

Indigenous Procurement Workshop

What We Heard Report
October 22, 2018



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1 Introduction

On October 22, 2018, the City of Saskatoon (City) Administration and key stakeholders gathered at the Saskatoon Inn Hotel & Conference Centre to collaborate on ideas about procurement. This public engagement event was focused on convening stakeholders to understand their experiences, ideas, and lessons learned in working with and developing Indigenous procurement procedures.

The purpose of the workshop was to provide a space for like individuals to network, collaborate, and share their experiences. The Administration hoped this workshop would provide key insights into understanding the capacity and interests of stakeholders, as well as identifying opportunities for alignment and potential opportunities to leverage the City's spend to improve Indigenous employment and economic development.

1.1 Acronyms and Definitions

COR: Certificate of Recognition – a type of certification program for occupational health and safety for companies with ten employees or more.

ISNET: International Suppliers Network – a system that allows subscribed contractors to submit their company's information one time and easily report their safety standards and performance to multiple hiring clients.

NWPTA: New West Partnership Trade Agreement – an accord between the Governments of British Columbia, Alberta, Saskatchewan and Manitoba that creates a barrier-free, interprovincial market.

RFP: Request for Proposals

1.2 City Project Team

Scott Eaton, Director of Supply Chain Management

Gilles Dorval, Director of Indigenous Initiatives, Public Policy & Government Relations

Dazaway Landrie-Parker, Public Engagement Manager

Cindy Yelland, Director of Legal Services

Sue Martin, Communications Consultant

1.3 Spokesperson(s)

Scott Easton, Director of Supply Chain Management

Gilles Dorval, Indigenous Initiatives, Public Policy & Government Relations

2 Engagement Strategy

2.1 Engagement Objectives

To deliver a successful project, the engagement objectives must be aligned with the project's priority areas. The engagement objectives should be approached both from a macro (whole city) and a micro (administration, citizen, stakeholder, etc.) perspective. The engagement objective for the workshop was to collaborate with our stakeholders to design potential solutions to increase Indigenous participation in the City's procurement process.

2.2 Engagement Goals

The engagement goals for the Indigenous Procurement Workshops are as follows:

- To facilitate a discussion that identifies opportunities, best practice, and common barriers to social economic procurement;
- To shape a robust social and economic procurement and evaluation model to effectively evaluate the full value that a proponent will provide;
- To identify opportunities for broader inclusion within the supply chain and leverage our spend to benefit Indigenous employment and economic development; and
- To work with social economic groups to ensure concerns and priorities are understood.

2.3 Stakeholder Identification

The engagement approach will also be influenced by who needs to be engaged to successfully deliver the project. In the first instance, this can occur at a higher level by identifying the types of communities and stakeholders that are likely to have an interest in the project. For this project, the project team identified five stakeholder groups to include in the workshop.

- Indigenous-owned Businesses
- Indigenous-employing Businesses
- Indigenous Leadership
- Indigenous Economic Development Corporations
- Community Organizations

Table 1: Summary of Engagement Strategy presents the project stakeholders, engagement objectives and goals, as well as the engagement activities or components.

Table 1: Summary of Engagement Strategy

Stakeholder	Level of Participation	Objective	Engagement Goal	Engagement Activity/Component
Indigenous-owned and employing companies	Collaborate	<i>"I need to work with the stakeholders to find solutions."</i>	To facilitate a discussion that identifies opportunities, best practice, and common barriers to social economic procurement.	Workshop
First Nations leadership			To shape a robust social and economic procurement and evaluation model to effectively evaluate the full value that a proponent will provide.	
Indigenous economic development corporations			To identify opportunities for broader inclusion within the supply chain and leverage our spend to benefit Indigenous employment and economic development.	
Community organizations			To work with social economic groups to ensure concerns and priorities are understood.	

3 Indigenous Procurement Workshop

- Date: October 22, 2018
- Location: Saskatoon Inn Hotel & Conference Centre
- Workshop Goals:
 - Network and collaborate
 - Share our experiences
 - Understand capacity and interests
 - Align opportunities
 - Leverage our spend to benefit Indigenous employment and economic development
 - Establish baseline and continuous improvement

3.1 Intended Audience

The project team invited a variety of representatives from Indigenous-owned and employing companies, First Nations leadership, Indigenous economic development corporations, and community organizations. The workshop had a total of 38 participants.

