

## Annex B

# SOCIAL and INDIGENOUS PROCUREMENT

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## *Introduction*

This guidance document applies to the procurement of all goods, services and construction undertaken by all suppliers for contracts under this Supply Arrangement.

The Government of Canada is committed to social and indigenous procurement and to achieving sustainable social and Indigenous outcomes and benefits through harnessing the Government's buying power.

Social procurement can be defined in various ways; however generally speaking, it is a growing international practice that refers to using procurement as a means for achieving strategic social, economic, and workforce development objectives.

Canada continues to build on a Social Procurement framework to increase social value in a fair, inclusive, sustainable and meaningful way to benefit all Canadians.

## *Purpose of the Social Procurement in this Requirement*

Canada seeks opportunities to collaborate with its partner and stakeholder groups in building capacity to increase overall social benefits to Canadians.

This Supply Arrangement encourages all offerors to consider incorporating a Social Procurement Approach into their offers and to apply their approach to the individual procurements as a result of this supply arrangement.

As the approach, framework, and capacity in social procurement grows, Canada will consider further opportunities to embed social procurement into its procurement framework.

## *Interpretation of Social Procurement in this Requirement*

Social procurement is when buyers leverage their buying power to generate social value above and beyond the value of the overall requirement.

Social procurement can be grouped into two approaches: Direct and Indirect.



## Direct Opportunities - Purchasing of goods, services or construction from:

- A certified social enterprise – certified by Buy Social Canada  
<https://www.buysocialcanada.com/directories/>
- A Diverse Supplier
- An Indigenous owned business [Eligibility for Aboriginal Procurement Set Aside \(sacisc.gc.ca\)](https://www.sacisc.gc.ca)
- Employment of under-represented groups (LGBTQ+, women, Indigenous Peoples, persons with disabilities and visible minorities)

Public Services and Procurement Canada (PSPC) defines a diverse supplier as “a business owned or led by Canadians from under-represented groups, such as women, Indigenous Peoples, persons with disabilities and visible minorities.” Each business is usually defined as being owned, operated and controlled by 51% of a given group.

## Indirect Opportunities – Workforce development benefits

Workforce development benefits are focused on skills training for workers from under-represented groups who face challenges in entering the work force. Suppliers to Canada provide benefits and pathways to the work force when they apply training and education to increase the employability of persons from under-represented groups.

Additionally, The Government recognizes companies located in all regions across Canada can play a vital role in the sustainability of regional communities. As an additional way to achieve community social benefits, companies (under contract with Canada) are encouraged to consider how they can use place-based approaches to address local community needs using local solutions to improve the unique attributes of their community.

## Reporting for Social Procurement

Canada encourages suppliers to identify opportunities and report on social outcomes and benefits which are achieved through the application of the supply arrangement. The sample report below (Table 1) is an example of how suppliers can report the outcomes from their social procurement initiatives. When under Contract, Social Procurement outcomes are encouraged to be voluntarily reported at least annually to the Technical Authority or designate. To clarify, reporting on outcomes in relation to Indigenous Participation Plan is required while reporting outcomes associated with social benefits is encouraged.



Suppliers are encouraged to report on any social benefits achieved throughout their supply arrangement. Table 1 provides a guide and some examples of the types of initiatives that can provide social benefits.

**Table 1 – Social Benefits Report**

Initiative	Supplier response
1. A certified social enterprise	Subcontract issued for \$500,000 for the purchase of drywall from a certified social enterprise
2. A Diverse Supplier	Subcontract issued to ABC Co. a black led business for \$500,000 for Painting Services
3. An Indigenous owned business	Subcontract issued to XYZ Company (a certified Indigenous firm) for the provision of Office Furniture \$700,000
4. Employment of under-represented groups (LGBTQ+, women, Indigenous Peoples, persons with disabilities and visible minorities)	Employment of skilled labour of self-identified persons from under-represented groups totalling 4000 hours of work with wages of \$120,000 plus benefits of \$22,000 for a total of \$142, 000
5. Indirect Benefits – workforce/skills development	Sponsorship of 2 full time apprentice welders from youth employment program



## DELIVERING ON SOCIAL PARTICIPATION

04

### PSPC Collaboration

SA holders are encouraged to share their plans, including amended plans over time, with PSPC for their feedback.

