ontario chamber of commerce

CANADIAN COUNCIL FOR INDIGENOUS BUSINESS

A Way Forward

Ontario's Path Towards Economic Reconciliation, Equity and Inclusive Growth

Part III: Procurement

"Buy Indigenous": A Crucial Step Towards Economic Reconciliation

Indigenous businesses are powerful drivers of community well-being, job creation, and economic self-determination — from Indigenous Economic Development Corporations building infrastructure and creating high-quality employment, to small and growing enterprises contributing to local economies.

When governments, corporations, and individuals choose to 'Buy Indigenous,' they are not just purchasing a product or service; they are investing in Indigenous business, communities, and people.

In Ontario, 35 per cent of Indigenous businesses have employees, most of whom are full-time and permanent. Among these, 89 per cent employ at least one Indigenous person, meaning roughly one in three Indigenous businesses are creating jobs for other Indigenous individuals.[1]

Whether it's a major procurement contract with an Indigenous-owned construction firm or a locally roasted bag of coffee that gives back to clean water initiatives, these choices matter. They reflect a commitment to shared prosperity and the long-term success of Indigenous entrepreneurs and communities.

The insights presented here reflect the experiences of Indigenous entrepreneurs, gathered through direct engagement, along with broader context.

> "I want employment for the youth and the women in our community. I want a legacy for my kids. I want something that my kids can be proud of in their community and build out, and then eventually sell to their community to maintain in the community."
>
> **- Keri Gray, Owner, Shades of Gray Indigenous Pet Treats**

[1] Canadian Council for Aboriginal Business. (2020). Promise and Prosperity: The 2020 Indigenous Business Survey. Retrieved from https://www.ccab.com/wp-content/uploads/2020/10/CCAB_PP_2020_Final.pdf.

Purchases from Indigenous businesses help ensure that entrepreneurs receive recognition for their work, which can, in turn, benefit Indigenous communities. In some cases, this benefit translates into direct contributions to a specific First Nations, Inuit, or Métis community, such as revenue sharing, local reinvestment, or community services, as is common among many community-owned businesses.

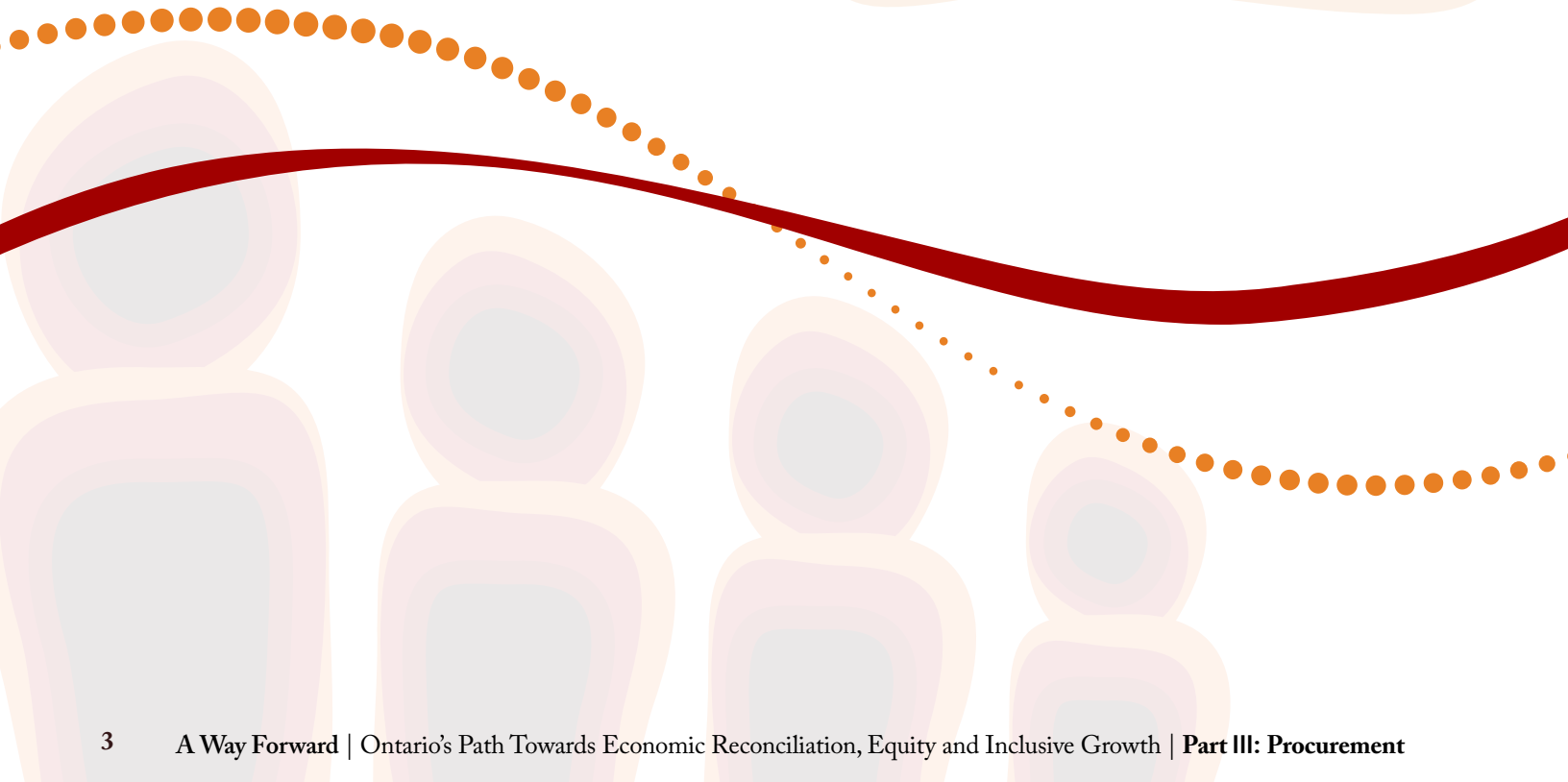
In other cases, the benefits are more individual but still meaningful at a broader level. For example, when an Indigenous entrepreneur earns an income, builds a business, or creates jobs, the positive impact extends to the wider Indigenous community, including urban and rural, on- and off-reserve, status and non-status individuals. These contributions may take the form of role modelling, reduced reliance on social services, or strengthening Indigenous supply chains.

