



Ministry of Indigenous Relations and Reconciliation

# Ontario Aboriginal Procurement Program

**Doing Business with Government  
Indigenous Procurement Forum**

September 27, 2016

# Program Overview



- The Aboriginal Procurement Program promotes Indigenous economic development by increasing contracting opportunities for businesses in Ontario owned by First Nation, Métis and Inuit people.
  
- The Program focuses on three priority themes (**Educate**, **Encourage** and **Enable**) and encourages government purchasers to buy from Indigenous businesses when purchasing goods and services that:
  - Have a significant impact/benefit on Indigenous people;
  - Are culturally-specific; or
  - Relate to an Indigenous-specific program or policy.
  
- The Aboriginal Procurement Program is one of several tools that Ontario is using to help grow Indigenous businesses, including the Aboriginal Economic Development Fund and the Indigenous Business Toolkit.

# Why Indigenous procurement matters



- There are more than 9,000 Indigenous business owners in Ontario, with 75% of Indigenous business owners reporting a **net profit** and **80%** reporting **steady or increasing revenues**.
- The provincial government has huge buying power— nearly \$6 billion in procurement contracts annually.
- That means we can use government procurement to:
  - Grow Indigenous businesses
  - Support economic development opportunities in communities
  - Narrow the socioeconomic gap between Indigenous and non-Indigenous people
- Indigenous procurement opportunities build stronger Indigenous businesses, which can better support other government strategic and economic priorities.

# Aboriginal Procurement Pilot



- The idea to create an Aboriginal procurement strategy came from a commitment made at the 2010 Ontario First Nations Economic Forum in Fort William First Nation.
- The Aboriginal Procurement Pilot was launched in February 2012 to help inform the creation of a long-term Aboriginal Procurement Program.
- An evaluation of the Pilot was completed in spring 2014 and helped to inform how the Program looks today.
- The Aboriginal Procurement Program was officially announced in June 2015.

# Procurement Pilot Successes



- 9 ministries used the Pilot program, with the bulk of the procurements awarded by MTO and MNRF
- 24 procurement contracts were awarded to Indigenous businesses under the Pilot
- Over \$11 million in contracts awarded to Indigenous businesses, most of them in northern Ontario\*
- The total does not include procurements that were awarded to Indigenous firms outside the Pilot

\* NOTE: Procurement spending in northern Ontario has consistently comprised approximately \$500 million or about 9% of annual OPS spending over the past four years

# Spotlight: Ministry of Transportation

- **Promoting Partnerships:** An aggregate crushing project was awarded to a partnership between Magnetawan First Nation, Shawanaga First Nation and Miller Group Incorporated in 2013. Participants gained experience administering and working on a major government procurement project
- **Sharing Benefits of Government Procurement:** Kasabonika Lake First Nation received a contract to haul aggregate for a runway at the Kasabonika Airport, which requires 35,000 tonnes of aggregate.



**Facilitating Ministry Projects:** The Pilot resulted in MTO's engagement of Danshab Enterprises, an Indigenous-owned business to work on a number of ecological restoration projects on the Herb Grey Parkway in Windsor.

# Spotlight: Ministry of Natural Resources and Forestry

- To facilitate site clean-up the Mid-Canada Radar Line and to provide opportunities for local First Nations businesses to benefit from procurement opportunities, MNR awarded contracts to Attawapiskat First Nation for the operation of a remote base camp facility at nearby Mid-Canada Line Site 415.



Attawapiskat's involvement in the Mid-Canada Radar Line Site Clean-up provided employment for approximately 40 community members trained in emergency response and hazardous material handling, as well as kitchen staff, liaison workers and other temporary supports to complete the work.

