participant responses are reported anonymously and in aggregate, except where no reasonable expectation of privacy can be maintained given the content being discussed.

Unique questionnaires were created for each pool of interview participants. External desk research sources and prior CCIB data on Indigenous procurement informed the development of the questionnaires.

The Indigenous business questionnaire focused primarily on barriers and supports, while the other was centred more on processes, offerings, and feedback. These findings are combined with extensive desk research on the current state of provincial, territorial, and municipal procurement frameworks and their considerations for Indigenous businesses to develop the analyses in this report. To honour and respect the voices and expertise of each Indigenous entrepreneur and procurement representative interviewed to the greatest extent possible, quotes are heavily utilized throughout this report to present findings as they were initially and stay true to the participants' stories. We extend our gratitude to the research participants for their willingness, candor, and availability to share their insights in support of this knowledge-sharing exercise and call for change.

Interview Sample Group Demographics

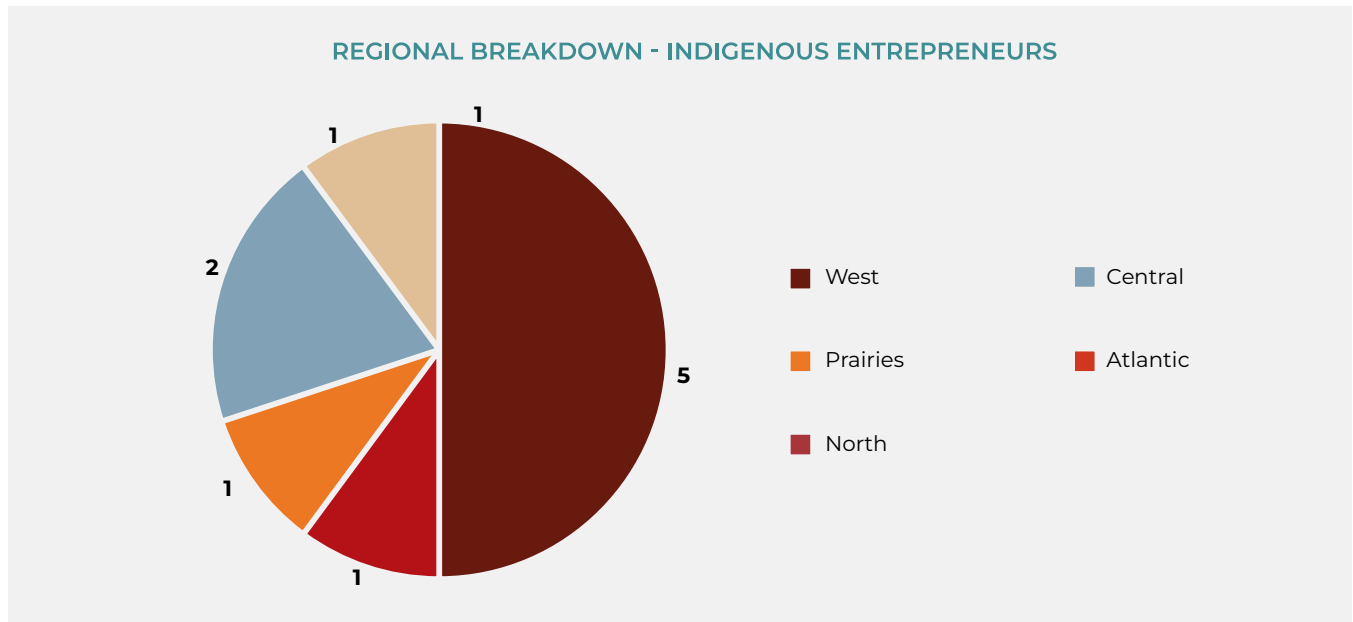
Profile of Indigenous Business Participants

It is valuable to know what types of businesses lent their insights and expertise to Indigenous entrepreneurs during the interview process to gain additional context on the perspectives gathered.

Business Demographics	Distribution
Gender	<ul style="list-style-type: none"> • 50% majority women-owned • 50% majority men-owned
Industry	<ol style="list-style-type: none"> 1. Construction (3) 2. Consulting/Cultural Awareness (2) 3. Marketing and Communications (2) 4. IT and Broadband (1) 5. Industrial Manufacturing (1) 6. Drone Services (1)
Years in Business	<ol style="list-style-type: none"> 1. 2–5 years (5) 2. 5–10 years (3) 3. 10+ years (2)
Annual Revenue	<ol style="list-style-type: none"> 1. \$500k–\$1M (3) 2. \$1M–\$10M (3) 3. \$10M+ (2) 4. \$100k–500k (1) 5. >\$30k (1)
Employee Sizes	<ol style="list-style-type: none"> 1. 5–10 Employees (4) 2. 5 or less employees (3) 3. 10–25 employees (1) 4. 50–100 employees (1) 5. 100+ employees (1)

Participants represented all Canadian geographic regions, with five participants from Western Canada, two from Central

Canada, and one from the Prairies, North and Atlantic regions.

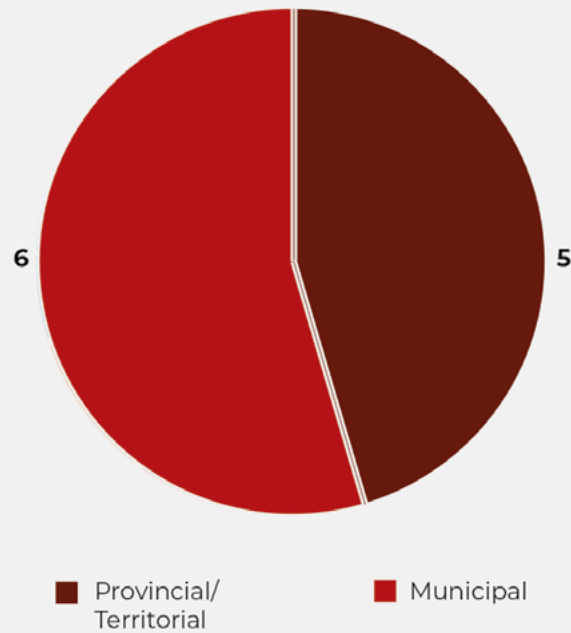


Profile of Regional Procurement Representatives

The 11 provincial, territorial, and municipal government participants ranged from sustainable procurement specialists to directors of procurement departments for provinces, territories, and municipalities. CCIB researchers met with five provincial/territorial and six municipal government procurement representatives, such as:

- Manager of Indigenous Procurement for a provincial/territorial crown corporation.
- Director of Procurement within a supply chain division for a provincial/territorial government.
- Manager of Strategic Sourcing and a Director of Procurement for a provincial/territorial government.
- Director of a division of procurement for a provincial/territorial government.
- Chief Supply Chain Officer for a provincial/territorial government.
- Lead for a municipal supplier diversity program.
- Sustainable Supply Chain Lead for a municipality.
- Manager of Sustainable Procurement and Director of Indigenous Relations for a municipality.
- Director of Supply Chain Management for a municipality.
- Manager of Sustainable Procurement for a municipality.
- Manager of Policy and Program Planning for a municipality.

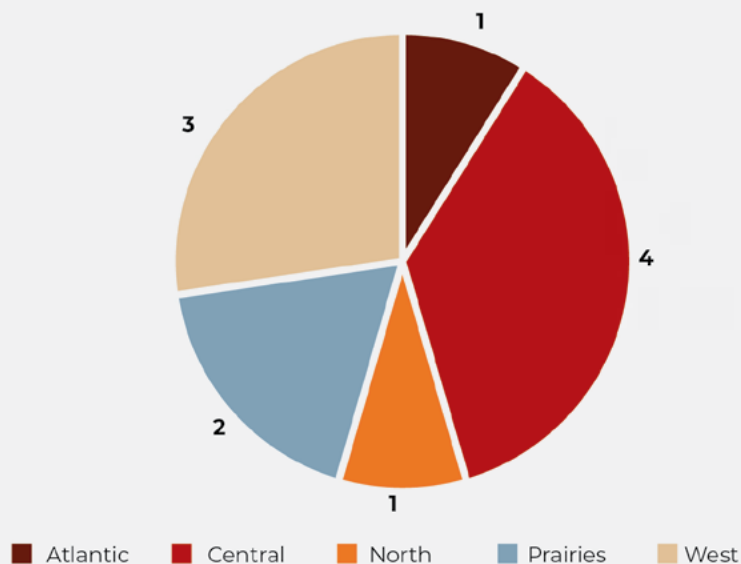
REGIONAL GOVERNMENT PARTICIPANT BREAKDOWN



The least experienced government participant had worked less than one year in their current role, and the most experienced had worked in their role for approximately 15 years. Procurement

representatives represented all Canadian geographic regions, with four participants from Central Canada, three from Western Canada, two from the Prairies, and one for each of the North and Atlantic.

REGIONAL BREAKDOWN



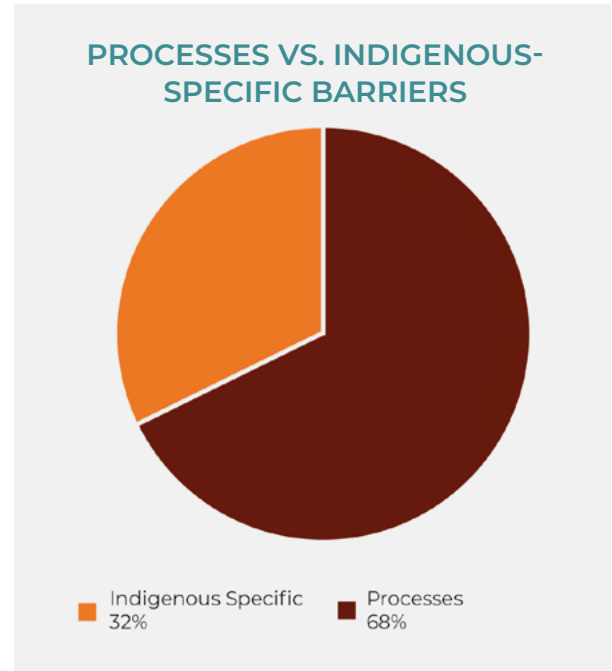
Barriers



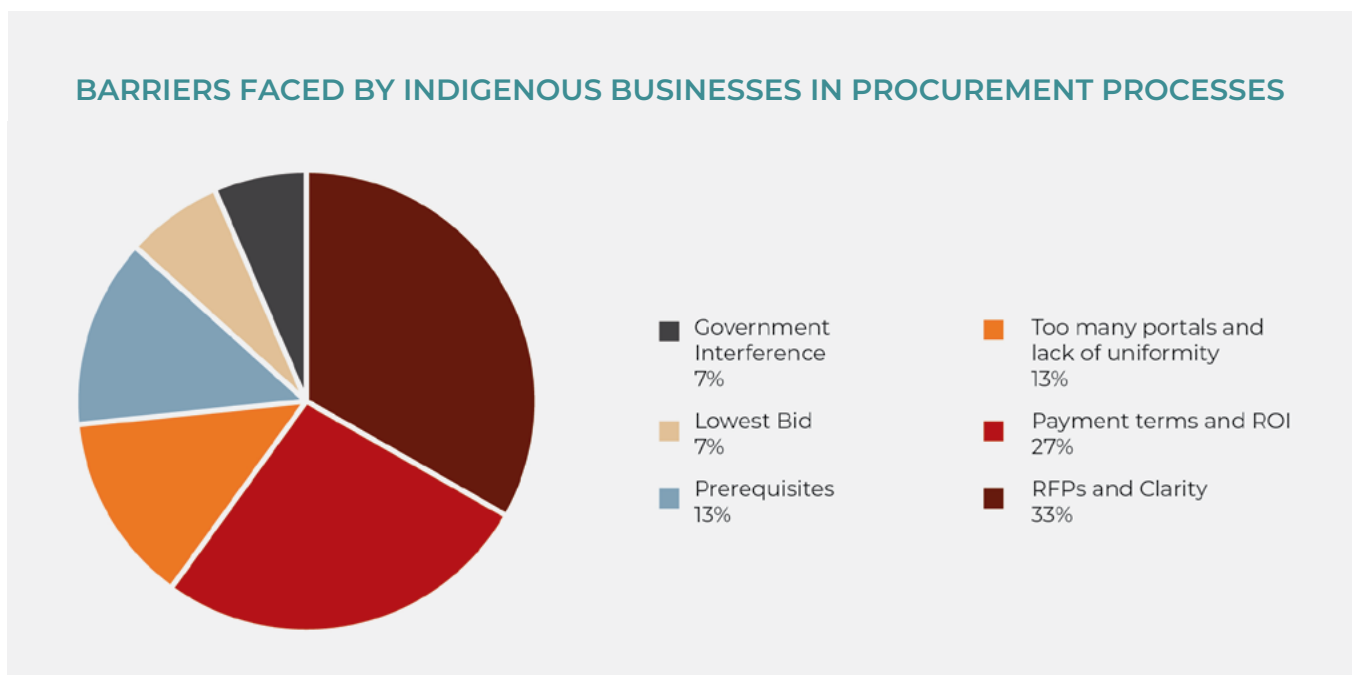
Barriers Faced by Indigenous Businesses

Indigenous Entrepreneurs' Perspectives

The above chart identifies Indigenous entrepreneurs' responses regarding barriers, organized into two categories: barriers specific to the procurement process and barriers specific to Indigenous businesses. Developing this chart aims to identify that two-thirds of the barriers identified by Indigenous businesses are related to the procurement process, while one-third are those specific to Indigenous businesses.



Administrative Burden and Procurement Processes



Administrative burden

Administrative burden has been commonly cited as one of the most significant barriers to Indigenous businesses' engagement in procurement. RFPs are often far too long and use unnecessarily complex language to explain the requirements of proposed work, thereby presenting an undue burden and hindrance to Indigenous businesses looking to engage.

"The procurement process is not tailored for small Indigenous businesses. It is far more geared towards large companies who can more easily take risks and dedicate resources to long and complex RFP applications."

"The RFPs can be too specific, with stringent requirements that restrict the applicant, especially small Indigenous businesses. The size of the proposal or RFP itself is restrictive; the experience is unenjoyable. It is not pleasant to try and go through the procurement process."

"It is generally an uphill battle concerning resources. The shortest RFP I reviewed was 147 pages, they are very administration heavy. Pokémon Go is more user friendly."

"The information design and the language used is too difficult—you almost need to get a degree in government language to understand what they are asking you to do."

The multitude of locations for Indigenous procurement and inconsistency

Compounding this administrative burden is the number of places Indigenous entrepreneurs must navigate to find opportunities and register as suppliers and the inconsistency surrounding procurement processes in general. As Indigenous entrepreneurs have indicated on various occasions, the many places for Indigenous businesses, government, and industry to engage is another of the foremost barriers to Indigenous procurement. Plenty of organizations offer directories of Indigenous companies, but they are often fragmented or inaccurate due to being outdated.

Moreover, Indigenous businesses experience convoluted processes by registering for numerous procurement platforms, uploading documents, and engaging with different procurement representatives with varying levels of understanding; understanding their processes; and monitoring platforms for any leads. All these factors introduce significant frustration and burden for Indigenous businesses and, for some, lead to disengagement. Opportunities are missed or fall through the cracks because there are too many avenues for government and industry to engage with Indigenous businesses and for entrepreneurs to find opportunities. It is unfair to ask busy entrepreneurs to spend extra time signing up for and monitoring additional platforms for work leads when they are already juggling many business responsibilities.

"Navigating all of the different portals is the main issue for me. There are too many to navigate and you keep providing similar information but in different ways. It's confusing. We can't even really have a proposal template because people want such different things all the time, in our field at least. You're essentially forced to be customizing your responses to every opportunity."

"I find that there aren't enough places to find where the work actually is, rather I'm stuck having to like cold call people or work through previous contacts we've made, there needs to be one place I can go to just see what's available."

Procurement processes

In addition to the challenges surrounding administrative burden and too many locations, Indigenous entrepreneurs highlighted several other flaws in the procurement process that hinder or deter their engagement, such as long repayment periods and a lack of clarity around return-on-investments (ROI), application prerequisites, considerations such as lowest bid, and government interference. While previous CCIB research has highlighted the barriers relating to prerequisites or certifications and a need for best value to be redefined, these concerns around repayment terms, a lack of ROI and clarity to assess it, and government interference are novel and warrant further attention.¹

Payment terms and ROI

"The lack of return for the amount of work needed to apply to these RFPs is a barrier. Some clients also don't pay for months and that can pose an issue."



"I often have to face long payment periods for work that is completed. It is hard for small Indigenous businesses to defer payment for long periods of time where larger companies could take on this risk. The issue with the provincial government is that you have to wait for a 90-day window to get paid and as a small, Indigenous business you don't have the luxury of handing over \$100k worth of equipment and you just gain interest from your supplier on that outstanding bill so we just avoid it completely."

"There's a lot of uncertainty in gauging our return on investment and which projects are even worth developing a proposal for. Some of them take two full days to put together and that's a lot of your working time—all without a guaranteed ROI. And it's more likely you're not getting it right. If there's three companies bidding on something, your chances are one in three, and when there's 12, they're even slimmer."

