

## INDIGENOUS PROCUREMENT FRAMEWORK

### RECOMMENDATION

That Executive Committee recommend to City Council:

That revised Sustainable Procurement Policy C556A, as set out in Attachment 1 of the June 29, 2022, Financial and Corporate Services Report FCS01160, be approved.

### Report Purpose

#### **Council approval required.**

Council is being asked to approve the amendment of the Sustainable Procurement Policy - C556A to include the Indigenous Procurement Framework.

### Executive Summary

- This report highlights the work conducted to develop an Indigenous Procurement Framework that will be used to leverage a social value from the City's purchases.
- The objective of the Indigenous Procurement Framework is to provide equitable access when Indigenous businesses are interested in providing goods or services to the City of Edmonton.
- The proposed revised City Policy C556A, Sustainable Procurement (Attachment 1), which will include the Indigenous Procurement Framework if approved, supports the City's financial management outcome of ensuring Edmonton's resilient financial position enables both current and long-term service delivery and growth.

### REPORT

The City of Edmonton's Indigenous Framework advises that Administration has four roles in its journey to positive relations with Indigenous peoples — listener, connector, advocate and partner. As an advocate, the Indigenous Framework advises that City employees have been “given varying degrees of power and privilege in the eyes of the citizens we serve. Being an advocate means we humbly accept this privilege and learn how to share our power within the relationships we build.”

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This means that Administration's processes — including procurement — must take a leadership role for reconciliation and inclusion.

This way of working aligns with Call to Action 43 of the Truth and Reconciliation Commission — We call upon federal, provincial, territorial, and municipal governments to fully adopt and implement the United Nations Declaration on the Rights of Indigenous Peoples as the framework for reconciliation. The United Nations Declaration on the Rights of Indigenous Peoples Article 2 advises "States shall take effective measures and, where appropriate, special measures to ensure continuing improvement of [Indigenous Peoples] economic and social conditions."

Openness, fairness and transparency are significant components of well-considered public procurement policy. Public procurement could be restricted to offering contracts to the lowest bidder, but can also consider criteria beyond prices and technical aptitude. The value of procurement should also, to the extent permitted by the City's trade agreement obligations, be evaluated based on the potential positive social impacts the purchase and contract will have for the community.

### **Indigenous Procurement Framework**

Every purchase has intended and unintended economic, environmental and social impacts. Sustainable procurement is about consciously considering those impacts and seeking to make intentional positive community contributions. With the proposed amendments to the Sustainable Procurement Policy C556A, the City will integrate economic, quality, environmental, social value and Indigenous considerations into procurement processes for goods, services and construction projects, to the extent permitted by the City's trade agreement obligations. Revisions also include ethical standards, environmental sustainability, social value and Indigenous considerations.

Working with the Indigenous Procurement Advisory Panel, Administration developed a framework for Indigenous business participation in 2021 referred to as the Indigenous Procurement Framework (the Framework), included as Attachment 2 and is summarized in Attachment 3.

The Framework contains six key recommendations:

1. Enhance evaluation criteria: Include Indigenous content criteria such as contractors, subcontractors and Indigenous employment at all levels of an organization.
2. Consider Indigenous set asides: Procure exclusively from Indigenous businesses if possible where the primary users or beneficiaries are Indigenous.
3. Provide a mix of procurement opportunities: Opportunities for procurement should span the full range of dollar value to provide economic access across the scales of procurement.
4. Indigenous Heritage Verification: In other jurisdictions individuals falsely claimed Indigenous heritage in order to benefit from programs and policies targeted to assist Indigenous persons. As such, a verification of heritage is necessary to ensure City contracts are not affected by the same misrepresentations.
5. Communication Plan: Internal and external socialization of this framework will be required to normalize the increased inclusion of Indigenous business in City procurements.

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6. Improve Networking Opportunities: Partner with established business communities to engage with potential Indigenous suppliers and introduce them to the process of selling goods and services to the City of Edmonton.

