

REACHING 5%

Simplifying Indigenous Procurement

BARRIERS

Indigenous businesses often experience difficulties engaging with the procurement process due to administrative hurdles, the lack of a central point of contact, and issues surrounding the authenticity of Indigenous businesses.

Administrative Burden

Indigenous businesses often face multiple administrative burdens when submitting applications or requests for proposals (RFPs) including the length of the documents, the language used within, the brief nature of timelines, and the complexity of the Indigenous procurement ecosystem itself. RFPs or proposal requirements are often lengthier than necessary to meet the objectives of the RFP and bidding process – what could be a 1-2 page long RFP that briefly explains the requirements of the proposed work often winds up being a 15-30 page document filled with technical and legal jargon. While complex and precise language may be useful in some instances – it is unnecessary and often even a hindrance to use legal language to explain the requirements of bidding on and undertaking proposed work. This just makes it more difficult for Indigenous entrepreneurs to engage in procurement, especially in the case of smaller companies with less capacity and resources. Indigenous businesses have identified that while they may have the capacity to complete the work laid out in an RFP, the complicated, time-consuming, and expensive nature of the bidding process renders many unable to engage.¹

Moreover, while engaging with RFPs and proposals consumes significant amounts of time for Indigenous entrepreneurs to complete, this issue is compounded by short times within application processes and the contracts themselves. Due to the brief nature of many application timelines for RFPs, many Indigenous entrepreneurs are essentially expected to drop whatever else they are doing and make that application their sole focus, all without guaranteed work. This is simply not possible or practical for many, which can lead to them not engaging at all. Even when Indigenous entrepreneurs are awarded an RFP, after going through the time-consuming and cost-intensive bidding process, they may be able to address the necessary requirements of a procurement contract, but project timelines are often too short to help them hire and train staff or undertake other activities to meaningfully support the business' growth.² As such, Indigenous businesses are not provided an opportunity to grow and increase the benefits to themselves and their communities, instead being trapped in a cycle of scrambling to respond to and complete RFPs.

There is a need for a clear application process, clear evaluation scoring criteria, straightforward communication of opportunities, and efforts to make RFP timelines longer to accommodate Indigenous businesses and those with less capacity.

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1. <https://www.ccab.com/wp-content/uploads/2023/03/Reaching-5-Report.3.pdf>, p. 3

2. Ibid.



BARRIERS *(continued from previous page)*

Where to start: the multitude of locations for Indigenous procurement

The many places for Indigenous businesses, government, and industry to engage is one of the foremost barriers to Indigenous procurement. Numerous organizations offer directories of Indigenous businesses, but they are often fragmented or inaccurate due to not being updated frequently. This is also the case for procurement supports, which are offered by numerous organizations and can become a burden for the average Indigenous entrepreneur to keep track of when they are already focused on their business. While the fragmentation of these directories and supports can negatively impact Indigenous businesses, it is also an issue for government and industry in that it makes it more difficult for them to work with and support Indigenous entrepreneurs. Having multiple lines in the water can be beneficial, but too many lines in the water can scare away the fish, and that is what is happening here. By providing too many avenues for government and industry to engage with Indigenous businesses, it is more difficult to focus on what will be effective and beneficial, which winds up limiting opportunities for Indigenous businesses. On the other side of this, having to register for numerous procurement platforms, upload documents, and engage with different procurement representatives who have varying levels of understanding, understand *their* processes, and monitor them for any leads introduces a significant burden for Indigenous businesses looking to engage in procurement. Opportunities are simply missed or fall through the cracks.

To this end, an Indigenous-led central location for Indigenous businesses, government, and industry to engage for procurement purposes would simplify matters tremendously.

Authenticity of Indigeneity

Given the benefits that procurement can provide for Indigenous businesses, it is of utmost importance to ensure that they are the ones getting the benefits that are being provided or set up for them. Indigenous businesses and individuals face immense socio-economic struggles compared to the non-Indigenous population and economic reconciliation is needed to address this. To ensure that this work can be done effectively and in a good way, certain standards need to be in place.

When organizations are establishing set-asides or carveouts for Indigenous businesses, there has to be some proof that those set-asides and the benefits that come from them are going to verified Indigenous businesses.



RECOMMENDATIONS

USE A PLATFORM SUCH AS CCAB'S SUPPLY CHANGE™ PROGRAM AND ABORIGINAL PROCUREMENT MARKETPLACE.

To address the barriers outlined above, CCAB's Supply Change™ program works to simplify procurement RFPs/applications and provide a centralized point of contact through the Aboriginal Procurement Marketplace and Newsfeed on Tealbook, while verifying Indigenous businesses through the Certified Aboriginal Business (CAB) designation. All Corporate companies listed as Aboriginal Procurement Champions must also identify a single point of contact within procurement for Indigenous businesses to reach out to.

To simplify RFPs and communicate them effectively, CCAB staff develop brief posting on various government RFPs to encourage engagement while also assisting corporations to share opportunities to the News Feed on Tealbook. CCAB encourages those registered with the Aboriginal Procurement Marketplace to utilize the *News Feed* to share RFPs and any other opportunities relevant to Indigenous businesses. Using this single point of contact provides an opportunity for Indigenous businesses, corporations, and government agencies to reduce the amount of time they spend searching for buyers or suppliers.

Moreover, through the Aboriginal Procurement Marketplace, Indigenous businesses (suppliers) and corporations or government agencies (buyers) can conduct searches to identify potential opportunities based on various criteria. For Indigenous suppliers, this means that they can focus their efforts on accessing opportunities. Instead of navigating various procurement platforms and purchasing downloads without knowing if it applies to them, they can read the summaries on the *News Feed* and contact buyers directly. For buyers, instead of working to establish and maintain lists of Indigenous suppliers, they can focus their efforts on sharing opportunities and identifying potential suppliers that match their needs.

To ensure that authentic Indigenous-owned businesses are able to access relevant opportunities and provide a streamlined process to ensure authenticity, CCAB offers Certified Aboriginal Business (CAB) designation to Indigenous businesses. CCAB is not, and will never be, in a place to recognize the Indigenous heritage of an individual. Instead, CCAB utilizes documents issued by rights-bearing and representative Indigenous nations or organizations and relevant corporate documents (such as articles of incorporation or sole proprietorship papers that indicate a minimum of 51% ownership and control) to authenticate whether a business is at least 51% owned and controlled by an Indigenous person. We do this to establish a centralized point of contact to streamline and increase Indigenous procurement – both for Indigenous entrepreneurs, as well as corporations and governments.³



3. 82% of corporate respondents to a survey conducted by CCAB regard Certified Aboriginal Businesses (CAB) designation as useful for enhancing Indigenous procurement outcomes.