Government interference – *"In some instances, the government has violated the law by pressuring our partners to submit with another partner or forcing us to partner with a larger company on a project to get a contract."*

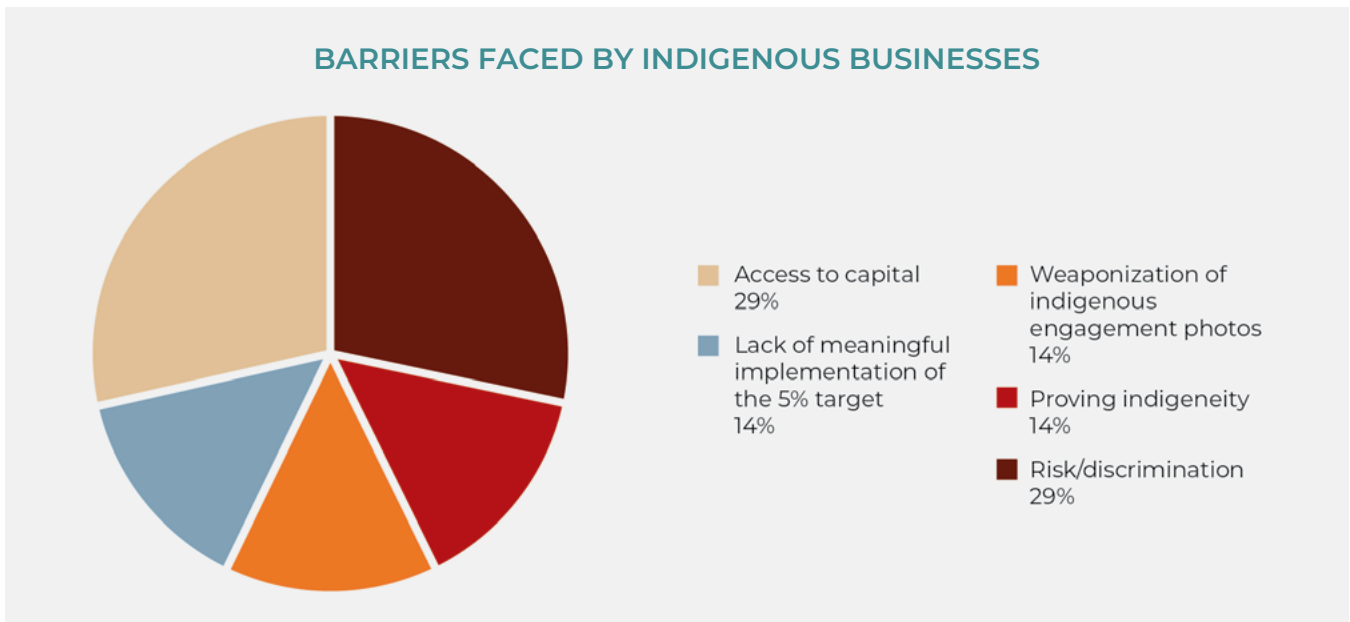
Prerequisites – *"The prerequisites for these contracts are kind of a "chicken before the egg" scenario where the procurement opportunities require that the business has done previous work or can prove that they have the capital to ensure that the work will be completed. There is no consideration of using the procurement opportunity to assist with scaling the business."*

¹ Canadian Council for Indigenous Business. (2023). *Meaningful Engagement with Indigenous Businesses. Policy Brief.* <https://www.ccab.com/wp-content/uploads/2023/12/Meaningful-Engagement-with-Indigenous-Businesses.pdf>. Pg. 1.

Lowest bid – “Lowest bid is impossible, it’s another way for procurement to mess us up and is used as an excuse to not award us contracts. There’s often no way that Indigenous and emerging businesses can compete with established businesses that

often own their own supply chains—they will buy work, just to do it at a loss to stop emerging competitors like Indigenous and small business from competing in their space.”

Barriers for Indigenous Businesses



In addition to the barriers relating to procurement processes, Indigenous entrepreneurs identified several barriers that emerged simply because they were Indigenous-owned businesses. Nearly a third (29%) cited access to capital and risk aversion or discrimination, respectively, as barriers to their engagement, while the remaining were divided between concerns around proving Indigeneity, the weaponization of Indigenous engagement points, and a lack of meaningful implementation of the 5% target.

Access to capital

Conveniently, these findings align with previous CCIB research indicating that access to financing and capital is a key issue for approximately a third (29%) of Indigenous businesses, with another third of those surveyed indicating that applying for financing through means such as filling out forms and providing necessary information is difficult for them (30%).² The same study also found that most Indigenous entrepreneurs, especially those

² Canadian Council for Indigenous Business. (2016). *Promise and Prosperity: The 2016 Aboriginal Business Survey. Research Report*. <https://www.ccab.com/wp-content/uploads/2016/10/CCAB-PP-Report-V2-SQ-Pages.pdf>, pg. 35.

that constitute a sole proprietorship, finance their businesses with personal savings (65%).³ Moreover, access to financing and equity or capital is also particularly difficult for individuals living on reserve since their property cannot be used as collateral for loans due to provisions outlined in the Indian Act and mistrust of modern financial institutions.

“It’s crazy; we don’t have lines of credit and all of that stuff. Even those Indigenous folks that are lucky enough to own a house on-reserve, don’t own the land so you can’t use it for bonding or credit facilitation.”

“Access to capital is a huge issue. We cannot always leverage the same list of assets that non-Indigenous companies can. Our office is on-reserve and that bars us from borrowing against that property, which is a reality of being First Nations-owned and having to maneuver through provisions set out by the Indian Act. The cost of operation and competition is also a struggle for small Indigenous companies trying to keep up with large non-Indigenous companies.”

Risk aversion and discrimination

Another barrier to engagement in regional procurement cited by Indigenous

entrepreneurs is risk aversion and discrimination. Unfortunately, this is a common issue for Indigenous Peoples and businesses. The First Nations Financial Management Board (FNFMB) and various other sources have recognized that systematic bias and discrimination can manifest as stricter lending criteria, higher interest rates, and a lack of culturally sensitive financial services. In an interview, CCIB’s VP of Entrepreneurship and Procurement, Philip Ducharme, stated, “It is quite difficult for Indigenous businesses to get loans because of unconscious biases within lending institutions. For example, an Indigenous business is often perceived as a bigger risk than a non-Indigenous venture.”⁴ While these issues are primarily raised regarding banks and accessing financial services,⁵ they can just as easily be applied to procurement given the similar risk assessment processes utilized in each. This consideration is especially important given how prone to bias these risk assessment processes often are, as demonstrated by the wealth of literature on the topic.^{6,7,8}

“Risk aversion and discrimination is an issue, they’re essentially saying ‘We’ll buy orange t-shirts from you, but we’re not going to let you fly a plane with like people on it. Or we’re not going to let you build a multi-story building with people in it.’”

3 Canadian Council for Indigenous Business. (2016). *Promise and Prosperity: The 2016 Aboriginal Business Survey. Research Report*. <https://www.ccab.com/wp-content/uploads/2016/10/CCAB-PP-Report-V2-SQ-Pages.pdf>, pg. 33-34.

4 First Nations Financial Management Board (2023). *Addressing Gaps in Indigenous Access to Finance: Pre-Scoping Report*. https://fnfmb.com/sites/default/files/2024-01/2023-10-16_idb_pre-scoping_study_final_report.pdf, pg. 4.

5 Amad, Ali (July 25, 2023). *“Opportunity costs: Racism and Societal Obstacles are no Match for this Entrepreneur.”* Chartered Professional Accountants Canada. <https://www.cpacanada.ca/news/pivot-magazine/philipe-ducharme-indigenous-entrepreneurs>.

6 Wiggins, Benjamin. (2020). *Calculating Race: Racial Discrimination in Risk Assessment*. University of Minnesota. <https://experts.umn.edu/en/publications/calculating-race-racial-discrimination-in-risk-assessment>.

7 National Fair Housing Alliance. (2022). *Fairness in Financial Services: Racism and Discrimination in Banking*. <https://www.banking.senate.gov/imo/media/doc/Rice%20Testimony%202012-1-222.pdf>.

8 Shelby, Cary Martin. (2023). *Racism as a Threat to Financial Stability*. Northwestern University. <https://scholarlycommons.law.northwestern.edu/cgi/viewcontent.cgi?article=1550&context=nulr>.

"I don't think searching is an issue, they're published everywhere—so they're findable. It's just a matter of getting through procurement and I think they are totally hard-wired to be risk-averse—these are not creative people. Generally, you don't seek a career in procurement if you want to change the world. I think that everyone has unconscious bias and they think that because we're Indigenous that we're incompetent or we're going to screw it up."

Proving Indigeneity

Many Indigenous entrepreneurs highlighted that proving their Indigeneity was another barrier that they constantly ran into. While many of these entrepreneurs had certification through CCIB or were registered with Indigenous Services Canada's Indigenous Business Directory, they indicated they had to jump through hoops to verify their heritage with almost every contract or new partner. Even with these certifications, some Indigenous entrepreneurs stated that within RFPs or contracts, there are rarely mechanisms to flag that they are Indigenous, and even if they can, they have barely received any opportunities due to it.

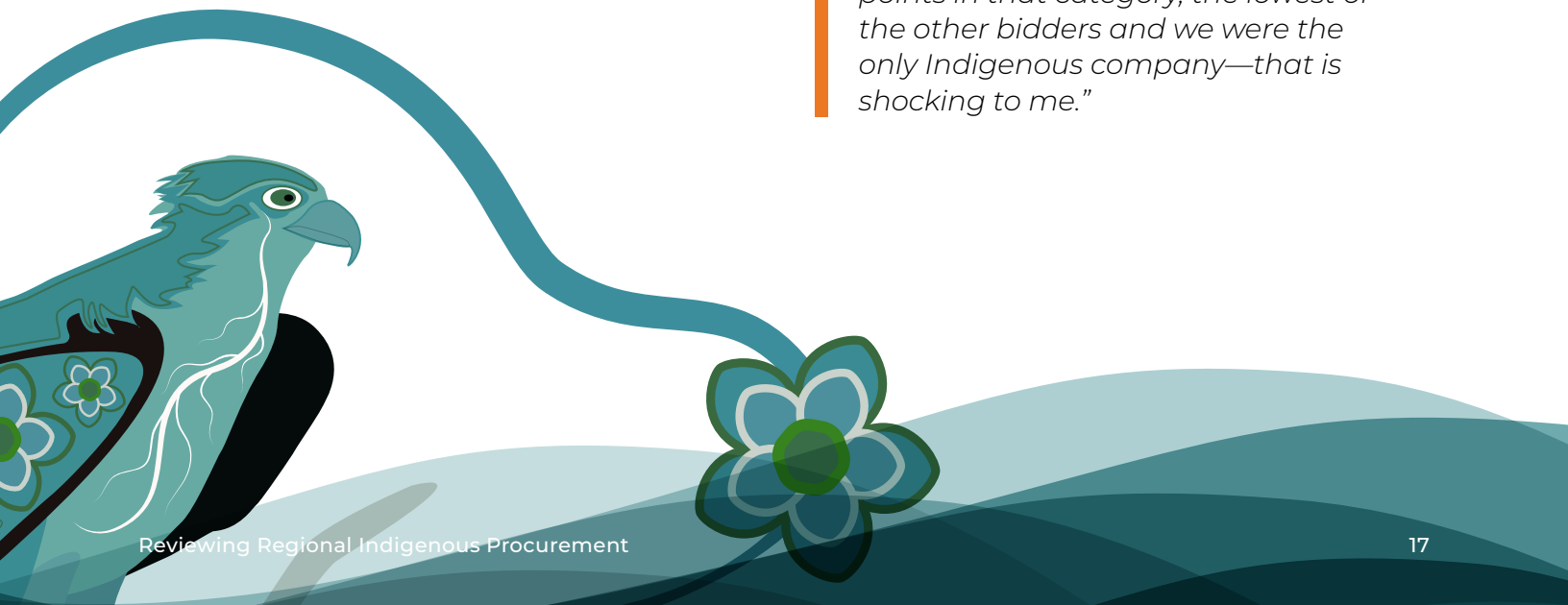
"There's just so many hoops to jump through; I don't know how many times I've had to prove that I'm Indigenous, but it's been too many."

"There's not even a way that we can flag to government or funders that we're an Indigenous contractor that's going to be building this. There's not even a mechanism, it's weird. There's no opportunity to flag ourselves which is so weird. We have all of our certifications as an Indigenous business with the province and federal government and got added to lists but we've received no calls."

Weaponization of Indigenous engagement points

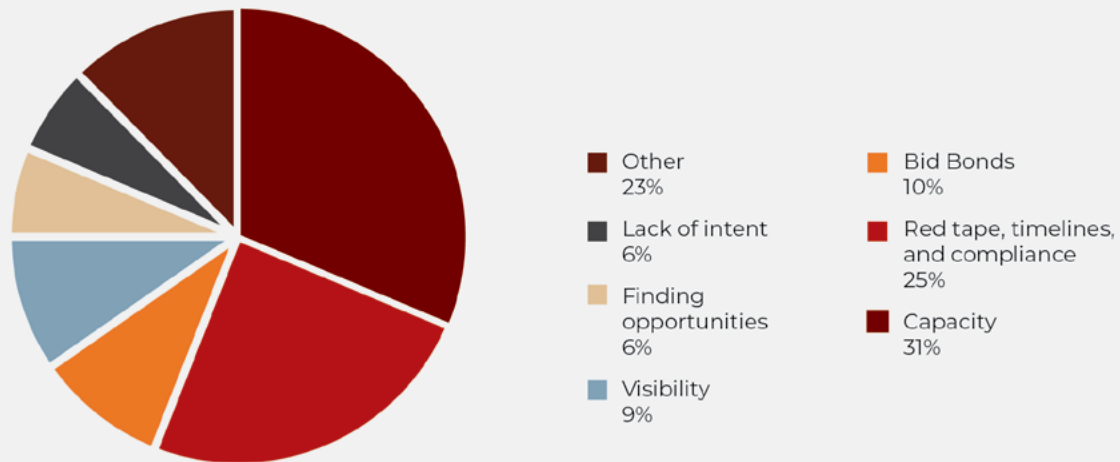
However, even when Indigenous businesses can flag their Indigeneity and receive additional points based on it, some Indigenous entrepreneurs indicate that far from solving issues, this may make matters worse by enabling non-Indigenous companies to utilize the additional points granted for Indigenous engagement through the use of Indigenous consultants and other mechanisms. As such, there may be room for additional investigation surrounding how these incentives are constructed and their impacts in practice.

"Even when additional points are granted for Indigenous procurement, we are losing contracts to non-Indigenous companies with Indigenous consultants—they're weaponizing the extra points against us. In one instance, we scored no points in that category, the lowest of the other bidders and we were the only Indigenous company—that is shocking to me."



Views of Regional Procurement Representatives

BARRIERS FACED BY INDIGENOUS BUSINESSES - VIEWS OF REGIONAL PROCUREMENT REPRESENTATIVES



Administrative capacity vs. output capacity

All the government procurement representatives interviewed indicated that capacity was the foremost barrier to Indigenous business engagement in procurement, followed closely by red tape, timelines, and compliance. However, these comments were primarily about the business’s administrative capacity to engage with the process, not its output capacity. Of the 11 procurement representatives who cited capacity as a barrier, only 3 framed it in terms of output capacity.

“Building their capacity to take on actual city requirements is important. As you can imagine, most of our work is fairly significant-sized contracts as they are buying things that will support the city as a whole. Getting Indigenous companies to where they have the capacity to meet those requirements and navigate on a level playing field with all the other non-Indigenous companies is probably the biggest challenge right now.”

“Depending on what it is, the volume of goods and services that’s required from smaller Indigenous businesses is too much.”

This indicates that while the output capacity of Indigenous businesses can be an issue and steps should be taken to develop it, the primary hindrance to their engagement is the procurement processes themselves and the administrative capacity requirements that these businesses must navigate. This distinction is clearly illustrated by a quote from one of the procurement representatives, *“Businesses may have the capacity to complete the work but not necessarily to complete the RFP process”* and is further reinforced by the following sentiments shared by other procurement representatives:

“Overall, it’s an issue of increasing Indigenous companies’ capacity and capability to engage in the procurement process.”

“We follow open procurement rules through CETA—which requires 40 days’ notice and depending on the call isn’t enough, and with construction especially isn’t enough time to organize a limited partnership.”

“Lack of time to familiarize themselves with the procurement opportunities.”

Procurement process – red tape, timelines, and compliance

Building on the discussion of barriers relating to capacity, it is worthwhile to note that several procurement representatives viewed this red tape and other inefficiencies in the procurement process as problems of their own creation, as many of these processes were introduced intentionally without consideration of the exclusion they would cause.

“Not so much of an issue of Indigenous businesses lacking the knowledge and ability to participate in our processes, but it’s perhaps that we put too high of a capacity requirement to engage in our processes. If you need a team, very developed knowledge of contract and procurement law [is required] to participate, and the contracts are written in very confusing ways. Who has the capacity to take part in those processes? You have to be very sophisticated. Timelines are related to this. If you have two months to respond to an RFP, you might have capacity to—but if it’s two weeks, maybe not.”

“I think the barriers are all barriers that we have created for ourselves or that we have created for Indigenous businesses.”

“80-page RFPs and if you make a small mistake, you get disqualified in the technical.”

Others highlighted that their colonial, bureaucratic, and rules-bound modes of operation were a barrier.

“Colonial way of working—very writing focused, not much opportunity for relationship development, asking questions, or answering basic questions about an RFP.”

“With the city, it’s very bureaucratic and there’s a lot of complexities built into our work due to the FTAs/regulations.”

“The process is incredibly complex, unnecessarily long, rooted in legislation that is inherently colonial and it’s interesting to see the culture change and perspective shift that comes from moving into procurement from a different background. I think on the whole, purchasing people or procurement people haven’t been in the spaces where we’re talking about reconciliation so there’s a bit of a lack of understanding of the value and what we need to do.”

Compliance issues and lowest bid

When asked about the primary reasons for Indigenous entrepreneurs being unsuccessful in bidding on contracts, procurement representatives pointed to compliance issues, bids lacking price competitiveness, and mostly just not receiving bids back. The procurement representatives that cited compliance issues pointed to how some Indigenous entrepreneurs have difficulty understanding the technical aspects and application requirements of RFPs and are often small businesses that lack the capacity to engage that a larger business would. Others indicated that considerations surrounding the lowest bid and many Indigenous entrepreneurs being unable to provide competitive pricing were barriers to their ability to be awarded contracts. Several procurement representatives also pointed out that they may just not receive bids. While many were uncertain of the reasons for this due to a lack of capacity to investigate, some indicated that it could be due to a lack of capacity or interest to deliver on the work or a lack of relevance due to inaccuracies in the categorization of their commodity types/offerings.

“Compliance can be an issue. Some people just don’t understand the technical aspects and have trouble understanding application requirements which limits the

number of proposals being submitted. There’s a technique to filling out the form in a way that gets you the contract. There’s just a lack of technical expertise and skills which precludes engagement.”

“Often it comes down to lowest bid and they are not competitive, so that has played a factor in it. There have been some cases where they’re not even bidding, so they get invited, but they’re not bidding, possibly due to a lack of capacity or relevance.”

“We mostly don’t receive bids back, and we don’t really have the capacity to do outreach to find out why. We make suppliers categorize what they provide into different commodities, and sometimes what the division is procuring doesn’t fit into the commodity, and they have unique codes. For example, they’d put an RFP out for tree pruning but then they would have a landscaper who can’t bid because they don’t have their ‘working at heights’ certification. When the bids come in, they sometimes can’t provide the volume or on-demand if there’s an on-demand requirement, which is scoping at the end of the day.”

Visibility and identifying Indigenous companies

Many procurement representatives indicated that the visibility of Indigenous companies and the challenges of identifying them are barriers to Indigenous businesses’ engagement in procurement. These concerns were primarily centred around their lack of ability to identify who these companies are, their capabilities, and where to find them. Some pointed to the provision of networking opportunities and the development of a web presence as a way to navigate around these issues.

“Identifying who these companies are, what they do, and how to find them.”

“With municipalities, I find that as a business, it’s about getting in the door and making that connection, which is why I do these matchmaker sessions and vendor trade shows.”

“Visibility is also a barrier—it’s great that we have all of these Indigenous organizations that work with these companies, which helps, but there is a broader lack of awareness of Indigenous companies due to a lack of web presence and marketing, which is understandable as investment is required.”

