

Indigenous Procurement

www.canada.ca/indigenousbusinessprocurement

Presentation to:
CIPMM

Indigenous Services Canada

2023



Government
of Canada

Gouvernement
du Canada

Canada

Outline

- ISC's role and connecting Indigenous business with federal procurement
- Procurement Strategy for Indigenous Business
- Indigenous Business Directory and eligibility criteria
- Indigenous Participation Plans
- Recent changes, further enhancements, and work towards a more transformative policy



INDIGENOUS
PARTICIPATION
PLANS

STANDARDS
AND SUPPORT
ARRANGEMENTS





Indigenous Procurement

\$27.7B Annually

MODERN TREATIES

17% construction



7% agriculture, forestry, fishing and hunting

7% admin support, waste-water management, remediation services

9% health care and social assistance

10% professional, scientific and technical services

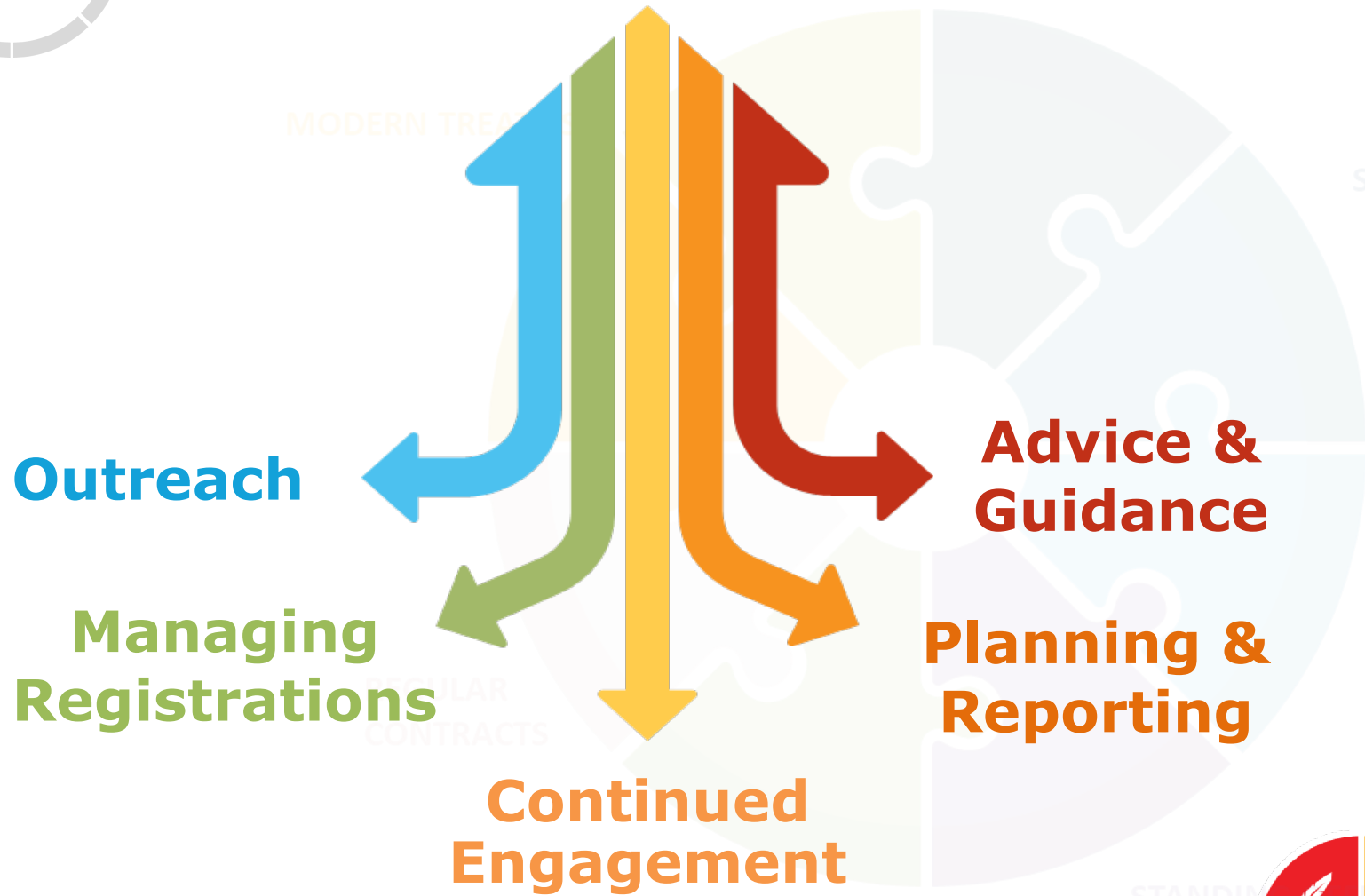
REGULAR

**Optimize procurement opportunities
for Indigenous Businesses**





What is ISC's Role?





Advancing Participation

- The federal **Procurement Strategy for Indigenous Business (PSIB)** is instrumental in enabling Indigenous businesses to procure with the federal government.
- PSIB leverages existing government procurement needs.
- We also discharge procurement obligations as part of **Modern Treaties**.

SET ASIDES

REGULAR
CONTRACTS

