# M TORONTO

### **REPORT FOR ACTION**

## Update on Co-development of First Nations, Inuit and Métis Procurement Policy

Date: November 26, 2024 To: Executive Committee From: Chief Procurement Officer Wards: All

#### SUMMARY

At its meeting on May 10, 11 and 12, 2023, City Council directed the Chief Procurement Officer to co-develop an Indigenous Procurement Strategy with Indigenous businesses and communities and present to City Council on progress towards developing the Strategy no later than the third quarter of 2024. This report provides an update on this work.

Purchasing and Materials Management Division (PMMD) was approved through the 2023 Operating Budget process to hire a Policy Development Officer dedicated to codeveloping the Indigenous Procurement Strategy with Indigenous businesses and communities. The recruitment was completed and the position was filled in April 2024. Since that time, PMMD has developed a work plan to guide the co-development of a First Nations, Inuit and Métis Procurement Policy (this is an updated working title reflective of work to-date).

Since PMMD has never engaged with the Indigenous community, the goal for 2024 has been to build relationships and to foster connections with Indigenous partners, agencies and businesses. PMMD has completed two engagement sessions with First Nations, Inuit and Métis businesses, one session with Indigenous agencies and partners, and one planning session to complete the Terms of Reference for an Advisory Circle. The first meeting of the Advisory Circle is planned in December. PMMD also sponsored three community conferences on First Nations, Inuit and Métis economic development.

2025 will be a year of engagement, and national engagement with Indigenous businesses, agencies and partners is being planned. The policy will be drafted in 2026, with the goal of circulating to Indigenous businesses, agencies and partners in 2027 for feedback and revisions. In 2028, the policy will be presented to City Council for approval, followed by implementation and monitoring, and an education campaign for both businesses and staff.

#### RECOMMENDATIONS

The Chief Procurement Officer recommends that:

1. City Council receive this report for information.

#### FINANCIAL IMPACT

There are no financial implications arising from the recommendations in this report. The work to develop a First Nations, Inuit and Métis Procurement Policy, and the staff resources to support Indigenous procurement in 2025, will be funded through PMMD's 2025 base operating budget. Future year budget impacts will be considered through future budget processes.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

#### EQUITY IMPACT STATEMENT

The Indigenous economy is strong and growing, and the City of Toronto requires stronger business relationships with Indigenous suppliers to pursue meaningful, equitable economic opportunities. The City's procurement process is complex and presents numerous barriers to participation by Indigenous businesses. Co-developing a First Nations, Inuit and Métis Procurement Policy is intended to reduce barriers and increase City business with First Nations, Inuit and Métis suppliers.

#### **DECISION HISTORY**

At its meeting on May 10, 11 and 12, 2023, City Council <u>directed the Chief Procurement</u> <u>Officer to co-develop an Indigenous Procurement Strategy</u> with Indigenous businesses and communities and present to City Council on progress towards developing the Strategy no later than the third quarter of 2024.

On April 6 and 7, 2022, City Council unanimously <u>endorsed the Reconciliation Action</u> <u>Plan</u>, which guides the actions the City of Toronto will take to achieve truth, justice and reconciliation. Action 20, Improve Indigenous Economic Development, includes actions relating to decolonizing the procurement process.

At its meeting on May 3, 4 and 5, 2016, City Council <u>adopted the Social Procurement</u> <u>Policy and Program</u>. The policy aims to embed supply chain diversity and workforce development initiatives within the City's procurement processes to drive inclusive economic growth for Indigenous, Black and Equity-deserving community members. While this policy speaks generally to Indigenous procurement, it does not set out specific targets or tactics for Indigenous procurement. On February 19 and 20, 2014, City Council <u>directed staff to explore options for</u> <u>amending City procurement processes and policies</u> to encourage and/or require hiring of people from Indigenous communities for City contracts.