3.2 Analysis

The workshop was designed around various breakout working groups. These working groups were tasked with structured conversations around the various elements of procurement. This methodology was based in grounded theory in that the exercises were designed to allow participants to build off each previous exercise as they move through the day. For example, the first exercise was an organic conversation around their experiences with procurement. These experiences identified would then help shape the conversation for the next exercise and so on.

Since we designed this engagement using a grounded theory model, our analysis followed a thematic open coding methodology in which all the data was reviewed and grouped into key themes and expressions. This analysis was then provided back to the participants for additional comments and clarification. Section 4 provides a summarized version of what we heard from participants as a result of this analysis.

Once completed the final report was provided back to the project team for their review and information. These results, along with background research and review of other municipalities, helped form the Indigenous Procurement protocol. These results will also be used to support other municipalities by sharing of information. The engagement process and workshop design was widely well-received by both external and internal stakeholders, as well as the Administration. The project team will continue to utilize this approach and lessons learned from this day as a model for future engagement with stakeholders.

4 What We Heard

The report below provides a summarized version of what we heard from participants, grouped into key themes and areas of conversation.

4.1 Barriers and Opportunities

In the first conversation of the workshop, participants were asked to share their experiences and stories of procurement. In particular, they were asked to share what had worked well and what hadn't worked well for them in the past. They also were invited to share key barriers and the

opportunities they saw for overcoming these and other challenges. Tables 2 and 3 summarize the key points from these discussions.

Table 2: Barriers and Challenges to Indigenous Procurement

Theme	Key Points
1. City staff education, awareness and commitment	<ul style="list-style-type: none"> • Policy tends to be developed in a silo, and commitment weakens over time. • Unaware of trade agreement exemptions and lack a requirement to do this (unlike federal government). • Staff turnover challenges relationship-building.
2. Inertia of the status quo	<ul style="list-style-type: none"> • Unlikely to look beyond existing relationships, current practices, and legacy supply chains. • Predominance and familiarity with lowest bid model; many suppliers can't compete because of safety/quality standards. • Low risk appetite or interest in change.
3. Biased decision-making	<ul style="list-style-type: none"> • Disproportionate scrutiny, distrust, and oversight due to false ideas about Indigenous business' competency and integrity ("what are you going to do with the money?"). • Procurers that are looking for problems and inflating the risk.
4. Cost and capacity constraints	<ul style="list-style-type: none"> • Prohibitive expenses for small and community businesses, for example, if required to hire a legal team, hold funds for bid bonds, use ISNET, acquire equipment, or manage multiple small contracts. • Smaller or lower capacity businesses may need smaller and longer contracts, or time to develop capacity. Can be hard to compete and get noticed.
5. Inauthentic partnerships and process	<ul style="list-style-type: none"> • Ad hoc and opportunistic partnerships; being "used" by larger companies without adequate return on investment; simply ticking a "checkbox" without accountability. • Giving opportunities for competing on the whole spend versus just a sliver portioned off for corporate social responsibility or social procurement.
6. Competitive and political pressures	<ul style="list-style-type: none"> • Difficulty of competing against privately owned businesses when you are community-owned and operated. • Politics – distribution of work between political entities; Tribal Council Economic Development vs. First Nation member nations Economic Development departments and Treaty vs. Metis