02

### Adding Social Value

Supply Arrangement respondents are encouraged to consider how they could achieve social value in the execution of work under the SA.

05

### Reporting Requirements

SA holders are encouraged to report social procurement efforts and related outcomes to PSPC, at least annually.

03

### Social Participation Planning

SA holders are encouraged to create a plan for incorporating social procurement into their participation in the SA and resulting Contracts.

01

### Commitment Letter

Mandatory Requirement. Not rated. Provided at RFSA Stage.

This Request for Supply Arrangement includes a provision for PSPC to include Social Procurement as a mandatory requirement for project specific RFP's/Contracts under the Supply Arrangement. This means that future contracts under the SA may require Contractors to prepare and submit a plan for social procurement to PSPC and be required to implement and report on the results and outcomes of their plan.



SOCIAL PROCUREMENT  
PARTICIPATION COMMITMENT LETTER

Supply arrangement holders are encouraged to consider applying social procurement benefits in their subsequent contracts under this supply arrangement.

Offerors are not required to have previous experience with social procurement initiatives at the time of your bid. Rather this Supply Arrangement is an opportunity to start the conversation.

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*Pursuant to being issued a supply arrangement under this requirement, I agree to consider developing ways to achieve social value as a Supply Arrangement Holder and in the execution of any subsequent contracts awarded to my firm under this supply arrangement.*

Company Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



# Appendix 1A

## INDIGENOUS PARTICIPATION PLAN



## PREAMBLE

- The Government of Canada is committed to reconciliation and meaningful engagement with Indigenous Peoples and Businesses. Companies under contract with the Government of Canada will be required to support Canada's commitment.
- Suppliers are required to commit to and demonstrate how they intend to provide opportunities for Indigenous Peoples and Businesses throughout the duration of any projects they may undertake as a result of this Request for supply arrangement. This is to be established through completion of the Indigenous Participation Plan Commitment Letter (Appendix 1B) to be submitted at RFSA closing, and provision of an Indigenous Participation Plan (IPP) submitted to the Supply Arrangement Authority or Designate no more than 30 days after issuance of a supply arrangement.
- Suppliers must include an IPP to demonstrate their approach for meaningful engagement with the Indigenous Community. PSPC will review the approach either accept it or provide feedback to the Offeror for improvement(s) to the plan. Suppliers are strongly encouraged to continue to build their capacity and their IPP during the course of this supply arrangement.
- Upon award of Contract, the winning Supplier will be required to draw upon their IPP and tailor their approach specific to each project via the submission of their Project Specific Indigenous Participation Plan. The project specific plan is due 15 days after award of the Contract.



## WHAT DOES INDIGENOUS PARTICIPATION LOOK LIKE?

Contribute to the economic development of Indigenous peoples by assisting in the employment of Indigenous workers.

Opportunities to sub-contract with Indigenous companies or participate in joint ventures with Indigenous-owned businesses.

Provide on-the-job training, skills development, apprenticeship programs, mentorship programs, or educational opportunities.



## DELIVERING ON INDIGENOUS PARTICIPATION

06

### Performance Measurement

Optional application at PSPC's discretion of the Performance Measurement Framework and associated incentive.

04

### PSPC Assessment

PSIPP will be reviewed for acceptance by PSPC.

02

### Indigenous Participation Plan (IPP)

Mandatory Requirement. Due 30 days after issuance of a Supply Arrangement. Follow guidelines provided in the Guided Document. PSPC review and feedback.

05

### Reporting Requirements

Quarterly reporting with a final summary report within 30 days of contract completion.

03

### Project Specific Indigenous Participation Plan (PSIPP)

Due 15 days after award of a Contract. Mandatory Requirement.