These transactions are especially significant when made by corporations, given the magnitude of their purchases. Indigenous procurement practices vary when comparing small and medium-sized enterprises (SMEs) to large corporations and multinationals. SMEs often focus on local partnerships, engage Indigenous vendors when possible, promote Indigenous businesses, and allocate shelf space for their products.

In comparison, large corporations often develop comprehensive frameworks. These may include preferred vendor lists, procurement fairs, targets for Indigenous business participation, and tracking and monitoring systems, as well as Indigenous procurement strategies and Reconciliation Action Plans (RAPs). RAPs may also incentivize the tracking, monitoring, and reporting of Indigenous procurement data.

Alongside the benefits to Indigenous communities, non-Indigenous companies that work to improve procurement access gain exposure to a broader pool of qualified bidders and services, meet Indigenous participation requirements, build meaningful relationships with Indigenous communities, and advance their reconciliation goals.

> "We connect Indigenous businesses with our clients and partners, especially in the regions where we work. This includes making industry introductions, attending and hosting networking events, and building a preferred vendor list of Indigenous suppliers. We also help by pre-screening firms for RFIs and RFPs and supporting partnerships that allow them to take on larger projects."
>
> **- Jordan Nail, Senior Indigenous Business Development Manager, Imperial Oil**



Case Study: Energy Sector Leads the Way in Indigenous Procurement for Reconciliation

In the private sector, some companies engage with Indigenous suppliers far more than the federal government and have been first movers. For example, Calgary -based Suncor Energy spent approximately $3.1 billion on goods and services from Indigenous suppliers in 2022, roughly 27 per cent more than in 2021.

They credit this significant spending, representing 20 per cent of their overall procurement, to their focus on increased engagement and establishing new relationships with suppliers over the past few years. Doing business with Indigenous suppliers has been integral to Suncor's operations and key to providing value for Indigenous communities. This is reflected in their significant investment of approximately $5 billion in total Indigenous business spend between 1999 and 2019. As a result, they no longer set an annual spending target–a critical first step towards enhancing Indigenous supplier engagement.[2]

In addition, Canadians see Indigenous businesses as vital for the economy and improving relations with Indigenous Peoples. In 2023, Sodexo Canada conducted its third Indigenous Business Survey with over 1,500 Canadians. The survey found that 72 per cent of Canadians believe companies should include Indigenous-owned businesses in their supplier networks, and 66 per cent feel that Canadian corporations should support the growth of Indigenous entrepreneurs. The private sector recognizes the value of developing respectful and sustainable business relationships with Indigenous Peoples and prioritizes effective implementation, an expectation widely shared by the Canadian public.[3]

Buy Indigenous, Buy Canadian: Spotlighting Indigenous Goods & Services

To help consumers and businesses prioritize purchasing Indigenous products and services, CCIB has launched a "Buy Indigenous to Buy Canadian Campaign." Any businesses committed to buying Indigenous products and supporting Indigenous businesses can download a badge and display it on their website and social media channels. They can also search the CCIB's member directory, which includes more than 1,500 Certified Indigenous Businesses (CIBs), to make a positive impact when buying products and services in Canada.

[2] Suncor Energy. (2023). Indigenous Relations at Suncor – 2023 Report on Sustainability. Retrieved from https://www.3blmedia.com/news/indigenous-relations-suncor-2023-report-sustainability.

[3] Sodexo Canada. (2023). Indigenous Business Survey. Retreived from https://ca.sodexo.com/media/2023/sodexo-indigenous-survey.

Exceeding the 5% Federal Target for Indigenous Procurement: A Catalyst for Positive Change

Although many buyers state they are unaware of the available Indigenous suppliers and how to find them, there is a growing number of successful Indigenous firms in Canada, with estimates ranging from 74,000[4] business entrepreneurs to 115,000[5] Indigenous enterprises of all sizes.

Based on CCIB research, in 2017, Indigenous businesses could fulfill federal procurement needs in 84 of 92 North American Industry Classification System (NAICS) categories, covering more than 90 per cent of purchasing categories. In more than 80 per cent of these categories, Indigenous businesses could meet 15 per cent of federal procurement demand.[6] This demonstrates that Indigenous businesses offer a wide range of services that buyers need.[7]

In many northern communities, Indigenous businesses are often the only reliable source of goods and services capable of meeting project needs, with a strong focus on serving local clients. However, their reach extends well beyond their communities, offering a wide range of products and services across every region and industry. Indigenous businesses are also more likely to sell to consumers and the private sector than to government entities.[8] According to the Bank of Canada, Indigenous businesses are more concentrated in the construction, agriculture, forestry, and fishing sectors than non-Indigenous businesses. However, there are fewer Indigenous businesses in professional services, encompassing fields like architecture, accounting, marketing, law, information technology, finance, insurance, real estate, and rental and leasing services.[9]

Before 2021, Indigenous businesses received less than one per cent of the federal government's annual procurement spending. To put this into context, the federal government, one of Canada's largest public purchasers, spends approximately $37 billion annually on goods and services.[10] The assumption is that government contracts have the potential to offer stable, larger-scale opportunities that generate consistent revenue, supporting growth and positive socio-economic outcomes for Indigenous communities. However, this outcome is rarely realized in practice and only materializes when procurement actually goes to Indigenous businesses.

Moreover, these opportunities have not always been accessible to Indigenous Peoples due to longstanding historical and systemic barriers.