#### COMMENTS

#### Background

The City of Toronto is an important customer for businesses, but small and diverse businesses find it disproportionately challenging to provide goods and services to the City. This has been especially true for First Nations, Inuit and Métis businesses. Fostering First Nations, Inuit and Métis procurement and prosperity is a part of the City of Toronto's Reconciliation Action Plan (RAP), in particular Action 20: Improve Indigenous Economic Development. The RAP was unanimously endorsed by City Council in April 2022 and guides the actions the City of Toronto will take to advance truth, justice and reconciliation, including actions relating to decolonizing the procurement process.

In April 2023, City Council directed the Chief Procurement Officer to co-develop an Indigenous Procurement Strategy with Indigenous businesses and communities and present to City Council on progress towards developing the Strategy no later than the third quarter of 2024. Other municipalities are also exploring Indigenous procurement approaches. In February 2023, the City of Regina set a new benchmark with an Indigenous procurement policy that sets a long-term goal of growing Indigenous procurement to 20 percent of the city's procurement.

#### **Staffing and Work Plan Development**

Purchasing and Materials Management Division (PMMD) was approved through the 2023 Operating Budget process to hire a Policy Development Officer dedicated to codeveloping the Indigenous Procurement Strategy with Indigenous businesses and communities. The recruitment was completed and the position was filled in April 2024. Since that time, PMMD has developed a 5-year work plan to guide the co-development of a First Nations, Inuit and Métis Procurement Policy (this is an updated working title reflective of work to-date).

Since PMMD has never engaged with the Indigenous community, the goal for 2024 has been to build relationships and to foster connections with Indigenous businesses, agencies and partners. 2025 will be a year of engagement, and national engagement with Indigenous businesses, agencies and partners is being planned. The policy will be drafted in 2026, with the goal of circulating to Indigenous businesses, agencies and partners in 2027 for feedback and revisions. In 2028, the policy will be presented to City Council for approval, followed by implementation and monitoring, and an education campaign for both businesses and staff.

#### 2024 Relationship Building

## Meeting with Mississaugas of the Credit First Nation and Six Nations of the Grand River

Focusing on 2024's goal of relationship building, PMMD Senior Management and the Policy Development Officer leading the policy co-development met separately with Mississaugas of the Credit First Nation and Six Nations of the Grand River at their band offices, and subsequently with their Economic Development Corporations. The purpose of the meetings was to introduce the team and the work that PMMD was embarking on regarding the First Nations, Inuit and Métis Procurement Policy. In addition, PMMD was seeking their endorsement to conduct an engagement session in 2025 in each of their communities and to ask them to appoint a citizen from their respective communities to the First Nations, Inuit and Métis Procurement Advisory Circle.

In the meetings with the First Nations and Economic Development Corporations, it was emphasized that First Nations businesses have the capacity to participate in the City's procurement processes and do business with the City. Each First Nation and Economic Development Corporation has letters readily available that certify their members are a First Nations business. These letters could be used as an alternative to the City's current Indigenous business certification process.

#### Meeting with Toronto Aboriginal Support Services Council (TASSC)

Continuing with relationship building, an introductory meeting took place with the Executive Director of TASSC and PMMD Senior Management and the Policy Development Officer. The purpose of the meeting was to introduce the team and the work that PMMD was embarking on regarding the First Nations, Inuit and Métis Procurement Policy. TASSC invited PMMD to present at their January 2025 meeting and identified a TASSC member to participate in the First Nations, Inuit and Métis Procurement Advisory Circle.

#### Indigenous Business Engagement Sessions

On September 18, 2024, two engagement sessions were held in Toronto with thirty First Nations, Inuit and Métis businesses from the Greater Toronto Area. Both sessions included a reverse tradeshow with the following Divisions: Purchasing and Materials Management Division (Social Procurement Team spoke to the Social Procurement Policy; buyers spoke to how to do business with the City; and the Procurement Enablement team spoke to how to register in the City's electronic tendering system), Indigenous Affairs Office and the Lobbyist Registrar. Staff shared their expertise and assisted Indigenous businesses to break down barriers to accessing procurement opportunities with the City.