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PLANS

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Procurement in Modern Treaty areas

- **25** Modern Treaties **22** with procurement obligations.
- Strengthening economic viability and self-sufficiency.
- No two treaties are the same.

Obligations may include:

- ✓ Unbundling
- ✓ Limited Bidding
- ✓ Right of first refusal
- ✓ Notifications to rights holders
- ✓ Using business lists
- ✓ Socioeconomic evaluation criteria



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Procurement Strategy for Indigenous Business (PSIB)

MODERN TREATIES

Federal program to limit bidding among Indigenous businesses, where capacity exists.

SET ASIDES

No dollar threshold for limited bidding.

Requires 2 bidders for competition.

3 scenarios where limited bidding takes place:

Mandatory, Voluntary, and Conditional

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Limited Bidding (Set-Asides)

Mandatory

- 51% of the population is Indigenous.
- Indigenous population is the recipient.

Voluntary

- Indigenous business capacity exists.
- operational requirements are met.

Conditional

- Indigenous business capacity is unknown.



MODERN TREATIES

SET ASIDES

CONTRACTS

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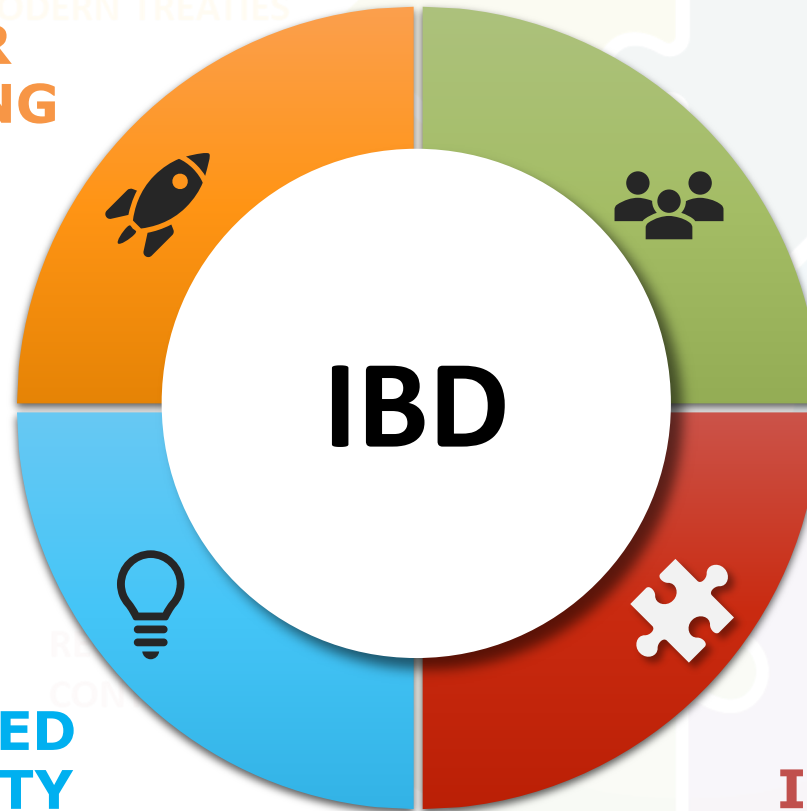
Indigenous Business Directory (IBD)

