



Indigenous Procurement Policy

Date	February 1, 2023
To	Executive Committee
From	Financial Strategy & Sustainability
Service Area	Financial Services
Item No.	EX23-5

RECOMMENDATION

The Executive Committee recommends that City Council:

1. Approve a City of Regina Indigenous Procurement Policy, as outlined in Appendix A;
2. Approve the proposed changes to *The Regina Administration Bylaw*, Bylaw No. 2003-69, Schedule D (the “Bylaw”) as set out in Appendix B, including:
 - (a) integrating the Indigenous Procurement Policy with the Bylaw.
3. Instruct the City Solicitor to prepare a bylaw to amend *The Regina Administration Bylaw*, Bylaw No. 2003-69, in the manner set out in Appendix B.
4. Affirm that the Executive Director of Financial Strategy and Sustainability or delegate will:
 - (a) update the Procurement Manual with an Indigenous Procurement Protocol based on the above policy; and
 - (b) approve the development of related procedures that align and support the Indigenous Procurement Protocol.
5. Approve these recommendations at its meeting on February 8, 2023.

ISSUE

The purpose of this report is to provide Executive Committee an update related to Council's direction in August 2022 (CR22-97) to develop an Indigenous Procurement Policy.

Attached is the policy (Appendix A – Indigenous Procurement Policy) which has been developed in collaboration with the Indigenous Procurement Advisory Committee (IPAC) and is recommended for approval.

IMPACTS

Economic Impact

The City of Regina spends approximately \$200 million annually on goods, equipment, services and construction.

This policy will achieve incremental and substantial economic impact for Indigenous vendors.

Legal Impact

Updates to the Bylaw will be completed to integrate the Indigenous Procurement Policy into Schedule D, which is known as the Purchasing Policy, as generally outlined in Appendix B – Proposed Amendments to *The Regina Administration Bylaw*.

Strategic Impact

The policy recommendation is in alignment with the City's 2022-25 Strategic Priority of Economic Prosperity.

The recommended policy begins to address the Truth & Reconciliation Commission Calls to Action #57 and #92 (as further described in the Discussion section of this report).

There is no accessibility, environmental, financial or other impacts.

OTHER OPTIONS

City Council could decide not to approve the recommended policy as outlined in this report, or direct Administration to engage IPAC for additional work on specific aspects of the policy.

COMMUNICATIONS

The importance of building relationships with Indigenous vendors, communities and leadership cannot be underestimated as policy implementation moves forward. Time and effort will be required, with continued respectful and meaningful engagement with Indigenous stakeholders and the community as well as investment in education, training and policy development with both Indigenous and non-Indigenous stakeholders to ensure that implementation is fully supported.

Ongoing and intentional discussions like those undertaken by the IPAC will be essential to achieving success. Equally important are the existing vendor relationships and discussions that will be required to ensure the City's efforts at economic reconciliation are understood, supported and implemented.

DISCUSSION

In August of 2022, Administration presented a comprehensive report (EX 22-77 Response to Procurement Motions to Council). That report responded to two procurement motions on a range of procurement objectives, including research on local and sustainable procurement opportunities, and recommendations around development of an Indigenous Procurement Policy.

As part of the August report, Administration was asked to further engage with members of the Indigenous community to help develop recommendations to Council. Through its initial engagement with the Indigenous community, Administration heard that an Indigenous Procurement Policy would be a positive step toward reconciliation efforts and should be developed in partnership with the Indigenous community.

Since August, the Procurement Project Team established the IPAC and facilitated several working sessions to inform and develop the policy. The Advisory Committee's kick off meeting in September was a full day working session, and the Committee has since met several times to help develop the Indigenous Procurement Policy presented today.

The IPAC has 23 members and is co-chaired by Nick Creighton (Executive Director, Indigenous Manufacturing and Contracting Network) and Tammy Moyse (City of Regina, Manager, Procurement and Supply Chain). The IPAC includes representation from: Cowessess First Nation, George Gordon First Nation, Muscowpetung First Nation, Nekaneet First Nation, Pasqua First Nation, Piapot First Nation, File Hills Qu'Appelle Development Corporation, Métis Nation - Saskatchewan Western Region III Development Corporation, various Indigenous organizations, and City of Regina Administration.

Working sessions held between September and November 2022 brought members together for 13 hours of in-person discussions. Draft materials circulated between meetings allowed for additional review and input by members.

It is important to recognize that the IPAC approached its time together as being about relationship building, as well as policy development. Respect for Indigenous traditions was reflected in the giving of gifts, opening prayers, and open invitation for participation at each meeting. Open and candid discussion became a hallmark of the Committee's meetings, helping to build trust and develop relationships.

The Committee's meetings were facilitated by Terry Bird of Smoke Signals Communications, (aside from one meeting facilitated by Audra Young, City of Regina, Director of Indigenous Relations) and supported with City staff resources.

A summary of the dynamic and meaningful discussions at the IPAC meetings is provided in Appendix C – Committee Dialogue: What We Heard.

