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• (1745)

[English]

The Chair (Mr. Robert Kitchen (Souris—Moose Mountain, CPC)): I call the meeting to order.

Welcome to meeting number 36 of the House of Commons Standing Committee on Government Operations and Estimates. The committee is meeting today from 5:44 Ottawa time to hear witnesses as part of its study of businesses owned by under-represented groups. We have the full two hours to do the meeting and we look forward to hearing from our witnesses.

I'd like to take this opportunity to remind all participants at this meeting that taking screenshots or taking photos of your screen is not permitted.

To ensure an orderly meeting, I would like to outline a few rules to follow.

Interpretation in this video conference will work very much like in a regular committee meeting. You have the choice at the bottom of your screen of either "Floor", "English" or "French". Before speaking, please wait until I recognize you by name. When you are ready to speak, click on the microphone icon to activate your mike. When you are not speaking, your mike should be on mute. To raise a point of order during the meeting, committee members should ensure that their microphone is unmuted and should say, "Point of order" to get the chair's attention.

The clerk and the analysts are participating in the meeting virtually today. If you need to speak with them during the meeting, please email them through the committee email address. The clerk can also be reached on his mobile phone.

For those people who are participating in the committee room, please note that masks are required for all staff at all times. MPs may remove their masks only when they are seated.

I will now invite the representatives of Aksis Edmonton's Aboriginal Business and Professional Association, Mr. Sinclair or Ms. Suitor, to make their presentation.

Mr. Sinclair, we can't hear you.

The Clerk of the Committee (Mr. Paul Cardegna): I believe, Mr. Chair, that Mr. Sinclair is going to try a different audio setting.

The Chair: Okay. Thank you.

Mr. Steven MacKinnon (Gatineau, Lib.): I have a point of order, Mr. Chair. Perhaps, with your discretion, we could move to another witness and then come back to Mr. Sinclair.

The Chair: Certainly. I think that might be good.

Mr. Sinclair, while you're working on that, what we'll do is go to our second group, the Canadian Council for Aboriginal Business.

If they would go first, we'd appreciate that as Mr. Sinclair works out the details of his audio system. Thank you.

Mr. Philip Ducharme (Director, Innovation and Entrepreneurship, Canadian Council for Aboriginal Business): Good afternoon. My name is Philip Ducharme. As director of innovation and entrepreneurship of the Canadian Council for Aboriginal Business, I want to thank you, Mr. Chair, and all the distinguished members of this committee for the opportunity to provide you with my testimony and to answer your questions.

Speaking to you from my home office, I acknowledge that the land is the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinabe, the Chippewa, the Haudenosaunee and the Wendat peoples, and is now home to many other first nations, Inuit and Métis people. I am Métis, with all eight of my great-grandparents attached to Métis scrip, and I am a citizen of the Manitoba Metis Federation.

From the beginning of the pandemic, the federal government put out calls to procure personal protective equipment from businesses. As our president and CEO Ms. Tabatha Bull has noted during her appearances at House and Senate committees over the last year, numerous indigenous businesses were prepared and continue to be prepared to provide PPE to meet Canada's medical needs. Lists of such indigenous businesses were provided to many federal departments as early as March 2020, but only a small fraction of the over \$6 billion in federal procurement contracts for PPE was awarded to indigenous businesses. Over the course of the pandemic there were two RFPs that solesourced from indigenous businesses. In a press release of September 21, 2020, PSPC noted that seven indigenous companies were awarded contracts for non-medical face masks in one such RFP for a total of approximately \$2.5 million, with an unprecedented 233 indigenous-led businesses responding. PSPC also reported that approximately \$68.5 million in contracts had been awarded to selfidentified indigenous businesses for requirements related to COVID-19. We understand through discussions with PSPC and through our own combing of publicly available data that this value is now slightly higher. However, we continue to be unable to obtain confirmation of the total spend to indigenous businesses on PPE.

To remedy this information gap, as suggested by Ms. Bull on February 22, I propose that this committee consider measures that would mandate government departments and agencies to report on their purchases from indigenous businesses as part of their submissions for the main estimates and the supplementary estimates. Simply put, we cannot evaluate and improve upon what we do not measure and report.