**REQUIRED FOR
LIMITED BIDDING**

MODERN TREATIES

**CAPACITY
ASSESSMENT**

SET ASIDES



**INCREASED
VISIBILITY**

**STAYING
INFORMED**

**BUILDING
PARTNERSHIPS**

INDIGENOUS

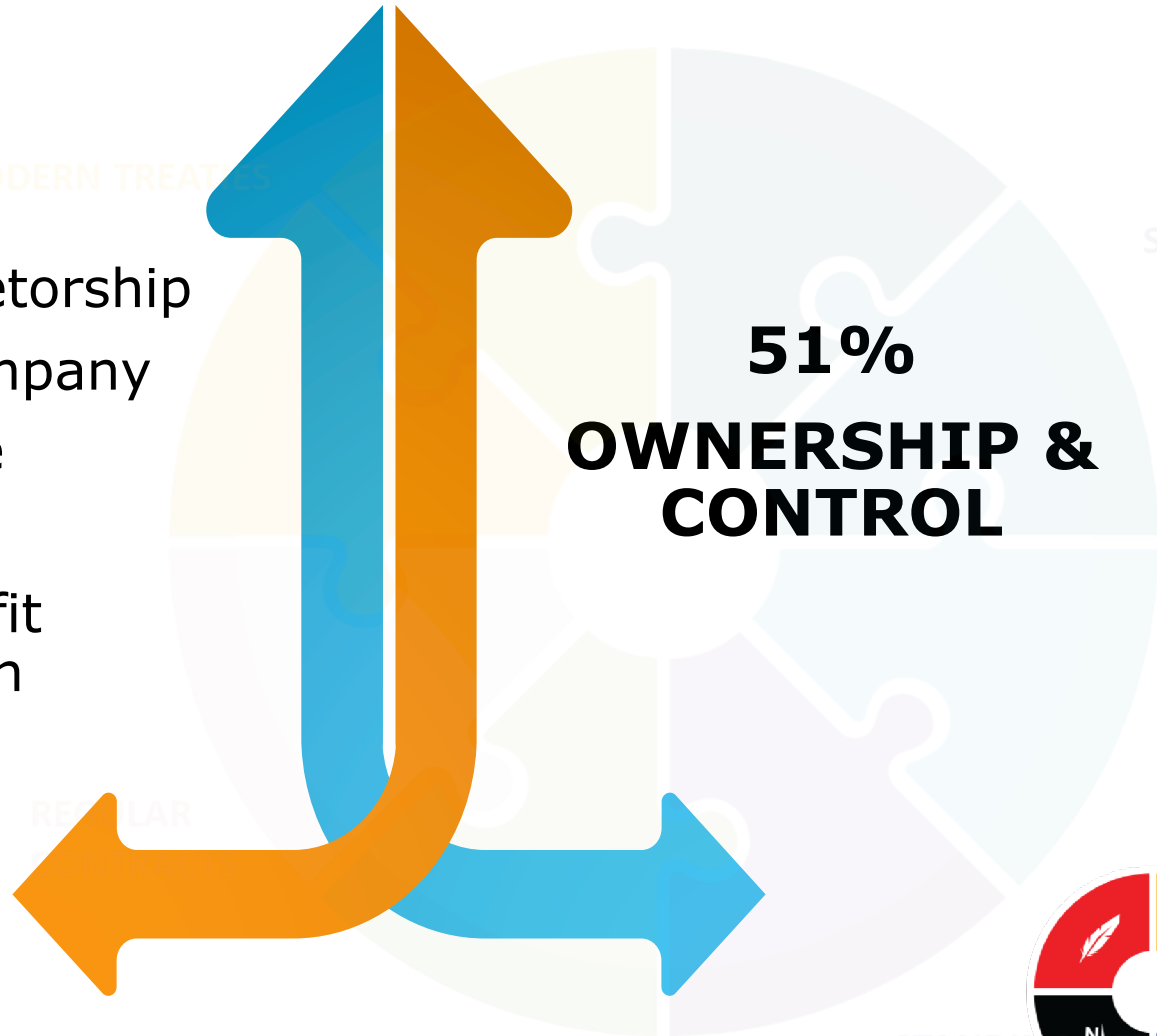
STANDING
AND SU
ARRANG





Eligibility

- Sole Proprietorship
- Limited Company
