

# Indigenous Procurement Engagement Sessions: Summary and Key Themes

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## Overview

The City of Toronto's Purchasing and Materials Management Division (PMMD) is beginning to develop an Indigenous Procurement Policy, which aligns with the City's Indigenous Reconciliation Action Plan, 2022. The goal is to not only fully leverage existing tools but also create new mechanisms to increase Indigenous procurement. This policy will be co-developed in partnership with Indigenous businesses, Indigenous partners, and agencies.

To kick off the policy development, PMMD decided to first engage with Indigenous entrepreneurs and Indigenous-owned companies. Niibin Advisory Services was engaged to facilitate two sessions designed to gather critical input and begin relationship building with the Indigenous business community.

The sessions focused on two primary goals: building relationships with Indigenous businesses and engaging in meaningful discussions about procurement challenges and opportunities. PMMD identified the following objectives for these sessions:

1. **Identifying barriers:** To understand the obstacles Indigenous businesses face when engaging in the City of Toronto's procurement process.
2. **Exploring successful strategies:** To learn from Indigenous businesses about the successful strategies they have used to secure contracts with the City and other public and private sector organizations. This included understanding how joint venture and limited partnership models could be successful.
3. **Understanding the scope of Indigenous businesses:** To learn more about the types of Indigenous owned businesses in Toronto and the GTA and discuss considerations that the City should take into account when considering approaches to Indigenous business recognition, including alternative business certification programs, self-attestation or an internal certification program.

In this report, the term 'Indigenous business' refers to small and medium-sized businesses that are Indigenous-owned, unless otherwise specified.

## Session Format

PMMD invited fifty Indigenous businesses from various sectors, selected from various Indigenous Business Directories (such as Canadian Council of Indigenous Business, Government of Canada and Hydro One Networks), the City's own list of registered Indigenous businesses in its SAP Ariba system, and from in person events in Toronto. Attendees were invited to attend either a morning or afternoon session.

- The morning session welcomed representatives from seventeen Indigenous businesses in the construction, consulting, and environmental services sectors.
- The afternoon session hosted thirteen Indigenous businesses in technology, communications, consumer goods, and promotional goods.

One observation was that only a small number of attendees had previously secured contracts with the City. From those who have not, we heard of their experiences in trying or learned about their reasons for not participating in a procurement process.

In addition to the facilitated discussions, PMMD coordinated attendance from City of Toronto staff in procurement and economic development roles to speak one to one with attendees.

### **Key Outcomes and Next Steps**

The input gathered during these sessions have been organized into key themes, which will directly inform the development of the Indigenous Procurement Policy and guide the work moving forward. The main themes emphasize the need for improved communication and relationships between the City and Indigenous businesses, increased awareness and capacity-building for businesses, and making it easier for small businesses by streamlining processes and speeding up decision making.

In summary, the day was full of rich conversation, producing several themes. Attendees also came ready with solutions. This should be no surprise; a room full of entrepreneurs who are skilled at problem solving and willingness to try new and improved methods. The facilitators are grateful for the conversations and have prepared this report to help the City continue the momentum towards a full Indigenous Procurement Policy.

## Acknowledgements

We are in gratitude to the Native Canadian Centre of Toronto, Knowledge Keeper Dorothy Peters, and Jerry Fontaine, Indigenous Affairs Office, who nourished, opened and cared for our protocols during the session. Thank you to the hard work of the team members of PMMD, particularly Stephanie Matchiwita, who planned, organized, and welcomed attendees. These contributions laid a meaningful foundation so that facilitators and attendees could have meaningful discussions and share ideas and experiences.



Photo credit, City of Toronto

## Barriers to Procurement – Key Themes

During this portion of the session, attendees were asked two questions.

- What barriers has your business experienced?
- What barriers do you see in accessing contracts with the City?

The insights shared are organized into six key themes.