Through Supply Change, CCAB's trademarked indigenous procurement strategy, we have had continuous dialogue with indigenous businesses as it pertains to federal procurement. What we have learned is that indigenous businesses are very keen on pursuing opportunities but have had numerous challenges, including identifying those opportunities. With this in mind, we post all federal set-aside RFPs within our own aboriginal procurement marketplace.

Other challenges that indigenous businesses have identified to us include the complexity of the RFPs. A \$100,000 bid requires almost the same amount of time and resources to respond to as a \$10-million bid. In many bids, previous work history with the federal government is required, and without it the bid is non-compliant, making it difficult to garner new indigenous suppliers. Another key challenge we have heard is that there is no feedback on why a bid was unsuccessful. One of our indigenous business members responded to 32 federal RFPs without success, but without any feedback, they did not know where they needed to improve on their bid.

That said, I want to note that throughout my extensive career working with indigenous businesses and federal procurement, I can say that I've never had the opportunity of collaborating as closely with various federal departments, and in particular with PSPC, through OSME, as I have in the last year. Together with the various OSME regions, we have held numerous information webinars for indigenous businesses and will continue to do so. This collaboration helps indigenous businesses navigate the complexities of responding to federal bids and is one of the ways we continue to work with the federal government to support the mandate of achieving a minimum 5% indigenous procurement target.

Additionally, other measures to increase federal procurement from indigenous businesses should include ensuring that indigenous procurement targets appear in every departmental plan and every executive's professional management plan to ensure administrative leadership and fulfillment of the government's procurement targets for indigenous businesses. This change could be made administratively, without the need for legislation, through an amendment to the government's directive on performance management. CCAB is committed to continuing to work in collaboration with the government, our members and our partners to help rebuild and strengthen the path towards reconciliation and a healthy and prosperous Canada.

Thank you for your time.

• (1750)

The Chair: Thank you, Mr. Ducharme.

Mr. Sinclair, are you comfortable at this point in time?

Mr. Donald (Rocky) Sinclair (President, Aksis Edmonton Aboriginal Business and Professional Association): I am back, and I do apologize.

The Chair: That sounds much better.

Mr. Donald (Rocky) Sinclair: Good afternoon, Mr. Chair and committee members.

First, thank you very much for the opportunity to address the committee today.

My name is Rocky Sinclair, and I'm the CEO of the Alberta Indian Investment Corporation. We're an aboriginal financial institution located in Enoch Cree Nation. My comments today, however, will be in my capacity as president of Aksis, which is an indigenous business and professional association formed in 2013. We're located in Edmonton.

Although we have not engaged in a formal survey or study related to federal procurement opportunities for indigenous peoples in Edmonton, we are confident that there are common concerns with the procurement strategy that are applicable to the majority of indigenous businesses regardless of where they are located.

There are processes that can be overly complicated and difficult to navigate. That's known. Also, the reach of the procurement opportunities may not be getting to the indigenous businesses. There are limitations there, certainly. There are also concerns about some of the qualifying criteria that might be too limiting or stringent. That is also known.

2

For urban indigenous businesses, there are unique challenges, given that they are typically stand-alone in nature and do not have a support system that may be available in other communities. Many indigenous businesses in urban settings are typically interspersed throughout the city and are not concentrated in one area; therefore, they do not have peer support readily available. Also, many of those businesses are owner-operator businesses. The proprietors are very hands-on and do not have the resources to navigate through complex program portals to look for opportunities.

It is our view that if proactive strategies are introduced, along with mandated targets and appropriate metrics, we will see improvements in the uptake of indigenous businesses in securing opportunities with the federal government, and we would recommend that consideration. If there are not significant and fundamental changes to the indigenous procurement strategy, the issues that indigenous businesses have had with the strategy since 1996 will continue.

I have a colleague who is with me, and she will provide further comments. She will take up the balance of my time.

Thank you very much.

• (1755)

Ms. Marnie Suitor (Director, Aksis Edmonton Aboriginal Business and Professional Association): Thank you, Rocky. I believe that's my cue to speak now.

Good afternoon, and thank you very much for the invitation to be part of this session today.

My name is Marnie Suitor, and I'm speaking to today from Amiskwaciy Waskahikan, which is Edmonton in Alberta, the heart of Treaty 6 territory and in Métis Region 4. I am a director of Aksis and I am also the principal partner of an indigenous-owned consulting practice known as In Synch Consulting.