- Cooperative
- Partnership
- Not-for-profit Organization



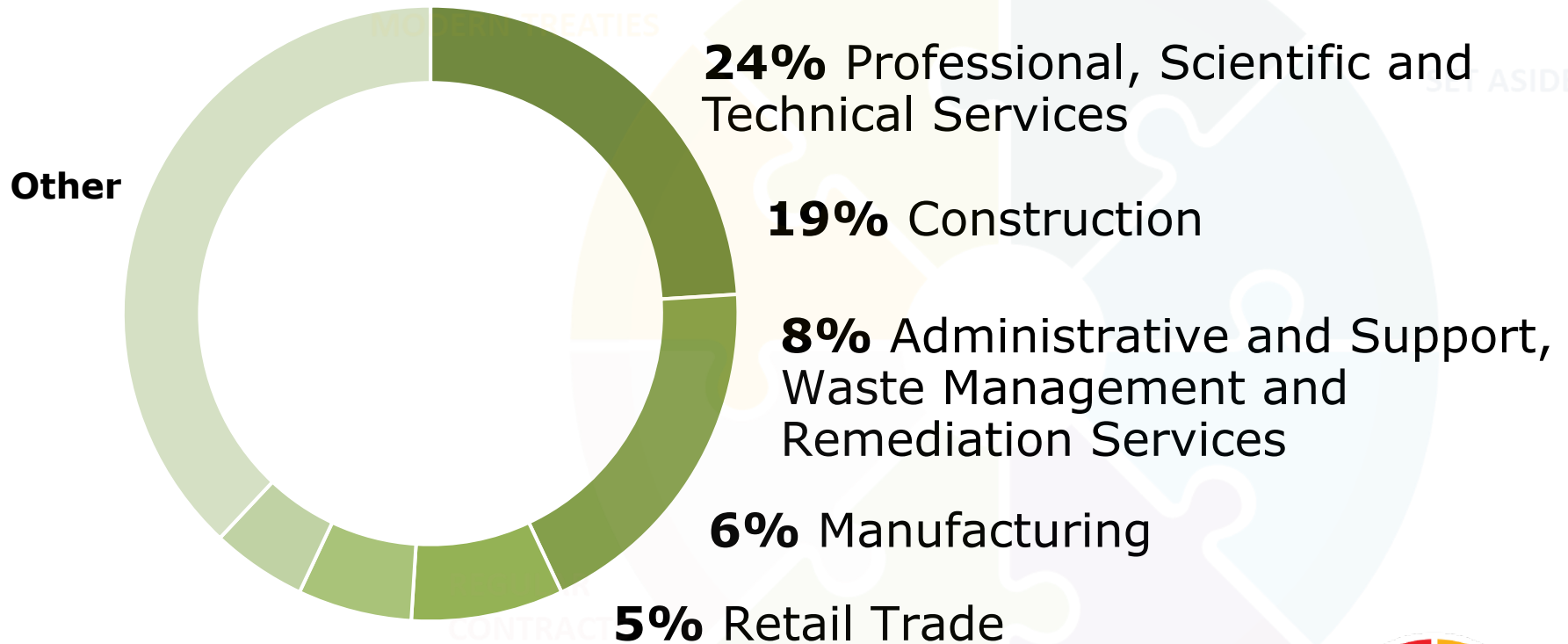
INDIGENOUS PARTICIPATION

STANDARDS AND SUPPORT ARRANGEMENTS



Analysis of the IBD

Top Industries



1,970 businesses registered on the IBD





Indigenous Participation Plans (IPP)