To address this gap, in 2019, the federal government mandated that all departments and agencies award at least five per cent of the contract value to Indigenous

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[4] Statistics Canada. (2021). Profile table: Canada [Country], Indigenous Population Profile, 2021 Census of Population. Retrieved from https://www12.statcan.gc.ca/census-recensement/2021/dp-pd/ipp-ppa/details/page.cfm?Lang=EandDGUID=2021A000011124andGENDER=1anddAGE=1andRESIDENCE=1andHP=105andHH=0.

[5] Statistics Canada. (2024). Business Ownership Diversity Dashboard. Retrieved from https://www150.statcan.gc.ca/n1/en/catalogue/71-607-X2024026.

[6] If all Indigenous business capacity were focused on federal procurement.

[7] Canadian Council for Aboriginal Business. (2019). Industry and Inclusion: An Analysis of Indigenous Potential in Federal Supply Chains. Retrieved from https://www.ccab.com/wp-content/uploads/2019/05/CCAB_Research-Report_web.pdf.

[8] Canadian Council for Aboriginal Business. (2020). Promise and Prosperity: The 2020 Indigenous Business Survey. Retrieved from https://www.ccab.com/wp-content/uploads/2020/10/CCAB_PP_2020_Final.pdf.

[9] Bank of Canada. (2023). An Overview of the Indigenous Economy in Canada (Staff Discussion Paper 2023-25). Retrieved from https://www.bankofcanada.ca/wp-content/uploads/2023/10/sdp2023-25.pdf.

[10] Public Services and Procurement Canada. (2025). Introduction to Federal Procurement. Government of Canada. Retrieved from https://www.canada.ca/content/dam/pspc-spac/documents/pac/introduction-federal-procurement.pdf.

businesses, with full implementation by the end of the 2024-25 fiscal year. This five per cent target is a floor, with the goal of exceeding it through ongoing tracking and updates. It would not be possible without the advocacy of a coalition of Indigenous institutions, including CCIB, and numerous private sector champions.

This initiative signals a commitment of the Government of Canada to Indigenous procurement and demonstrates confidence that achieving this target is attainable, impactful, and an important step towards fostering Indigenous economic growth among First Nations, Inuit, and Métis businesses.

However, barriers have been identified throughout the procurement process, including limited access to training and mentorship, the need to build meaningful relationships and trust, and concerns about the potential misuse or exploitation of the new requirements. By understanding both the successes and barriers of this new framework, we can move closer to true reconciliation and Indigenous prosperity.

Further Context: Ontario's Aboriginal Procurement Program and Supply Ontario

At the provincial level, Ontario spends around $29 billion each year on goods and services, ranging from medical supplies to IT solutions.[11] In 2015, the Ontario government introduced its Aboriginal Procurement Program to help Indigenous businesses build capacity and form partnerships. The initiative is supported by an Aboriginal Business Directory, where Indigenous business owners can register.

Since its launch, the program has resulted in more than 270 procurements across 11 ministries, generating $164 million in revenue for Indigenous businesses.[12] This is a start, but there is still a long way to go to truly reflect the scale of the Indigenous business economy in Ontario.

The current version of the program focuses on increasing access for Indigenous businesses to the province's procurement process. It encourages ministries to purchase Indigenous-supplied goods and services, particularly when doing so benefits Indigenous people or communities. Ministries can utilize set-asides reserved for competition among qualified Indigenous businesses and incorporate Indigenous participation requirements into tenders, such as partnering with, employing, or training Indigenous individuals.

The program is available to all qualified Indigenous businesses that are at least 51 percent owned and controlled by Indigenous people, or organized as joint ventures that meet the same criteria, provided the Indigenous business completes at least one-third of the total work value.

To strengthen supply chain management and procurement across the public sector, the Ontario government established Supply Ontario in 2020, ensuring that ministries, provincial agencies, hospitals, school boards, and children's aid societies have access to high-quality, timely, and reliable products at the best value.

As part of its mandate as a government agency, Supply Ontario has sought to strengthen supplier diversity and Indigenous procurement. This has included early engagement with Indigenous partners to understand their needs within Ontario's supply chain ecosystem. In 2023, for example, Supply Ontario participated in sessions hosted by the Ontario First Nations Economic Developers Association (OFNEDA) to proactively engage Indigenous business owners and economic developers. These sessions explored federal and provincial procurement processes, opportunities to improve access for Indigenous suppliers, as well as capacity building, funding, and inclusive procurement strategies.[13]

This work reflects a slow and incremental first step towards engaging Indigenous businesses as the province seeks to reform and improve its procurement supply chains.

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[11] Government of Ontario. (n.d.). Doing business with the Government of Ontario. Retrieved from https://www.ontario.ca/page/doing-business-government-ontario.

[12] Ministry of Indigenous Affairs. (2024). Published Plans and Annual Reports 2024–2025. Government of Ontario. Retrieved from https://www.ontario.ca/page/published-plans-and-annual-reports-2024-2025-ministry-indigenous-affairs.

[13] Supply Ontario. (2024). Annual Report 2023–2024. Retrieved from https://www.supplyontario.ca/wp-content/uploads/SO-Annual-Report-2023-2024-EN.pdf.

Centering Relationships in Procurement

For Indigenous communities, respectful, honest, and trust-based relationships are essential. Yet many continue to face a lack of necessary information and resources that would allow them to pursue procurement opportunities alongside their non-Indigenous peers. This often leads to fatigue when working with external organizations. Through early and meaningful engagement, values can be communicated between buyers, corporations, Indigenous businesses, and communities.

However, the current rigid structure of public procurement often makes it difficult for Indigenous businesses to build relationships that align with their value systems. Lengthy and complex administrative processes can restrict relationship-based approaches to business development. Although procurement timelines are long, much of that time is spent behind closed doors, with limited face-to-face engagement with suppliers.

The actual time to submit a bid is often quite short, especially considering RFPs can be hundreds of pages long and filled with jargon. This leaves little opportunity to understand who they are, what they do, and how they can contribute. In the pursuit of fairness through rigid process, the system often creates unfairness, particularly by neglecting the relationship-building that is central to Indigenous values.