Over the past 18 years, the majority of my focus has been on capacity building within indigenous communities, businesses and entrepreneurial endeavours. I have witnessed many entrepreneurs and department managers struggle with what I refer to as the end-to-end procurement process, whether that be at the front end when they they're searching for and identifying an opportunity to respond to, whether that's through the pre-qualification process, or whether that is in the contract and reporting management that is part of the project compliance.

It is a very tedious and onerous process, and it requires infrastructure to support and an expertise to complete the core elements of procurement. In many cases, entrepreneurs find that the return on their investment of time and resources just simply doesn't add up.

That said, I do believe that there are ways to streamline the process and to refine the policies and procedures to enable indigenous businesses to fully and meaningfully participate in the federal procurement process.

I want to thank you for allowing me to share these few thoughts and I look forward to participating as the session unfolds.

Thank you.

The Chair: Thank you. We appreciate your comments and look forward to questions.

Now we have the National Aboriginal Capital Corporations Association.

Mr. Shannin Metatawabin (Chief Executive Officer, National Aboriginal Capital Corporations Association): Thank you.

My name is Shannin Metatawabin. I am the CEO of the National Aboriginal Capital Corporations Association, or NACCA. I'm also a member of the Fort Albany First Nation of the Mushkegowuk nation. Thank you for the invitation to speak to your committee's study of federal procurement before and after the COVID-19 pandemic.

Before I begin, I would like to acknowledge that-

The Chair: Excuse me a minute.

Ms. Vignola, is there a translation issue? Is that correct?

[Translation]

Mrs. Julie Vignola (Beauport—Limoilou, BQ): I am really sorry to interrupt this testimony, but Mr. Metatawabin's sound is too bad for the interpreter to be able to do their job properly. I don't know whether he has selected the right button on his computer. I'm hearing the echo as well.

• (1800)

[English]

The Clerk: If I may, Mr. Chair-

The Chair: I think Mr. Metatawabin has found out what the issue might have been, and he will try that and see if it makes a difference.

Go right ahead if you want to start again.

Mr. Shannin Metatawabin: I just want to acknowledge that I'm taking this call on the Mi'kmaq territory of beautiful P.E.I.

NACCA represents a national network of 59 indigenous-led institutions. Our members work with first nations, Métis, and Inuit businesses on a daily basis. NACCA is also one of six organizations in a national indigenous procurement working group formed in July 2020. Canada created our working group to coordinate advice on policy and legislative frameworks needed to achieve a minimum target of 5% indigenous procurement government-wide.

In these difficult times, procuring goods and services from indigenous businesses provides one concrete means to further economic and social reconciliation, yet over the past decade, opportunities for indigenous procurement seem to have remained unchanged. As far as we know, the high point was in 2014, with \$227 million in indigenous set-asides, which was only 0.8% of total federal procurement that year. I say, "as far as we know" because one issue our group has identified is the lack of consistent, accessible data across federal departments. Why do the opportunities remain so few, even with the 5% target upheld throughout the pandemic? Our research has revealed several factors.

The first issue is government policy and process. The benefits of indigenous procurement are not widely appreciated across government, and the current policy directs little spending to indigenous suppliers. The process itself is decentralized, which limits implementation of the 5% target to only a handful of departments. Added to this, departments are not required to report publicly on their targets, and there are no consequences for failing to meet them. There are few incentives to change, so things remain the same.

A second barrier rests with the capacity of the indigenous businesses to bid on government contracts. Many find the process difficult to navigate. Many are not registered with the aboriginal business directory, which is now managed by government. Also designed and managed by the government are the outreach strategy, training and tools, which do not meet the needs of our businesses.

A third barrier may be the criteria defining an indigenous business. The current criteria require 51% indigenous ownership and control and 33% of employees to be indigenous. Taken together, these two requirements are hard to achieve, and some indigenous businesses may be excluded.

Then what is to be done? Our working group has identified four solutions:

First and above all, increasing indigenous access depends on having mandated government-wide targets. Setting a target of 5% across departments was a crucial first step, but it will exist only on paper unless the monitoring and supports needed are also introduced.

Second, monitoring is key. Canada needs to improve its data collection, reporting and governance of the process to drive results. The federal government needs to increase its transparency government-wide so that we have an accurate portrait and indigenous oversight.

Third, meeting the target will require streamlining and demystifying the procurement process to make it more accessible. The process will need to address specific barriers that prevent our businesses from participating, including any introduced by the definition of "indigenous business".