Finding opportunities

Another barrier cited by some procurement representatives was the ability of the Indigenous entrepreneurs to find opportunities and the lack of a coordinated approach to communication of opportunities. Procurement representatives that pointed to finding opportunities as an issue centred their concerns around the fact that as Indigenous entrepreneurs they do not have the capacity to constantly monitor numerous e-tendering platforms. Even when they do find an opportunity, the timelines are often too short to respond adequately. Those who highlighted a lack of coordinated communication explained that businesses must search for opportunities in many different places, even within a single government, and that there are many methods used to communicate these opportunities. While these methods may be beneficial, they also could be contributing to missed opportunities.

“Finding opportunities is even an issue. People are not watching our website every moment of every day, so oftentimes, with the really short timelines placed on procurement, by the time they have found an opportunity, there’s very little time to understand the opportunity, put together a team, and respond to it before it’s closed. We’ve heard of lots of cases where people didn’t know there was even an opportunity until it had come and gone.”

“‘The how to do business’ where to go, where to look for opportunities. No single place to find opportunities. Too much time spent on seeking and reviewing opportunities. Can not rely on large teams to spend the day reviewing opportunities. Difficulties knowing whether or not your product is bought by government. Lack of connections and relationships. I find them interested in working with government but not clear how to do it.”

“That in itself (the lack of coordinated communication) is a barrier to Indigenous procurement because the experience that an Indigenous business is going to have will vary considerably depending on what ministry, division, or branch they are interacting with. Sometimes that is for good or reasonable reasons—obviously if we’re buying a highway or a hospital that procurement process is going to be different than procuring the delivery of a social service but that is certainly a barrier. The people we engaged with said that you almost have to learn the practices of each individual division, ministry, or branch to understand them and there are different forms of contracts, solicitations, etc. used from Ministry to Ministry so you’re not just learning one procurement process, you are potentially learning—I think we have 23 different ministries right now and that’s not including the 200+ crown corporations and central agencies so it’s definitely a barrier and requires that much additional capacity to understand these processes and take part in them.”

Lack of intent around procurement efforts/Understanding of the value of Indigenous procurement

In addition, several procurement representatives cited the lack of intent surrounding Indigenous procurement efforts, a lack of understanding of the value of Indigenous procurement and economic reconciliation, and Western definitions of best value as barriers to Indigenous businesses’ abilities to find success with procurement. Some procurement representatives viewed a lack of good intentions as a hindrance to their government taking the steps required to achieve their Indigenous procurement commitments, while others viewed the

disconnect between the Western definition of best value based on “lowest price meeting specifications” and one that integrates more of an Indigenous worldview and holistic consideration of impacts as an impediment.

“Fundamentally, I think we have just not really set good intentions around the work yet, and because of that, we have not built out processes that will actually support Indigenous businesses to be part of the supply chain, and obviously, it requires going further than that.”

“Best value is defined as the lowest bid meeting specifications. So, until we redefine best value, and I think incorporate more of an Indigenous worldview into how we define best value, are we ever going to make a change?”

Other barriers:

Rigidity of Indigenous business definitions – *“We received feedback that the 51% requirement was very rigid.”*

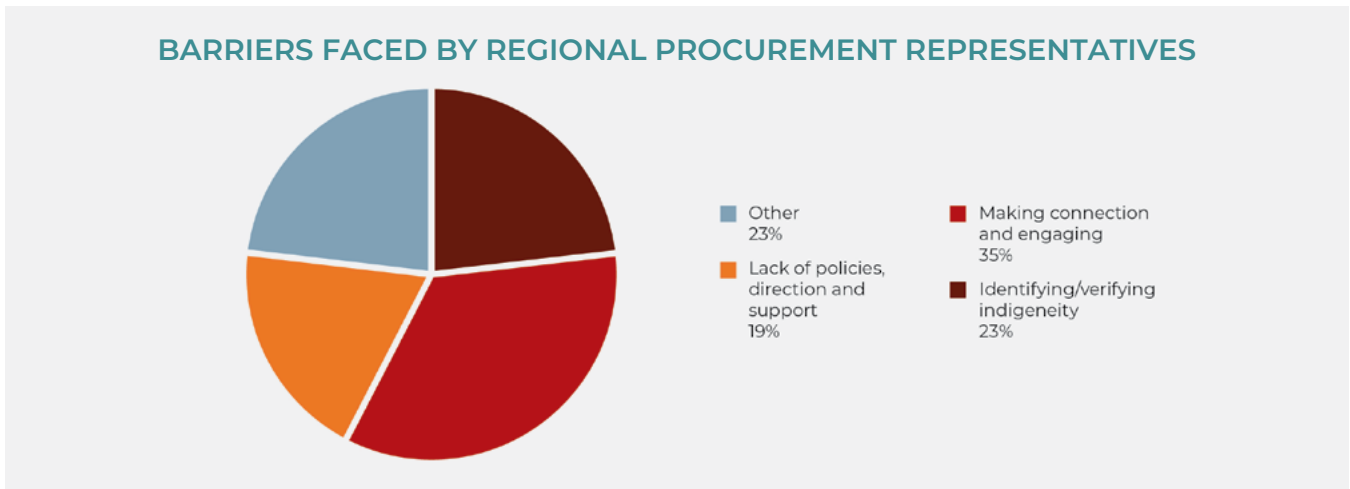
Use of the same suppliers – *“Buyers typically go to the same people, so it’s about just opening their eyes to what’s out there and making that connection. I find that’s one of the biggest barriers that I’m trying to break down. These businesses are usually exceptional and there’s nothing I need to do. I think they just sell themselves right at that point. I just have to make that connection.”*

Lack of recognition of Indigenous knowledge credentials – *“Oftentimes you will see that procurements require certain certifications or credentials but sometimes, maybe those are coming from very colonial backgrounds. So maybe the value that should be placed on Indigenous Peoples knowledge and experiences isn’t because it’s hard to quantify. When we were in this one city, we spoke with a lady who wanted to respond to an opportunity to deliver various services and it was looking*

for various credentials, but it didn't provide any opportunities to highlight that she was from the community, spoke the language and all of these things. We're focusing on the wrong things oftentimes and not leaving space for Indigenous knowledge and experience to be evaluated."

Engaging with and getting businesses registered – "For new businesses, every company needs to get familiar with us and how we do our procurement processes, which is why we deliver the training so they can get familiar with how they are doing procurement. Not all businesses are registered on our e-tendering platform."

Barriers Faced by Regional Procurement Representatives



Making Connections and Engaging

The foremost barrier cited by regional procurement representatives was connecting with and involving Indigenous businesses in contracts, and broader Indigenous procurement initiatives. According to procurement representatives, the primary factors contributing to this were geographical, capacity, and regulatory constraints.

"Capacity would be the greatest and that includes both the time I suppose that it takes to build relationships and engage as one should with Indigenous Peoples and take part in and design procurement processes that are more appropriate."

"The municipality cannot run a deficit so we cannot always spend time building the necessary connections within the community at the same level as a province or federal government."

"The FTAs can present a barrier to engaging with Indigenous businesses—which is part of the reason why we introduced the 10% points for Indigenous businesses as a way to counteract the challenges presented by the FTAs."



Several procurement representatives were candid in admitting that they viewed their inability to engage effectively with Indigenous businesses and set reasonable expectations as one of the primary factors limiting their abilities to connect with and involve Indigenous businesses in their procurement efforts.

"We are generally not great at engaging with Indigenous businesses and are not always good at getting feedback from Indigenous businesses."

"It's tough because we go out and promote, and we want to notify them about everything we're working on but then I think there's also an expectation that we're ready to roll with a lot of this stuff a lot sooner than we actually are."

"We need to set reasonable expectations."

Some participants indicated that garnering interest among Indigenous businesses to engage with them or government procurement more broadly can be challenging.

"We'll do community outreach and provide education but businesses are tapped for capacity and they're quite busy in the area with work as there's a labour and contractor shortage so I think taking time away from the work that they're doing to focus on something that's more future opportunity oriented and involves government procurement/contracting, which some businesses are just not interested in for whatever reason."

"Making ourselves attractive to Indigenous businesses when there are larger municipalities nearby is an issue."

Another participant pointed to how the lists of Indigenous businesses maintained by communities are often outdated which can present barriers, and the value of using directories established by Indigenous organizations to navigate around this issue.

"I think the biggest barrier, and the Tealbook (Indigenous Procurement Marketplace) goes a long way to addressing this, but like there was a business directory for a First Nations community in our area that was published and it's not even three years old, but it's wildly out of date. So, it's been hard making those connections to the businesses themselves."

A participant cited high levels of Indigenous erasure and a lack of Indigenous businesses as a factor. While the supposed lack of Indigenous businesses in the greater Toronto area is not proven, the belief in this notion may be indicative of a broader lack of awareness and visibility of Indigenous businesses operating in the area.³

"I think it's worth emphasizing that in the GTA, Peel and Halton regions and so forth there is very high amounts of Indigenous erasure and very few Indigenous businesses operating, so they're not integrated into our networks and so that makes it very difficult to make connections."

Identifying and Verifying Indigeneity

The second most prominent issue for procurement officers in their engagement with Indigenous businesses is their ability to identify and verify them. Some participants highlighted that there are numerous Indigenous businesses in their area, but they have had difficulties getting them to register for their Indigenous business directories or supplier lists. In addition, grappling with the numerous definitions of Indigenous businesses is a challenge, particularly if the definition of an Indigenous business utilized by an Indigenous nation or community does not align with that used by the government.

“The #1 issue would be even knowing which businesses are Indigenous businesses because we have our directory but there’s a lot of businesses that would meet that definition that aren’t registered for whatever reason so there’s an ongoing question of what businesses are out there that aren’t verified, which makes it hard to know who to engage with and sometimes there’s different lists. We were just looking at a First Nations’ webpage and we were cross-referencing their business list with our business list, and we were wondering why none of their businesses were on our directory. Maybe it’s a result of different definitions. So, the whole question around what constitutes an Indigenous business is definitely an issue and hard to get your head around to some extent.”

“Frankly, certification is a barrier as well and since we’re not really working with any businesses that aren’t certified, that’s a major gap.”

“I have concerns about Indigenous businesses actually being Indigenous. It is too simple for people to say that they are but whether they are really is something that concerns me. ‘Should we be checking that to verify or should we just be taking that at face value?’ are the questions I’m constantly asking.”

Lack of Policies, Direction, and Support

Participants further indicated that the third most prominent barrier procurement officers face is a lack of policies, frameworks, direction, and support for Indigenous procurement. The primary factors contributing to this barrier were a lack of policy and written guidelines for people to reference, a lack of funding for these programs, budget and programming cuts, and a limited understanding of the value of Indigenous procurement.

“Our lack of policy, written practice, guidance, and tools is a barrier as well. As I mentioned, there’s lots of grassroots efforts going on within individual departments but there’s not yet a policy that requires it so there’s not any guidance that helps people do that in an appropriate way. Lacking anything central, they do the best they can. Obviously, through our initiative, we’re working to address this issue, but we’re not there yet, and that creates a barrier. People are willing, interested, and wanting to do this stuff but are not necessarily given what they need to do that.”



"I am missing the tools and data to be able to be successful in my role. I have spent almost 5 years trying to build robust dashboards for procurement in the public sector. In the private sector, these are expedited. Compared to the corporate sector, the public sector does not invest enough in the tools to achieve more Indigenous procurement."

"There is a lack of resources to ensure initiatives are sustained and take priority so that procurement is not thought of as a side of the desk activity."

Other Barriers

Other barriers faced by regional procurement representatives included:

Too many places – *"We struggle with the databases, so we're members with five certifying organizations currently, and each one sends a different database every month. I have one individual trying to maintain a central database and then she goes in and updates our e-procurement system—'bids and tenders'—so that the operating department knows who's diverse and who's not. That is a nightmare. That's a nightmare working with them, so we're trying to work with the various organizations to try to make it consistent. But yeah, well, especially when you're dealing with 600–700 suppliers from each of the organizations, that's a lot month to month."*

Creating room for Government-to-Government relationships/ Blurred lines between council and IEDCs – *"There is an important distinction between a government-to-government table and one that includes Indigenous companies. It was hard to draw those boundaries when we first got to the table. They all wanted to bring their development corporations in on the discussions but there needs to be*

a space for government-to-government conversations and confidentiality between that relationship and development corporations. However, that boundary between development corporations and First Nations governments is blurry so it makes things a bit complicated too."

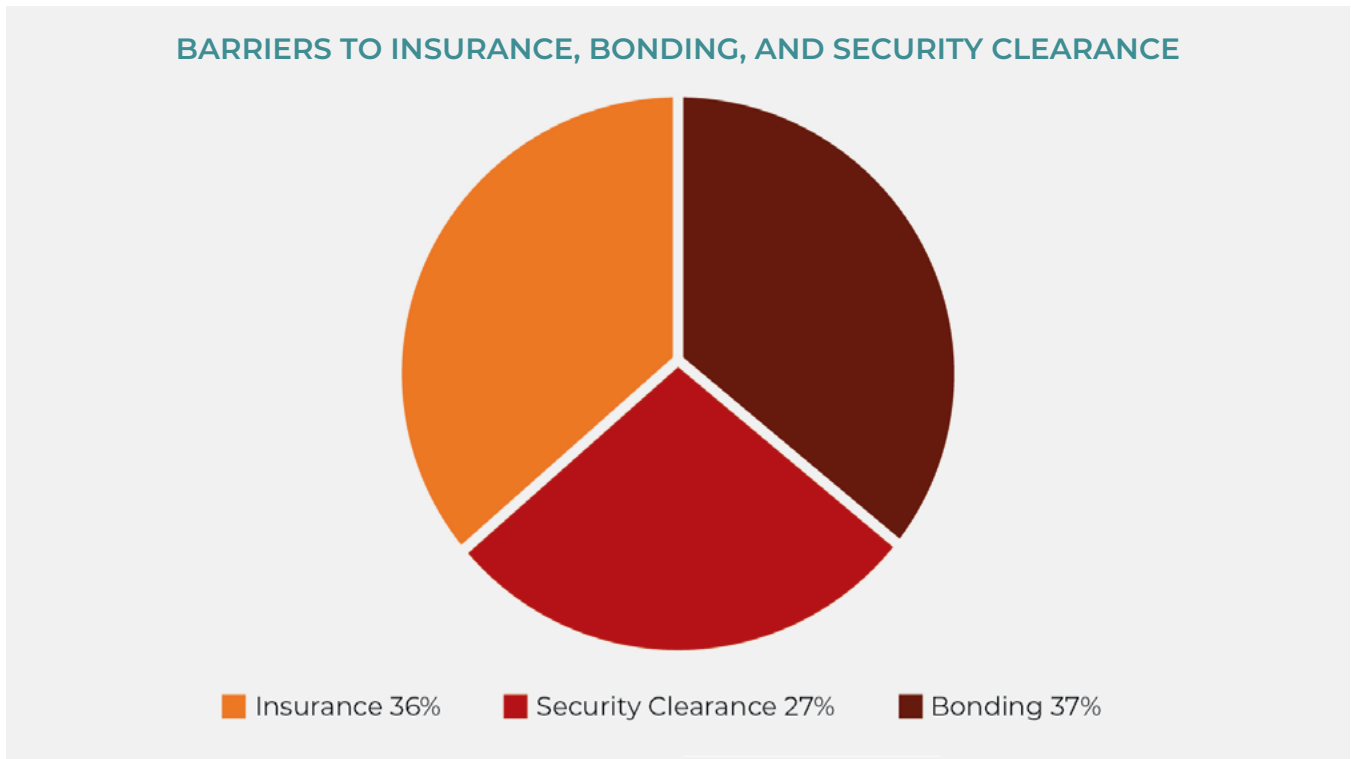
Cultural awareness – *"Cultural agility or cultural understanding is a barrier for me and other government staff. Prior to 2018–2019, I hadn't done much interaction with Indigenous businesses and peoples as well and so understanding the appropriate ways of working with Indigenous peoples is taking some time to develop and will be a challenge for others. Cultural competency is a big piece. We've heard too many stories of really negative interactions that Indigenous businesses had with government procurement and contracting people. Some were inexcusable and some obviously came from a lack of understanding on the part of the government staff."*

Determining best practices and understanding barriers – *"Working to determine best practices – one of the obvious challenges, in establishing the set-aside process in particular, is understanding barriers and challenges that Indigenous companies tend to face."*

The Old Boys Club/ Corruption/Nepotism – *"There's a tendency amongst staff to invite businesses that they've worked with before, which is normal, but it means that businesses that have success, often continue to achieve it but we don't see a lot of new businesses coming into the supply chain over time. And I'm not sure how to solve it."*

Indigenous Erasure/ Overall underserving of the Indigenous population – *"There's an indigenous population here, but it is not well served and we also generally suffer from being beside Toronto—suffer is maybe not the right term, but like, you know, Toronto has the largest indigenous population in the country and generally it's just got that gravitational pull."*

Insurance, Bonding, and Security Clearance



Several Indigenous interviewees cited issues with insurance, bonding, and security clearance, but this was largely dependent on the industry of the businesses.

Businesses in the construction industry were more likely to cite insurance and bonding as a barrier, while those providing services like consulting were more likely to mention security clearance as a barrier. Some did not face any of these barriers due to their industry, such as those in marketing and communications or cultural awareness training.