> "If a federal procurement officer can't build relationships outside of formal RFPs, how can trust and collaboration be fostered?"
>
> **- Natalie Adams, Director, Supply Change™, CCIB**

The private sector, on the other hand, has the ability to be more responsive and flexible through active engagement with Indigenous suppliers. There needs to be a shared understanding of the importance of relationships for Indigenous communities and enterprises across sectors, all while respecting the integrity of the procurement process.

> "The biggest thing I'm looking for when I do a partnership is not only are they able to economically provide a sponsorship of some sort, but they can help level up the playing field. It's not just about money. It's not just about networking. It's about all of these things as a cohesive relationship that is ongoing."
>
> **- Chelsee Pettit, President and Founder, aaniin retail inc.**

Bedrock for Indigenous Procurement Success

Establishing strong and long-lasting relationships with impacted communities early on is crucial for successful collaboration. Waiting until an RFP is issued to engage communities is too late; understanding their business landscapes and building trust beforehand is key to effective partnerships. Despite strong qualifications and references, Indigenous businesses often face barriers such as a lack of existing leadership connections that tend to favour established players.

Data collection and analysis are important for understanding how many Indigenous firms submitted bids, were awarded contracts, and why some were not approved. Sharing this data can also help Indigenous firms improve future bids.

To increase the number of Indigenous bidders, an inclusive approach to relationship-building involves identifying vendors and proactively reaching out to them. Indigenous vendors should be encouraged to respond to relevant RFPs through direct outreach and e-procurement platforms.

> "It was almost a 12-month process from first talking to them to signing a contract; that is the time it took to get to know them, for them to get to know me also, to find the right opportunity and get to that point where I'm working with them now."
>
> **- Cam Holstrom, Founder and Principal, Niipaawi Strategies**

Building Trust Through Transparent Procurement

Building trust through transparent and equitable processes is another key goal, particularly with Indigenous communities that have been marginalized from Canada's economy. Clear procurement guidelines are necessary to create a fair playing field, ensuring that smaller or community-based businesses have equal opportunities to participate. Transparency helps prevent larger businesses from dominating development opportunities without meaningful input from local communities.

> "What's frustrating is it's not a level playing field when it comes to who you're competing with. If Indigenous companies are coming from being naturally smaller, how do you find resources to compete for that contract or RFP? The big corporate side has the resources to do this. Makes it harder, makes policy that much more important for the five per cent procurement goal to pass that barrier."
>
> **- Cam Holstrom, Founder and Principal, Niipaawi Strategies**

Indigenous businesses can respond honestly and fulfill their commitments effectively when they understand exactly what is expected. Clarity about roles and responsibilities, such as those related to manufacturing and shipping, is crucial for building successful partnerships. This emphasizes the importance of transparency regarding each party's obligations, especially when dealing with different regulations across provinces, territories, and international markets. Having this information upfront enables businesses to make informed decisions about their capabilities and needs.

Meaningful Inclusion of Indigenous Communities

To build bridges and cultivate more collaborative relationships, it is essential to establish clear metrics for success, maintain ongoing engagement, and prioritize genuine two-way collaboration. Projects must be mutually beneficial and grounded in respect for the community's needs and perspectives. Ontario companies should involve Indigenous Peoples in the initial stages of project development, not after plans have been fully developed. This approach helps ensure meaningful engagement with the community. For example, local procurement can often be included in Impact Benefit Agreements (IBAs) and partnership agreements between communities of interest and project proponents, well before a project begins, giving the community time to prepare for opportunities, identify barriers, and increase their capacity.

> "I have seen agreements that have not been drafted by or with the community. When you work directly with the community, they will dictate best practices. We need to empower our communities, business leaders."
>
> **- Michelle Francis-Denny, Senior Manager, Indigenous Relations and Community Engagement, Bird Construction**

> "The last thing you want to do with an Indigenous business is to make shallow promises because it makes businesses nervous about what they don't know. Trust building needs to be upfront. Collaboration, accountability, and transparency are key words."
>
> **- Tim Laronde, National Director Indigenous Strategies, Chandos Construction**

Co-Development of Procurement Strategies and Inclusive Leadership with Indigenous Peoples

Engaging directly with Indigenous entrepreneurs through conversations, listening to their needs, and thinking beyond conventional processes can help create more inclusive and impactful policies. Still, implementing these policies may be ineffective without a cross-functional approach that begins with senior leadership and those responsible for procurement activities.

Co-development with Indigenous Peoples allows them to shape and guide the policies that affect them. Without co-development, procurements often rely heavily on rigid RFP frameworks, which can stifle innovation. Effective Indigenous business development requires sustained, collaborative effort across all departments and staff levels, whether in the public or private sector.

Many companies are now collaborating with Indigenous consultants to develop Reconciliation Action Plans (RAPs) that incorporate metrics for benchmarking progress across various areas of Indigenous inclusion, including procurement. In some cases, executive compensation may be tied to meeting RAP metrics related to procurement targets, promoting accountability and measurable results.

It is also important to navigate the fine line between inclusivity and tokenism. True inclusivity requires pushing for meaningful representation and engagement of Indigenous Peoples, especially in leadership and decision-making processes. Ongoing discussions are necessary to ensure that policies and procedures evolve to become more inclusive of Indigenous Peoples as leadership changes and new opportunities arise.

Organizations across sectors should strive to create lasting, inclusive policies by keeping these conversations active within their teams and departments. While change takes time, consistent internal advocacy for collaboration and policy reform can drive transformational outcomes.

Indigenous Champions and Distinctions-Based Engagement

Businesses can bridge gaps and foster understanding by creating Indigenous champions within their organizations, such as through dedicated roles responsible for Indigenous relations, community engagement, and procurement. These champions play a vital role in breaking down silos, especially within large enterprises, and also shoulder significant responsibilities. Their roles may include implementing best practices, educating internal teams, and supporting company-wide efforts to effectively engage with Indigenous communities. When businesses actively seek out and hire individuals for these positions, it demonstrates a genuine commitment to reconciliation and prioritizes relationships with Indigenous Peoples.