Fourth, the indigenous institution has to lead in identifying, advancing and delivering tools and services to support implementation of the target. Our business owners need an indigenous-led centre they can trust to develop a comprehensive, up-to-date directory, using a definition that works for them as well.

These are the measures our group has identified, and we are now bringing forward a robust research program to support them. We are also coordinating with our three government counterparts tasked with developing a new policy framework with PSPC and the treasury department.

Clearly, there is much to be done to achieve the target and much that can be done. The experiences of jurisdictions like Australia and Saskatchewan have shown us that with the right will, monitoring and supports, we could not only meet but exceed the 5% target and increase it threefold to fourfold.

In the COVID crisis and beyond, addressing this aspect of reconciliation is straightforward. Meeting the 5% target will depend on clear federal direction, incentives throughout the bureaucracy, and an indigenous lead to work with and register our business owners. In a fairly short time, we could move this target from aspiration to reality, promoting our shared prosperity.

Meegwetch.

• (1805)

The Chair: Thank you, Mr. Metatawabin.

Thanks to all three of you for your presentations.

We'll now go into our questions and answers. Our first round will be for six minutes, starting with Mr. McCauley.

Mr. Kelly McCauley (Edmonton West, CPC): Thanks, Mr. Chair.

To our witnesses, thank you for your patience and for sticking with us. I know that staring at a blank Zoom screen for two hours is probably not the highlight of your day, so thank you.

I want to thank everyone for their opening statements. It pains me that we have to invite witnesses here today for this study, because we went through an almost identical process three to three and a half years ago in the last Parliament, when we heard different people from the indigenous communities say basically the same things we're hearing today—big promises, no follow-through, and on and on. I'm glad you were able to come and reinforce what we've heard before.

One thing that's always stunned me about procurement from the indigenous community is that when we had the last set of committee meetings on this issue, we heard from indigenous people that they were getting no help from the government side, no real results. Then we heard witnesses say that they were getting great help from the energy industry, especially in Alberta. Then, when we brought the procurement bureaucrats in, they almost threw their shoulders out patting themselves on the back so hard. There's a complete disconnect between what you're telling us and what the bureaucrats will end up telling us.

One of the things I'm really glad you brought up was the part about tracking and setting goals. We've seen procurement for three straight years now, with two to be decided as their goal for achieving the set-asides. I think it's important for accountability and achieving results that we have these things. For everyone here, Mr. Metatawabin, you mention how we're qualifying indigenous businesses. It's always a question of whether we are better off with a contract going to a non-indigenous-owned company that employs a very large number of indigenous people or whether the set-aside is for an indigenous-owned business that does not perhaps employ a large number of indigenous people. What delivers the best results for the community, and where do you see the balance between those?

Mr. Shannin Metatawabin: A big problem with procurement over the past 25 years is that only \$1.6 billion has been allocated to all indigenous procurement opportunities—

Mr. Kelly McCauley: Agreed.

Mr. Shannin Metatawabin: —and that's only 0.8% of all opportunities. We need to make wholesale changes. Australia has shown that they had a target, and then they increased it fourfold. Saskatchewan has done it, but it's only because there's a will. If there's a will, then there's a way.

The only way you're going to make a difference is for those frontline managers to be able to select an indigenous person. If there are hard targets and consequences for not meeting those targets, it will happen.

What you're talking about is how we can find the right mix in the types of businesses. I think that what Australia has shown is that if there is an opportunity, indigenous people will respond with the right businesses, respond with the right employee breakdown and invest in the assets. We did this 20 years ago. They invested a lot, and nothing resulted from it. A lot of them just stuck to the main-stream. I'm looking for a real change.

Mr. Kelly McCauley: Mr. Ducharme, do you have a comment on that, or Mr. Sinclair or Ms. Suitor?

Mr. Philip Ducharme: I agree with what Shannin said.

We look at the businesses as well, and we are trying to ensure that the businesses are going to be the 51% owned and controlled. What has been an issue in the past is that the government told us what an indigenous business is. They said that to qualify as an indigenous business, they have to meet that extra requirement.

To my knowledge, for any of the other other programming that the federal government has regarding social procurement, it's only the ownership and control. There is no requirement to have your workforce be the stakeholder group that is being recognized.