Provide positive socio-economic benefits to Indigenous businesses and communities

Procurement strategy intended to help generate opportunities and grow Indigenous capacity

Contractual Obligations that are evaluated, scored, and tracked

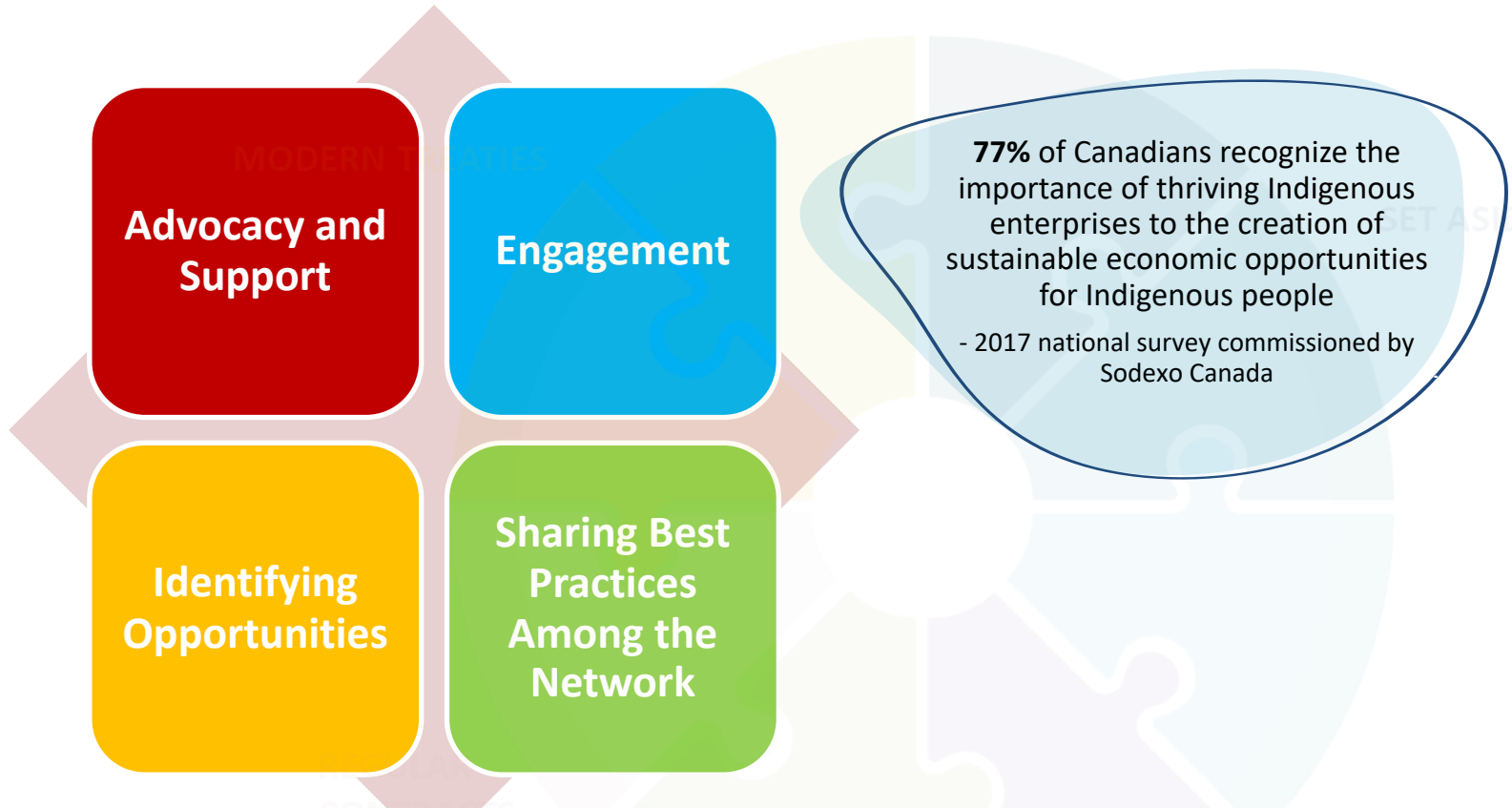
Indigenous Participation as a top evaluation criterion alongside Price and Technical