Indigenous perspectives must be respected in all key areas of performance. Indigenous procurement, in particular, needs to be understood and championed by senior leadership across all departments. This means that every project and team should take ownership of this area, ensuring that Indigenous champions are supported in implementation throughout the organization, so that everyone is paddling the canoe in the same direction, towards the same goal.

> "Regarding the experience of collaborating within a substantial Indigenous relations team] It's a cool feeling because we're proud of the fact that the company really supports and prioritizes this."
>
> **- Michelle Francis-Denny, Senior Manager, Indigenous Relations and Community Engagement, Bird Construction**

Champions need to understand the context around local and regional Indigenous issues. Indigenous communities engage with municipal, provincial, and federal governments, as well as a wide range of industries. Further, Indigenous communities are subject to distinct regulations, such as the Indian Act, which affects their operations. Having dedicated personnel who understand the unique circumstances of these communities is essential to building and sustaining meaningful relationships.

A distinctions-based approach, which recognizes the distinctions among First Nations, Inuit, and Métis, as well as the differences within these groups, is crucial for fostering collaboration and meaningful engagement of Indigenous businesses in various initiatives. Champions can also support these distinctions-based engagements.

Mentorship, Education, and Networking Opportunities

To ensure successful collaboration between Indigenous and non-Indigenous businesses, both sides must have access to adequate training and education at all stages of the procurement process. This includes providing Indigenous businesses and communities with training programs, workshops, and other resources that align with reconciliation goals, ensuring they can successfully engage in procurement and business development opportunities. Procurement Assistance Canada, along with partners including CCIB, offers these programs to help corporations increase Indigenous participation in their supply chains and assist Indigenous individuals in submitting RFPs and seeking out opportunities. By investing in these activities, businesses and communities are empowered to both promote transparency and to actively shape the direction of projects in which they are involved.

Embedding Cultural Awareness in Procurement Practices

Organizations benefit greatly from cross-cultural competency training, which ensures that Indigenous suppliers and partners are treated with respect and valued. Enhancing cultural competency skills at all organizational levels, especially in public-facing roles, fosters effective communication and respect for Indigenous values and culture. Additionally, developing an Indigenous relations strategy (or an Indigenous procurement policy for larger organizations) is crucial for helping an organization achieve its goal of fostering relationships between buyers and Indigenous suppliers. This strategy emphasizes personal interactions and mutual understanding.

> "One of the key things we need to focus on is ensuring that training is available for both sides. That training helps create accountability — not just in terms of progress, but also in advancing reconciliation goals."
>
> **- Keri Gray, Owner, Shades of Gray Indigenous Pet Treats**

Training and Support for Indigenous Participation in Procurement

Indigenous businesses often face frustration and uncertainty in the procurement process due to unclear requirements and difficulty obtaining clarifications. Too often, there is no contact person or feedback given after an unsuccessful bid. Indigenous businesses also tend to lack access to extensive networks and mentorship, which creates a gap in guidance and feedback necessary to secure future contracts.

These educational tools are proposed to assist Indigenous businesses with a better understanding of complex procurement processes and fulfilling their contractual obligations effectively. The training should aim to promote transparency for all involved and empower Indigenous communities and enterprises to lead the change they want to see.

In addition to current methods of information sharing, Indigenous business leaders have suggested using video tutorials or online resources as alternatives to conventional methods. These approaches can help businesses gain confidence in entering new markets and navigating complex systems.

Buyers can help prepare Indigenous communities, often the furthest removed from supply chain hubs, for procurement opportunities by building early relationships and understanding their economic goals. Support from Indigenous and non-Indigenous mentors, organized through business associations like CCIB and local chambers of commerce or boards of trade, can help bridge some of these training and capacity gaps.

Inclusive Procurement Practices for Indigenous Businesses

- Provide clear, plain-language bid requirements.
- Offer accessible channels for questions and clarifications.
- Assign a dedicated contact person for each procurement opportunity.
- Ensure that timely feedback is provided after unsuccessful bids.
- Offer constructive guidance to support future submissions.
- Facilitate connections with Indigenous and non-Indigenous mentors.
- Develop accessible training programs and workshops.

[14] Canadian Council for Aboriginal Business (CCAB). Barriers and Wise Practices for Indigenous Engagement in Federal Procurement. Toronto: CCAB, September 24, 2024. https://www.ccab.com/wp-content/uploads/2024/09/Barriers-and-Wise-Practices-for-Indigenous-Engagement-in-Federal-Procurement.pdf.

Joint Venture and Indigenous Business Verification

In the 2022-23 fiscal year, the Government of Canada reported that $1.6 billion, or nearly 6.3 per cent, of all contracts went to Indigenous businesses, surpassing the five percent minimum target. However, this achievement was overshadowed by reports that both non-Indigenous companies and Indigenous partners were exploiting joint ventures (JVs) as "flow-throughs" to secure government contracts designated for Indigenous participation.[15]

Aside from the largest Indigenous businesses, very few Indigenous communities and enterprises have the financial resources to bid on large projects. As a result, JVs play a key role in the Indigenous business landscape. Partnerships can open doors to opportunities that would be otherwise out of reach, provided they are well-established to share risk and profit, and build on each other's strengths. Partnerships should dilute financial risk, remove liability, build industry knowledge, and work towards repurchasing shares to retain full 100 per cent ownership.

Indigenous business leaders have expressed concerns about how success against the federal five per cent target is measured, the process used to verify Indigenous ownership and identity through the Federal Indigenous Business Directory, and the risk of paper JVs, where the Indigenous partner's involvement in the contract is nominal, and the lion's share of financial benefits go to the non-Indigenous company. These issues could prevent authentic Indigenous businesses from partaking in federal procurement opportunities, leading to contracts awarded to entities with questionable ownership or identity, and thus, questionable value to Indigenous communities and Peoples.