I do think that indigenous businesses.... There is research that shows that we do hire our own people and that we do increase the capacity within our communities as well by hiring. I think that's what needs to be done. It also needs to have a target set, and there have to be some teeth to it. A mandate is great, but unless it's incentivized, it's going to be a hard sell to get it to happen.

• (1810)

Mr. Kelly McCauley: Ms. Suitor and Mr. Sinclair, would you comment?

The Chair: The technicians are working with Mr. Sinclair to correct his issue, so if Ms. Suitor would be able to answer, that would be the best way.

Ms. Marnie Suitor: Thank you.

I'm actually working at the civic level with the City of Edmonton on their procurement strategy, so some of the conversation that's come up so far is interesting. If we think about ownership at 51%, I've worked with indigenous businesses that are 100% indigenously owned, but in the background there are blind trust agreements, etc., that transfer the actual operation of the business to non-indigenous people, so having that criterion of ownership does also create some other nuances.

I've seen the other side. We've had a business that is 100% indigenous owned and operated but cannot meet the requirement for the employee base. The example would be in the engineering or architectural world. Here in Edmonton, we have a very reputable business that is capable and qualified, but they could never meet the 33% threshold, because they're not able to find the skill set within the indigenous community to meet that requirement. Therefore, there are challenges on both sides.

The Chair: Thank you, Ms. Suitor. Thank you, Mr. McCauley.

Mr. Kelly McCauley: Thank you.

The Chair: We'll now go to Mr. Weiler for six minutes.

Mr. Patrick Weiler (West Vancouver—Sunshine Coast—Sea to Sky Country, Lib.): Thank you, Mr. Chair.

I'd also like to thank our witnesses for their patience in joining our committee meeting tonight.

Maybe I should start by recognizing that I'm streaming from my home on the traditional unceded territory of Coast Salish peoples, including the Squamish, Tsleil-Waututh and Musqueam nations.

What came up in the opening comments for everybody was that one of the big barriers to having increased indigenous involvement in government procurement was the complexity of the RFP process. Mr. Ducharme mentioned a couple of things: the challenges with previous work history with the government and lack of feedback.

Mr. Ducharme, I was hoping you could explain a little bit on your thoughts about how the RFP process itself could be simplified and how that might be able to increase indigenous procurement.

Mr. Philip Ducharme: Thank you.

I think you could look at some of the RFPs. If you could unbundle them or if you didn't have so many criteria in them, it would help. It's set up right now so that all the mandatory criteria in these RFPs are almost a weed-out mechanism, and that's what a lot of our businesses struggle with, especially with the previous platform, the Buyandsell and the epost that the federal government was using. There would be one little thing that would be missed, and because of that, they were non-compliant and their bids are not even being looked at. I think making not as many mandatory requirements.... It almost seems like the requirements, as I said earlier, are there to set us up for failure. My understanding is that the new procurement platform the federal government is going to is going to make it a little bit easier so that people aren't going to be losing out by not having a document that's uploaded. Again, I think by simplifying the contracts.... We had one supplier who said he spent \$10,000 to respond to the bid because there was so much. It was a technical RFP, but there's no reason that something that's worth \$10 million is going to have to require the same amount of work as a \$10,000 or \$100,000 RFP.

Mr. Patrick Weiler: Thank you for that, Mr Ducharme.

I'd like to ask the same question to Ms. Suitor, as well as to Mr. Metatawabin.

Ms. Marnie Suitor: My comments would be somewhat similar. I think it's important to scale the RFP to the work that's being required by actually taking a look within to understand the risk, the scope, the dollar value, and then adjust the RFP accordingly. Is the requirement to hold, let's say, \$5 million worth of insurance really practical for someone who's bidding on a \$150,000 contract? Those types of things would be helpful.

• (1815)

Mr. Shannin Metatawabin: I would like to add that if we viewed investing in indigenous businesses as an investment, we'd see that the social impacts for an indigenous-owned business in the community include a 72% increase in life satisfaction, a 52% increase in mental health indicators and a 19% increase in health indicators, so there are actually cost savings there.

There are also ancillary benefits to other community members with that business. There are community-owned businesses that have bid on contracts within their own community and have been weeded out because of the complexity of the bidding process. There needs to be a full change on how this is set up so that the community-owned business is at the front of the line, because they're going to be hiring their community members and the benefits are going to remain in that community. Right now, the system is set up to fail, as Philip has pointed out. We need to remove those barriers, just like we have with so many other barriers in front of us, and we're going to see a lot more impact.