### Access to Decision Makers and Contacts

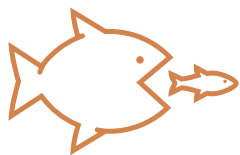
Attendees spoke to the challenges they experience finding information from the City of Toronto. These include:



- Difficulty finding the right contact person.
- Lack of follow up contact from the City of Toronto despite previous interactions such as attending webinars and sessions such as this.
- Unclear procurement processes (e.g., certification of Indigenous businesses, and the process for invitational versus open procurements).
- Establishing business visibility and relationships with City staff is challenging.
- There is a need for better internal communication within the organization particularly between City divisions. Attendees reported that success with one contract or connection with one area does not always lead to further opportunities. They want to know if buyers and other staff share information about the Indigenous businesses they have worked with.

### Barriers to Equitable Competition

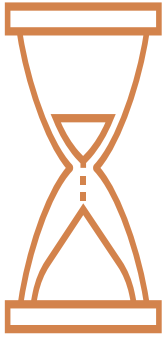
Attendees described how typical procurement policies creates barriers to equitable competition.



- Contracts are often awarded to the lowest bidder, disadvantaging smaller businesses.
- Underbidding by competitors who can work for lower wages.
- Perceptions of favouritism and existing supplier relationships.
- Lack of Indigenous values in procurements.
- Racism and underestimation of Indigenous businesses.

## **Complexity and Time Consumption of the Process**

This theme emerged from challenges in the timing of typical procurement processes.



- Procurement process is slow, lengthy, and time-consuming.
- Long lead times and short notice for bid submissions.
- Lack of clarity in procurements, especially regarding Indigenous engagement.
- Decisions take too long, affecting the feasibility of bids due to inflation or contract changes.
- Generally, the length of time to become an “approved vendor” in public procurement is frustrating. One attendee noted this takes two to three years.
- The private sector is seen as faster and more flexible in terms of securing contracts and making decisions compared to the public sector.

## **Need for Support and Capacity Development**

Attendees discussed the realities and limitations in capacity for many small and medium-sized Indigenous businesses.



- Lack of support for proposal writing, particularly for small businesses.
- Capacity development, including technology support and hiring Indigenous employees, is needed.
- Union requirements and limited office space are barriers to growth and accessing contracts.
- Lack of awareness of contracting opportunities and how to follow procurement protocols.

## **Lack of Collaboration and Indigenous-Specific Considerations**

Many attendees commented on the need for Indigenous procurement opportunities to be Indigenous-led and the desire for more networking and collaboration in the Toronto Indigenous business community.



- Need for peer collaboration and support between Indigenous entrepreneurs.
- Lack of Indigenous engagement, knowledge or evaluation in procurement processes.
- Feeling of being used by clients or partners for Indigenous awareness training without genuine collaboration. Our businesses have a greater value to bring to the table.



## Infrastructure and Financial Challenges

During the discussion, attendees identified operational challenges when contracting with large organizations and institutions, including the City of Toronto.

- Payment delays after contract completion.
- Inventory challenges due to contract size and payment terms.
- Small businesses struggle to compete on price without the infrastructure or resources.



Photo credit, City of Toronto

## **Successful Strategies – Key Themes**

During this part of the sessions, attendees shared successful strategies they have used, highlighting the need for increased outreach, communication, and collaboration with public sector organizations. The feedback suggests businesses are looking for more opportunities to demonstrate their value through relationship-building and smaller-scale opportunities.

## **Access and Awareness of Opportunities**

Not all attendees were aware of the kinds of opportunities available and would like to know more.



- The City of Toronto could do more outreach to Indigenous businesses and better market procurement opportunities.
- Businesses emphasized the importance of receiving notice and information about procurements with enough lead time to develop competitive bids.
- Success has been achieved through staying informed about opportunities, sometimes through cold calls or previously holding smaller contracts.

## **Relationship Building and Collaboration**

Attendees highlighted that procurement should be relational, not merely transactional.

- Success has come from collaboration, when the emphasis is placed on the partnership rather than an adversarial buyer-vendor relationship over price.
- Building relationships through free trials, proofs of concept, or smaller contracts helps establish trust and open doors for larger opportunities.
- Working as a sub-contractor has been a successful strategy for some businesses.

## **Buyer Education and Internal Communication**

Attendees who were familiar with formal procurement processes had questions about how information is shared internally.