Several specific recommendations emerged from the IPAC and informed the development of the Indigenous Procurement Policy. It is helpful to understand some of the context behind those recommendations.

Jurisdictional Research

Many municipal governments have addressed the need to increase Indigenous participation as part of their broader social procurement objectives and identify supplier diversity as a key priority.

The City of Saskatoon's [Indigenous Procurement Protocol and Specification](#) provides guidelines to support Indigenous procurement and diverse suppliers. It defines a diverse supplier as any business or enterprise that is more than 50 per cent owned, managed and controlled by persons belonging to a group that experiences discrimination or barriers to equal opportunity including women, Indigenous people, persons with disabilities, new immigrants, LGBTQ2S+ people, visible minorities, and other groups the City identifies as historically under-represented.

The City of Brampton joined five non-profit diverse supplier certification organizations and the Supplier Diversity Alliance of Canada in 2020. It also worked on its Certified Diverse Supplier List for Invitational Procurements between \$25,000 to \$100,000 that will ensure that at least one supplier of three invited to bid is a diverse supplier. A diverse supplier is defined as being a 51 per cent owned small or medium business managed by an equity-seeking community or social purpose enterprise, including veterans, women, Indigenous people, or LGBTQ2S+.

The City of Toronto defines social procurement as “the achievement of strategic social, economic and workforce development goals using an organization’s process of purchasing goods and services.” It defines supplier diversity as a business that is at least 51 per cent owned, managed and controlled by an equity-seeking community or social purpose enterprise. These communities include, but are not limited to, women, Aboriginal people, persons with disabilities, newcomers and new immigrants, LGBTQ+ people, visible minorities and racialized people, and other groups the City identifies as historically underrepresented.

The City of Vancouver is one of the first cities in Canada to set a target for its social procurement goals. By 2023, they have committed that 50 per cent of its procurement spend and 50 per cent of its contracts will be to socially and diverse businesses in identified categories. This includes businesses owned/controlled by equity seeking populations such as non-profits/coops, women, Indigenous persons, people with disabilities, ethno-cultural persons and LGBTQ+ persons. The identified categories include services, consultants, management/finance/IT education/facilitate/workshop, facilities, management catering (services), janitorial (services), building services, graffiti removal landscaping maintenance and repair services.

While there were few municipalities with policies that set a target for Indigenous procurement, other examples in the public sector exist.

For example, in 2012, SaskPower implemented an Indigenous Procurement Policy that awards points for Indigenous ownership and labour hours. It has a target of eight per cent of its annual Saskatchewan procurement spend to be awarded to Indigenous vendors.

The Mosaic Company in Saskatchewan has set a target that by 2025, 15 per cent of its procurement activity will be with Indigenous-owned companies, and it will increase the use of Indigenous employment by contractors on its work sites to 15 per cent.

Administration recommends the Indigenous Procurement Policy be separate from other supplier diversity initiatives. Businesses owned by other equity seeking populations such as, women, people with disabilities, minorities and LGBTQ+ persons are included in the sustainable procurement protocol.

20 Per Cent Minimum Requirement

The policy requires that the City work toward a minimum of 20 per cent of City procurement contracts be held by Indigenous vendors. The recommended minimum requirement was determined by considering the Indigenous population of Regina (10.3 per cent) and of Saskatchewan (17 per cent), per the Statistics Canada 2021 Census, and recognizing that both are growing. The Committee sees 20 per cent as an achievable requirement more closely representing the population and, more importantly, as a demonstration of meaningful economic reconciliation efforts.

Reconciliation

The IPAC talked about the Truth and Reconciliation Commission Calls to Action and wanted to cite these during policy development to reflect the City's commitment to further those efforts. Indigenous procurement should not be viewed as "supplier diversity" but instead as economic reconciliation.

*As an act of reconciliation, the journey to include Indigenous peoples as meaningful participants in the Canadian economy will require changes to the procurement status quo.*¹

The recommended policy begins to address the Truth & Reconciliation Commission Calls to Action #57 and #92.

- Call to Action #57, "Ensures a duty of reconciliation with Indigenous Peoples for all public servants."
- Call to Action #92, (1) "Commits to meaningful consultation, building respectful relationships, obtaining the free, prior, and informed consent of Indigenous Peoples before proceeding with economic development projects." (2) "Ensures that Aboriginal Peoples have equitable access to jobs, training, and education opportunities in the corporate sector, and that Aboriginal communities gain long-term sustainable benefits from economic development projects."

¹ National Aboriginal Capital Corporations Association, Indigenous Procurement Working Group

While this is the City's first policy in response to the Calls to Action, it is not intended to represent the City's entire commitment to reconciliation. With further development in this policy area, over time, the Indigenous Procurement Policy will be cross-referenced with other policies.

Implementation and Monitoring Progress

The City of Regina Purchasing Manual will be updated to include protocols and procedures specific to the implementation of the Indigenous Procurement Policy. The updated protocols will be reviewed in Q1 2023 with the IPAC.