The sessions were facilitated by Niibin Advisory Services and businesses shared barriers and strategies to improve the procurement process. The full report from the engagement sessions is included in Attachment 1.

In summary, key themes that emerged regarding barriers to doing business with the City included:

- Lack of access to decision-makers and staff contacts;
- Barriers to equitable competition;
- Complexity and time consumption of the process;
- Need for support and capacity development;
- Lack of collaboration and Indigenous-specific considerations; and
- Infrastructure and financial challenges.

Strategies for improvement included:

- Increased access to and awareness of current opportunities;
- Relationship building and collaboration;
- Buyer education and internal communication;
- Collaborative and integrated service delivery; and
- Opportunities through joint ventures.

In addition, attendees provided feedback regarding the current Indigenous business certification process that the City utilizes through the Social Procurement Policy and whether that process should change. Many participants noted that it is costly for businesses to register for multiple designations and associations and the current process should remain the same to not duplicate efforts. Of the attendees who believed that the City should create verification measures, they suggested that the City require businesses to supply references from Indigenous communities or develop essay questions to be used in Request for Proposals and other application tools.

Participants identified several solutions that should be explored before a formal policy is in place:

- Piloting potential new policy approaches and incorporating successful pilots into policy objectives, metrics or decisions;
- Providing a dedicated City-supported commercial space for Indigenous entrepreneurs;
- Offering Indigenous business marketplaces at more City events; and
- Hiring dedicated Indigenous procurement staff.

#### Indigenous Agencies and Partners Engagement Session

On October 29, 2024, an engagement session was held in Toronto with First Nations, Inuit and Métis agencies and partners. This session included discussing the current procurement process and identified barriers and solutions. This session was facilitated by Indigenous and Community Engagement, and included a strategy session regarding how PMMD should engage with First Nations, Inuit and Métis businesses, agencies and partners nationally in 2025. The discussion from this event is currently being compiled into a report.

#### Advisory Circle Planning Session

Feedback from all three engagement sessions informed the development of the First Nations, Inuit and Métis Procurement Advisory Circle (Procurement Circle). On November 12, 2024, a one-day Procurement Circle planning session took place to review the Terms of Reference (TOR) with Indigenous businesses, agencies and

partners. The session was facilitated by Indigenous and Community Engagement. The TOR, once finalized, will guide the work of the Procurement Circle.

The first meeting of the Procurement Circle is scheduled to take place virtually on December 11, 2024. The Procurement Circle will be comprised of 13 First Nations, Inuit and Métis members and there are two vacancies, which will be appointed by the Procurement Circle. Most members are from the Greater Toronto Area with three located outside, in Québec City, Halifax and Thunder Bay. The members include:

- Shyra Barberstock, Anishinaabe, Kebaonish/Okwaho Equal Source
- Sarabeth Holden, Inuk, Red Tape Brewery/Author
- Patrick Hunter, Anishinaabe, Artist
- Tim Laronde, Anishinaabe, Chandos Construction
- James Lavallée, Red River Métis, National Association of Friendship Centres (NAFC)
- Philip Ducharme, Red River Métis, Canadian Council for Indigenous Business (CCIB)
- Kristy Barnaby, Mi'kmaw, National Aboriginal Capital Corporations Association (NACCA)/First Nations Procurement Organization (FNPO)
- Jordan Smith, Haudenosaunee, Two Rivers Community Development Centre
- Dawn Sutherland, Anishinaabe, Toronto Aboriginal Support Services Council (TASSC)/Anduhyaun Inc.
- TBC, Haudenosaunee, Six Nations of the Grand River
- Lauren Samuel, Anishinaabe, Mississaugas of the Credit First Nation
- Afro-Indigenous member (vacant)
- Knowledge Keeper member (vacant)

We acknowledge and thank Knowledge Keeper, Grandmother Dorothy Peters, who graciously received the tobacco offering to open and close all three engagement sessions and the Advisory Circle planning session.