Table 3: Successes and Opportunities for Indigenous Procurement

Theme	Description
1. Focus on relationships	<ul style="list-style-type: none"> Meeting the businesses and suppliers, visit the communities where impact will be felt and understand their priorities. Proactive business development – connect possible suppliers and assist in creating partnerships. Establishing a direct contact and relationship with a buyer.
2. Flexible approaches	<ul style="list-style-type: none"> Being open to creating opportunities for smaller companies, to building capacity, taking a different, more inclusive approach. Taking an approach focused on learning and adapting; finding low-risk opportunities to test out different models.
3. Extended duration	<ul style="list-style-type: none"> Taking longer, more staggered approaches to develop the business or capacity (ex. SaskPower and Kitsaki); an individual client-based approach. Using shared risk-reward models. Taking a developmental view: building “bench strength”, and investing in skills and educational training for young people.
4. City leadership	<ul style="list-style-type: none"> Empowering internal champions and having support from City leadership at all levels. Holding leaders accountable for results, and focusing on the required internal systems change. Communicating expectations with both buyers and suppliers.
5. Incentives and accountability	<ul style="list-style-type: none"> Setting clear weightings and requirements to incentivize change for Indigenous inclusion. Holding suppliers accountable through random cost audits follow-through audits, including actual visits to offices, job sites or verification through the Saskatchewan Indigenous Chamber of Commerce.