Insurance

Acquiring and understanding insurance was highlighted as a barrier by several of the Indigenous entrepreneurs interviewed. While Indigenous entrepreneurs generally had easy access to insurance, this accessibility and the premiums therein vary greatly depending on location and the industry in which they operate. One northern-based Indigenous entrepreneur indicated that there are no insurance

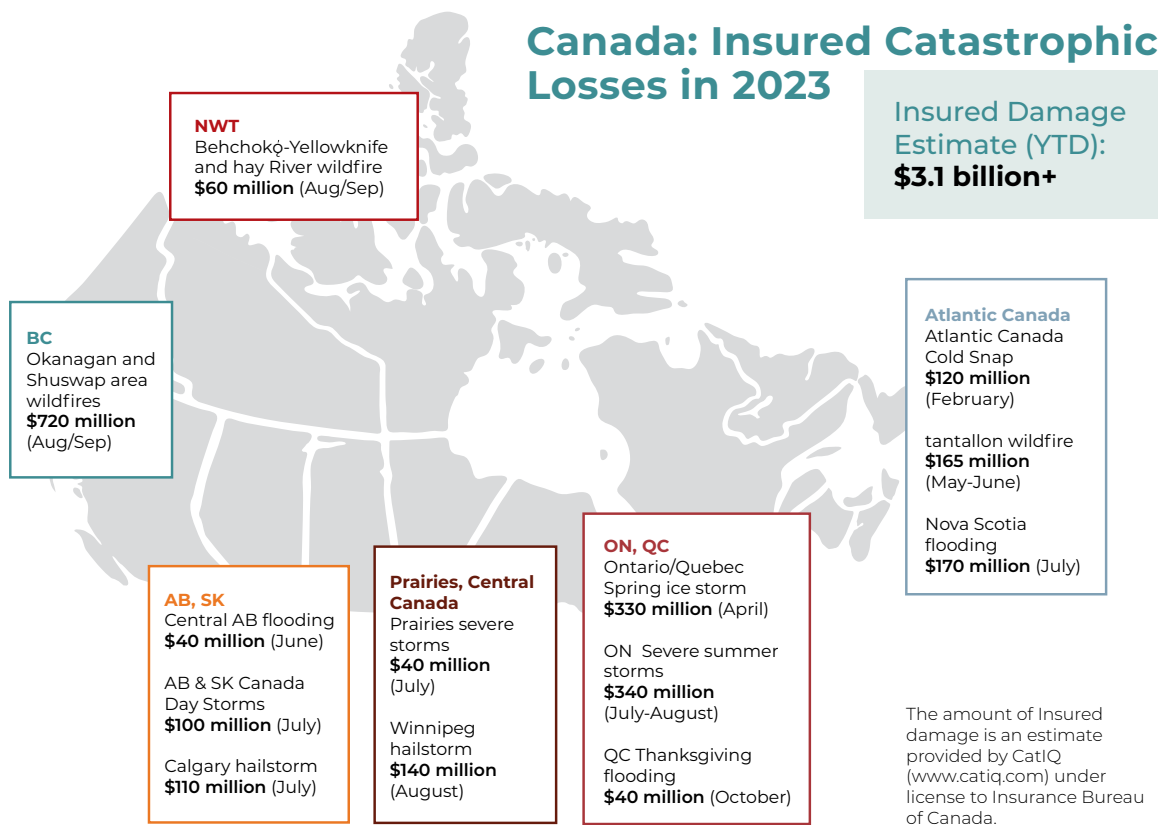
companies in their area, and another indicated that insurance requirements may be too high to match their work.

“The problem in the North is that there are no localized insurance companies that we can utilize. We are forced to go to large insurance firms in the south which can be costly and time-consuming. We just avoid bonding completely and insure ourselves then pay the cost at the end of the year.”

“Sometimes requirements for liability insurance can be a bit high for the work we’re undertaking, and we also had to search for quite a while to find insurance for our business given our industry.”

While not cited by Indigenous entrepreneurs participating in this study, an emerging issue in this space that has an incredibly negative impact on Indigenous businesses and Peoples is the rising costs of insurance and complete loss of coverage in some areas due to massive increases in the frequency of natural disasters like wildfires, droughts, floods, hurricanes, and other severe storm and weather conditions. In 2023 alone, severe weather caused over \$3.1B in insured damage—the third-highest year on record and the second year in a row that this has happened.⁹

Moreover, at least 60% of First Nations reserves are located in areas deemed as a high risk for wildfires.¹⁰ While the federal government’s announcement of the development of a national flood insurance program and calls to develop something similar for wildfires are a step in the right direction, the situation is only getting worse, and the time is now to take proactive action to address concerns before they turn into problems.¹¹ As such, the government must investigate measures like programming or supporting Indigenous-led insurance solutions to assist Indigenous businesses in acquiring insurance for their storefronts and other assets that are normally not protected due to gaps in coverage.



9 Insurance Bureau of Canada. (January 8, 2024). “Severe Weather in 2023 Caused Over \$3.1 Billion in Insured Damage.” <https://www.ibc.ca/news-insights/news/severe-weather-in-2023-caused-over-3-1-billion-in-insured-damage>.

10 Blake, Emily (January 27, 2019) “Wildfire Evacuations have Unique Impacts on Indigenous Communities: Study.” CBC News. <https://www.cbc.ca/news/canada/north/indigenous-wildfire-evacuation-study-1.4993997>.

11 McKenzie-Sutter, Holly. (July 6, 2023). “How Will Climate Change Affect Canada’s Insurance Market?” BNN Bloomberg. <https://www.bnnbloomberg.ca/how-will-climate-change-affect-canada-s-insurance-market-1.1942323>.

Bonding

Bid bonds:

- A written guarantee made out by a third-party guarantor and submitted to a client or project owner. The bid bond affirms that the contractor has the required funds to complete the project.
- Typically, contractors submit bid bonds as a cash deposit for a tendered bid. A contractor purchases a bid bond from a surety, which carries out extensive financial and background checks on a contractor before approving the bond.
- Several factors determine whether a contractor will be issued a bid bond. They include the company's credit history and the number of years of experience in the field. Financial statements may also be examined to determine the company's overall financial health.

Performance bonds:

- A performance bond protects a client from a contractor's failure to perform according to the contractual terms. If the work done by a contractor is poor or defective, a project owner can make a claim against the performance bond. The bond provides compensation for the cost of redoing or correcting the job.

Challenges surrounding bonding:

Several Indigenous entrepreneurs cited bonding or access to surety as barriers to their engagement in regional procurement contracts. Concerns relating to bid bonds were generally centred around the level of bonds set for a given project and the fact that businesses must have at least 30% of the value in their bank or assets that are frozen for the duration of the project.

"There was another project where the Nation hired us directly but it was government-funded and they had their budget, anyways the provincial funder insisted that the project be bonded. Bonding is a big deal. Most construction projects are large, so to have bonding you have to have millions of dollars in the bank. That means with a project of \$5 million, you need at least 30% in the bank or in assets. So if you have multiple projects, you have to have piles of cash sitting around, doing nothing, that are frozen while you're doing this project. Construction is old boys, it's multi-generational firms and families with multi-generational wealth. They can bond but Indigenous companies can't. I can, but I'm an anomaly with an Indigenous business of this size, which I built from nothing. They pretty much stop you from doing a project once you've got the project—you find a way around the project by partnering with a client directly and then they are worried that we're going to mess it up, so they require bonding and that has forced us to give up some projects. The cost of doing business is prohibitively high, making entry impossible."

"Bonding generally advantages the old boys' club and can be used to eliminate Indigenous applicants in favour of those well-established supplier relationships."

These challenges surrounding bid bonds and bonding were also raised by several procurement representatives, further reinforcing the views of the Indigenous entrepreneurs:

“Bid bonds came up a lot when first developing the procurement policy. I think there was a lot of discussion of it being a huge issue, but we could never pin down exactly why there was a barrier to make progress or figure out what solutions might be, it hasn’t come up as a huge issue during my time here but I’m not sure.”

“Our bonding requirement comes in for \$100K construction projects - I think if you’re going to be bidding on that, you want to have grown your business over time. We speak about capacity development and businesses growing and I think that’s kind of the natural course and I think government is wise to take a measured approach to risk management—if you’re going to go into a high-risk, high dollar value construction project you do need assurances around bonding and those things so it’s good to have those measures in place.”

“We haven’t heard too much about issues with bid bonds but those are used almost exclusively in the construction world. However, bid and performance bonds create a barrier for any business that wants to take part in a procurement that has one of those—we heard it from a lot

businesses in construction, timber sales, or resource development.”

“We require bid bonds and other things which can be a barrier—but most navigate around it by entering subcontracting relationships with larger companies.”

It is worthwhile to note that these are not new concerns. In fact, a What We Heard report published by the City of Saskatoon in 2018 refers to the ability to “hold funds for bonds” as an example of the prohibitive expenses faced by Indigenous businesses trying to engage in the procurement process.¹² In 2019, CIRNAC published a discussion paper highlighting the need for “a capital pool and an Indigenous bonding product are available to help Indigenous businesses invest and grow” and “assistance with proposal requirements...like bonding.”¹³ The high/unnecessary value of bonds is frequently cited as a barrier in the literature surrounding this topic.¹⁴ Other challenges related to surety and bonding include:¹⁵

“Lack of access to insurance and other tools like surety bonds prevent Indigenous led companies from participating in housing construction, even in their own communities. Access to tools like surety bonds is a key obstacle faced by Indigenous controlled companies that prevents them from competing with well-established non-Indigenous businesses.”

12 City of Saskatoon. (2018). *Indigenous Procurement Workshop: What We Heard Report*. https://www.saskatoon.ca/sites/default/files/documents/what_we_heard_-_indigenous_procurement_workshop.pdf, pg. 7

13 Crown-Indigenous Relations and Northern Affairs Canada (2019). *Modernization of Indigenous Participation in Procurement: Discussion Paper*. Government of Canada. <https://www.sac-isc.gc.ca/eng/1554219055004/1612130030035>.

14 Institute for Research and Public Policy (March 6, 2023). *“Indigenizing Procurement Policies Must Move Beyond Token Gestures.”* <https://policyoptions.irpp.org/magazines/march-2023/indigenous-procurement-policies/>.

15 Canada Mortgage and Housing Corporation. (2021). *Alternative Financing for Indigenous Housing*. Government of Canada. https://publications.gc.ca/collections/collection_2021/schl-cmhc/nh18-33/NH18-33-39-2021-eng.pdf, pg. 3.

“Surety Bonds prevent economic participation by community owned companies. Profits from these companies help to cover community infrastructure such as water and sewers as well as new housing, non-payment of housing and maintenance.”

“Typically, surety bond requirements include minimum years of experience (e.g., 5 Years of work, multiple large sized projects); enough assets in the company; well experienced employees and previous work history as company directors, and lines of credit (not by the band but a financial institution).”

“Without a bonding facility, Indigenous community-owned construction companies are at a disadvantage economically to other companies who have already obtained bonding facilities and/or a line of credit worth up to 10% of the value of the job.”

“Surety bonds are one of the only ways Indigenous-owned companies can compete for large housing contracts at the provincial and federal level. The requirements for credit history creates a circular logic preventing inclusion.”

There have been numerous calls for change in this space. In 2021, several Indigenous political and economic leaders endorsed the development of additional insurance products like construction-related surety bonds to enable Indigenous construction companies to compete for housing contracts. In 2022, the First Nations Financial Management Board's (FNFMB) Roadmap report called for “more complete insurance coverage for First Nation governments, Government Business Enterprises, and Indigenous private businesses.”¹⁶ FNFMB indicates that this can be achieved by making it easier for Indigenous businesses to be bondable through the development of an Indigenous-owned model that could issue surety bonds to companies or entrepreneurs to “provide consumers greater assurance that they will be protected from potential damages or loss, which will improve business growth, procurement, and revenue for Indigenous companies.”¹⁷ They also highlight that “fidelity bonds” could be issued to business owners, which would help them hire and retain more staff and ultimately pursue more and larger projects.¹⁸

16 First Nations Financial Management Board. (2022). The RoadMap Project: Chapter Six: Strength Through Working Together. https://fnfmb.com/sites/default/files/2022-11/2022-11-14_roadmap_chapter_6_strength_through_working_together.pdf, pg. 33.

17 Ibid.

18 Ibid.

Example: Indigenous Business Australia – An Indigenous-led bonding intermediary¹⁹ <https://iba.gov.au/business/finance/performance-bonds/>

While there are no present examples of Indigenous-led bonding intermediaries in Canada, Indigenous Business Australia (IBA) fills this role in Australia for Aboriginal and Torres Strait Island peoples. IBA can help businesses by issuing performance and warranty bonds; however, it does not provide rental or bid bonds.

Lower security requirements: The primary benefit of IBA's offering is that it has lower security requirements than what banks usually require.

- Cash security of 20–50% of the bond value (versus 100% required by banks)
- Guarantees of key directors/shareholders

Benefits and features:

- Less cash tied up in bond security
- Lower costs and security requirements

Rates and fees: Users pay a premium of between 1.5–3.5% annually based on their credit assessment.

Security Clearance

Some Indigenous entrepreneurs cited challenges in acquiring security clearance. However, this was not seen as a significant barrier, particularly in the provincial and municipal context. Those who cited it as a barrier indicated that partnering with larger companies or forming joint ventures assisted in navigating these requirements. Participants also noted that the time, costs, and complexities of acquiring security clearance present a barrier to their ability to acquire it, as well as aspects like the requirement for clean criminal records.

“We looked at a proposal that required security clearance and JV'd to get around this in our bid.”

“The time, costs, and complexity of acquiring security clearance is a serious barrier. You need to submit applications for the entire team, clean criminal records, and everybody that is involved in the project needs this clearance which can complicate the process to the point of aversion. Partnering with a larger company can make it easier to acquire security clearance.”

Provincial, territorial, and municipal procurement representatives highlighted numerous wise practices relating to areas such as developing and implementing Indigenous procurement policies, awareness and communication, relationships and engagement, accountability and reporting, and education.

¹⁹ Indigenous Business Australia. *Performance Bonds*. <https://iba.gov.au/business/finance/performance-bonds/>



Wise Practices

Summary of Wise Practices	
Engagement, Development, and Implementation of Indigenous Procurement Policies (Processes)	<p>Engagement</p> <ul style="list-style-type: none"> • Roundtables • Indigenous Advisory and Monitoring Committees <p>Development</p> <ul style="list-style-type: none"> • Simplification • Capacity development • Supply chain data • Indigenous spend targets • Indigenous business definitions <p>Implementation</p> <ul style="list-style-type: none"> • Centralization • Change management • Leadership
Incentives, Measures, and Evaluation Criteria	<ul style="list-style-type: none"> • Set-asides and incentives • Bid value reductions • Invitationals and direct award • Low dollar value direct tenders (LDV)/ unbundling • Partnerships • Evaluation
Awareness and Communication	<ul style="list-style-type: none"> • Communication • Sharing opportunities • Early notice • Devolution
Accountability and Reporting	<ul style="list-style-type: none"> • Public and internal reporting • Success metrics/KPIs • Internal accountability measures • Auditing
Education	<ul style="list-style-type: none"> • Internal training • Training for Indigenous suppliers • Tailored support • Feedback

Engagement, Development, and Implementation

Engagement

For many of the procurement representatives interviewed, engagement was the most important wise practice and was perceived as the cornerstone of any meaningful Indigenous procurement policy.

Practice: Conduct roundtables and gather the perspectives of Indigenous Peoples, communities, and businesses

To inform the development of their Indigenous procurement policies, several procurement representatives conducted roundtables to gather the perspectives of Indigenous entrepreneurs and communities. These often entailed publishing “what we heard” (WWH) reports to ensure broader awareness and transparency around the findings and efforts, which was considered important to ensuring trust.

“The most important part was getting the First Nations at the table and getting them engaged. It was important to find a really good group that is willing to commit resources to first relationship building, which was the first part of the policy development, a lot of difficult conversations and figuring out what’s in scope and out of scope and developing the policy from a blank page and taking a policy development approach together by developing options papers, looking at benefits and drawbacks, and going through the whole process together.”

“We do engagement sessions with Indigenous ec dev reps, communities, and businesses with breakout rooms. Difficult questions asked and passionate responses shared. Barriers and risks and ways to improve the system. We then published a WWH report on these sessions to help guide future policy and programming.”

“To sum it up, talk more, give more time, and involve Indigenous peoples at every step of the procurement process.”

Practice: Establish Indigenous Advisory and Monitoring Committees

Many of these jurisdictions opted to implement these policies of their own volition, which may be contributing to their willingness to consult and take more of a “by-Indigenous, for-Indigenous” approach throughout the process. These procurement representatives highlighted the importance of hearing Indigenous businesses and communities’ truths and ensuring that their efforts are informed by this from the outset. They also pointed to the importance of keeping communities aware and providing updates throughout the process, both to ensure awareness and accountability.

“We have a working group comprised of several Indigenous representatives. To support their capacity, we do a funding agreement with an Indigenous representative organization in the area, they hire a consultant and the consultant prepares the nations and does legwork behind the scenes to corral opinions and get people briefed so that they are informed and able to meaningfully engage. They have a separate group which normally holds meetings beforehand so they can be on the same page and air all of their different opinions. Obviously with so many Indigenous nations everyone’s going to have a different view and opinion, but some coordination is required if we’re going to get anything across the finish line. Those have been very effective practices – there was a promise to the working group that it would stay active because we put in lots of work to get it finished but knew that there was also more work involved in implementation. With implementation, continuing the working group helped us manage those implementation challenges that we expected to come up and those that we didn’t expect. We have also continued to fund that resource through the Indigenous organization.”

“What we heard most consistently is not to do the typical government thing of go out and talk, produce a WWH, go behind closed doors, and either not do something or come out one day with something developed without Indigenous consultation. Indigenous peoples need to guide all of the work that is coming, determining how and what should be implemented, and in what order – which is the stage we’re out with our Indigenous Advisory Committee”

“We have an Indigenous Advisory Committee with three MOU partners—comprised of various Indigenous nations and representative organizations—who’s reach essentially touches upon all of the Indigenous nations in our area already.”



Development

When developing Indigenous procurement policies, procurement representatives indicated that it is important to utilize simple language, evaluate and support the development of Indigenous business capacity, assess the involvement of Indigenous businesses in the supply chain, utilize this information to set informed and practical Indigenous spend targets and collaborate with Indigenous partners to develop a working definition of Indigenous businesses to ensure that this spend is going to the right parties.

Practice: Utilize simple language

Procurement representatives indicated that utilizing simple language is integral to ensuring the success and effectiveness of Indigenous procurement policies. To these participants, the complex and jargonistic language simply does not work and does not serve the interests of Indigenous entrepreneurs or buyers looking to purchase from them. Clear language was also viewed as being important to ensuring uptake and effective change management.

“We attached simple language to our policy. We realized that the pages in length approach to procurement did not work so we made it simple and said the city will seek and participate in Indigenous or social procurement as those opportunities arise.”

“Having a clear policy language, strategy, and road map is important.”

Practice: Evaluate and support the development of Indigenous business capacity

Several procurement representatives highlighted that to meaningfully involve Indigenous companies in procurement and ensure their success in the process, buyers must conduct research and work to assess the capacity of Indigenous businesses in their area. Efforts to build the capacity of Indigenous entrepreneurs to engage in the processes themselves, such as education and training, were also viewed as valuable.

“It’s important to understand the capacity of the local Indigenous economy—going out and doing research, what companies are out there, and their capabilities.”

