



Government
of Canada

Gouvernement
du Canada

Indigenous Procurement

Presentation to Business
2019



Canada



What is PSAB?

The Procurement Strategy for Aboriginal Business (PSAB) was launched in 1996 to address the under-representation of Indigenous businesses in federal procurement processes.

- Enhances the creation, growth, and long-term viability of Indigenous businesses by assisting them in competing for and winning federal procurement opportunities.
- Creates opportunities for Indigenous firms by leveraging existing government procurement needs, while adhering to the Government's core values and procurement requirements.
- Fulfills 2 key roles – outreach and information dissemination to Indigenous businesses on opportunities; and advocacy, training, goal-setting and information sharing within the Government of Canada.

Supporting strong Indigenous businesses is seen by **76%** of Canadians as a pathway to healing relationships with First Nations, Inuit and Métis people.

- 2017 national survey commissioned by Sodexo Canada

8 in 10 Canadians believe that Indigenous participation in the economy strengthens Canada's social fabric.

- 2017 national survey commissioned by Sodexo Canada





Federal Indigenous Procurement Mechanisms

MANDATORY SET-ASIDE

A mandatory set-aside is used for procurements that are destined for an area, community or group in which Indigenous people make up at least 80% of the population and where the Indigenous population will be the recipient of the good, service or construction.

VOLUNTARY SET-ASIDE

Also known as “selective set-asides”, voluntary set-asides may be employed if Indigenous capacity exists and operational requirements, best value, prudence, probity and sound contracting management can be assured.

JOINT VENTURE

A joint venture is a mechanism that allows Indigenous and non-Indigenous businesses to bid on procurements that have been set-aside under PSAB. Provided that the Indigenous firm has 51% ownership and control of the joint venture and at least 33% of the value of the work is performed by the Indigenous business.

INCIDENTALS

An Incidental PSAB set-aside exists where a procurement has not been set-aside (i.e. open tenders - Indigenous businesses competing against non-Indigenous businesses), and where a self-declared Indigenous business, as defined by PSAB eligibility criteria, wins the contract.

INDIGENOUS PARTICIPATION COMPONENT

An IPC is a portion of the value of a contract that is set-aside for Indigenous participation, which can be direct or indirect (or both). Direct IPCs refer to Indigenous sub-contracting, employment and training. Indirect IPCs refer to scholarships and bursaries. An IPC may also be referred to as an Aboriginal Participation Component (APC).

CONDITIONAL SET-ASIDE

When it is impossible to determine Indigenous business capacity, a conditional set-aside can be used. This means that a procurement is open to Indigenous and non-Indigenous businesses. However, if two or more Indigenous businesses submit a bid, then the procurement is set-aside under PSAB.

MODERN TREATIES (CLCAs)

Modern treaties (CLCAs) are constitutionally protected agreements. Of the current 24 modern treaties in effect, 22 have economic measures/procurement obligations. PSAB applies only after modern treaty obligations have been met.





More on Indigenous Participation Components

- IPCs are different than the other PSAB approaches given that they encompass more than only using Indigenous-owned businesses, they also include:
 - **Indigenous hiring and training**
 - **Grants, bursaries and scholarships for Indigenous people and communities**
- The portion of the value of the contract that is set-aside for Indigenous participation can be a percentage or dollar value
- The prime contractor can achieve **their IPC through any combination of direct or indirect IPCs**, depending on the terms and conditions of the contract
- Sub-contractors **must** be registered in the Indigenous Business Directory
- Prime contractors may be required to submit an IPC Plan to CIRNAC two months after contract award, depending on the terms and conditions of the contract
- CIRNAC may be the IPC Authority and **helps ensure the prime contractor is adhering to and achieving their IPC commitment** throughout the duration of the contract
- CIRNAC is available to provide a **separate presentation on IPCs**

“At a relatively small cost to government and taxpayers, PSAB helps to strengthen Aboriginal business bidding capacity, competitiveness and Aboriginal employment.”

Canadian Council for Aboriginal Business' 2011 Aboriginal Business Survey





CIRNAC's Role

CIRNAC helps other federal government departments fulfill their Indigenous procurement requests by:

- Acting as the Indigenous Participation Component (IPC) Authority on request
- Providing evidence of Indigenous business capacity to fulfill a particular requirement
- Providing advice and guidance on successfully implementing Indigenous procurement policy
- Educating procurement specialists on the benefits of utilizing PSAB
- Maintaining a network of over 100 procurement specialists who act as PSAB coordinators within their respective departments



CIRNAC helps eligible Indigenous businesses enhance their business capacity by:

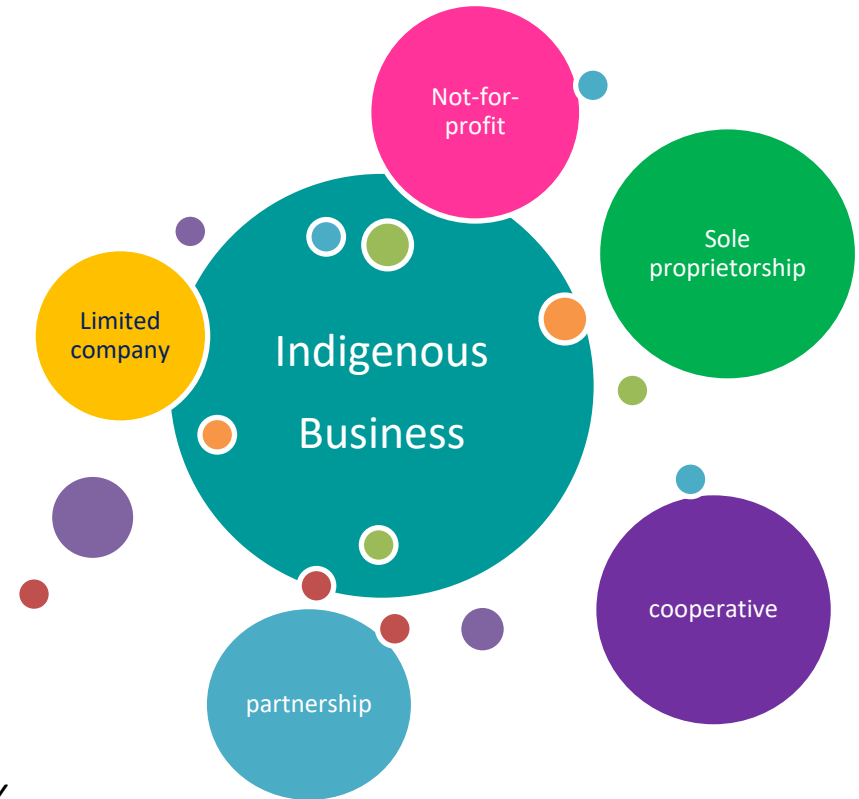
- Educating on Indigenous procurement policy
- Providing tools and mechanisms to increase visibility
- Encouraging partnerships and joint-ventures to increase capacity and skills development
- Intervening on procurements to advocate for Indigenous participation and thereby enable businesses to:
 - Demonstrate their capabilities
 - Enter into new supply chains






Indigenous Businesses as defined by PSAB

- A sole proprietorship, limited company, cooperative, partnership or not-for-profit organization in which,
 - Indigenous persons have majority ownership and control meaning at least 51%, and
 - In the case of a business enterprise with 6 or more full-time employees, at least 33% of the full-time employees are Indigenous.
- A Joint-venture agreement in which an Indigenous business or Indigenous businesses as defined above must have at least 51% ownership and control. All joint ventures also require that Indigenous content is at least 33% of the total value of the work to be performed.





More on Eligibility Requirements

A map of Canada is shown in the background, with the text overlaid on it. The map is color-coded by province and territory, with yellow highlighting the central and northern regions. The text is in bold black font.

PSAB is a national policy – meaning that Indigenous businesses have the opportunity to compete for local, as well as other federal government tenders throughout Canada. Language can be included in the Requests for Proposals to encourage using local suppliers and/or employees.

Comprehensive Land Claim Agreements (CLCA) / Modern Treaties take precedence over the PSAB policy, however, the definition of a CLCA business is respected in the claim area.





Accountability & Integrity

There are 3 types of audits conducted by PSAB: pre-award audit, post-award audit and random audit.

Pre-award Audit

A pre-award audit is mandatory for PSAB set-aside requirements valued at, or greater than, \$2 million. In addition, pre-award audits may be conducted for requirements below the value of \$2 million when a need is identified, either by the requisitioning department, the contracting authority or CIRNAC. Lastly a pre-award audit may also be conducted on a random basis.

Post-award Audit

The purpose of the post-award audit is to ensure that the contractor meets the PSAB criteria during the contract duration. This audit is conducted to verify if the Indigenous business meets the ownership, control, and employment criteria as well as the Indigenous content criterion. The audit can be random or requested by a contracting authority. Moreover, it ensures the integrity of the Indigenous Business Directory.

Random Audit

An audit for compliance can be performed on a random basis. It is not related to any pre- or post-awarded requirement. The purpose of the audit for compliance is to ensure the integrity of the Indigenous Business Directory by guaranteeing that businesses registered under the PSAB are compliant with the requirements set out in the CPN 1996-6. The audit for compliance follows the exact same procedure as the pre-award audit procedure.

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





Registering in the Indigenous Business Directory (IBD)

The IBD is a publicly accessible search engine used by the federal procurement community to identify qualified Indigenous suppliers in various sectors

INCREASED VISIBILITY

Registering in the IBD is FREE and takes 30 mins. Once registration is complete, CIRNAC reviews and confirms registration within 48 hours!

EASY & FAST

All businesses registered under PSAB in the IBD are subject to random audits and mandatory pre-award audits (for contracts over \$2M) to ensure compliance under the PSAB.