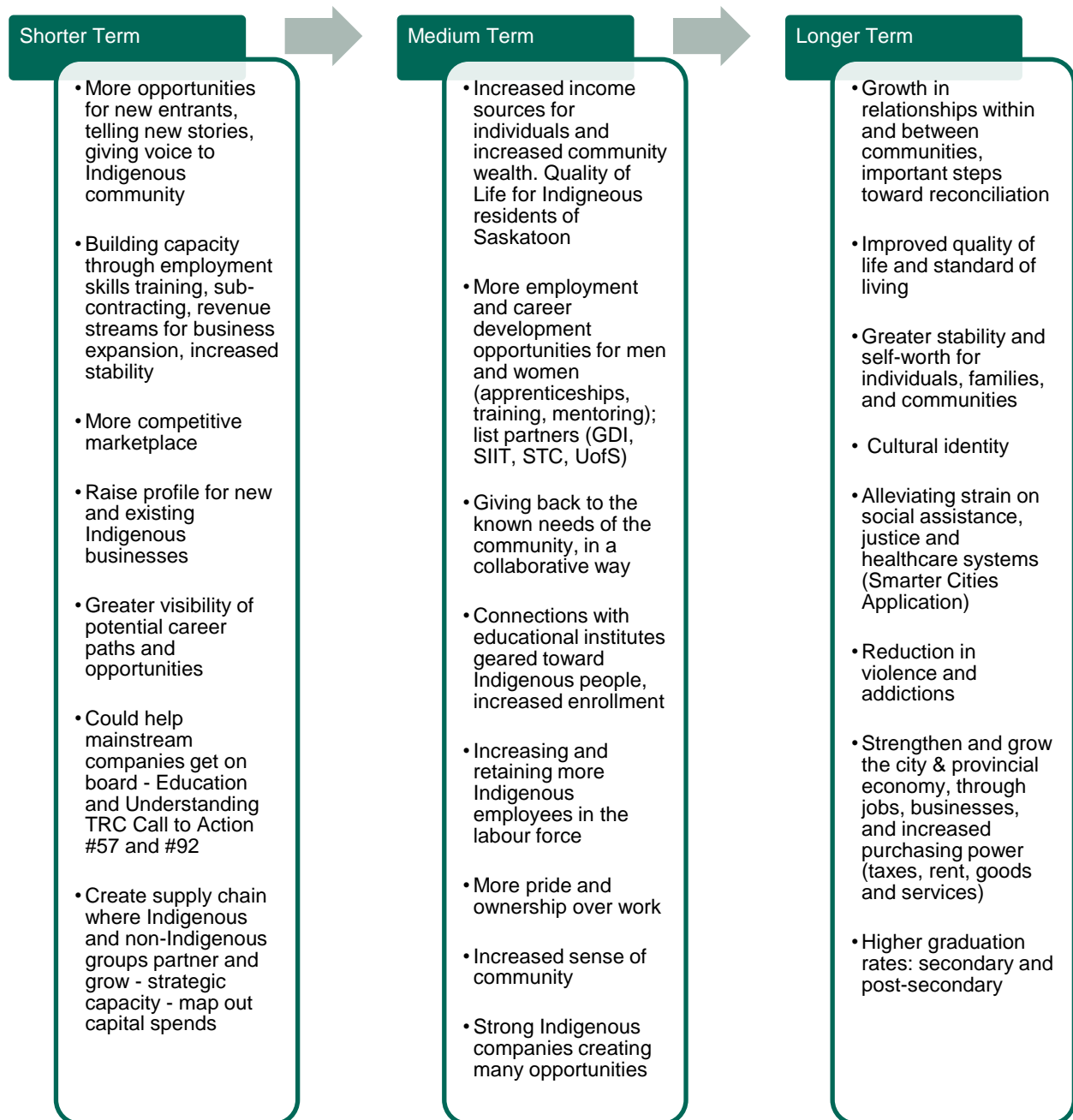
4.2 Social and Economic Impacts

Participants were asked to consider the shorter, medium, and longer term impacts of Indigenous procurement. In particular, they were asked:

- What could the social and economic benefits look like? What impact do we want to make?
- What opportunities are there for the City’s procurement practices to contribute to Indigenous social and economic development?

A summary of the responses is shown in Figure 1 on the following page.

Figure 1: Impacts of Indigenous Engagement



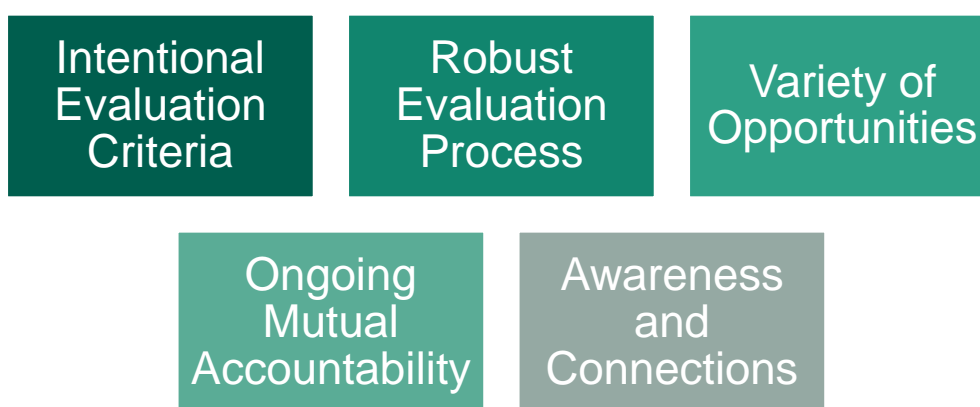
4.3 Adapting the RFP Process

Participants were asked to share ideas about:

- How RFPs can be designed to include value beyond lowest price – i.e. take social value into account, and what criteria could be included
- How the City might evaluate whether an RFP response has potential benefits for Indigenous social and economic development
- How to define Indigenous ownership and employment

From the conversations, five focus areas surfaced, which are shown in Figure 2 and described further in this section.

Figure 2: RFP Focus Areas



4.3.1 Intentional Evaluation Criteria

The majority of discussions focused on the type of evaluation criteria that would be most helpful to include. Participants agreed that proponents should be able to demonstrate a commitment to community involvement, and a description of the company's Indigenous engagement strategy. More specifically, they could be asked to identify the community benefits resulting from the project, including the downstream impacts and value created – for example, through employment, training (including internships, mentorship), subcontracts, and community investment or profit-sharing. The evaluation criteria would include some quantifiable measures or “hard goals” that could be tracked and audited (rather than just best efforts); one participant suggested that one measure could be the ratio of intended community investment relative to the company size (proportional).

Potential suppliers should also be asked to list the percentage of their workforce and ownership that is Indigenous, including subcontractors. The City could also request an estimate of the sum of Indigenous employment and training hours relative to total project hours. Participants often mentioned the importance of job creation at a variety of levels and types, so there could be extra points for bids in which a certain ratio of Indigenous employees are in management roles, for example.

Some participants also emphasized the need for relevant safety and training requirements to be part of the evaluation criteria, which are outlined below.

Defining Indigenous Ownership & Employment

The majority of participants favoured flexibility, as well as a variety of different ways to approach the criteria and weighting. Some were adamant that the company strategy (and where the profits are going) matters more than actual ownership. Participants noted that these criteria could be fulfilled through partnerships and subcontracts as well. The City was advised to consider the model used by the Northern Alberta Aboriginal Business Association, in which there are two categories of membership with clear requirements for each. Several groups believed that Saskatchewan-based companies should be prioritized, while others felt that Indigenous companies from other provinces should be treated equally rather than based on provincial boundaries.