01

### Commitment Letter

Mandatory Requirement. Not rated. Provided at RFSA Stage.



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GOVERNMENT,  
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CANADIANS.

## 1 – COMMITMENT LETTER FOR INDIGENOUS PARTICIPATION PLAN

### Provided at RFSA Submission Stage (see Appendix 1B)

Offerors must provide the mandatory commitment letter to advise PSPC of their commitment to develop a plan for Indigenous Participation Plan (IPP) should they be issued a supply arrangement. This is due as part of their submission to the RFSA at closing date.

## 2 – INDIGENOUS PARTICIPATION PLAN

### Due 30 Days after Issuance of a Supply Arrangement (see Appendix 1C)

In this document, the Offeror must provide the details on their proposed Indigenous Participation Plan. This must be provided to the Supply Arrangement Authority or Designate on or before the 30th day after the issuance of a supply arrangement.

A Guided Document at Appendix 1C is provided for supply arrangement holders to follow in the development of their Indigenous Participation Plan.

Supply arrangement holders submit a response using the Guided Document below and include specific information on the Company's goals. Indicate stakeholders, human resources plan, skills development plan and proposed benefits, both direct and indirect.

The Supply Arrangement Authority or Designate will review the IPP and provide feedback to the supply arrangement holder should the plan not meet the criteria outlined in the Guided Document.

Supply arrangement holders must provide their IPP, and their plan must be accepted by the PSPC designate prior to being invited to bid on any projects under this SA. This is a mandatory requirement.



### 3 – PROJECT SPECIFIC INDIGENOUS PARTICIPATION PLAN

#### Due 15 business days after Contract award

Upon award of a Contract, the winning Contractor will be required to tailor their approach to Indigenous participation specific via the mandatory submission of their Project Specific Indigenous Participation Plan. This is the stage Contractors will be required to draw upon their overarching IPP and apply to each specific contract and the nuances of each project.



## 4 – PSPC ASSESSMENT OF PROJECT SPECIFIC INDIGENOUS PARTICIPATION PLAN

### Final Project Specific Reporting:

The Contractor must provide a detailed report on the Indigenous opportunities achieved through the project based on their original project specific indigenous participation plan. The report must include details of the engagement, the dollar value of the benefits achieved, and an assessment of the quality of the benefit(s). This will be reported through the Indigenous Participation Plan Reporting deliverable.

### Quarterly IPP Reporting:

The Contractor must provide a detailed quarterly report summarizing the Indigenous opportunities achieved for the previous quarter under this supply arrangement. The report must include a cumulative summary of the engagement, the dollar value of the benefits achieved, and an assessment of the quality of the benefit(s). This will be reported through the Indigenous Participation Plan Reporting deliverable.

### Indigenous Plan Updates:

- During the course of the supply arrangement, the Contractor may propose amendments to their overarching Indigenous Participation Plan. Any such proposal must include a justification for the change and a detailed explanation of the changes.
- The proposed changes must be submitted to the Supply Arrangement Authority or Designate. Canada shall provide comments or agreement within 10 working days of receipt of the update. Canada is under no obligation to accept any such proposal regardless of its content or justification.



## 6 – Performance Measurement Framework

PSPC is committed to performance management. This Supply Arrangement (SA) has performance priorities to incent all projects to be delivered on-time and efficiently, minimizing Canada's effort in administering projects, as well as to incorporate Indigenous participation within specific projects.

### KPI – INDIGENOUS OPPORTUNITIES

This is an optional KPI whose applicability will be reflected in the individual projects' RFP's, depending on the need as determined by the TA.

Where the measure is applicable, the RFP will indicate the maximum incentive available. The incentive awarded is up to the maximum available but prorated against the quality of the Project Specific Indigenous Participation Plan and reflecting whether the projected outcomes of this plan are ultimately achieved and in what quantity and quality.

The maximum incentive is intended to be awarded when (a) the Project Specific Indigenous Participation Plan proposed superior outcomes and (b) those outcomes are fully achieved.