# The 3 E's of the Aboriginal Procurement Program



EDUCATE	ENCOURAGE	ENABLE
<b>How to Help Indigenous Businesses Grow</b>	<b>Support Indigenous Economic Development</b>	<b>Buy Indigenous</b>
<ul style="list-style-type: none"> <li>• Aboriginal Procurement Workshops for Government Buyers</li> <li>• How to Do Business Workshops for Indigenous businesses</li> <li>• Enhanced ontario.ca information for Indigenous businesses</li> </ul>	<ul style="list-style-type: none"> <li>• OPS Aboriginal Procurement Network</li> <li>• Champions Network</li> <li>• Public Awareness Campaign</li> <li>• Annual Report</li> </ul>	<ul style="list-style-type: none"> <li>• Aboriginal Procurement Guide for Government Buyers</li> <li>• Ontario Aboriginal Business Directory</li> <li>• eTendering Registration</li> <li>• Vendor of Record</li> </ul>



# Implementation Activities to Date



## Public Announcement

- Program officially announced on June 26, 2015. Ministries continue to use the allowable exception within the *OPS Procurement Directive*, and MIRR provides advice on Indigenous procurement to government buyers.

## Aboriginal Procurement Program Guide for Government Buyers

- A joint bulletin from MGCS Supply Chain Ontario and MIRR about the Program, including a link to the Guide, was posted to MyOPS on January 6, 2016. MIRR is currently updating the Guide to include more information and to ensure consistent terminology.

## OPS Aboriginal Procurement Network

- The OPS Aboriginal Procurement Network was launched in October 2015, providing a forum for Indigenous procurement leads across ministries to promote Indigenous procurement and assist buyers in identifying appropriate procurement opportunities. The next meeting is scheduled for mid-September.

## Indigenous Procurement Workshops for Government Buyers

- MIRR is working with MGCS Supply Chain to develop an OPS-based procurement training webinar to help staff in northern ministries learn more about government and Indigenous procurement. MIRR will also provide this information through the OPS Aboriginal Procurement Network.

# Promotional Outreach



## Ontario Aboriginal Business Directory Merger

- Ontario is working with partners at the federal government to merge the Ontario Aboriginal Business Directory and the federal Aboriginal Business Directory in order to provide a streamlined “one window” process for registration and business promotion.

## Promotion

- MIRR works with MGCS Supply Chain and other ministries and external partners (e.g., Canadian Council for Aboriginal Business, Canadian Aboriginal and Minority Supplier Council) to organize Indigenous-specific outreach events:
  - MIRR presented at the 2015 Supply Ontario event hosted by MGCS Supply Chain in Sault Ste. Marie
  - MIRR hosted an Indigenous procurement workshop at the annual CAMSC conference in Toronto
  - MTO, MGCS Supply Chain and MIRR co-hosted an Indigenous procurement session with Whitefish Lake First Nation in December 2015
  - MIRR is providing training and support to ministries to encourage use of the Program
  - **Indigenous Procurement Forum!**

# Challenges



- Indigenous partners have been supporting of the Program, but say Ontario needs to do more to enhance Indigenous business capacity and ensure communities benefit from government procurement opportunities.
- The Program is voluntary at the moment, and although Ontario strives to increase procurement opportunities for Indigenous businesses we have not yet set a formal target for procurement levels.
- We are in the processing of collective data on procurement to demonstrate that the Program has had a positive impact on Indigenous procurement since its release—but developing a baseline will continue to be a challenge.
- Streamlining the processing internally will also be an important tool for encouraging more use of the Program