This also presents a capacity-building issue, as it limits the growth of Indigenous businesses through missed opportunities. Indigenous allies in all sectors should be invested in the integrity of the verification process for Indigenous businesses.

> "Outside of my AI business, I support my community as a Director on a number of economic development corporations […] we have signed around 100 joint venture partnerships and we generate revenue from many of these. From these, we now earn about $2 million per year, which we distribute back to the First Nations. They use these funds to benefit their communities and members. With their approval, we have reinvested some of the earnings to buy apartment buildings that we now own and use to generate our own lodging revenue on mining projects. In my opinion, joint ventures can be difficult to evaluate, establish and maintain, but they can provide tremendous benefit to our communities."
>
> **- Brian Ritchie, CEO, Kama.AI - Member, Chapleau Cree First Nation**

> "Losing in a straight-up RFP is fine, but it is seeing things like this that makes the process frustrating and difficult. It makes it hard to grow and bring people in and to get to that point if you can never really get your foot in the door."
>
> **- Cam Holmstrom, Founder and Principal, Niipaawi Strategies**

[15] Tasker, John Paul. "Feds Reviewing Indigenous Procurement Policies as They Grapple with ArriveCan Revelations." CBC News, February 27, 2024. https://www.cbc.ca/news/politics/feds-indigenous-procurement-arrivecan-1.7127211.

Defining Indigenous Businesses

Indigenous Peoples, communities, and organizations should define what constitutes an Indigenous business. Companies should adopt these definitions and work with Indigenous partners to support Indigenous businesses' access to procurement opportunities.

They can utilize listings provided by Indigenous economic organizations such as CCIB, whose Certified Indigenous Business (CIB) program certifies businesses that are at least 51 per cent owned and controlled by Indigenous persons. Companies can also collaborate directly with communities to access local business directories.

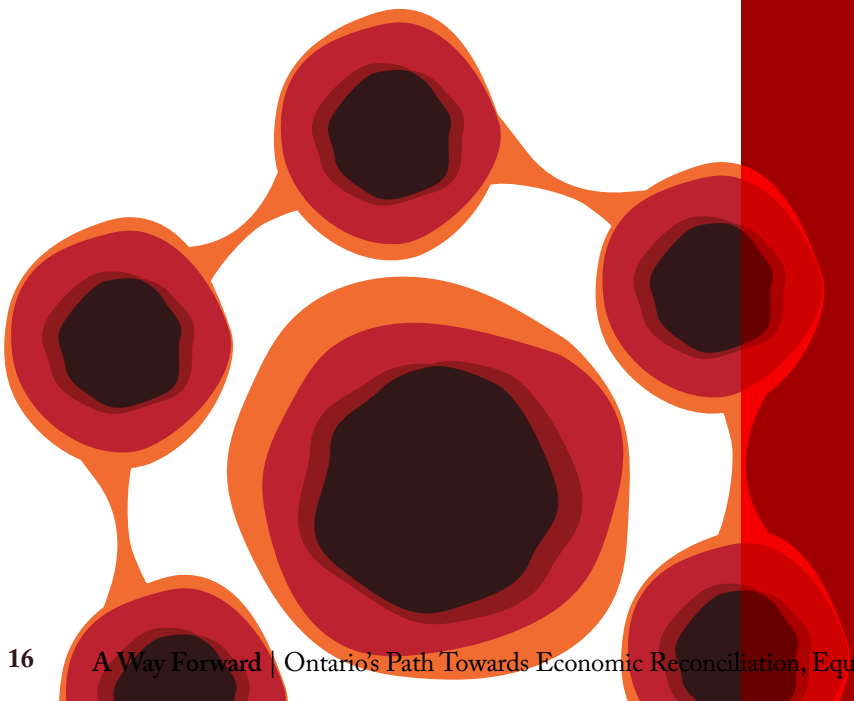
Non-Indigenous companies are encouraged to conduct their own due diligence. At the heart of this diligence is getting to know the people you are working with, an approach rooted in relationship-building.

Further Context: Indigenous Business Directory and Procurement Strategy for Indigenous Business

The Federal Indigenous Business Directory (IBD) is the main source for federal departments and agencies to find Indigenous businesses for potential contracts. Indigenous businesses seeking government procurement opportunities are encouraged to create a profile on this directory, which is accessible to all levels of government and the private sector.

Registering on the IBD confirms eligibility for federal contracts under the Procurement Strategy for Indigenous Business (PSIB), which includes a Set Aside Program that reserves certain contracts exclusively for qualified Indigenous businesses.

The PSIB aims to create profitable opportunities for Indigenous communities and bridge socio-economic gaps by boosting Indigenous involvement in the procurement process. However, significant challenges remain, with the most notable being the lack of Indigenous oversight.



Spotlight: Navigating Procurement Systems and Support with CCIB's Supply Change™

CCIB's Supply Change™ program was created to ensure Indigenous businesses have equitable opportunities to participate in Canadian procurement and focuses on connecting Indigenous businesses with corporate and government procurement opportunities. By fostering meaningful partnerships, Supply Change™ contributes to economic reconciliation and strengthens Indigenous representation in supply chains across Canada.

Supply Change™ Levels of Engagement

Certified Indigenous Businesses (CIB): The CIB designation provides organizations and communities with the assurance that Indigenous procurement opportunities are going to businesses who have been independently pre-certified as at least 51 per cent Indigenous owned and controlled.

Indigenous Procurement Advocates: CCIB Members committed to increasing opportunities for Indigenous businesses to participate in their supply chains and actively working towards embedding Indigenous businesses into their supply chains.

Indigenous Procurement Champions: CCIB Members who demonstrate increased opportunities for Indigenous businesses in their supply chains by reporting their Indigenous procurement spend annually to Supply Change™.

Indigenous Procurement Marketplace: A two-way directory consisting of:

- CIB certified businesses that can be readily engaged by corporations;
- Identified procurement representatives from Champion and Advocate participants that can be reached by Indigenous businesses; and
- A newsfeed featuring regularly posted federal set-asides and procurement opportunities from Champions and Advocates.