#### **Conference Sponsorships**

To create awareness of the development of the First Nations, Inuit and Métis Procurement Policy, PMMD sponsored three Indigenous economic development conferences in October and November 2024:

- The Indigenomics Institute hosted their second annual "Indigenomics on Bay" conference on October 16-18 in Toronto. The event has a national Indigenous focus. PMMD had a booth at the conference and sponsored four Indigenous business owners to attend.
- Anishinabek Nation Economic Development Opportunities (ANEDO) hosted a conference on October 21-23 in Chippewas of Rama First Nation. The event has a regional on-reserve First Nations focus. PMMD sponsored and had a booth at the conference.
- A Reconciliation in Business Conference was hosted by Toronto Metropolitan University's Ted Rogers School of Management on November 3, with a local, offreserve and youth focus. PMMD was the Community Nourishment Sponsor for a

meal hosted by Chef Johl Whiteduck with a focus on Indigenous food sovereignty.

All three events were successful and further connections were made, in addition to creating awareness of the First Nations, Inuit and Métis Procurement Policy with attendees.

#### Artwork for Communications Campaign

With a national engagement planned for 2025 with Indigenous businesses, agencies and partners, a communications campaign is being planned that will feature the work of Anishinaabe artist Bryce King-Robitaille, an 18-year-old youth from Beausoleil First Nation who is a part of the Williams Treaty. The artwork was designed for PMMD and will be used on social media, conference banners, engagement session materials and any promotional campaigns for the policy co-development moving forward.

The goal of the campaign is to:

- Promote the development of the First Nations, Inuit and Metis Procurement Policy;
- Promote the new email address for matters relating to the development of the First Nations, Inuit and Metis Procurement Policy and for questions related to Indigenous procurement, indigenousproc@toronto.ca; and
- Gather emails of Indigenous businesses to facilitate engagement and support the creation of networking opportunities for Indigenous businesses and City staff.

#### Advancing Indigenous Procurement through Policy Co-Development

PMMD is committed to procuring from First Nations, Inuit and Métis businesses and organizations throughout the co-development of the policy. The Indigenous businesses PMMD procured goods and services from in 2024 to carry out this work include: Bryce King-Robitaille, Indigenous Community Engagement, Kebaonish, Kokum Scrunchies, Native Canadian Centre of Toronto, Niibin Advisory Services, and Ojibwe Baker.

#### **Next Steps**

Following the 5-year work plan, PMMD will plan national engagement sessions with First Nations, Inuit and Métis businesses and agencies throughout 2025. Engagement will be guided by the Procurement Circle. The Procurement Circle and the engagement sessions are being funded through PMMD's base operating budget.

Recognizing that a 5-year plan is an extended timeline, PMMD will be advancing improvements throughout 2025, within PMMD's base operating budget, that are anticipated to have positive impacts for Indigenous procurement, including:

- Hiring an Indigenous buyer who can also support with system navigation for Indigenous suppliers;
- Leveraging the Social Procurement Policy more effectively, including the updates being proposed at the December 10, 2024 Executive Committee that will allow the City to accept letters from First Nations, Inuit and Métis partners and

institutions that have their own rigorous verification process in place (which excludes any that utilize a self-identification process) to certify Indigenous suppliers;

- Simplifying training and resources available on the City's website;
- Organizing networking sessions with City staff and Indigenous suppliers; and
- Creating a roster of Indigenous facilitators that can be leveraged across the City.

#### CONTACT

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#### SIGNATURE

Geneviève Sharkey Chief Procurement Officer

#### **ATTACHMENTS**

Attachment 1: Indigenous Procurement Engagement Sessions: Summary and Key Themes, report by Niibin Advisory Services