As Project Specific Indigenous Participation plans are only available after the Contract is awarded, the quality of the plan can only be assessed after the winning bidder is determined. It is for this reason that the maximum amount of incentive may be adjusted down to reflect a Project Specific Indigenous Participation Plan that does not propose superior outcomes and rather offers something less. With respect to performance measurement, the outcomes achieved (i.e. the final results) will be considered in awarding the incentive. As stated previously, where outcomes have been fully realized, the maximum incentive will be awarded. On the other hand, lesser outcomes will result in an appropriate reduction in the incentive awarded.



## Appendix 1B

### INDIGENOUS PARTICIPATION PLAN COMMITMENT LETTER

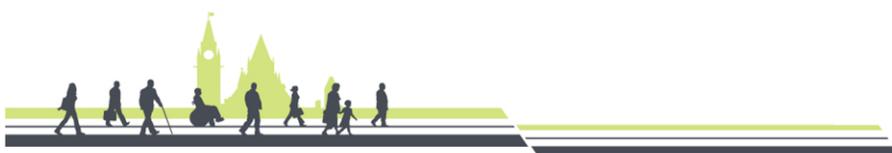
Pursuant to being issued a supply arrangement under this requirement, I agree to developing an Indigenous Participation Plan and providing the plan within 30 days of issuance of a Supply Arrangement.

I further agree to implementing said plan in the course of providing services under this supply arrangement.

Company Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_



## Appendix 1C

### Indigenous Participation Plan

#### Guided Document

Within 30 days of issuance of a supply arrangement, Offerors must provide further details on their proposed Indigenous Participation Plan. Please refer to this guided document in the preparation of your plan. The plan is to be presented under the following headings and content.

#### 1.1 Indigenous Participation Plan Content

The Indigenous Participation Plan must include a clear statement of the minimum amount of Indigenous Benefits that the Bidder proposes to provide. This may be provided as a proposed percentage of value in future contracts, a proposed percentage of direct labour costs or any direct benefit such as planned sub-contracting.

In your report include information on direct and indirect benefits:

##### Direct Benefits

- The main Contractor
- One of its Sub-Contractors
- Employees and/or personnel within the Contractor's team

##### Indirect Benefits

Indirect benefits refer to measures where there is a lack of Indigenous business capacity which can be developed by:

- Specialized training
- Internships
- Apprenticeships



## 1.2 Human Resources Plan

This plan details how the Contractor intends to maximize the use of Indigenous employment.

For example, a human resources plan should include but is not limited to:

- Strategies for recruitment of Indigenous persons.
- Strategies for retention of Indigenous persons.
- Succession planning
- Staff Management



### 1.3 Skills Development Plan

In the Skills Development Plan, the Contractor or its Sub-Contractor(s) must detail how they intend to maximize the training and skills development of Indigenous persons.

The Plan must address how the training of Indigenous people will be managed. It also must address the complexities introduced by the annual cycle of work in the region, the cultural cycles of Indigenous life, the capacity of the Contractor's staff to supervise, monitor, support and coordinate trainees, and the availability of training facilities.

The Skills Development Plan must address the use of the following, but is not limited to:

- Apprenticeship programs
- Pre-professional programs
- College programs
- University programs
- On-the-job training
- In-house training programs
- Any other applicable program



## 1.4 Indigenous Business Plan

In this plan, the Contractor must provide details on how they intend to maximize the use of Indigenous firms. If a Contractor has consulted with other organizations, it must present details substantiating that the organization has experience, or a mandate related to contracting with Indigenous people or firms.

The Contractor must present a comprehensive list of Indigenous firms to be used, together with information on the goods and services required in relation to government contracts.

The Indigenous Business Plan is to:

- Identify the work intended to be carried out by Indigenous firms.
- Detail how the business with Indigenous firms will be managed, including sources of supply and administration; and
- Detail any development of new sources of supply, or new capabilities.