Indigenous Procurement Best Practices: Sharing Indigenous procurement success stories to enable more Indigenous businesses and corporations to better work together to increase Indigenous procurement outcomes.

Enhancing Joint Venture Integrity and Oversight

Indigenous businesses have expressed frustration with current joint venture practices, particularly when JVs lacking meaningful Indigenous involvement undercut Indigenous competitors. This may occur through overpromising on bids and offering to complete projects at lower costs. Buyers frequently prioritize the lowest bidder over Indigenous firms that have developed more realistic and impactful, though higher-priced, proposals. Even when such companies fail to deliver, they will often continue to win contracts by undercutting the market. This arrangement fails to promote economic development within Indigenous communities, as most benefits flow to non-Indigenous entities without hiring, training, or building capacity among Indigenous Peoples.

The lack of safeguards or audits is detrimental to ensuring delivery on promised Indigenous content, often allowing JVs to form and operate with little accountability. While some JVs are created with good intentions, Indigenous communities are at times sidelined, playing little to no role in the actual project. This might provide short-term cash flow but raises questions about who truly benefits, especially when communities enter these arrangements out of economic necessity. The absence of oversight allows non-Indigenous companies to exploit the system and capture market share meant for Indigenous businesses.

The model must evolve to ensure that Indigenous communities and enterprises genuinely benefit from these partnerships and that capacity-building remains a priority. Another often cited benefit of JVs is increased employment for Indigenous people. The downside is that when larger companies win RFPs, they sometimes recruit Indigenous talent away from smaller firms, which further hampers the ability of smaller firms to grow and build capacity.

As the Indigenous procurement market grows, stronger safeguards and accountability measures are needed to prevent non-Indigenous firms from unfairly capitalizing on the Indigenous market share. Indigenous business leaders recommend that the Government of Canada conduct regular audits of JVs that use the PSIB to ensure they adhere to contracting requirements for Indigenous set-asides and that Indigenous partners keep a proportional share of the profits.

Incorporating an Indigenous relations strategy and setting procurement targets holds companies accountable to Indigenous communities. However, these actions require clear metrics to measure progress and penalties for firms that overpromise and fail to deliver. Financial and other penalties help deter companies without proper execution plans from bidding and exploiting the system. Adopting innovative tools, such as e-procurement platforms and tracking software, enables the measurement of social, economic, and other impacts, facilitating effective supplier vetting and evaluation.

> “To make an Indigenous reconciliation plan effective, there needs to be accountability in the process, so if targets aren’t met, there’s a financial responsibility.”
>
> **- Tim Laronde, National Director Indigenous Strategies, Chandos Construction**

Organizations must establish strong systems to carefully vet bidders, ensuring they can fulfill their promises and meet project requirements. This vetting should occur both before the project, through the bid documents, to select the best bidder, and after the project, to confirm that value has been delivered to Indigenous businesses, communities, or in alignment with the procurement’s intended outcomes.

This process improves accountability by selecting only qualified bidders with the right resources and capacity. By holding bidders to higher standards of Indigenous inclusion, Ontario companies can ensure project success and enhance socio-economic outcomes, fostering greater trust and reliability in the procurement process.

Further Context: Responsibilities for Large Buyers and Their Contractors

There are many ways to collaborate with Indigenous businesses, and the following insights are relevant to non-Indigenous buyers and contractors. For example, major energy companies with substantial procurement activities benefit from tracking not only their direct Indigenous suppliers but also those further along the value chain, including Indigenous subcontractors.

Prime contractors, such as those in the construction industry, frequently bid on large-scale projects for energy companies. These contractors may form JVs with Indigenous firms to secure exclusive contracts, enhance Indigenous content, and achieve reconciliation goals. Non-Indigenous partners are responsible for vetting these partnerships to ensure fair benefit-sharing. They are also expected to support the capacity-building of their Indigenous partners, enabling them to operate independently and sustainably beyond the scope of a single project.

Growth and Visibility for Indigenous Subcontractors

Improving tracking for Indigenous subcontractors can better support their growth. When direct procurement is not possible, companies should seek opportunities to include Indigenous participation requirements in their tenders and monitor whether their suppliers are meaningfully engaging Indigenous businesses. However, Indigenous firms have noted feeling frustrated when work is contracted out to large non-Indigenous companies that promise to use Indigenous subcontractors but do not follow through.

A key challenge is that subcontractors often lack direct relationships with end-user clients, making it difficult to obtain the project references needed to qualify for larger projects, which are essential in many sectors, including federal procurement. This leaves them dependent on larger companies, limiting their ability to scale and build capacity.

As a result, Indigenous businesses can become "invisible" in terms of experience, despite doing the work and gaining valuable skills. Without the required project references, they cannot meet the criteria for future contracts, trapping them in subcontracting roles. Overreliance on procurement models that channel Indigenous businesses through larger firms undermines their autonomy and long-term development.

Pathways to Reconciliation: Promising Practices

1. **Encourage relationship-based procurement approaches.** Tailored strategies are needed to foster trust and build meaningful relationships between buyers and Indigenous suppliers. Both procurement teams and Indigenous businesses benefit from accessible, culturally aligned education on roles and responsibilities. The saying, "to build trust and long-lasting relationships, you need to drink 1,000 cups of tea together," reflects the importance of personal interaction in Indigenous communities. This also increases the likelihood that businesses with direct ties to the community are included. Sustained two-way communication and mutual respect are critical to long-term success.

2. **Enhance access to cultural competency training.** Organizations can improve procurement through cultural competency training for everyone involved in the process, to ensure a focus on delivering value to Indigenous businesses. Equally important is training for Indigenous communities and businesses, particularly in setting expectations, evaluating partnership offers, and navigating corporate procurement environments. Individuals are invited to attend CCIB roundtables and events to learn firsthand about the capabilities and challenges of Indigenous businesses, as well as explore corporate opportunities. Direct feedback from these interactions can complement learning.