Ownership

Some participants indicated companies that were 51% majority Indigenous-owned, where the owners are active and credible was seen as the most desirable, though a lower percentage of ownership could still be recognized. While other participants noted that ownership is insufficient and that these companies need to demonstrate an impact beyond their profits and assets, for example, creating executive-level development opportunities.

The integrity of their community investment or engagement strategy is of utmost importance, and could be vetted or endorsed by a community through a letter of support, for example. To verify credibility, some encouraged the buyers to request an organizational chart that includes signing authorities. Several participants noted that there are differences between community-owned, tribal council owned, and independently-owned businesses.

Employment

Similarly, group conversation gravitated toward 51% of Indigenous employees as a significant marker, but this was not seen as a necessary requirement. Some indicated that it was more important to strive for a workforce that is representative of the population (of Saskatchewan, or of a given community) and many highlighted the need to break down Indigenous employment targets between management and operating staff, or skilled and unskilled labour.

4.3.2 Robust Evaluation Process

There were several suggestions for how the City might evaluate future RFPs in order to support Indigenous procurement. Participants said that they would want the City to review the company's Indigenous engagement strategy, how the project links to social and economic development, and the balance between profit, capacity investment, education or training, and other benefits. If a particular community is involved or named, the buyers should verify that there is a relationship with the community, specifically, that community members were involved in the response and/or that their interests are reflected in the identified benefits.

Other comments reinforced the need for due diligence. For example, reviewing company data, employment and ownership levels, references, employee training, and the corporate track record of Indigenous involvement and community impact. Some suggested conducting pre-award interviews. Participants specifically requested that buyers request proof of claimed partnerships (e.g., corporate documents or agreements). The City was also urged to ensure that buyers and internal stakeholders are trained on how to evaluate and remove bias in their own decision-making.

4.3.3 Variety of Opportunities

Participants urged the City to be flexible and to create a variety of different opportunities rather than a one-size-fits-all approach, acknowledging that businesses may be at different stages and projects may have differing demands. While some participants disliked the concept of set-asides or piecemeal contracts, others said that in some cases it would be helpful to “strategically package” the work required to complete City projects. For example, providing longer-term contracts with a smaller required workforce to give suppliers a chance to build their capacity over time, perhaps through smaller chunks of work. Another strategy for large projects would be to allocate extra points to a company that commits to working with an Indigenous subcontractor. Other cited the Merx systems of having set-asides for Indigenous companies to bid on. One group raised the idea of providing “incubation support” for RFP proposals that were unsuccessful. Overall, a key message was “don’t let the metrics (exclusively) drive the opportunities.”

4.3.4 Ongoing Accountability

There was a lot of conversation about the need for continual communication, and with that, ongoing accountability to what was set out in the successful bid. The City would be responsible for ensuring a fair playing field, and establishing some “checks and balances” to assess claims of Indigenous participation and reported community benefits. Participants urged City buyers to get to know and visit communities and businesses, in order to build that accountable relationship and two-way expectation setting. The City was also encouraged to use clear language with penalties for delays and non-completion, and to require reports on the social return on investment during project close-out or contract reviews to identify the impacts and learning.

Participants emphasized the need for corporations to monitor their Indigenous inclusion rates, setting benchmarks to achieve over time, and ensuring these are connected to staff performance metrics. Social development commitments should be understood and measured throughout the contract lifecycle.

4.3.5 Create Awareness and Connections

Many of the conversations emphasized the importance of relationship building with community members, Indigenous businesses and non-Indigenous suppliers in order to better understand interests and opportunities. For example, having a supplier database to facilitate connections for subcontracting and joint ventures, and matching non-Indigenous and Indigenous suppliers for mentorship or partnership. Connections with educational institutions was also seen as highly important.

Participants also discussed the need for education and training at all levels within the City, especially non-Indigenous businesses who might be looking to increase Indigenous employment. City staff were also encouraged to remember to use the “levers” available to engage Indigenous businesses, for example, the exemption for Indigenous engagement in the NWTPA treaty. During the discussions, it was often mentioned that this work can require tough conversations to charter new paths and requires strong internal champions.