The objective of the Indigenous Procurement Framework is to provide equitable access when Indigenous businesses are interested in providing goods or services to the City of Edmonton. Providing access and tools to Indigenous businesses supports community development, employment, and economic stabilization of a business community that has historically and continues to face barriers to full economic participation in Canada. The removal of barriers to Indigenous businesses includes the promotion of direct purchasing from Indigenous businesses and encouraging larger businesses among the City's suppliers to hire and subcontract to Indigenous peoples. The valuable input from Indigenous businesses and the City's Memorandum of Understanding (MOU) partners on the advisory committee is described in the Community Insights section.

The commitment to Indigenous procurement is a relatively new policy strategy, however, many cities, provincial governments and the federal government are embarking on their own initiatives related to Indigenous procurement. Each jurisdiction is taking a similar approach with only a few publicly posting details of their processes. Administration observed that for other municipalities, measures that are publicly available relate to the percentage of procurements awarded to Indigenous businesses and the number of Indigenous businesses winning bids. The City is committed to publicly sharing performance measures related to indigenous procurement as outlined in the Framework.

### Next Steps

To ensure that the Indigenous Procurement Framework is well understood and implemented across the organization, Administration will undertake training with City staff involved in procurement. Administration will also communicate with current and potential suppliers to raise awareness of the enhancements to the procurement approach and the importance of this work for reconciliation.

The Indigenous Procurement Advisory Committee was clear that the City should create a program that supports the supplier community and encourages growth and strengthening of Indigenous business throughout Edmonton. While this is outside of the initial scope of the Indigenous Procurement Framework, this next step is important to the success of Indigenous businesses in the Edmonton area.

The City will measure the impact of changes to ensure the Framework is achieving its intended outcomes. Initial targets are aligned with the Indigenous population in the Edmonton area. Approximately five per cent of Edmonton's population is Indigenous. Administration will continue to work towards establishing a baseline of Indigenous businesses for its procurement. As discussed in the Indigenous Procurement Framework, Administration will publicly report its progress to achieving representation of Indigenous businesses in City procurements.

### Legal Implications

All trade agreements which apply to City procurements (Trade, Investment and Labour Mobility Agreement, New West Partnership Trade Agreement, Canadian Free Trade Agreement, Comprehensive Economic and Trade Agreement, and the Agreement on Trade Continuity between

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the United Kingdom of Great Britain and Northern Ireland and Canada) contain exemptions with respect to Indigenous peoples.

### **COMMUNITY INSIGHT**

In accordance with the roles set out by the Indigenous Framework, Administration set out to gain the perspective of the Indigenous business community by being a listener, connector, partner and advocate. Over a series of facilitated meetings, Indigenous leaders and business owners shared their knowledge and experience relating to Indigenous business challenges, development, verification and hopes for change.

Meetings were led by an external facilitator and Attachment 4 provides the record of those conversations. It is the conversations and information shared at these meetings that shaped the recommendations in the Framework. Further to this series of facilitated meetings, Administration has held and continues to hold meetings and conversations with internal business areas and external City partners such as End Poverty Edmonton and area suppliers and businesses.

The process to develop the Framework started with the Indigenous Advisory Panel and grew to include stakeholders and partners from across the supplier and service community, including but not limited to, the Edmonton Construction Association, EndPoverty Edmonton and the Edmonton Chamber of Commerce (see Attachment 5 for a full list of participants).

Although many of the recommendations in the Framework enhance City processes, these adjustments will also affect the City's partners. Their awareness and willingness to participate in the opportunities that will arise from the Framework will promote its success.

### **GBA+**

The Indigenous Advisory Committee entered into this project with the intention to discover what barriers exist for Indigenous people in participating in City of Edmonton Procurement activities. The barriers identified in the Indigenous Procurement Framework (Attachment 2), over a series of meetings are acknowledged barriers for other underrepresented segments of the city as well. The Framework's recommendations to expand networking opportunities and to support business development are likely to support other groups as well. Selection of the Advisory Committee members ensured diversity and some intersectionality, including race, gender, age, business sector and relative experience with procurement; proportionate representation was sought for each layer of identity.

### **ATTACHMENTS**

1. Sustainable Procurement Policy C556A
2. Indigenous Procurement Framework
3. Indigenous Procurement Framework Logic Model
4. What We Heard Report - Bosgoed Project Consultants
5. City of Edmonton Stakeholder and Partnership Insight Report