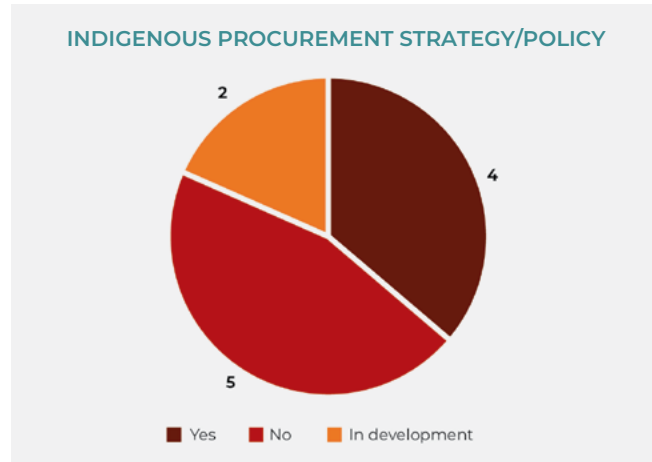
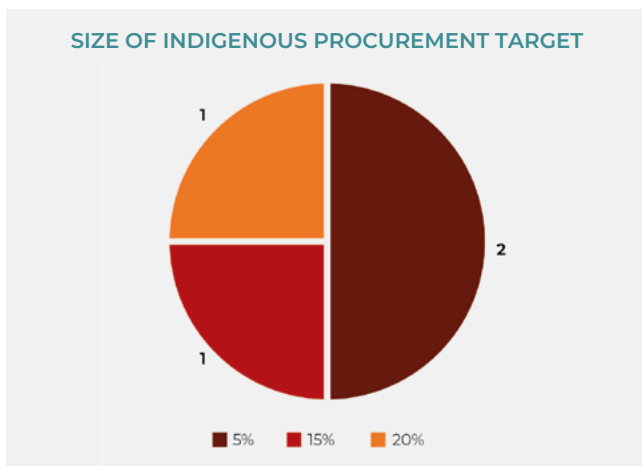
“Capacity is a challenge for all businesses really but it’s something we heard. Most don’t exist to respond to RFPs—they exist to deliver some kind of good, service, or construction. So, when the province comes out with very long, complex, jargony procurement’s—either the capacity to find and respond to the opportunity is rarely there because it takes so much time, effort, and money, frankly, to respond to some of these, or there’s just not the time. That creates great barriers for Indigenous peoples and other to participate. When government goes out and releases a 300-page RFP and expects a response to it in 30 days, that’s not really reasonable. So that’s where that advanced and more communication before procurements hit the street could be really helpful.”

Practice: Assess the involvement of Indigenous businesses in your supply chains

Beyond merely assessing business capacity, most procurement representatives highlighted that assessing the involvement of Indigenous businesses in one’s supply chains and their success and setbacks was integral to ensuring the success of the policy and to setting informed and practical Indigenous procurement targets.

- “It’s important to track KPIs and understand the engagement of Indigenous businesses in your supply chain so you can tailor your efforts.”
- “Data is super important and there’s a lot of issues with data management that are hard to solve, especially when your processes and buying is not centralized.”

Practice: Set informed or practical Indigenous spend targets



While the majority of government’s interviewed did not have Indigenous procurement targets in place, those that did or were developing them pointed to their value in incentivizing Indigenous participation, demonstrating commitment, and ensuring accountability. However, they also indicated that it was important to set informed and actionable targets that should be viewed as starting points, not finish lines.

- “We have also set a 5% Indigenous spend target. By 2026, we think we will achieve 5%. Once we reach this, we will continue to build on it. It is not a plateau. By the time we get to 20% this will all be a non-conversation. It will be engrained in how business is done, it’s the creation of a new norm.”
- “We chose this as our target due to analysis that we have done on business capacity and federal government mandates. We have set a more realistic starting point and are currently more focused on trying to build relationships.”

Practice: Utilize existing Indigenous business definitions and work with Indigenous partners to develop definitions where required

To clarify what comprises an Indigenous business for procurement purposes and ensure that the benefits of these initiatives flow to the right individuals, procurement representatives indicated that creating a working definition of what constitutes an Indigenous business was of utmost importance. Significant diversity surrounded the definitions used and the reasons for their utilization. However, there was nearly an even split between those who wanted a uniform definition that could be applied across the board and those thinking there couldn't be a one-size-fits-all approach to the definition of Indigenous businesses and that there is value in having different definitions depending on different regional contexts and intentions. This should involve utilizing the definitions of Indigenous nations and organizations like

CCIB and leaning on them for verification while developing tailored definitions with Indigenous partners such as Indigenous nations, businesses, and organizations where it's relevant given their specific circumstances and rights.

"To develop our definition of Indigenous businesses, we worked with Indigenous partners to identify one (51% owned and controlled) that worked for them and then enshrined it in our policy."

"We don't get involved in defining what an Indigenous business is, we defer to the nations on that."

"Defining Indigenous businesses as 50% ownership and control allows for greater flexibility and partnerships. Although, we are looking at aligning more closely with the federal government."

Implementation

For many procurement representatives, there was "an important shift and you need to be ready. You need a different skill set to do implementation and a different mindset." However, this stage was viewed as being just as important as the previous ones given the importance of effective implementation to delivery on policy commitments.

Practice: Centralization of Indigenous procurement processes and opportunities

Given the challenges identified in previous sections surrounding the number of places for Indigenous entrepreneurs and procurement officers to go to identify and share opportunities, it is unsurprising that many procurement representatives

viewed the centralization of Indigenous procurement processes and opportunities, including the tracking of spend, as being integral to effective Indigenous procurement efforts.

"Streamlining and centralizing the process of identifying procurement opportunities will be a key aspect for us."

“One of the challenges we have is that our procurement is very decentralized. We don’t have one central group that’s running procurements. Each individual ministry is likely going to have its own procurement area but particular procurements could still be going in within certain branches. There’s no kind of coordinated, consistent way that procurements are conducted here and no consistent way that the communication is going on. There are certain branches and ministries that have strong, ongoing relationships with individual FNs or groups of service providers and communications can happen through those channels.”

Practice: Change management

Change management is also considered important to ensuring the effective implementation of Indigenous procurement policies.

“In terms of direct spend, change management has been a success. It has allowed us to ensure high compliance with our social procurement program which is inviting Indigenous and other diverse suppliers to bid. It’s an important first place to start, if people that are buying goods and services aren’t engaging with Indigenous, black, and other equity-deserving business you’re not going to have success. “

“This work isn’t a sprint by any means, it’s more of a marathon and there’s lots of culture change that has to happen within the BC government as well—it’s happening, but any sort of culture change takes it’s time.”

Practice: Ensure strong leadership

Several procurement representatives highlighted the importance of strong leadership and support from the top in effectively implementing Indigenous procurement policies and ensuring their success.

“I think that in government sometimes we can get a bit of analysis paralysis and our senior leaders were very good with keeping peoples feet to the fire and setting aggressive targets so that innovation had to happen and that we had to implement things that weren’t necessarily perfect and kind of figure things out along the way. As much as you plan things and go through every scenario, I think you get so much more data when you actually start implementing things. That’s a challenging way to do things, it’s a wild ride, but I think it’s needed sometimes to just kind of try and accept that things are not perfect and accept a bit of risk.”

Incentives, Measures, and Evaluation Criteria

Nearly all procurement representatives indicated that utilizing specific incentives, measures, and evaluation criteria as a means to promote Indigenous engagement was key to the success of Indigenous procurement efforts.

Practice: Establish set-asides and incentives for Indigenous engagement and involvement

In terms of direct incentives, several procurement representatives indicated that they have established specific set-asides and bonus points for bids involving Indigenous businesses and Peoples. These were viewed as important to socializing the value of Indigenous procurement/involvement to larger corporations while also creating additional opportunities for smaller Indigenous businesses that otherwise may be unable to engage because they can not provide a competitive price/value in terms of the lowest bid when compared to larger corporations.

“Suppliers are able to provide an indication that an Indigenous-owned business is either involved as a bidder, subcontractor to a bidder, or they’re including Indigenous employment. Reductions/factors are stackable—if you’re 100% Indigenous-owned and include Indigenous employment. However, it’s based on the dollar value of the work that you’re completing. The simplistic version is that if you’re an Indigenous-owned business you can get a 15% reduction on the dollar value of the work you are performing, and then if you include Indigenous employment, you can get a further reduction to your bid for evaluation purposes.”

“The 10% award of points in RFPs, contracts, and tenders creates a greater awareness in the market and incentivizes participation. Companies are also incentivized to engage with Indigenous businesses and support Indigenous communities. The 10% can provide a huge advantage and increase bid competitiveness.”

Government of Yukon – Bid Value Reductions ²⁰

“Bid value reductions are a tool within the policy that increase the competitiveness of bids that have Yukon First Nations participation.

This means that if a bid has Yukon First Nations participation, we reduce the bid price accordingly when we evaluate the tender. The reduction in price is only for the evaluation process, not the contract amount.

For example:

- you are a 100 per cent owned Yukon First Nations business;
- you will be completing all of the work on the contract; and,
- you bid \$100,000.

We'll reduce your bid by 15 per cent and evaluate your bid at \$85,000. We only reduce the amount during the evaluation process to make the bid more competitive. The actual contract value is the original bid amount of \$100,000.

Types of reductions

There are 3 types of reductions:

- Yukon First Nations business ownership;
- Yukon First Nations business location; and
- Yukon First Nations labour.”

Practice: Utilize invitationals and direct awards to increase the involvement of Indigenous suppliers

Most procurement representatives highlighted that they utilize invitationals and direct awards under certain thresholds, generally \$25K–\$100K, to increase the engagement of Indigenous businesses in their supply chains.

“We utilize invitationals to increase the engagement of Indigenous businesses and other diverse suppliers.”

“Revised strategy to now include limited competition or direct procurement to better support Indigenous procurement.”

²⁰ Government of Yukon. *Bid Value Reductions*. <https://yukon.ca/en/bid-value-reductions>.

Indigenous entrepreneurs' perspectives

“Sole sourcing is the only way. Our day to day is just pushing a rock up a hill and when you get to the top the big boot of procurement kicks the rock down the hill and you’ve got to start over again. One of the godsend of being Indigenous is that we’re a pretty resilient people, but I can tell you as an Indigenous person that we don’t have the financial resilience to keep going back through procurement because these bids are expensive. Especially when you’re a business going after contracts of this magnitude, you can easily spend \$100K on a bid – you can’t do that on a every other week, month, or year while the government figures it’s stuff out.”

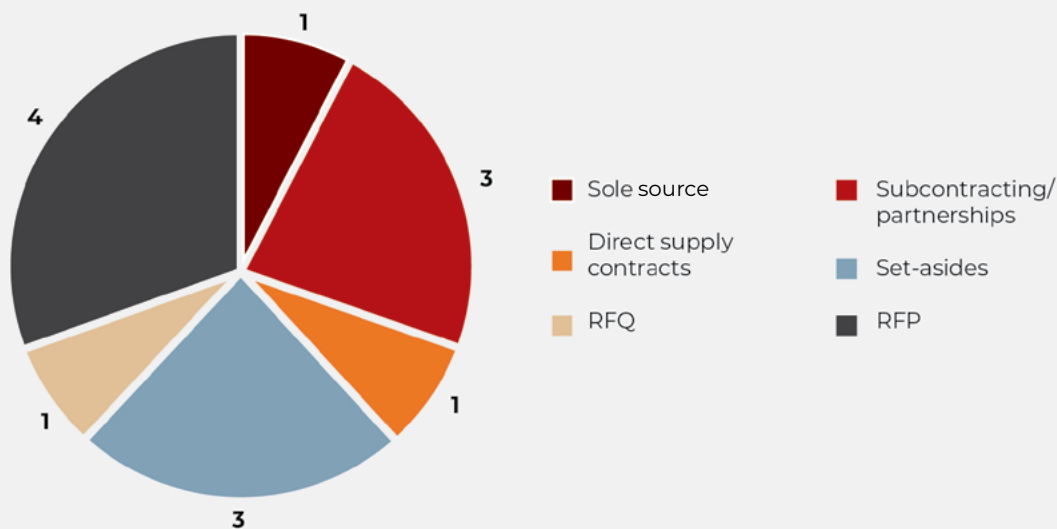
“We started our with RFQs, now we pursue any RFP that is related to affordable housing because their business offering aligns nicely with this need.”

Practice: Utilize LDV and unbundle contracts where reasonable

Some procurement representatives also pointed to the use of low-dollar-value contracts and unbundling as a valuable tool for facilitating Indigenous engagement. However, sentiments were generally divided between those concerned by the risks posed by unbundling and a lack of opportunity for long-term growth/cash flow compared to those viewing LDV contracts as an opportunity to introduce Indigenous businesses to procurement and develop their capacity to engage in larger contracts.⁴

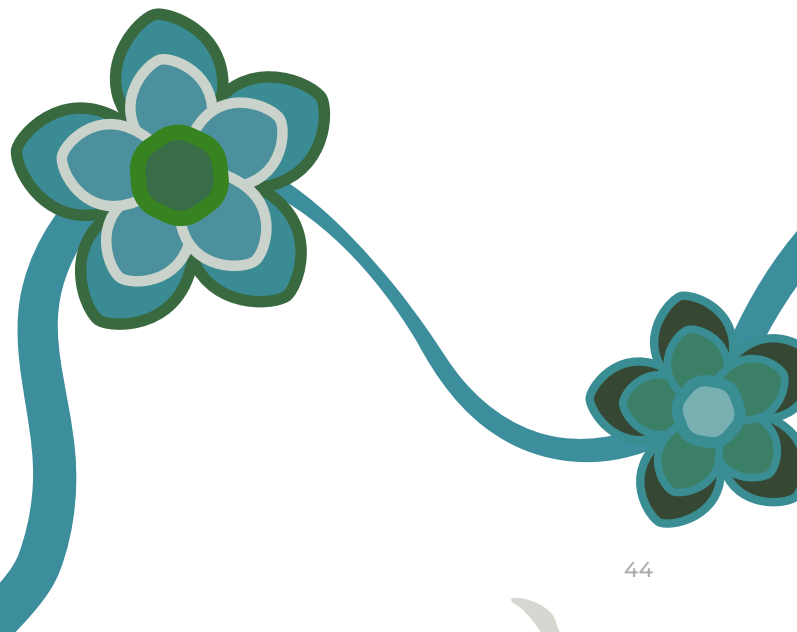
“In theory, it’s good to target LDV contracts because there’s a lot of them, they’re generally easier to meet the specifications for because the volumes are lower, the RFQs is much easier you’re just submitting a bid and there may be some mandatory technical aspects. They’re also only done through email so it’s a bit easier to navigate and engage with than the systems.”

TYPES OF OPPORTUNITIES



“We’re looking at unbundling. Unbundling is more challenging than it appears on the surface. From where I sit, I don’t manage projects and don’t have good visibility into when decisions are being made about unbundling and how. We provide guidance about the types of considerations that you would need to make in order to unbundle. We’ve also added a basic tracking mechanism that asks if contracts have been unbundled or not. The origin of unbundling needs to be at that stage while you’re seeing anticipated projects and identifying that an Indigenous business can do the work. It has to be a proactive identification, we don’t always know what Indigenous businesses are out there, or what their capabilities are. There are also barriers for Indigenous businesses to actually make sense of the information we provide about upcoming projects to understand whether or not they might be able to do that work or would be interested in it. We’re just starting the process and I’m not sure if it’s an easy win—it sounds like it would be an easy win but in practice it’s actually very challenging. It’s very circumstantial. You also have to think about it in terms of the whole project and like from a government perspective we’re trying to figure out if this piece can actually be done separately or if it creates too much risk to our schedules, timelines, or liability to have two different contractors responsible for two different components. So, it’s a sequencing question, and a roles and responsibilities question when you’re talking about separating work out. So, all of those pieces have to be considered.” “You could be increasing the administrative

burden and the risk. For example if you have one business do the site preparation but have another do the building you could run into problems. If the site preparation gets delayed, you might face delay claims from the builder because the building was contingent on it and the site is not ready in time. There’s also various financial, safety risks, and other factors that come into play when you’re talking about separating work.” “Freedom to engage is important to us. With invitationals or below \$25K, purchasing managers have the authority to acquire that pretty much on their own. So it’s a chance that when there’s an opportunity having that relationship with the local First Nations and saying, hey, we’re looking for this and just being able to make that phone call and being put in touch with the local businesses and again accessing the teal book in those situations is helpful. It’s important to have the ability to be able to rely on relationships so that you’re not just some stranger calling.”

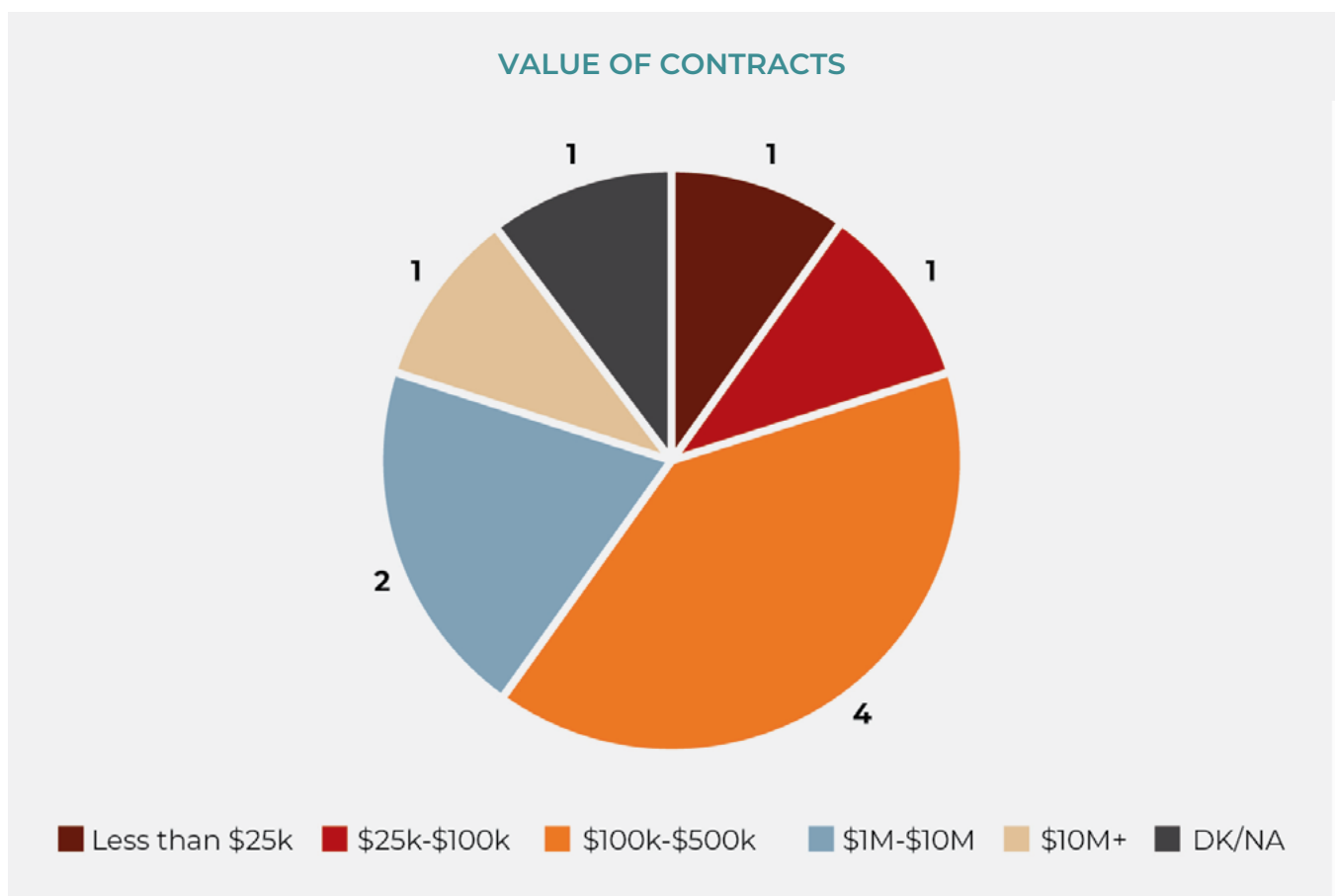


Indigenous entrepreneur's perspectives:

For Indigenous entrepreneurs, while LDV contracts were valued by some because they were easier to engage with from an administrative perspective, most of the participants were searching for longer-term contracts with higher values as these provided an increased opportunity to retain employees and grow. This is reinforced by the fact that most Indigenous entrepreneurs indicated they sought contract values of at least \$100K.