4.4 Beyond the RFP

During this part of the workshop, participants considered how else the City might further leverage its purchasing influence, and measure progress towards Indigenous inclusion through procurement.

4.4.1 Complementary Strategies

Four key themes emerged from the conversation and are outlined below. Other pieces of feedback were: to look for local and in-province suppliers, establish longer-term contracts to provide opportunities for companies to develop expertise, and to take a holistic approach to benefit Indigenous people.

Communicating and Connecting

Consider starting quarterly town halls for potential suppliers to learn more about ongoing and future municipal projects and contracts. Seek out business relationships and partners in order to meet goals, and facilitate the creation of a public database of Indigenous suppliers. Ensure two-way communication and feedback when projects run into challenges, or are unsuccessful. One participant encouraged the City to have a debrief system and to encourage persistence.

Identifying and Acting on Patterns

Participants encouraged the City to take a big picture view, and to watch for patterns and how to get ahead of them. For example, if a shortage of skilled labour is projected, the City could support additional training opportunities by connecting or investing in educational organizations. Participants noted that there will be gaps in Indigenous engagement in specific technical and professional fields that may require a more deliberate strategy in order to fill the gaps.

Hiring Practices

Explore competencies in hiring practices, not just certifications, and help employees get connected to potential jobs or suppliers. There was also discussion about increasing the number of Indigenous employees at the City over time, which would be complementary to the procurement changes.

Setting an Example

Participants encouraged the City to provide leadership to neighbouring municipalities (particularly those that are part of the Partnership for Growth) who have not yet started this journey. They also suggested sharing learning and best practices with these municipalities as well as the Big City Mayors, and more broadly via groups like the Saskatchewan Urban Municipalities Association and the Federation of Canadian Municipalities.

4.4.2 Measuring Progress

Each of the workshop groups spent time discussing the ways in which the City could track and measure progress on Indigenous procurement, including the types of data and information that would be helpful to collect from suppliers.

At a high level, participants advised that this will be a learning process for all involved, and suggested that a key question should be “are we building capacity?” and with that, “are we giving (and showing) opportunities to Indigenous people?” They also encouraged the City to follow the strategy with the measurement and method, and not the other way around.

Participants agreed that both subjective and objective data be considered. They also requested transparency from businesses in how the measurements are compiled, as there was concern that numbers could be deliberately skewed. The main conversations themes are summarized in Table 4.

Table 4: Recommendations for Progress Measures

Theme	Key Points
Tracking Quantitative Measures	<ul style="list-style-type: none"> • Number of jobs created • Number of Indigenous employees and distribution of employment (management vs. entry level, etc.) • Retention rate of Indigenous employees • Training positions achieved, educational support provided, community reinvestment dollars • Consider requesting monthly employment reports – could include name, community, job title, hours; “look into the oddities that don’t seem quite right” • Be aware that dividends may go to reinvestment, or may be stripped down because there are many community demands, or otherwise
Tracking Qualitative Factors	<ul style="list-style-type: none"> • Social organizations benefitting • Measuring career pathing – show upward trajectory • Continuous improvement in terms of numbers but also the quality of participation • Try to offset other demographic trends (ex. increase jobs, decrease incarceration)
Tracking the City’s Spend	<ul style="list-style-type: none"> • Report on the monthly spend with each Indigenous supplier • Measuring spend on social development is a delicate area, sensitive number. How does the City measure that value? Are we asking more of Aboriginal contractors than non-Indigenous in terms of measurement? • City should determine a baseline and a target for percentage of spend that contributes to social development, and track against that • “Accountable, reportable, deductible” – informs other businesses coming in on City’s expectations
Reporting Frequency and Scale	<ul style="list-style-type: none"> • Can’t be too onerous, needs to be an efficient process to encourage accuracy of reporting (~15 minutes per month) • Determine appropriate frequency for audits and reporting

4.5 Closing Advice

At the end of the workshop, participants were asked to individually identify one piece of advice for the City as they move forward with Indigenous procurement. The most common responses were “just do it” and “start somewhere”, even if it is not perfect. Participants urged the City to continue building inclusive relationships, listening respectfully, collaborating with suppliers, leading by example internally, and empowering Indigenous employees to provide leadership in this area. One commenter stressed that all City staff involved in purchasing and project management should have Aboriginal Awareness training, at minimum, to help confront biases.