Mr. Patrick Weiler: We would appreciate your sharing with the committee, if you could, the report that has those statistics.

A number of things have come up at this meeting today, including that some of the other jurisdictions that have set targets and increased targets, with enforcement measures to ensure they are met, have been able to meet them. I'd be curious to hear your comments on what changes took place within government procurement to facilitate that additional procurement, in addition to just the targets. What actual changes in their process took place that led to that improvement?

I'll go first to Mr. Metatawabin, please.

Mr. Shannin Metatawabin: I'm going to refer to something I have in front of me here, which says that in 2019 and 2020, Australian indigenous procurement outcomes had a target of \$195 million. The results were \$854 million. The results exceeded the target by about 4.3%.

Also, Saskatchewan Power in 2019 had a target of 3.5%. The results are 8.6%.

There's a large-fold increase in the targets. This is because they're actually implementing procurement and caring about it. Maybe Rocky can speak to this, but Suncor has had the longest procurement process with some of the tribes in Alberta. That's kind of where corporations have taken the lead to implement processes through impact benefit agreements that have hard targets and consequences for not meeting them. You lose your social licence to operate. We almost need to get into that kind of territory if we really want procurement to make an impact.

Mr. Patrick Weiler: Thank you.

The Chair: Thank you.

We will now go to Ms. Vignola for six minutes.

[Translation]

Mrs. Julie Vignola: Thank you, Mr. Chair.

Thank you very much for being here, Ms. Suitor, Mr. Metatawabin, Mr. Sinclair and Mr. Ducharme, and also for your patience. I am extremely grateful to you.

You talked about the government initiatives that have been put in place since 1996, but you also talked about how difficult it is, at times, to find qualified employees within the community itself. That reminded me of something. Seventeen years ago, I took part in the E-Spirit aboriginal business plan competition. That was an indigenous entrepreneurship competition whose goal was precisely to foster young people's desire to go to school and excel, to be able to acquire skills, and so on. As far as I know, that competition no longer exists.

To improve the qualification, what initiatives would work—because to date, we are seeing things that sometimes work and sometimes don't—and would enable indigenous businesses to find qualified employees within their communities?

Do you want to answer my question, Mr. Metatawabin?

• (1820)

[English]

Mr. Shannin Metatawabin: Oh, I like this question. This is so important.

When you think about creating an entrepreneur, you have to start at the very beginning. This starts with the children.

I was speaking with Chris Googoo today from Ulnooweg. They have a whole pathway of learning whereby they enter the schools to begin introducing STEM, introducing skills and innovation, so that when the students get to the time when they're selecting careers, they'll either go to school or start a business. They already have entrepreneurship and business in their vocabulary. That's so important. The AFI network works with businesses every day. They're always developing capacity programs and providing the training directly to the entrepreneur. However, support for the indigenous business development network has decreased by 70% in the past 20 years. Rocky, who has a certain number of business officers, has reduced his numbers because the support he has received is not there anymore. We need to increase that and provide some enablers, some stimulus, to ensure that we can provide the skills to everybody who wants to start a business.

[Translation]

Mrs. Julie Vignola: Thank you for your answer, Mr. Metatawabin.

Stop me if I have it wrong, but from what I am hearing, not only do the initiatives fail, but there has also been a funding cut that has exacerbated the record of failure.

Have I understood correctly, Mr. Metatawabin?

[English]

Mr. Shannin Metatawabin: If we take it back a little bit further, a number of barriers were created for indigenous people placed in reserves, away from the market. We have legislation in the Indian Act that prevents us from using our house as security. We don't have any wealth generation within our community, so equity is a problem, and so are skilling in the community, infrastructure and water. People are surviving on a day-to-day basis.

Providing skilling so that people can consider entrepreneurship as an option is a huge win. If we can do that and have government that is willing to say that indigenous people matter, this is lowhanging fruit. We can provide reconciliation by providing government opportunities that are already there. We just have to enable the indigenous business by saying that this is a real opportunity and it's going to happen this time.

[Translation]

Mrs. Julie Vignola: I am going to ask you each to answer the next question.

The autonomy and self-determination of the First Nations are values that are very important to me and must be prioritized.

At present, the government finally seems to understand that in order for measures to be effective, they have to be put in place in collaboration with the First Nations, not imposed on them.