# Appendix A: Performance Measures



Intermediate Outcome	Measure	Data Source	Description
Enhanced Awareness of Government Procurement	• Number of Indigenous businesses participating in government procurement	OPS Annual Report on Indigenous Procurement	Increases in the total number of Indigenous businesses that bid on government procurement opportunities and increases in the percentage of Indigenous businesses that are aware of the Indigenous Procurement Program will indicate a positive impact on education and outreach components of the Program.
	• Percentage of Indigenous Businesses aware of the Indigenous Procurement Program	Canadian Council for Indigenous Business's Indigenous Business Survey	
	• Number of ministries using Indigenous procurement methods*	OPS Annual Report on Indigenous Procurement	
Increased Participation of Indigenous Businesses in Government Procurement	• Dollar value and number of contracts awarded to qualified Indigenous businesses through Indigenous procurement methods*	OPS Annual Report on Indigenous Procurement	Increases in the share of total procurement spend as well as the value and number of contracts that are awarded to eligible Indigenous businesses will indicate an increase in Indigenous participation in procurement as a result of the Program, as well as increased awareness of Indigenous procurement in government.
	• Amount of Indigenous procurement spend as a percentage of all public procurement	OPS Annual Report on Indigenous Procurement	
Increased Economic Opportunities for Indigenous People	• Number of Indigenous people employed as a result of opportunities using Indigenous procurement methods*	OPS Annual Report on Indigenous Procurement	Measures will provide evidence on how the Program is contributing to broader economic benefits, specifically employment and training opportunities for Indigenous people.
	• Number of Indigenous people receiving training as a result of opportunities using Indigenous procurement methods*	OPS Annual Report on Indigenous Procurement	
Increased Indigenous and Non-Indigenous Partnerships in Public Procurement	• Number of Indigenous and Non-Indigenous joint ventures bidding on procurements using Indigenous procurement methods*	OPS Annual Report on Indigenous Procurement	An increase in the number of partnerships will indicate that the Program is succeeding in promoting and encouraging partnerships between Indigenous and non-Indigenous businesses.
Long-Term Outcome	Measure		Description
Increased Success of Indigenous Business in Open Competitive Procurement	• Indigenous procurement spend in open competitive procurement	OPS Annual Report on Indigenous Procurement	Increase in the procurement spend awarded to eligible Indigenous businesses without the use of Indigenous procurement methods will indicate the Indigenous businesses are obtaining the capacity and experience to be successful in competitive procurement where the allowable exception is not used.

# Appendix B: Program Components



- **Indigenous Procurement Workshops for Government Buyers:** Workshops focused on when and how to apply Indigenous procurement practices, as well as emphasize how Indigenous procurement supports government priorities related to reducing poverty, supporting economic development and improving relationships with Indigenous people.
- **How to Do Business Workshops:** MIRR and MGCS Supply Chain deliver workshops for Indigenous and non-Indigenous businesses, including regional and web-based sessions for businesses in remote communities. Workshops focus on building capacity (for example, on how to write good procurement proposals) and increasing awareness (for example, on marketing to government, eTendering, becoming a Vendor of Record, and accessing government tenders).
- **Aboriginal Procurement Guide for Government Buyers:** The guide provides guidance for government buyers on why, when and how to apply Indigenous procurement practices.
- **Online Resources for Indigenous Businesses:** Information on [www.ontario.ca/indigenous](http://www.ontario.ca/indigenous) includes details on the government's Aboriginal Procurement Program for Indigenous businesses and complements existing MGCS Supply Chain guides for vendors.

## Appendix B: Program Components (cont.)



- **Supply Ontario:** Market and promote Supply Ontario events, which provide opportunities for Indigenous suppliers to network with government buyers. MIRR and MGCS Supply Chain organize Indigenous-specific outreach events to connect Indigenous businesses with government buyers as well as non-Indigenous businesses.
- **Ontario Aboriginal Business Directory:** A free online resource for Indigenous businesses to promote their goods and services, and a tool used by government buyers to identify eligible suppliers.
- **OPS Aboriginal Procurement Network:** A network of Indigenous procurement leads across ministries that promotes Indigenous procurement and assists government buyers in identifying appropriate procurement opportunities. The network includes public contacts to help Indigenous businesses learn about procurement opportunities in each ministry.
- **Annual Report on Indigenous Procurement:** A public report on how ministries are purchasing goods and services from Indigenous businesses, including showcasing success stories. Data for the annual report will be collected through the OPS Aboriginal Procurement Network, or through other appropriate processes.

# For more information



For questions about the **Aboriginal Procurement Program**:

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