They emphasized the importance of tangible commitments and targets that are agreed upon with Indigenous groups, and the value of tracking these and ensuring accountability over time. On that

topic, one participant advised the City to “measure what you see as valuable; don’t filter data to find value.”

Several comments were about evaluation criteria, encouraging the City to take care in how “Indigenous” is defined, while taking steps forward to include Indigenous employment and ownership as criteria.

There were a few specific requests, including: to incorporate social enterprise into municipal procurement, to provide Indigenous-only bidding opportunities in order to compare “apples to apples”, and to work with non-Indigenous owned companies if the vision is to put more First Nations people to work to achieve a broader economic impact.

5 Evaluation

Out of 38 participants, 21 evaluations were received.

5.1 General Feedback

Overall average rating was 4.2/5 (84%).

Evaluation Question	Average Rating/5	%
Overall how was your experience?	4.5	90%
It was easy for me to participate in the process.	4.5	90%
All participants were given the opportunity to contribute.	4.5	90%
This was a valuable use of my time and energy.	4.3	86%
The facilitator kept us engaged and focused.	4.3	86%
I believe my voice mattered in this conversation.	4.2	84%
I understood what expected of me as a participant.	4.1	82%
The information was clear and understandable.	4.0	80%
I will likely accept the outcome of this process, regardless of what decision that is made.	3.9	78%
I understand how my input will be used.	3.8	76%

5.2 What worked well/what didn’t work well?

What Worked Well?		What Didn’t Work Well?	
	No. of Reponses		No. of Reponses
Breakouts	12	No clicker for Scott	2
Excellent facilitator	1	Not having a copy of policy	1
Networking	1	Not enough information	1
Good engagement	1	Afternoon repetitive	1
Freedom to express vision	1	Not enough time for questions	1
Agenda	1	Questions unclear	2
Expertise of the group	2		
Consultation was great	1		

5.3 Improvements

How might we improve these areas?
I felt that the group was particularly constructive.
It would be interesting to "re-do" this gathering in 1-2 years to see how things have progressed.
Shorter day.
Pre-work exercises.
Questions too similar.
The reality of where the City is at (ground zero) was appreciated.

5.4 Additional Comments

What else would you like us to know?
Change wording to social and Indigenous procurement.
Follow-up report.
Having ongoing discussions are important.
Indigenous will compete now.
It would be interesting and likely useful to get this kind of input once a draft policy is developed.
Past opportunities.
This is a great event.
Use City leadership to influence trades workforce development so more skilled Indigenous workers will be available.
Will be interested to see where this goes.
Will accept the outcome if it is effective!
Great Start, more work to come!
Actions will be testament to effort.
Acceptance of outcome depends on seeing actual implementation of engagement given.
The framing of the day was well put together.
Lots of opportunities to offer ideas and learn from others.
Everyone had the confidence to speak up.
Best practices of other municipalities.
Because some of the questions were unclear it made conversations go in unintended directions.

5.5 Evaluation Summary

The project team will use this feedback in the design of future workshops and roundtable discussions. Specifically, we will endeavour to add clarity to how input will be used, allow more time for exercises and eliminate redundancy.

6 Next Steps

The Supply Chain Management Team is continuing to research best practices for Indigenous engagement. Once participants and other stakeholders have had a chance to review the report and share any additional comments, the Supply Chain Management Team will review the final engagement workshop report. Drawing on the insights from both research and public engagement, they will draft an Indigenous procurement procedure, while continuing to review the City's overall spend to identify opportunities.

The development of social and economic evaluation criteria that can be incorporated into the City's procurements, including specific metrics and reports to support overall effectiveness.

The City expects to have the foundations of an Indigenous procurement procedure in place by February 2019, at which time it will be shared in a report to City Council. There will be a focus on continuous improvement with flexible strategies to ensure concerns, priorities, and trends of social economic groups are taken into account.