



The Corporation of the City of Courtenay

# Briefing Note

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**To:** Council  
**From:** Manager of Procurement & Risk  
**Subject:** Indigenous Procurement Update

**File No.:** 1200-01  
**Date:** July 31, 2024

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## **PURPOSE:**

To update Council on City outcomes to date on the City's indigenous procurement implementation.

## **BACKGROUND:**

Indigenous procurement refers to policies and practices aimed at increasing the participation of Indigenous businesses in the supply chains of government and private sector organizations. The initiative is designed to foster economic growth, create jobs, and build capacity within Indigenous communities. By prioritizing contracts and purchasing from Indigenous-owned enterprises and joint ventures, these programs help to level the playing field and provide opportunities for these businesses to compete more effectively in the market.

Indigenous procurement is seen as a step towards reconciliation and acknowledging the historical and ongoing impacts of colonization. By actively including Indigenous businesses in procurement processes, organizations can contribute to the healing and strengthening of relationships between Indigenous and non-Indigenous communities. This approach encourages mutual respect and understanding while providing tangible economic benefits that contribute to the overall well-being of Indigenous peoples. In essence, Indigenous procurement is a tool for fostering sustainable development and economic equity.

In January of 2023, Council adopted an updated procurement policy framework. The modernized framework covers procurement for all departments at the City. The new guidelines support sustainable procurement goals including the environment, social value, living wage and opportunities for Indigenous businesses. Prior to this, the last update to the City's procurement policy was in 2011.

The Procurement Policy is attached to this report and includes the first Indigenous procurement language at the local government level in British Columbia.

## **DISCUSSION:**

### Broad Procurement Application

The City's procurement policy includes two key Indigenous procurement concepts. The first exposes broad spend at the City to Indigenous procurement. This is reflected in Section 8.3 of the procurement policy. The intent of this language is to include consideration of indigenous procurement concepts in City procurement across a broad range of commodities including:

- goods and equipment (i.e. office supplies, heavy equipment);
- general services (i.e. janitorial or HVAC maintenance services); and
- professional and consulting services (i.e. engineering or planning services).

As part of the procurement process, the City requests information from bidders and evaluates them based on:

- whether or not the bidder is an indigenous business;
- whether or not the bidder employs or has programs to employ indigenous persons;
- any partnerships with First Nations the bidder may have; and
- the bidder's reconciliation policies or procedures.

### Capital Procurement

Indigenous procurement in construction projects aims to enhance economic opportunities for Indigenous communities by ensuring their participation in the supply chain. The City's approach includes prioritizing contracts with K'ómoks First Nation businesses. Such initiatives are often supported by policies and regulations that encourage partnerships and joint ventures between mainstream construction firms and Indigenous enterprises. The benefits are multifaceted, including job creation, skills development, and the preservation of traditional knowledge, ultimately contributing to the sustainable growth of Indigenous communities. Section 9 of the procurement policy provides opportunities for the City to award contracts to K'ómoks First Nation businesses for City construction procurements over \$1 million. The intent is to award up to 10% of the overall construction value to K'ómoks First Nation businesses.

### Outcomes

City staff have been busy implementing the updated procurement policy with focus to Indigenous procurement. The following outcomes have been achieved since policy implementation in early 2023:

- Updating of Procurement templates including:
  - Request for Proposal (RFP);
  - Request for Qualification (RFQu); and
  - Request for Quotation (RFQ).
- Procurement staff have completed indigenous procurement training provided through the National Institute of Supply Chain Leaders (NISCL) and British Columbia Social Procurement Initiative (BCSPI).
- Training on the new policy for City staff occurred throughout the first half of 2023 and included in-person orientations conducted by the Manager of Procurement and Risk for the City's seven core departments.
- In 2023, indigenous procurement was included in 10 of 21 public competitive processes with a total overall award value of \$3.4 million. Procurements of note include:
  - RFP Security Services;
  - RFP Janitorial Services;
  - RFQ Civil Construction works; and
  - RFP Complete Communities Assessments.

Thus far in 2024, 10 of 13 public competitive processes have included Indigenous procurement with the main outliers being construction tenders.

- Procurement staff have conducted dozens of debriefs with bidders. These debriefs include a focus on indigenous procurement and staff discuss opportunities for bidder improvement.
- To date, the City has received no negative feedback from the market on the implementation of indigenous procurement.

- Staff have drafted an indicative process for incorporating indigenous procurement into capital projects. This included two rounds of discussions with K'ómoks Economic Development Corporation (KEDC).

### Future Opportunities

As the City continues down its implementation journey for Indigenous procurement, staff anticipate the following to occur:

- The first construction opportunity for application of section 9 language is anticipated to be the East Courtenay Fire Hall project. This will commence with the architectural services RFP expected to hit the market later this year.
- Continued change management. Additional training across the organization for evaluating Indigenous Procurement in City competitive processes.
- Further refinement of the City's approach to incorporating Indigenous procurement into capital projects.

### Future Challenges

Staff have identified the following challenges associated with indigenous procurement at the City since policy adoption. These will continue to be monitored.

- The uncertainty and sensitivities associated with self-attestation.
- Collaborative Procurement and the lack of exposure to City indigenous procurement goals.
- Uncertainty around the applicability of trade agreement exemptions for Indigenous businesses at the local government level.

### **POLICY ANALYSIS:**

Procurement activities at the City are administered in accordance by the City's Procurement Policy, City of Courtenay Delegation of Purchasing Authority Bylaw No. 3082, 2023 as well as the following trade agreements:

- New West Partnership Trade Agreement (NWPTA);
- Canada Free Trade Agreement (CFTA); and
- Comprehensive and Economic Trade Agreement (CETA).

Government procurement under these trade agreements aim to create open and competitive bidding processes while promoting economic cooperation. The NWPTA, an agreement among the western Canadian provinces, seeks to eliminate barriers to trade, investment, and labor mobility, ensuring equal access to government procurement opportunities within the region. The CFTA, a nationwide agreement, further enhances this by promoting a unified and transparent procurement system across all Canadian jurisdictions, fostering interprovincial trade. CETA, an international agreement between Canada and the European Union, extends these principles globally, offering Canadian businesses access to European markets and vice versa. Together, these agreements strive to increase efficiency, reduce costs, and encourage innovation in government procurement, while also providing broader market access for businesses.

### **ADMINISTRATIVE IMPLICATIONS:**

The procurement policy applies to all staff and departments at the City.

### **STRATEGIC PRIORITIES REFERENCE:**

This initiative addresses the following strategic priorities:

- Good Governance - Explore procurement practices to include a social equity lens, reconciliation for contracted services, and climate change factors

**RECOMMENDATION:**

THAT Council receive the “Indigenous Procurement Update” briefing note.

**ATTACHMENTS:**

1. City of Courtenay Procurement Policy

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