Quality NOT Quantity...ENGAGE





Volunteering as a Departmental Indigenous Procurement Coordinator



77% of Canadians recognize the importance of thriving Indigenous enterprises to the creation of sustainable economic opportunities for Indigenous people
- 2017 national survey commissioned by Sodexo Canada

ISC manages a network across federal organizations who act as Indigenous Procurement Coordinators for their respective organizations.





Making Progress and Changes

- PSIB was progressive in 1996.
- After 20 plus years, improvements are needed.

We made a few preliminary changes:

- ✓ Established a mandatory minimum target of 5%
- ✓ Simplified definitions
- ✓ Expanded the size and number of the geographic areas where procurements are to be limited for bidding among Indigenous businesses

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What is the “5% Target”?



- Open Tenders
- Limited Tenders
- Modern Treaties
- Subcontracts

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CONTRACTS

5% Target is a floor NOT a ceiling



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Planning and Reporting

Planning

- ✓ ISC supports departments and agencies with developing procurement plans to achieve the 5% target.
- ✓ Estimate on the value of all contracts to be awarded to Indigenous businesses.

Reporting

- ✓ Departmental performance will be validated against the mandatory minimum target and published within 12 months after the fiscal year-end.
- ✓ ISC will be also publishing on the government-wide performance against the mandatory minimum target.

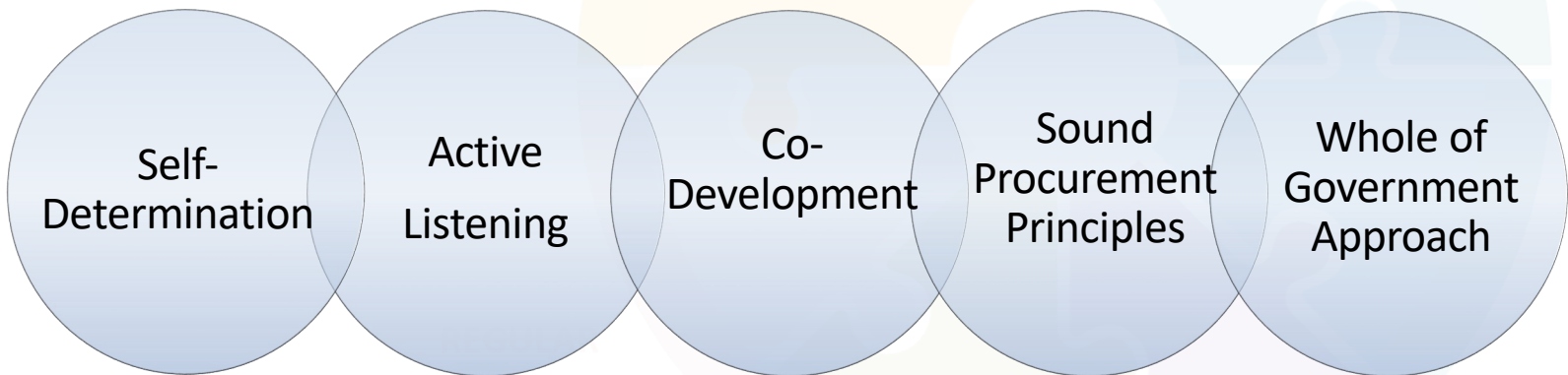
Planning and reporting reinforces effective management and accountability.





Transformative Indigenous Procurement Strategy

- Support 5% Target
- Co-develop a new Indigenous Procurement Strategy
- Indigenous methodology and feedback
- Support greater Indigenous control
- Transform and/or transfer services.



Engagements and Consultations to follow

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