You have skills and you have experience, ideas and a culture. All of that has to be put to work.

Is it possible that the explanation for the low percentages of contracts awarded and of successful initiatives can be explained in part, but not solely, by the fact that there has been little inclusion of the First Nations in the processes and consultations and in deciding the changes that have been made?

[English]

Mr. Philip Ducharme: If I could go ahead, I think this sort of ties back to what you said as well.

One thing we need to ensure is that the federal government works with indigenous businesses well before an RFP is posted. Once an RFP is posted, it's too late for our businesses to scale up and go out and resource the employees they need.

I know that even within the Centre Block in Ottawa, a lot of construction will be going on in the next 20 to 30 years. As well, we're working with the federal government and OSME to try to ensure that these businesses realize what opportunities are coming up. Then we can work with the asset holders and say that these are the types of trades and opportunities that will be required in our indigenous businesses to be able to fulfill these contracts, so that when the actual RFP is posted, we're able to apply to it and we're capable of responding to those RFPs fully, without having to scramble and then say that we don't have the means.

I think one of the best things that needs to happen is more engagement prior to the actual RFP coming out.

The Chair: Thank you, Mr. Ducharme.

If the other witnesses would like to respond to that question, they could maybe put that in writing. Unfortunately, due to time, we have to move on, unless Ms. Vignola wants to bring the matter up again when she next has an opportunity to ask a question.

We'll now go to Mr. Green for six minutes.

• (1825)

Mr. Matthew Green (Hamilton Centre, NDP): Thank you very much, Mr. Chair, and thank you to all the witnesses.

I'm going to start by doing something I don't normally do. That's just noting in a very non-partisan way that I believe in my heart that all the members of this committee want to see increased procurement coming through to the indigenous communities. They want to see the programs that are in place work. I believe that to be true on the opposition side and on the government side.

I would also note that nobody understands the challenges that are faced in our first nations, Métis and Inuit communities better than those who are actually experiencing them. Your testimony today, in a very short period of time—notwithstanding the wait that you had—has already laid out some really compelling and very obvious next steps for this government to take.

I want to note that I have a concern about timing and what may or may not happen out of this study in terms of our being able to report back and have recommendations from this study. I'm unclear about whether that's going to happen in this session or the next. I do, however, want the opportunity to get on the record a few of the points that have been reiterated, because unfortunately I won't be able to pass it as a motion at this point. I don't think it would be time-effective. Mr. Ducharme, you brought out what was for me one of the most compelling points, which was that if it doesn't get measured, it doesn't get done. I've been pushing the Auditor General to include, in all of their audits and studies, a framework very similar to what you identified in terms of having open and transparent reporting on the deliverables and the outcomes within the main estimates. I think you also touched on departmental plans. You also talked about, I believe, a directive on performance management.

Could you please restate those points from your notes, to go back into the Hansard, for people who are watching? Hopefully, the senior members or parliamentary secretaries who are here could take this back and maybe move on this, without our having to do anything formally.

Can you restate that ask with detail?

Mr. Philip Ducharme: I'll get to my notes here.

I think one of the areas we talked about was the directive on performance management. It would be as simple as changing 4.1.2 and including indigenous procurement in there. Right now it says, "determining, in consultation with the deputy head, the departmental criteria for talent management plans". If we were to include "including indigenous procurement targets in accordance with the appendix to this directive", it would make a big difference.

Also, the standard on performance management, specifically in A.2.2.1.1, could also now potentially read, "Clear and measurable work objectives, with associated performance measures including indigenous procurement targets, that are linked to the priorities of the organization and of the Government of Canada". Again, this is something that can be done without being legislated.

In other programs that were held in the U.S., it was actually legislated, and that's what made the difference. I think it was President Nixon who brought that executive order forward in 1968. I think here in Canada the mandate is a good start. As Shannin also mentioned, there does need to be teeth to it; otherwise, it's not going to resonate and happen.

Mr. Matthew Green: I believe you referenced having a reporting back in the main and supplementary estimates. Perhaps you could find that in your notes and also repeat that for the purpose of the committee. My hope again is that the colleagues we have here in government, the policy people who are tapped into these calls, will get a chance to hear this and maybe take you up on it as a form of real movement from this government towards outcomes.

Mr. Shannin Metatawabin: Can I add one thing?