"About 40K or less depending on the thresholds is ideal due to how streamlined the process is. There is often no RFP required and they are able to be awarded directly to the applicant pending a quality bid."

"Multi-million, multi-year contracts are ideal, they allowed us to keep staff and continue to build capacity internally."



Practice: Incentivize meaningful partnerships and contractor/subcontractor relationships

Several procurement representatives pointed to the value of incentivizing meaningful partnerships and subcontracting relationships through set-asides, Tier 2 requirements, and other

incentives. However, many also indicated that these processes must be stringent enough to eliminate bad actors and ensure that these contracts are going to entities legitimately engaging in the process and adhering to their commitments.

“One of the policy goals is partnership so we are seeing some Indigenous and non-Indigenous business partnering and making different kinds of arrangements, mostly through subcontracting not necessarily as JVs. They can access incentives through subcontracting, not only through more formal business structures.”

“We often see contractor/subcontractor relationships developing between Indigenous and non-Indigenous businesses. We don’t track that by any means, but it may be done at the ministry level. However, it’s a bit of a double-edged sword always—there are pros and cons to encouraging Indigenous and non-Indigenous businesses to partner up. There are circumstances that can lead to abuse of that relationship in a way, where you may have a non-Indigenous business that perhaps in name only has an Indigenous business as a subcontractor just so the non-Indigenous business can get its foot in the door and meet some Indigenous content or employment criteria and then the actual benefit doesn’t flow through. That can happen. We’ve also heard of circumstances where by partnering with non-Indigenous businesses that were larger, that they’ve been able to build capacity and expertise and strike out on their own and partner with other companies and find great success.”

“We’re seeing it a lot more and it’s something we definitely encourage—we want to see more Indigenous subcontractors on things like major construction projects for sure. We’ve been meeting with various Indigenous nations and ask them to share a list of their member companies and through that exercise we’re seeing lots of JVs between Indigenous and non-Indigenous companies.”

Practice: Evaluating elements beyond price and a revision of evaluation criteria

To further increase Indigenous businesses’ engagement while also providing better value for money, several procurement representatives highlighted the need to consider the increased socio-economic benefits that emerge through Indigenous procurement and re-define best value to enable procurement to function as another means for governments to deliver on their broader commitments and obligations in a cost-effective manner.

“Recently, we launched a suite of RFP evaluation criteria and contract requirements—we are going to evaluate bid submissions based on history, status of offering employment, subcontracting, training, and apprenticeship opportunities to Indigenous peoples. For Indigenous companies bidding, we straight up ask if they are an Indigenous company, they will have to verify, and once they verify they will get some additional points just for being an Indigenous company.”

“We generally focus on elements beyond price. We’ve started moving towards ESG scorecard system that includes Indigenous considerations to ensure that engagement is meaningful.”

“We don’t need to evaluate them based on special factors. It’s not part of our evaluation process, it’s just giving them a seat at the table and then once it’s at the table, it’s a fair playing field. That may be our step phase two approach. What we’ve always talked about it is implementing something similar in our over \$100K procurements where we may allocate a certain percentage to diverse suppliers, but we’re not there yet.”

Awareness and Communication

Regarding best practices for awareness, communication, and engagement, regional procurement representatives highlighted the importance of holding engagement sessions and roundtables, establishing Indigenous advisory and monitoring committees, communication, and providing early notice of opportunities.

Practice: Create open lines of communication and ensure awareness of opportunities

All procurement representatives highlighted the value of increased communication and holding sessions to raise awareness of their efforts among Indigenous entrepreneurs and communities.

“Undoubtedly, a best practice would be MORE communication, MORE oral communication, and MORE advanced communication relating to timelines for individual procurements.”

“More communication, more recognition needed, and more adaptation regarding capacity.”

“We ensure lots of communication with Indigenous partners in the process. Public procurement does not communicate their opportunities very well, so this is something that we are trying to combat by building the foundations of a decent policy, reporting, and processes to ensure its success.”

“Matchmaking sessions—gives the department an opportunity to meet some suppliers before they have that procurement. Reverse vendor trade shows—marketplace style, have suppliers come in and introduce themselves which gives the operational dept. an opportunity to meet and learn more about them. Has helped to break down walls and get suppliers in the door.”

Practice: Post opportunities online and engage directly with Indigenous businesses to involve them

Procurement representatives indicated that they primarily communicated opportunities through e-tendering platforms such as MERCs or government-operated ones. For Indigenous entrepreneurs and contracts below a certain threshold, they engaged in direct outreach to facilitate their engagement where possible, but this was generally restricted by requirements and regulations.

“We utilize our provincial e-tendering platform, so they need to be registered in order to get private invitations.”

“We promote our opportunities primarily through relationships—we do a lot of direct awards and set-asides so we wouldn't be doing that on a public tender.”

“You have to be forthcoming with what we're trying to establish for an Indigenous procurement program and doing so by going out to all of these organizations that we know work with Indigenous companies and promoting it that way.”

Practice: Provide early notice of opportunities wherever possible

Most procurement representatives indicated that their jurisdiction made efforts to provide early notice of procurement opportunities where possible and that this served as another one of the cornerstones of any strong policy. Participants highlighted that early notice was a topic of frequent discussion and that it was valuable as it afforded Indigenous entrepreneurs and communities to be aware of future projects and develop the skills, capacity, or partnerships required to meaningfully partake in the opportunity

and derive optimal benefit. Methods of providing early notice varied widely, but they were generally centred around direct outreach and communication, the posting of quarterly, annual, or multi-year outlooks of planned procurements, ideally broken down by community or traditional territory. Early notice was particularly cited as a consideration for large-scale projects providing substantial economic benefits.

“Another piece that is in our policy is early notification. During the development of the policy, it came up a lot. Indigenous nations wanted to know what projects were going to be coming up in their territories, early enough that they can get involved in planning and decision-making. A policy measure developed to address that includes annual meetings to share planned projects in communities.”

“It's important to involve Indigenous peoples early in the procurement processes—not just for communication purposes, but so that Indigenous peoples can provide input and help guide the procurements that are coming out, especially if they are procurement's that affect Indigenous peoples disproportionately, perhaps, one way or another. So if we're talking about delivery of services primarily to Indigenous peoples or to communities that have large Indigenous populations, those people should have some ability to have their input factored into the procurement one way or another. Involve them early, involve the people that are affected early – don't bring them in after the RFP has already been issued because that's too late. Don't bring them in to evaluate the responses to the RFP if they weren't involved in the development of the requirements or the evaluation criteria.”

“We post a 3-year outlook on what is coming up and what they might need in the future as far as procurement goes, giving early notice.”

Practice: Devolution of Indigenous Business Directory administration to Indigenous entities

Another measure cited by some procurement representatives was the devolution of the administration of their Indigenous business directories to Indigenous entities/organizations. They viewed this as increasing trust, which carried over to effectiveness in that more entrepreneurs engaged than otherwise would have. Moreover, several did not view it as their government’s place to administer these directories and determine which Indigenous businesses could engage in their procurement processes.

“The list of Indigenous businesses in our area is administered by one of the Indigenous representative organizations in our region. We’ve

found that having them involved as the face and doing the administrative work has been really effective. They could also play a role in promoting procurement opportunities. Part of the reason for success of this list may be the incentives that are in place for businesses to get on the list, but I also think that it being an Indigenous organization that is managed and led by Indigenous peoples and tied into the business community, makes it an easier touch point for Indigenous businesses whereas they may be a bit more reluctant to engage in that process with government employees. They just have a better pulse on the Indigenous business community in general so I definitely think that’s contributed to the success of the list of Indigenous businesses in our region.”

“The onus ideally would be put on Indigenous peoples and organizations to formulate their own accreditation service.”

Accountability and Reporting

Practice: Ensure reporting on progress, internal at first and eventually public

Many participants engaged in reporting their Indigenous and broader procurement efforts; however, only a few indicated that these were publicly available. Those who conducted internal reporting indicated that this was primarily valuable for tracking the progress of efforts and ensuring accountability. The frequency of this reporting varied widely, from a month to quarterly or even yearly for internal reporting and often once or twice a year for public reporting.

“We track it and report on it quarterly to the city council. We have an Indigenous Procurement Committee which likely publishes it, as they are responsible. Having the committee and a specific team has been very helpful. There’s proper follow-up so it keeps people on track towards meeting the targets. Quarterly, we have meetings with Indigenous vendors to let them know about what they’re doing, current progress, and future opportunities.”

“The reporting for our sustainable procurement program is just internal, actually, it’s not even to Council because of the Invitational program. We’re just starting off with piloting it. So, we just did our reporting for the first year and now we’ll be doing it for the second year coming soon hopefully. But yeah, it’s just internal right now.”

Practice: Establish metrics of success and Key Performance Indicators (KPIs), and consider socio-economic factors

While all procurement representatives highlighted the importance of utilizing KPIs such as the number of contracts awarded to Indigenous businesses, in what areas, and their value, some also highlighted the value of tracking broader socio-economic factors.

“Beyond your average KPIs we look at things like whether this is increasing Indigenous participation in the workforce, the creation of businesses, and other socio-economic impacts.”

“After each project, we must evaluate the performance of a vendor. During that, the project team will look at things like how they involved an Indigenous vendor, etc—but this process only allows them to suspend a vendor. The additional points for Indigenous businesses and employment are also a measure directly implemented to ensure consideration of those socio-economic impacts.”

“We look at things like how many contracts were awarded to diverse suppliers, calls issued, certified, delivered, submitted a bid, how many were invited, the dollar value of spend with each of those organizations and the percentage of the total, and how many are registered with the city. We don’t really look at the socio-economic impacts right now, but may in the future, if at all.”

Practice: Establish departmental targets and internal accountability measures

Some procurement representatives supported the value of establishing internal accountability measures insofar as they would ensure consistency and additional progress; however, none had specific examples of measures to provide as they had not implemented any.

“That (internal accountability measures) will likely come once we have set targets for each department and that will likely look different for each department as some do more contracting and in areas where Indigenous business capacity exists. You have to take a nuanced approach.”

Practice: Audit partnerships and JVs to ensure legitimate Indigenous involvement or delivery on commitments

Most procurement representatives highlighted the importance of auditing partnerships and joint ventures to ensure that commitments are being delivered upon and the benefits are flowing to the correct entities. However, while many viewed this as being of immense importance, few had specific examples of how these auditing process would work in practice beyond declarations and written agreements.

“We have a statutory declaration that contractors sign identifying that they’ve met their commitments. There are definitely some outstanding questions regarding enforcement of contract obligations. I can’t say we’ve addressed all of them at this point.”

“It’s not currently in place and I can’t say for sure but if we were to define what an Indigenous business is, we will undoubtedly need to audit in some way whether that definition is being met and whether that definition were to include something like the federal government’s 51% Indigenous-owned and controlled criterion – yeah we would have to substantiate that

in one way or another. We don’t want to perpetuate these kind of shell companies and perpetuate a circumstance where the actual benefit of the contract is flowing through to businesses. Long story short, I’m not sure but I think if we put that criterion in place that we would have to audit it in some way.”

“There are reporting structures built into all of these contract clauses so if there’s a city contract awarded and there’s a mandate in there for them to dedicate a certain amount of spend or labour hours to Indigenous peoples then they will be required to report back on that – the frequency can vary depending on the contract, but they will have to.”

Education and Support

Practice: Training for buyers

All procurement representatives viewed training for buyers on navigating procurement processes and the inclusion of diverse suppliers as important. However, only a few had specific training for buyers focused on Indigenous procurement and engaging with Indigenous peoples more generally. This training sometimes entailed navigating Indigenous procurement marketplaces such as CCIB’s Indigenous Procurement Marketplace.

“There are a lot of opportunities around reconciliation in general, they’re not required but widely available and highly encouraged. On Indigenous procurement, we have a set of tutorials that are about Indigenous procurement in our organization for government employees which they need to do if they want to get access to our online procurement platform— it’s a requirement that they understand. We have one about our policy in general and then have specific modules for Indigenous procurement.”

“We have a lot of internal education, have different business units deliver training, and outline how the process works.”

“We provide training on the new regulations and policies around Indigenous procurement. Indigenous reconciliation is pretty big in the city, so cultural awareness training isn't much of a focus. Every department has an Indigenous reconciliation committee—they each come up with different projects or initiatives within their service mandate that can support reconciliation. We have an overarching Indigenous plan you could say.”

Indigenous entrepreneur's perspective:

“They can do a better job educating procurement staff on the value of Indigenous procurement so that they actually get buy-in.”

Practice: Training for Indigenous suppliers

While only some procurement representatives had specific training for Indigenous suppliers looking to engage in provincial/territorial and municipal procurement, all had general training available for suppliers and viewed this as valuable. For Indigenous suppliers, this training ranged from online tutorials and sessions providing information on topics like registering on e-tendering platforms, identifying opportunities to bid, and how to bid to in-person workshops and sessions focused on networking and learning how to do business with the buyer.

“We have various online tutorials and held various online and in-person sessions when it (the Indigenous procurement framework) came out. We have lots of meetings and requests for training on different measures.”

“We conduct workshops for Indigenous businesses to learn how to work with the City.”

“We provide education about how processes work, how to register on Ariba, how to find opportunities to bid on, how to bid, and more.”

Practice: Providing tailored supports for Indigenous entrepreneurs throughout the procurement process

Regarding direct support and answering questions, most procurement representatives indicated that while they saw value in providing tailored support; capacity and regulatory constraints limited their ability to provide support on an ongoing basis. As such, they generally provide support on a bid-by-bid basis, through pre-organized sessions, or in response to email inquiries.

“It's on a bid-by-bid basis, and what support is available is fairly limited right now. We don't have a coordinated, designated group that's going out giving dedicated training but right now the avenue that most people would go through and get support from would be the individual government contact for the procurement. So, they will be able to ask questions but only within the context and confines of the procurement process which has its own limitations. You can only communicate in so many ways when a procurement is ongoing, and you can't just get general procurement guidance, advice, or capacity development through that route.”

“Need for support is typically identified in the relationships. We have a First Nations Contractor Program, and on request from the Nations we will go and present on what to expect in the procurement, etc. We do have a training program for First Nations people interested in developing skills that would help them engage in hydro. Another example is that we did some reclamation work and connected an Indigenous business and the main contractor.”

“We offer selling to the city sessions on a quarterly basis. They are a 3 hour comprehensive overview of all of the procurement methods the city employs. These are offered openly and we promote them through social media and radio ads. We also have training on navigation, tips on submitting bids, navigating Ariba, and more. Another priority for this year is offering this programming to Indigenous organizations, we’re planning to do a session with Aksis.”

Practice: Feedback for Indigenous suppliers

Nearly all procurement representatives indicated that they offered debriefs, whether mandatory or not, to bidders following post-award processes to provide feedback and identify areas of improvement for subsequent opportunities. This was cited by some as being particularly valuable in encouraging corporations to engage in Indigenous procurement. Many also utilized a challenge, complaint, or dispute mechanism whereby bidders could contest that the process for open competitive procurement was not followed. It is interesting to note that while Indigenous entrepreneurs also corroborated the value of feedback, they sought more throughout the procurement and bidding process itself and not always afterward. However, several

procurement representatives indicated that this was not possible due to requirements under FTAs.

“There’s a standard letter that comes if their bid was rejected highlighting the clause and what in their bid didn’t meet that—they get a debrief with a project manager which is a requirement under the FTAs. If another bid was ranked higher, then we also have a requirement that we provide an opportunity to debrief.”

“We utilize debriefs heavily, and they’ve helped a lot. At the start, when vendors would send proposals they didn’t think about the environmental, social, and Indigenous considerations so they wouldn’t respond for that part. We would give them 0 points for those sections and the company would likely be unsuccessful, we’ll tell them the reasons why and what to do for next time. This spurs the corporation to develop initiatives and start doing things in those areas so that they are able to access the points. It’s intended to provide education and generate awareness about the importance of Indigenous procurement.”

“There’s a post-award debrief process and a bid dispute process should they disagree, but they can request both. With the bid dispute process, they can dispute that we did not follow the process for open competitive and then it will get reviewed and can be escalated further to ensure we follow a fair, open, transparent procurement process as written.”

Perspectives of Indigenous entrepreneurs:

"I think that some organizations do a really good job of making themselves available to provide feedback. I think that's great and I appreciate it. When you see that built into their RFP documents, it's nice to know because I think you can feel like a burden or not want to take up more of their time. But often, we get good feedback and people that encourage you to apply on the next one and that kind of stuff. That to me, is successful procurement on their part. Sometimes the information is not always there, which can be a challenge, but otherwise it's generally helpful."

"Normally it is radio silence after you submit which is frustrating because we dedicate so much time to filling these out."

"It goes to nowhere. There's never anything back and if there is it's like dry wall, it's just bland and lacks utility. They give you feedback but they're procurement people so they can pick apart your bid and always find something to justify their decision to not award you a contract."

Lessons for Overcoming Barriers

When asked about what lessons they have learned related to overcoming barriers whether in the procurement process or business in general, persistence and resilience, developing meaningful partnerships, and being an advocate and fighting for change were by far those most cited by Indigenous entrepreneurs.