RELIABLE





Registering in the Indigenous Business Directory (IBD)

When registering, CIRNAC recommends that owners collect documentation:

- From **all** employees: proof of Canadian residency (i.e. driver's license)
- From **all Indigenous** employees: proof of heritage

For example:

- Copy of a Status Card
- Copy of letter from CIRNAC indicating acceptance for registration under the Indian Act;
- Letter from Band Council indicating membership in the Band;
- Official Band list provided by CIRNAC
- Inclusion on the enrolment list of a designated land claims organization
- Letter from Executive Director or Board of a recognized Aboriginal community organization recognizing Aboriginal ancestry

This could save considerable time and trouble for any type of audit – especially for post-award audits which require documentation through out the whole contract.





Searching for Opportunities

Once you understand how the PSAB policy works and you register in the Indigenous Business Directory, you can use **Buyandsell.gc.ca** to search and bid on opportunities that have been set-aside under PSAB (meaning only Indigenous-owned businesses can compete).

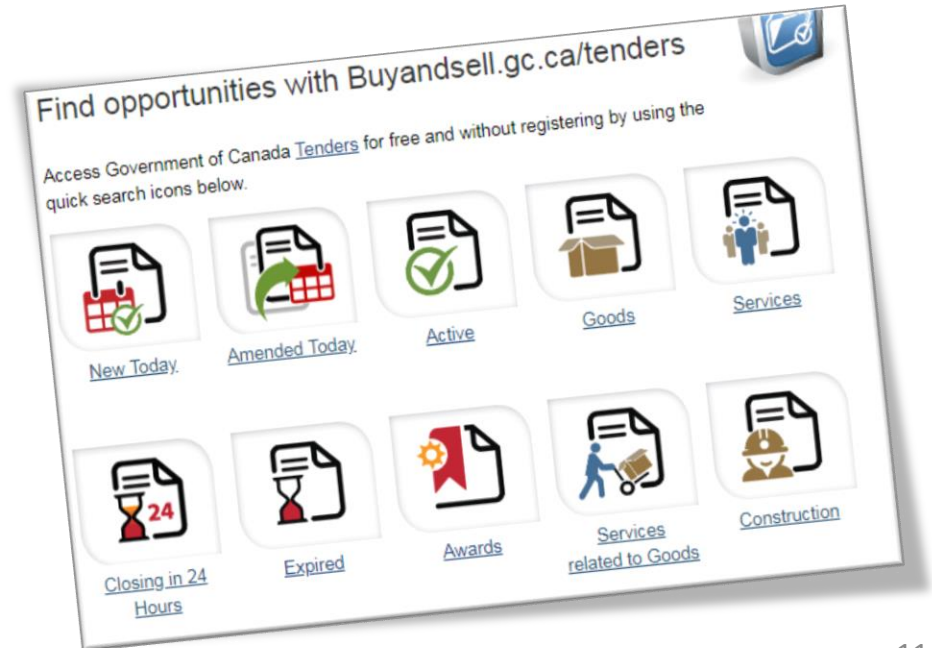
Buyandsell.gc.ca is the authoritative source for government procurement information. **This website is where federal government departments and agencies post their requirements online.**

If you need help navigating the site, contact the Office of Small and Medium Enterprises in Public Services and Procurement Canada at:

1-800-811-1148

or

bpmeclient.osmeclient@tpsgc-pwgsc.gc.ca





Additional Resources

NEED HELP WITH USING BUYANDSELL.GC.CA?

The **Office of Small and Medium Enterprises** in Public Services and Procurement Canada advocates on behalf of SMEs and encourages their participation in federal government procurement.

- More info: 1-800-811-1148 or bpmeclient.osmeclient@tpsgc-pwgsc.gc.ca

SEARCH FOR PERMITS AND LICENCES

BizPal is a joint initiative involving governments at the federal, provincial, territorial and municipal levels who collaborated together to provide business owners with the permits and licences that may be required to start and grow your business.

- More info: <https://www.bizpal.ca>

ONLINE HUB FOR FEDERAL PROGRAMS AND SERVICES

Innovation, Science and Economic Development Canada's **Innovation Canada Digital Platform** acts as a hub to get a tailored list of everything that the federal government can do for your business.

- More info: <https://www.ic.gc.ca/app/scr/innovation?lang=eng>





Additional Resources

NEED HELP WITH YOUR TAXES?

The **Canada Revenue Agency** has a new program offering free in-person support and guidance at key moments in your business life cycle to help you meet your tax obligations.

- More info: Canada.ca/cra-liaison-officer

THINKING OF EXPORTING?

The **Trade Commissioner Service at Global Affairs Canada** embraced a progressive trade agenda to better support Indigenous-owned businesses that want to export their products and services to international markets.

- More info: tradecommissioner.gc.ca

CONFUSED ON SECURITY REQUIREMENTS?

Public Services and Procurement Canada's **Contract Security Program** offers free webinars to private sector organizations who are bidding or working on government contracts with security requirements. Each webinar is presented live by subject matter experts.

- More info: 1-866-368-4646 or ssi-iss@tpsgc-pwgsc.gc.ca





NEED MORE INFO ON INDIGENOUS PROCUREMENT?

PSAB Help Line 1-800-400-7677

Email aadnc.saea-psab.aandc@canada.ca

The [PSAB website](#) can provide you with more
information

Have an upcoming tradeshow or conference?
We can help educate attendees on PSAB and the IBD.
Contact us for more info!