The following is a summary of anticipated protocols and procedures:

- Taking proactive approaches to identify and match contracts with Indigenous businesses, such as:
 - Conducting vendor pre-screenings to create an Indigenous vendor list;
 - Arranging master service agreements and standing orders for goods and services;
 - Introducing pre-screened Indigenous vendors to existing contractor and supplier networks;
 - Identifying specific goods and/or services and inviting Indigenous vendors to participate in those procurements; and
 - Supporting initiatives to build Indigenous business capacity (e.g., hosting contractor open houses and offering procurement training).
- Providing additional points or higher weighting in bid evaluations for Indigenous content (e.g., Sole Proprietors, Joint Ventures, Partnerships, or Indigenous Vendors who have a significant Indigenous workforce);
- Identifying procurement opportunities that increase capacity and growth of Indigenous contractors (e.g., enhanced communication about progress and performance; training and mentoring opportunities where an operational need exists; supporting Indigenous bids in streams where no vendors are bidding on COR projects). Also, supporting the Indigenous vendor community with project awareness and planning to help build capacity to support and qualify for work;
- Developing internal and external support measures for the Indigenous Procurement Policy (e.g., awareness sessions for City employees);
- Through the City's performance management system, ensure expectations and accountability for the implementation and execution of the policy are clearly communicated to City employees involved in the procurement process. This will include continuously monitoring performance and tracking success through Key Performance Indicators (e.g., develop lagging and leading indicators); and
- Annual reporting of Key Performance Indicators, and a discussion of policy success and opportunities with the Indigenous Procurement Advisory Committee and through ongoing Administration reporting to City Council.

Incremental Implementation

The City's procurement spend (combined operating and capital) is currently \$205 million. In 2022, 0.0015 per cent of that procurement spend went to Indigenous vendors. It can be expected to increase exponentially with the implementation of the Indigenous Procurement Policy.

It is anticipated that implementation of the Indigenous Procurement Policy will evolve over time, with incremental increases in the procurement spend going to Indigenous vendors. Factors such as growth in capacity, infrastructure, and workforce development among Indigenous vendors will influence the incremental increase that is achieved.

The IPAC discussed the factors that will impact the growth and development of capacity, and how these will influence achievement of the policy requirement. It was acknowledged that this will require a cooperative approach involving both the City and the Indigenous vendor community. It is important that there is an annual incremental increase in Indigenous procurement.

As we continue to meet with the IPAC, it is important to recognize that 2023 will prioritize the establishment of foundational requirements to ensure implementation success. For example, the establishment of an Indigenous vendor list, engagement with known Indigenous vendors, vendor training sessions, internal change management, and communication with the broader vendor community.

The following Key Performance Indicators (KPIs) will be tracked to measure the success of the incremental implementation of the policy:

- Per cent and value of total procurement spend from Indigenous businesses;
- Increase in number of Indigenous vendors bidding on COR contracts;
- Increase in number of vendors with a significant Indigenous labour force;
- Internal training for COR employees engaged in Indigenous procurement activities;
- Engagement and/or training sessions with Indigenous vendors; and
- Engagement and/or training sessions with vendor community.

Proposed Regina Administration Purchasing Policy Bylaw Amendments

Updates to Bylaw are needed to align with the Indigenous Procurement Policy.

The Bylaw is comprised of the main bylaw and a number of schedules. Schedule D to the Bylaw is known as the *Purchasing Policy* and guides the procurement of goods, equipment and services in accordance with applicable trade treaties and City processes. The Bylaw and the Purchasing Policy govern the development of other related procurement processes, the Procurement Manual and Protocol.

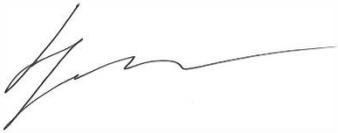
Purchasing Policies, Procedures, Processes and Forms

Schedule D to the Bylaw currently only authorizes the City Manager or Executive Director of Financial Strategy and Sustainability to make changes to purchasing policies, procedures, processes and forms. It is recommended that the Indigenous Procurement Policy be incorporated in the same clause to ensure future development and changes of the Indigenous Procurement Policy are under the same blanket of authority.

DECISION HISTORY

City Council, at its meeting on August 17, 2022, considered report CR22-97: Response to Procurement Motions, and resolved in part to direct Administration to investigate, design, and draft an Indigenous Procurement Policy, for City Council's approval.

Respectfully submitted,



Kim Krywulak
Director
Financial Services

Respectfully submitted,



Barry Lacey
Executive Director
Financial Strategy & Sustainability

Prepared by: Tammy Moyse, Manager Procurement & Supply Chain

ATTACHMENTS

- Appendix A - 2023-FSS-P0001 Indigenous Procurement Policy
- Appendix B - Proposed Amendments to Admin Bylaw
- Appendix C - Committee Dialogue What We Heard