Persistence and resilience

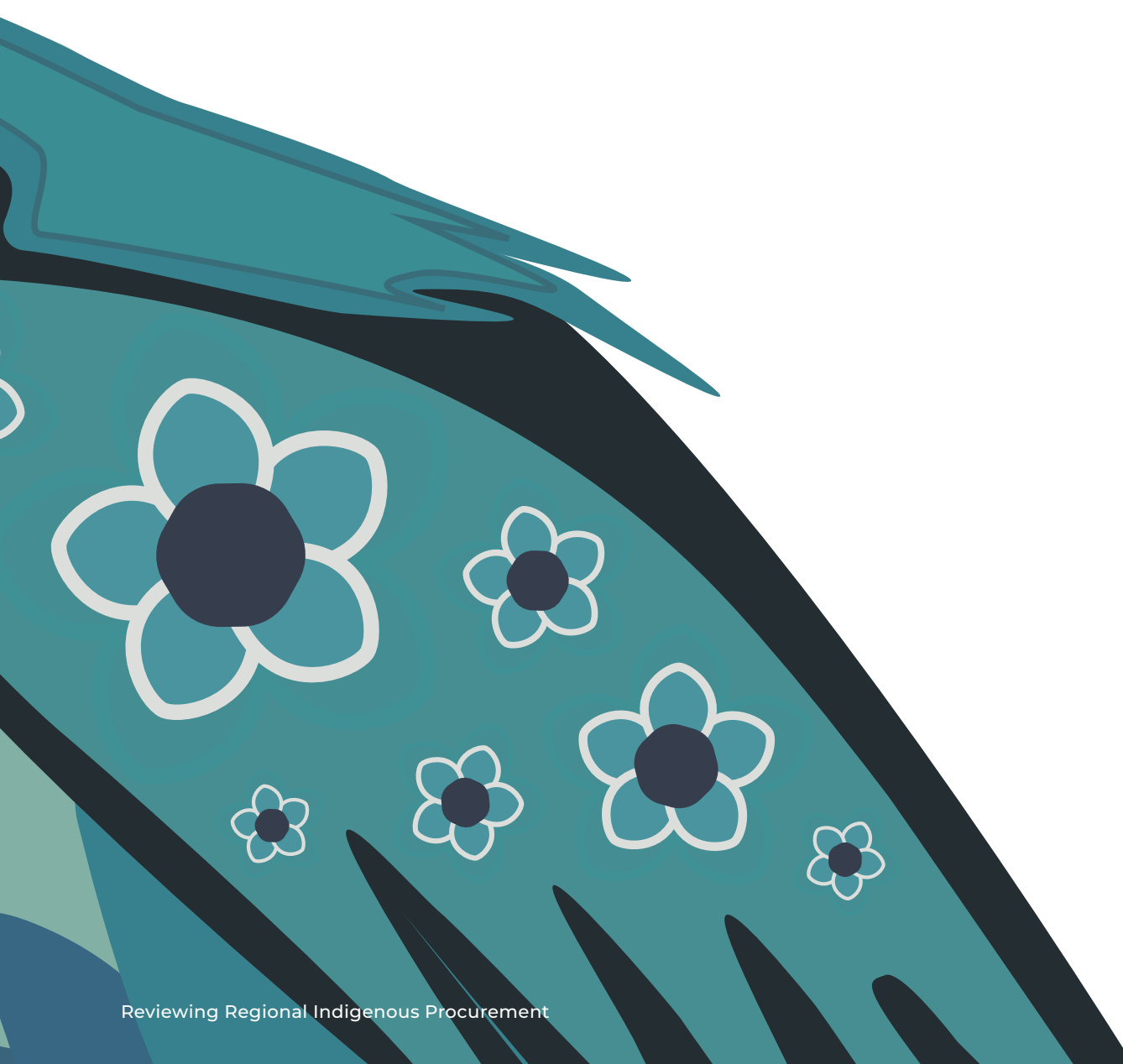
"Do not give up. Keep pushing. If you find ignorant people, find other people to work with. Be confident to speak up."

"Oftentimes if it is a 'no,' the answer is not actually 'no' it is just not being asked to the correct person who will say 'yes.' Never take 'no' for an answer."

"There's definitely ongoing lessons when it comes to being able to have employees or benefits, RFPs, and stuff like that. You learn more about those things every day, but at the same time, there's really no good lessons to be learned other than that the most expensive ones are the good ones. You need to make expensive lessons in life, it's just how it goes and it's the same with business. You can't be scared of getting burned."

"You don't always get the job but it's about staying persistent and having a good outlook that the bills will get paid and work will come in."

Final Advice, Tips, and Valuable Tools



Seek meaningful partnerships

“Always try to find a partner that is willing to bring you in, in a meaningful way.”

“Position yourself alongside your JV partners. Sometimes people are confused. They want to work with an Indigenous business but do not always see the connection with the Indigenous business in JVs.”

“Be as clear and concise as possible. Be clean and direct. Listen to what people you know and your clients are saying. Customer service is always important. We also encourage everyone we work with that even if they’re buying a little business card or if you’re buying an annual report, if your project is \$150.00 or it’s a \$10,000 project, the client should have the same respect and attention.”

Be an advocate and push back where you can – fight for changes however small

“Making a difference is important, I would say that 70% of what we do is advocate and push back where we can. Getting bonding waived for a project was a huge win but that was a huge fight and I bet procurement hates us even more. The more progress you make, the more enemies you make too and that’s scary. I guess it’s an indicator that I’m doing the right thing but my friends that are in government have warned me before not to do it and that it’s going to be revenge of the nerds.”

Indigenous entrepreneurs also highlighted:

- The importance of knowledge sharing and networking.
- Looking for values alignment and opportunities for collaboration.
- Understanding that there’s no standard and that every proposal and opportunity is different.
- The importance of asking questions.

“Ask as much as you can, you know, try not to worry about inconveniencing somebody by sending in questions or something like that.”



Advice for Other Indigenous Entrepreneurs

Indigenous entrepreneurs also provided some advice for their peers, including the following:

“It’s more of just a frame of mind thing because each of these walls is triggering, it’s super triggering. It’s hard to be an entrepreneur. It’s hard to be an Indigenous entrepreneur—to stand up and try to be that tall poppy and carve another path. And when you get those procurement boots at the top of the hill that knocks that boulder back down, it hurts. It really hurts, and so many times it’s unjust and the things that they come back to you with and try to undermine you with totally trigger you. That questioning of your abilities totally triggers someone’s insecurities and self-worth. When they come back and say “well we want bonding, show me you have money” yeah that’s totally triggering to an Indigenous person. You know? Each one of these things hurts and it’s hard to get back up again but we just remind ourselves that this isn’t the first time that we’ve gotten up, and it’s not the first time our ancestors have gotten up, and that’s what we can do better than anyone else.”

“Look for a good partner to assist with some of the barriers and complexities.”

“Get engaged with Indigenous organizations that can provide you knowledge. IMCN is a good example. Engage with other Indigenous owned businesses and not just non-Indigenous businesses that might not have your best interest in mind.”

“Make sure you have mentors and supporters that are actively involved in procurement projects. This will help with understanding the path forward.”

“Good partnerships and JVs are the key to success. It’s also important to find connections in government that can help bridge the gap in participating in procurement.”

“You need to be able to take criticism and be a strong individual. You have to learn to navigate failure. That’s how it is. It’s how you deal with people and how you can go on about it and making a positive impact on their life even after they just called you an idiot but turn it into a positive and continue on with your day. It’s being able to deal with all kinds of individuals on a daily basis and not offending people. When you write an email, always check it 2–3 times before you send it because things have changed, but for the better. Things are more comfortable for people in the world nowadays so we just need to learn to adapt as a community.”

“Take advantage of any government incentives that you can for your startup. If it’s a startup or even a larger business, look for good business partners, strength and don’t be alone. It takes a team to work.”

“You have to reward your team members as well, right? You know, reward them well so that they continue to work for you because I’ve met companies who just two people can scale a business. That’s generally not the case. You don’t succeed that way, if you want to grow anyways.”

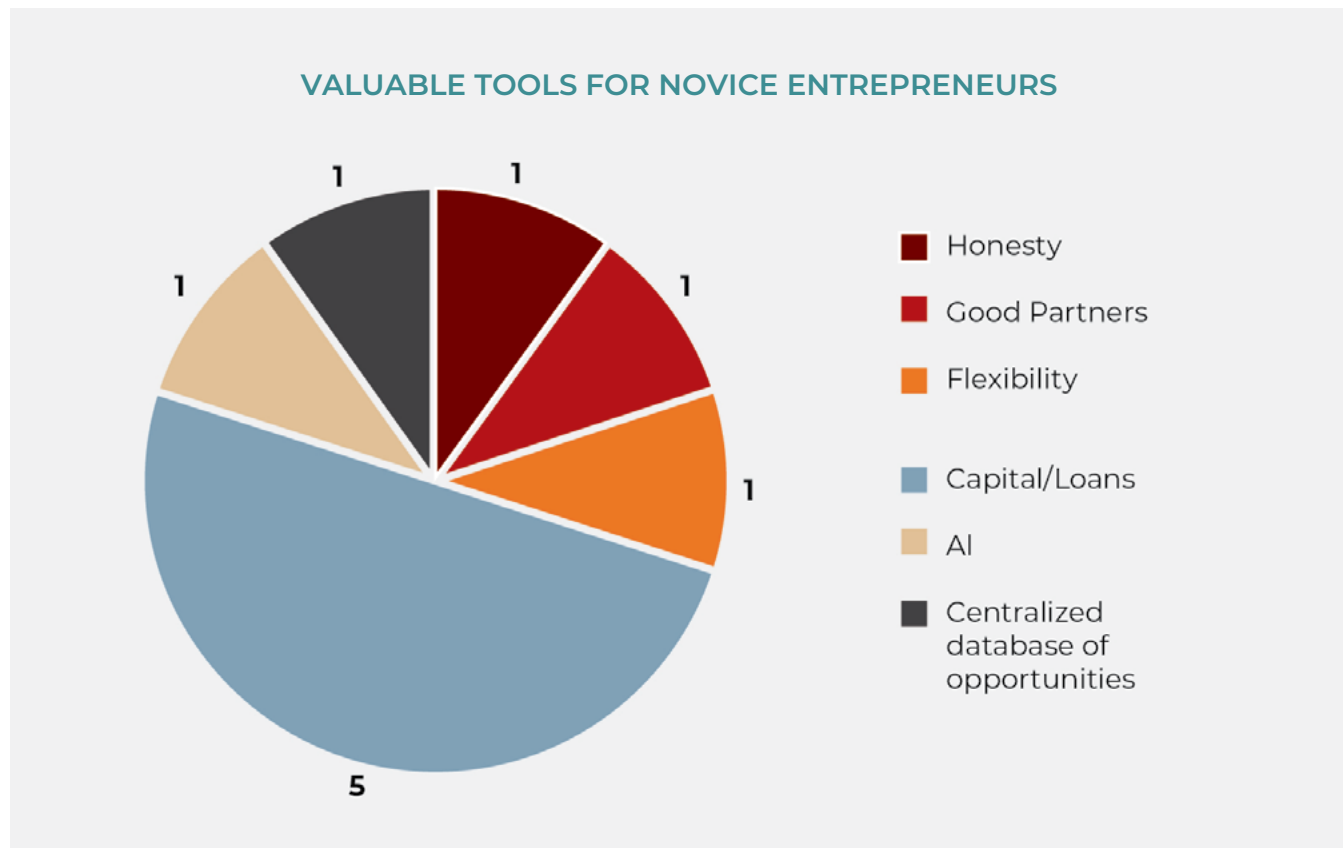
“Yeah, I think just make sure that you have all your ducks in a row and do your research as to what your business is going to be and what’s going to be required of your business when it comes to like liability insurance if you have employees, workers compensation, insurance, all that kind of stuff, whether or not you’re going to have them. You will need a GST number if you’re going to go past that \$30,000 threshold annually. There is all kinds of stuff that takes time to get and develop and you just get all that stuff in place prior to, I guess pursuing anything really vague. “

“Look for more of the supports that are out there to help you navigate. I find that we have been well served by having a really well articulated offering. I know exactly what we’re good at and I think I’ve gotten better at communicating that. I think there’s a lot of value in being really clear about your offering. You need to say it concisely, in a compelling manner and know what your differentiator is. Know why you’re better or different than another company who does something like you. You need to have your elevator pitch ready to go.”

“Honesty—true transparency. Someone to tell me that it’s harder and more complex than people make it out to be. If I had the truth told to me in the beginning, I wouldn’t be here but maybe that’s a good thing. Respect is another one, some people are nice but others are rude and know-it-all-like.”



Valuable Tools for Novice Indigenous Entrepreneurs



Indigenous entrepreneurs identified several tools that they wished they had when they were starting and that they viewed as valuable for novice Indigenous entrepreneurs. These primarily centred around access to financing and capital, in the forms of loans and grants, but also included honesty, good partnerships, flexibility, artificial intelligence (AI), and places to find opportunities.

Financing and capital

“We could use working capital that did not require immense personal risk without the red tape associated with jumping through the hoops of securing/ being approved for this funding. More accessible loans start-up capital to support engagement on procurement projects. If we started with 100K in the bank, we would have been off to the races. Instead we had to put the house up to fund our company.”

“TAC—the First Canadian Citizens Fund—he acquired a business loan for about \$75k. You need to be able to find and access those opportunities where you can. Recommendation: Offer introductory memberships for Indigenous businesses (free) so that they can engage with CCIB and access the support needed to scale their business. When I first applied for that one loan, they told me I couldn’t get the loan unless I provided \$7500 for a business plan or wrote one on my own, I wrote one on my own but it took me a lot of time so it would be great to have somewhere to go to access support for that and to have lists of those places can go for financing readily available.”

“Having like a pool of funding where one could go find money to grow once company and employment of it more employment incentives so that we could train and hire indigenous people.”

“Other funding options for Indigenous businesses would be helpful. If I had my time back I would have accepted the Tricorp grant that we turned down and just put up with having to fulfill the requirements. And instead of turning it down and just put up with the hoops you would add, we would had to jump through with reporting of all that kind of stuff because it was like 40% for derivable I think. So we probably would have been paid off with our stuff by now. In retrospect, I would have went with that, but at the time we felt like we made the right choice.”

“I’ve gone out looking for subcontracting support to help write proposals and I found it hard to find because you have to know the content so much to write the proposal. I think some companies do that well for like big infrastructure projects and that kind of stuff. Companies like Deloitte have a whole team of people that do this kind of stuff and they’re good at it. But there seems to me to be a gap in the markets for people who can figure out somebody’s content area and support them but also have it be cost-effective because a lot of the dollar value for our contracts is low compared to major infrastructure projects. So far, it hasn’t been worth it for us to go out and get that external support or to hire someone, you know, on a part-time basis or something like that internally. If there, were grants to be able to hire someone to support you in procurement, that would be great. There are so many grants for, you know, the tech fields, and at least in Alberta, everything is about tech startups. And there’s lots of funding that goes out for it, but there’s not much funding to support old-school businesses. But I guess it doesn’t make a really interesting headline in a news story or something like that.”

Honesty

“I wish someone would have just told me the truth because then I could just skip over the optimistic part because that was a lot of sucker punches. So I wish someone would have just given it to me straight about how hard it was going to be.”

Partnerships

“Good partners. Finding partners that can help streamline RFP processes, leveraging their vast teams to assist with capacity development for the smaller Indigenous contractor. Prioritizing Indigenous partnerships with either B2B or using Indigenous financial institutions. There are Indigenous companies out there that are looking for work and finding the right partners to grow your business while not building the administrative side of things if you don’t need to so you can minimize overhead costs. CCIB’s been putting a lot of work into this but there’s a need for organizations like CCIB to work to find good partners that want to roll out projects with Indigenous businesses’. We’re out there but just don’t feel like we’re getting the work that we can get and contribute to the ever changing economy.”

Flexibility

“Flexibility on term and delivery date. General flexibility on what they are looking for. More accountability and auditing.”

Artificial intelligence

“Artificial intelligence. drafting the first proposal is the hardest part. Showcasing your track record of success is also important.”

Centralized database of opportunities

“A centralized database of opportunities or somewhere to go to find where everyone lists their opportunities would be really helpful.”

Suggestions from Regional Procurement Employees

To facilitate knowledge sharing about Indigenous procurement, regional procurement representatives were asked to share their suggestions for other regional procurement employees who are engaging or considering engaging with Indigenous procurement.

Continuous progression and improvement

The need for continuous progression and improvement was the most common suggestion from regional procurement representatives.

“I would also say to keep moving the dial – government is a big ship to turn around and alter the course of but individual buyers through their advances, interest, and knowledge all contributes to something bigger. It contributes to a better understanding of how these procurements should go because we learn along the way what worked and what didn’t, and we get feedback.”

“Do not be afraid to ask questions.”

“Do not be apprehensive towards trying new things”

“It’s important to continuously learn and think outside the box. When you’re working in procurement especially, it’s easy to get pigeon-holed into old habits or current states and that limits a person from exploring other methods of improvement. I think that’s the biggest thing, not being against diversifying your supply chain, or talking to other bidders or vendors. A lot of times it’s easy in procurement to fall back and keep buying from the same person if your procurement policies allow for that—to really not put in that extra effort to find other suppliers and see if there’s better value there.”

“Always look for ways to improve, constantly be learning, and don’t keep falling back to the methods and practices that you’ve always used.”

“I think it’s important to understand that almost all processes are inherent barriers, especially to any diverse supplier, Indigenous businesses in particular. It’s an important distinction to remember that all the lessons that you’re taught as a government bureaucrat of, you know, being responsible with public money, etc. - are systems/practices that are put in place through colonization. So there has to be that aspect of decolonization, and almost like a creative thought process sometimes to say, “How do you reach those diverse suppliers that have inherently been forced out of the system?” You have to be able to navigate that and always be thinking about it when you’re making purchases. Often,

it seems like the right approach is to always go with the same old practices and suppliers, but is that really benefiting the community?”

“I think having some dedicated resources helps - the procurement side of it is one thing, but having a clear strategy/intent to tie it to reconciliation or good indigenous relations is important. There’s a need for a clear direction and understanding of if you will be involving leadership and the tie-in with broader organizational strategic priorities. You need to have those internal and external conversations and have a clear target of what you’re trying to achieve. It won’t solve everything but it’s helpful. Find allies and people of influence in your organization that will support your push for change.”

Increased involvement and engagement with Indigenous Peoples and businesses

Procurement officers also highlight a need to involve Indigenous Peoples more in designing and planning procurements to ensure that governments are buying the right things/procuring effectively. Strong relationships are key to the effective involvement and engagement of Indigenous businesses, particularly understanding what a Nation’s economic development interests are to enable the sharing/tailoring of opportunities. By identifying opportunities and businesses that may take part in them ahead of time, procurement officers are able to solicit bids from more buyers, thereby allowing for a more fair/competitive process, while also enabling the Indigenous community or business to develop the skills and capacity required to meaningful partake in the opportunity.