3. **Prioritize capacity-building and early engagement.** Building early relationships with Indigenous communities is essential for successful collaboration between Indigenous and non-Indigenous businesses. Establishing training programs and workshops, as well as recognizing Indigenous communities' governance and community plans, can enhance transparency around community needs, priorities, and goals. This approach enables effective allocation of timelines and resources, helping ensure successful outcomes.

4. **Invest in accessible education and onboarding.** Indigenous businesses may face barriers to entering government or corporate supply chains, especially community-owned enterprises and those on reserve, which often have limited access to procurement networks. This education can be delivered through video tutorials or online methods, featuring tailored content and interactive components for questions and feedback. These tools are recommended as more effective learning methods, providing the confidence to enter new markets and engage with new customers.

5. **Develop mentorship and support structures.** Mentorship plays a crucial role in helping Indigenous entrepreneurs navigate procurement systems, open doors, and receive feedback to improve future bids. For buyers, understanding transparency within the procurement process is essential; however, this piece is currently missing from responses during follow-ups. Procurement Assistance Canada's Ontario division offers coaching services to address this issue and promote supplier diversity.[16] Mentors can bridge this gap and often come from a background as former buyers or Indigenous business owners, bringing extensive experience in large-scale procurement.

6. **Implement accountability mechanisms.** Put in place mechanisms to track and meet commitments to Indigenous participation, including penalties for non-compliance. If an Indigenous business loses a bid that requires Indigenous content (e.g., hiring, subcontracting), the successful bidder must still fulfill those commitments. Accountability is not just about meeting procurement targets but also about advancing broader reconciliation goals, including fostering long-term relationships with Indigenous communities and ensuring that procurement benefits flow to Indigenous businesses.

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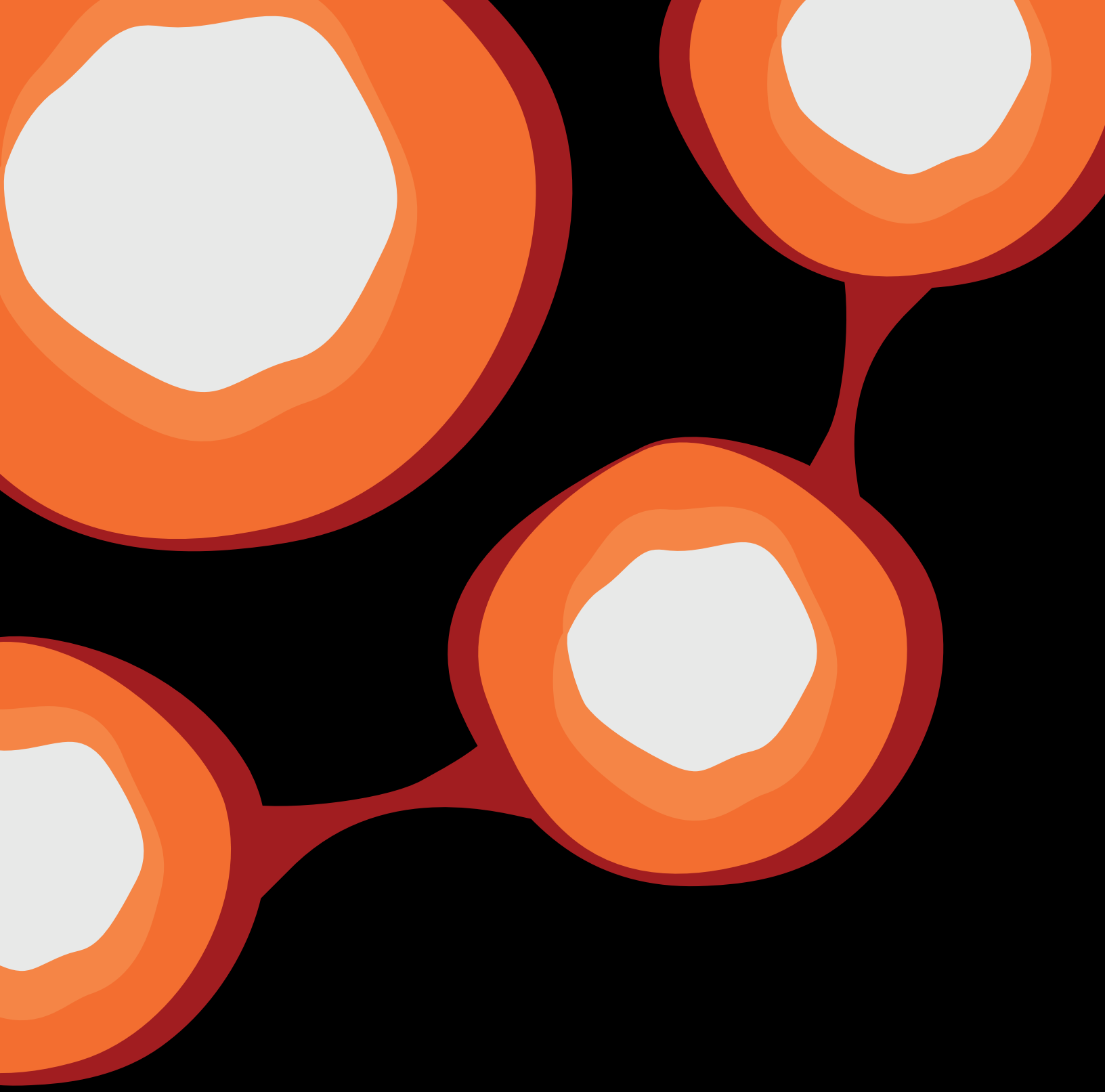
[16] Public Services and Procurement Canada. (n.d.). Indigenous firm blazes a path as a Government of Canada supplier. Retrieved from https://www.canada.ca/en/public-services-procurement/corporate/stories/indigenous-supplier.html.



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