- There is a desire to know how the City educates its Buyers about Indigenous businesses.
- Increasing awareness among Buyers could be an effective way to improve Indigenous business participation in procurement.

## **Collaborative and Integrated Service Delivery**

Two attendees shared their experiences with other organizations who use a different model.

- Collaborative strategies have worked when organizations focus on integrated service delivery, fostering partnerships rather than competition solely based on price.
- Businesses have had success when the municipality or organization becomes a partner, sharing knowledge and capacity with other small businesses as part of a collaborative ecosystem.



## Opportunities through Joint Ventures

The facilitators asked attendees for their thoughts on creating joint ventures to access contracts. The feedback highlighted a few things:



- Joint ventures can be a good opportunity for smaller businesses to partner with those larger businesses that have an advantage to gaining contracts.
- It is critical that the partnership agreement and business relationship are built on shared values and principles.
- Corporate Canada is very interested to create partnerships; but make sure the agreements are structured so not to limit opportunities for the smaller partner in the future.

## **Feedback on Indigenous Certification in City Procurement**

Attendees were asked whether the City of Toronto should create its own process to certify that a business is Indigenous owned. Currently, the City's [Social Procurement Program](#) maintains a list of Indigenous businesses that have demonstrated they are certified by the [Canadian Council for Indigenous Business](#), or [Canadian Aboriginal and Minority Supplier Council](#) and have expressed an interest in doing business with the City of Toronto.

Most attendees did not think that the City of Toronto should create a new certification process. Reasons for this included:

- The current process works fine for our business.
- It is costly for our business to keep registering for all these designations and associations.
- Why duplicate efforts?

Of the attendees who believed that the City *should* create verification measures, they suggested that the City could require businesses to supply references from Indigenous communities or develop essay questions used in RFPs and other application tools.



Photo credit, City of Toronto

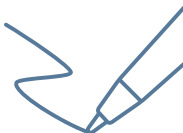
## Solutions Identified

Attendees came to the session ready to propose solutions and inclusions for the eventual procurement policy and related processes. The solutions are listed below.



### Pilots

In both morning and afternoon sessions, attendees asked and recommended that the city test out new policy approaches through pilot programs. If the timeline to develop an Indigenous Procurement Policy is five to six years long, can new strategies be piloted along the way to inform the final policy?



### Input into Policy Objectives, Metrics, Decisions

In both sessions, attendees emphasized that Indigenous businesses and communities should be involved in determining policy objectives and decisions. Some attendees requested to be involved in determining a percentage of City spend that would be designated.



### City-supported Commercial Space

Access to commercial office space was identified as a barrier. A question was proposed whether the City can take a lead in accessing and leasing office space to Indigenous entrepreneurs.



### **Indigenous Business Marketplace**

One attendee proposed that the City host an Indigenous business marketplace or trade show where City staff from across the organization can come and meet with Indigenous businesses. In a tradeshow model, many organizations can be invited to attend and the revenue made can go into creating an Indigenous business fund to support capacity development.



### **Dedicated Indigenous Procurement Staff**

PMMD could create a dedicated position that supports small Indigenous businesses or create a team of procurement staff who are assigned to support small, medium and large Indigenous businesses. The positions would be a point of contact if businesses have questions and provide training, information and other capacity-building supports.

## **Conclusion**

These sessions have launched PMMD's engagement and relationship-building with Indigenous businesses and community partners. Feedback from these initial sessions underscores the need and opportunity for a procurement policy that significantly increases economic opportunities for Indigenous entrepreneurs and communities. We have learned that effective communication, increased awareness and accessible information are crucial first steps. Additionally, changes to RFP requirements, timelines and evaluation processes are necessary to improve access for Indigenous businesses. Building relationships and partnerships, particularly when Indigenous values and knowledge are prioritized, is key to successful Indigenous procurement. While there are many steps ahead in developing a final Indigenous procurement policy, we heard that the City of Toronto can start by creating pilot programs and interactive engagement events. Overall, a continued commitment to collaboration and meaningful action will ensure ongoing impact and progress in Indigenous procurement in Toronto.