“Involve Indigenous peoples more—it helps you buy the right thing, in the right way, from the right people.”

“It’s also important to talk to Indigenous peoples through all phases of the procurement process. There’s so much to be learned by doing debriefings, for example, because that communication flows both ways. It not only provides the province an opportunity to talk about its evaluation of Indigenous vendors but also discuss the process, do capacity development, share knowledge, and gather feedback.”

“Relationships are key.”

“Procurement starts and ends with the customer. The journey you go through has to consider the customer all the way through, but it also needs to be accountable to the marketplace. Do not try to drive strategies that focus on big corporations, focus on spaces for small businesses to enter and foster the strength of local businesses.”

Change management

Procurement officers further along in the development/implementation of their Indigenous procurement policies highlighted that change management is integral to ensuring the effective implementation of Indigenous procurement policies.

“There’s an important shift and you need to be ready. You need a different skill set to do implementation and a different mindset. Initial policy development where you’re looking at what’s possible and what are all of the

really cool things we can do is a really optimistic and exciting place to be and I think you can rally lots of people around that and you have to be prepared that when you share those big ideas and new ways of doing things with people – there’s management for a reason. Once you hit that implementation stage, you need to be able to bring the technical people on board. They can sometimes have tunnel-vision or argue that it will never work or is impractical. This can create friction between those who developed the concepts and those who need to implement, but I think that both of those perspectives and roles are really important and serve an important function in making something work. But there’s going to be some friction at the beginning. And then implementation in general, when you’re actually working with a live policy and real-world consequences—the pressure gets turned up and it has a different tone ’ it’s more challenging. So you need different people in those scenarios that are adaptable and strong leaders that are forward-focused to lead us through some of those more challenging moments.”

Cultural awareness and understanding the importance of supporting Indigenous economic development

The majority of regional procurement officers indicated a need to build cultural awareness and competency and understand the realities and barriers facing Indigenous Peoples and businesses. Participants highlighted the importance of understanding that supporting Indigenous businesses supports the broader economy.

"If they haven't already, start the journey of building their Indigenous cultural competencies, learning about the histories, realities, impacts of colonialism on Indigenous peoples, systemic barriers that are affecting Indigenous Peoples. Also, focus on the positives that come from removing those barriers – not only does it create and open up more economic opportunity for Indigenous peoples but, by removing barriers to their participation in our procurement, we gain the benefit of Indigenous Peoples' knowledge, and the benefit of more vendors being available and interested in responding to our opportunities. We can build better relationships. If we involve Indigenous peoples more in designing the services, goods, construction, or whatever it is we're procuring, the more likely it is that we're going to procuring the right things—because government itself doesn't always necessarily unilaterally know what we should be buying. Usually it's the service providers who are the experts in how to deliver services and if you're delivering services to people, it's those people that while probably have the best idea for what's being designed."

Understand your organization, learn from the practices of others, and work to create broader awareness around the importance of Indigenous procurement

Several participants indicated a need to follow others' practices. This could involve working to incentivize Indigenous procurement/subcontracting by giving points for Indigenous businesses, subcontracting or employment, etc. It is also important to work to create broader awareness in the market.

"I find personally that Indigenous peoples are very hard working and family-oriented, and that's the best thing—they consider their family as everything, which is why I think if they get the work they will easily handle it but the only issue is the submission/compliance with requirements. They have very good family structures and connections with each other."

"I think being aware of the context of the organization is very important. When I talk to other organizations I always ask about how their procurement is structured because it's so different in different places. We need to go beyond social procurement and really explore all of the policy and legislative levers that are available to advance economic reconciliation and I think we need to be clear that social procurement is about economic reconciliation and that means something really different in the context of procurement and public policy than other social procurement endeavours. There's a distinction between rights holders and stakeholders. We're early in the process but I've already started to think about what it means to revitalize our number treaty in the context of economic reconciliation and procurement in the city because that's the first place that we're working from and then we look at all of the other factors that additionally layer on. It's a big question and other than that I don't know. I think the answer is then we sit with community and start to co-develop but I don't know what that looks like yet. I think relationship is the first place we need to start and we don't have that. So moving forward, that's the first priority."

Supports Utilized and Desired by Indigenous Entrepreneurs

Throughout the interview process, Indigenous entrepreneurs highlighted several supports that they had found useful and changes that they wanted to see implemented.

Support utilized:

- Support and mentorship from Indigenous business organizations.
- Opportunities to speak with Ministers and senior government officials.
- Partnerships and capacity assistance from larger companies

“Companies like ATCO have provided capacity assistance to us.”

- Treating the contracting process as a training opportunity.

“Responding and applying to contracts that you might not qualify for but using this as a practice opportunity for future applications.”

- Finding the right individuals and offering mutual benefit.

“Just finding the right individual; otherwise, you will get spammed. It’s got to be a two-way street - you can’t just expect someone to give you their time if there won’t be anything in it for them. So, you need to be able to offer something in return but for you to do that you have to get over that initial “Hey I’m not a spam bot.”

- Webinars and guidance from procurement representatives on navigating websites and the procurement process.

Supports desired:

Simplifying process while maintaining rigor

“Change the language and jargon that is currently being used. There needs to be easier or plainer language that encourages participation on behalf of the Indigenous businesses.”

“Plain language and structured information design would be a great help.”

“If the government could think more about the digital user experience journey, it would help. I had to bring in various people and writers to help me understand what they even wanted me to do because they were so vague. There should be a clear route to engaging with procurement - it needs to be clearer and easier to understand.”

“We went and registered on a supplier portal and it was super convoluted to get through the process to get recognized as a business. Once I filled out everything, there was no follow up from anyone saying that I was on the list as a supplier or as like a verified Indigenous supplier and ultimately it didn’t lead to anything which was frustrating due to the amount of work put in.”

“Points allocation is a challenge; there is a 5% scoring for Indigenous ownership and engagement, but no audits are included in this process.”

“More accountability and auditing.”

Financial

"I would like to see a procurement grant where the government will help Indigenous businesses go for RFPs and maybe it's a formula. If it's a \$10-\$100K contract, maybe the government would give you 5% to go after it so that way they would have some skin in the game and take our losses with us, while also providing tangible markers to track how many Indigenous businesses are not successful in procurement."

"One of the recommendations for getting RFP contracts is a federal grant that provides the government with a stake in the Indigenous applicant's success."

"Major companies have whole teams dedicated to completing these applications. So far, it hasn't been worth it for us to go out and get that external support or to hire someone, you know, on a part-time basis or something like that internally. It would be great if there were grants to hire someone to support you in procurement."

Bonding and insurance

"A communal fund to cover the cost of bonding would be beneficial in assisting Indigenous businesses in overcoming financial barriers to competing for government contracts."

"There should be several hundred million dollars set aside that Indigenous businesses that are qualified can tap into, and when the bond's off, someone else can get access to that bonding capital, and it keeps going."

"I would like to see CCIB partners offering insurance support and discounted rates for CCIB members."

Payment terms

"30-day or quicker payment terms would help."

"There should be interest-free loans to support the Indigenous partner during these times of non-payment, which would help with the cash-flow issues. We don't want to eat those costs."

Measures

"I think one of the solutions is allowing the provinces and municipalities to direct award to Indigenous businesses because if it's left solely to procurement, it won't be done; it just won't."

"Set-asides and closed competitions have been successful."

"Indigenous businesses pay higher premiums for insurance because they are generally younger and deemed more risky by traditional lending corporations/ insurance organizations. These considerations should be considered in the bidding process when costs are higher for collaboration with Indigenous businesses and their RFP applications."

Humanize the process

"The process needs to be humanized. There should be additional effort on the province's part to engage in active outreach."

"I would love it if more organizations said they're looking for a values match. We're looking for an experienced match or something like that, and they just choose the person that they want to work with and then negotiate the details after that. We've had a few of those situations, not with the government but with other organizations, and it works out nicely. I can see why it's impractical on their end, but to me, it leads to a better product for them."

Supply chain and subcontracting opportunities

"Indigenous businesses in the 2nd and 3rd tiers of the supply chain should be recognized and recorded more."

One-stop shop for opportunities

"For awareness: Isolate the opportunities that are explicitly for Indigenous businesses/ in support of the 5% mandate. Streamline and catalog them all in one place."

Throughout the research process, Indigenous entrepreneurs and procurement representatives were abundantly clear that while the distinct circumstances of provinces, territories, municipalities, and even the federal government determine their procurement practices to some extent and lead to some diversity in their approaches, procurement is procurement. As such, the following recommendations are equally applicable to federal, provincial, territorial, and municipal governments, although how they are actioned will vary.





Recommendations

Throughout the research process, Indigenous entrepreneurs and procurement representatives were abundantly clear that while the distinct circumstances of provinces, territories, municipalities, and even the federal government determine their procurement practices to some extent and lead to some diversity in their approaches, *procurement is procurement*. As such, the following recommendations are equally applicable to federal, provincial, territorial, and municipal governments, although how they are actioned will vary.

Centralize verification and opportunities for Indigenous businesses:

- Government should work to devolve the administration of their Indigenous business directories to CCIB. Indigenous Peoples and businesses are more willing to work with and have increased trust in Indigenous organizations. CCIB currently has a national database that is used by both governments and industry, including over 1300 certified Indigenous businesses and over 150 corporate members. CCIB also often collaborates with various national and regional Indigenous partners to support Indigenous businesses no matter where they are across the country. Devolving the administration of Indigenous business directories would
- increase trust and the engagement of Indigenous businesses while supporting the capacity of Indigenous institutions. This could involve connecting the directories already administered by other Indigenous organizations with the central directory administered by CCIB. These other Indigenous directories could be identified as certified by the respective organizations. This would enable government and industry to readily verify Indigeneity and limit the number of platforms Indigenous businesses have to register on while acknowledging the importance of involving rightsholders and regionally based organizations in supporting the Indigenous Peoples and businesses in their respective jurisdictions.
- Government should work more directly with CCIB to increase awareness of procurement opportunities for Indigenous businesses. Government should also establish a checkbox for a contract or some other way to indicate whether or not it is and Indigenous set-aside. This would limit the number of platforms Indigenous businesses have to navigate and streamline the identification and communication of opportunities. CCIB could then distribute the opportunities to relevant Indigenous businesses and organizations in its wider network.

Supports to assist Indigenous businesses with navigating administrative burden, payment terms, and compliance requirements:

Administrative burden

- Government should investigate mechanisms to enable Indigenous entrepreneurs bidding on contracts to receive a reimbursement of the costs incurred when preparing bids and proposals. This could operate like the standard for awarding bid preparation costs applied by the Canadian International Trade Tribunal (CITT).²¹
- Government should work to ensure uniformity or the use of the same industry codes within their vendor portals to maximize efficiency in identifying vendors in certain industries. This would streamline searches by procurement representatives for relevant suppliers, while also ensuring that suppliers do not waste time on bids irrelevant to them.
- Government should consider creating a grant program for Indigenous entrepreneurs to access an amount of funding sufficient to support the development of their capacity to engage with procurement processes.
- Government should consider establishing a program to provide Indigenous businesses with capacity support through funding to hire employees to complete procurement proposals and applications.
- Government should consider establishing an accelerator program to provide Indigenous businesses with mentorship and training to support their engagement in procurement.

- Government should increase the hiring of Indigenous procurement specialists to work with businesses and assist them to learn how to navigate procurement processes. This could involve the provision of capacity funding to Indigenous organizations to hire these staff.

Payment terms

- Government should commit to shortening payment terms for awarded/completed contracts to 30 days or less where possible so that Indigenous businesses are not forced to provide interest-free loans to the government.
- Government should include (or increase) interest on payments that take longer than a certain amount of time to reach a contractor, such that the contractor can maintain cashflow, and be able to pay loan costs if they are required to take out a loan.

Compliance requirements

- Government should work with insurance companies to offer insurance support or training and provide discounted insurance rates to Indigenous businesses.
- Government should consider providing capacity funding to establish an Indigenous Insurance Institute. This could involve a communal fund to provide Indigenous businesses with access to bonding capital through zero-interest loans.
- Government should consider lowering insurance and bonding requirements for contracts to what is necessary for a given contract size. Government should additionally consider self-insuring projects with Indigenous contractors.

²¹ Canadian International Trade Tribunal. *Procurement Costs Guidelines*. <https://www.citt-tcce.gc.ca/en/procurement-inquiries/procurement-costs-guidelines#toc-id-0>.

Streamline processes while maintaining rigor:

- Government should work to reorganize RFPs to put the required goods and services first and the terms and rules second in the RFP.
- Government should take steps to share information more effectively through the development of a roadmap for Indigenous entrepreneurs to engage in procurement and other measures.
- Government should investigate measures to collaborate with CCIB to register and engage Indigenous suppliers instead of requiring them to register for internal supplier portals.
- Government should investigate requiring an audit of all JV and partnership programs to show the true value that is going to an Indigenous partner to ensure that what is being reported as Indigenous spend is primarily with an Indigenous business and not subcontracted out to non-Indigenous partners.
- Government should investigate requiring auditing at various stages of the procurement process to ensure the delivery on commitments relating to Indigenous Peoples and businesses:
 - **Proposal:** Submission of Indigenous content and benefits plans with evidence or analysis demonstrating that targets for spend and employment are realistic and achievable.
 - **Evaluation:** Proposals should be audited to identify whether plans and partnerships have been implemented.
 - **Contract Stage:** After a certain period following the award stage, contractors should be audited to ensure that they are delivering on commitments or are making substantial progress towards them.
 - **Project completion:** Following the completion of the project, contractors should be audited to ensure that they delivered on their commitments throughout the project.
- This should be treated the same as any other breach of contract; violators should be red-listed, suspended, face holdbacks, and other measures. The holdback could be a multiple of the Indigenous content in the proposal or the broader economic benefit that would have flowed to Indigenous Peoples. This will assist in addressing issues surrounding 'phantom' or 'paper' joint ventures and ensure that the proposed benefits of engagement in procurement actually flow to Indigenous Peoples. However, given the challenges around the administrative burden already faced by Indigenous businesses, efforts should be made to place the primary onus for these efforts on non-Indigenous partners.

Increase bid competitiveness through bid value reductions, set-asides, direct award processes, and closed competitions for Indigenous businesses:

- Government should follow Yukon's example and implement Bid Value Reductions (BVR) for bids involving Indigenous businesses to increase their ability to compete with the lower costs provided by major corporations. These should also be applied to bids involving Indigenous employees as a means of encouraging increasing Indigenous employment.
- Government should raise the thresholds for direct award processes and closed competitions for Indigenous businesses to provide them with an increased ability to partake in larger contracts. This could entail an amendment to the CFTA.
- Government should implement incentives for subcontracting from Indigenous businesses, such as points in bid evaluations. This should involve implementing mandatory Indigenous subcontracting practices for contracts over \$500k–\$5M, depending on the jurisdiction or level of government.
- Government should increase their awareness of the Indigenous procurement exemptions in FTAs and not use them as an excuse not to pursue Indigenous procurement.
- Government should investigate how to encourage meaningful partnerships between corporations and Indigenous businesses. CCIB should assist these efforts. This could include implementing Indigenous procurement and relations requirements in ESG criteria.
- Government should investigate where set-asides, direct award processes, and closed competitions can be utilized more to provide opportunities for Indigenous businesses.

Early notice and communication of opportunities:

- Government should work to provide early notice of procurement opportunities through the posting of quarterly, annual, or multi-year outlooks of planned procurements and community contract forecasts.
- Government should investigate the implementation of requirements for early notice.

Humanize the process by engaging in active outreach to Indigenous businesses and organizations and increasing consideration factors such as values alignment and socio-economic impacts:

- Government should work to increase active outreach to and the development of relationships with Indigenous businesses. This should be facilitated by Indigenous organizations where possible.
- Government should investigate measures to increase the consideration of factors such as values alignment and the socio-economic impacts of Indigenous procurement in bid evaluation criteria. This should involve a re-evaluation of what comprises "best value."



References

- Amad, Ali. (July 25, 2023). "Opportunity Costs: Racism and Societal Obstacles are no Match for this Entrepreneur." Chartered Professional Accountants Canada. <https://www.cpacanada.ca/news/pivot-magazine/philipe-ducharme-indigenous-entrepreneurs>.
- Blake, Emily. (January 27, 2019). "Wildfire Evacuations Have Unique Impacts on Indigenous Communities: Study." CBC News. <https://www.cbc.ca/news/canada/north/indigenous-wildfire-evacuation-study-1.4993997>.
- Canadian Council for Indigenous Business. (2023). *Meaningful Engagement with Indigenous Businesses. Policy Brief*. <https://www.ccab.com/wp-content/uploads/2023/12/Meaningful-Engagement-with-Indigenous-Businesses.pdf>
- Canada Mortgage and Housing Corporation. (2021). *Alternative Financing for Indigenous Housing*. Government of Canada. https://publications.gc.ca/collections/collection_2021/schl-cmhc/nh18-33/NH18-33-39-2021-eng.pdf.
- Canadian Council for Indigenous Business. (2016). *Promise and Prosperity: The 2016 Aboriginal Business Survey*. Research Report. <https://www.ccab.com/wp-content/uploads/2016/10/CCAB-PP-Report-V2-SQ-Pages.pdf>
- Canadian International Trade Tribunal. *Procurement Costs Guidelines*. <https://www.citt-tcce.gc.ca/en/procurement-inquiries/procurement-costs-guidelines#toc-id-0>.
- City of Saskatoon. (2018). *Indigenous Procurement Workshop: What We Heard Report*. https://www.saskatoon.ca/sites/default/files/documents/what_we_heard_-_indigenous_procurement_workshop.pdf.
- Crown-Indigenous Relations and Northern Affairs Canada (2019). *Modernization of Indigenous Participation in Procurement: Discussion Paper*. Government of Canada. <https://www.sac-isc.gc.ca/eng/1554219055004/1612130030035>.
- First Nations Financial Management Board. (2023). *Addressing Gaps in Indigenous Access to Finance: Pre-Scoping Report*. https://fnfmb.com/sites/default/files/2024-01/2023-10-16_idb_pre-scoping_study_final_report.pdf
- First Nations Financial Management Board. (2022). *The RoadMap Project: Chapter Six: Strength Through Working Together*. https://fnfmb.com/sites/default/files/2022-11/2022-11-14_roadmap_chapter_6_strength_through_working_together.pdf.
- Government of Yukon. *Bid Value Reductions*. <https://yukon.ca/en/bid-value-reductions>.
- Government of Ontario. (2016). *How to Prepare a Bid*. Ministry of Government and Consumer Services. <https://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb>



CANADIAN COUNCIL FOR
**INDIGENOUS
BUSINESS**

2 Berkeley St #202, Toronto, ON M5A 4J5
Telephone: 416-961-8663 | Fax: 416-961-3995
www.ccib.ca