I'll tell you where Australia really made the big change. They issued the targets, but the change only really happened when the government departments were transparent with how they achieved their targets and showed them to each other so that there was a competitive environment, with your department now showing where you stand with indigenous procurement. That's when real change happened. Now department heads and their bureaucrats are doing everything they can to achieve it.

Mr. Matthew Green: While I certainly support that idea, I would also love to see it reflected to the public. I would love to see it presented in our reports that come back through public accounts, because, again, within the culture of the government, that's one

thing, but I think there's also a forward-facing public responsibility. I can't quite get the words, but maybe I'll reference back to the Hansard if Mr. Ducharme doesn't have the wording handy.

• (1830)

Mr. Philip Ducharme: I actually do have it handy.

It was Ms. Bull who also brought that forward to the committee on February 22. It was for the "committee [to] consider measures that would mandate government departments and agencies to report on their purchases from indigenous businesses as...part of their submissions to the main estimates and the supplementary estimates committee."

Again, when they do their supplementary estimates, they can state at that time what their indigenous procurement is. That's another form of recording it and ensuring that it is happening.

Mr. Matthew Green: One of the ways that I hope to document this is that it will be in the Hansard. Again, I believe everybody around this table wants to see these programs succeed.I really do.

One of the commitments I'm going to leave with all of you is that I'm going to take those recommendations and go ahead and put those into a formal letter from me, out of my office, to the ministers responsible, again just to have it on paper and on the public record. It's my hope that at this time next year, you and Ms. Bull won't have to come back with this request again. My hope is to see it actually in the systems and principles and reporting mechanisms of government, because this is a government that says it wants to be committed to being open by default, and I would like to see that accountability carried through.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Green, and thank you to the witnesses.

We will now go to our second round. We will start with Mr. Paul-Hus for five minutes.

[Translation]

Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC): Thank you, Mr. Chair.

Good afternoon, everyone.

I am in Quebec City, a few hundred metres from the Wendake community, which is very well integrated in the Quebec City region. There are a lot of excellent businesses in Wendake; I am familiar with several of them.

I would like to ask a question, and I hope that the interpretation will enable us to understand one another properly.

Mr. Ducharme, Ms. Suitor and Mr. Metatawabin, you have spoken about trust. From what I understand, there is often a problem of trust between the government and the indigenous community in the business world when it comes to awarding contracts. My next question is very technical, and I hope it will be understood properly. Do you think that the fact that the Government of Canada does not have the legal means that it needs for resolving a contractual problem with an indigenous business might be a factor that explains why fewer contracts are awarded to your businesses?

I hope that what I said was clear to the interpreters.

I would ask Mr. Ducharme to answer the question.

[English]

Mr. Philip Ducharme: Thank you, Mr. Paul-Hus.

I'm not sure whether the question is clear, but I think you did talk about trust, and I think this is an area where we are struggling.

I know that a lot of our businesses have said.... I alluded to one company that's done 32 bids within the last year. We held a recovery forum last year through work. It was a little bit sad because we had so many businesses that said they were no longer going to be applying to the federal government for contracts. That hurt a little bit because we are working quite closely.

Mr. Green mentioned that he believes all parties are interested in this issue. That does make us feel good, and I think that's what we need to do. We will relay that message back to our businesses to try to bring them back into the fold. It seems that in the past we've taken one step forward and two steps back.

However, I think we really need to work on that trust issue with the federal government so that our businesses do look at opportunities with regard to procurement.

[Translation]

Mr. Pierre Paul-Hus: Thank you, Mr. Ducharme.

I am going to try to frame my question differently.

Might the trust problem be related to the fact that, for example, the government may have doubts about the quality of products made by indigenous businesses, and that if there is a quality problem, it has no remedy in the courts?

Do you think that might be a factor to explain why the government awards fewer contracts to indigenous businesses, Mr. Metatawabin?

[English]

Mr. Shannin Metatawabin: Creating anything new within a colonial system in which anywhere from maybe only 10% to 15% of all employees within the government are people of colour is a big issue.

When you're asking a frontline manager to go away from what he's used to—which is going with what he knows—and to select an indigenous person, it's not going to happen. It's not going to happen unless you have real targets that force that to happen.

The only way indigenous people enter the corporate sector is when the corporations open a door by creating a training program, by creating summer student employment, by creating some sort of mechanism that allows an indigenous person to say, "Hey, there's an opportunity. I'm going to enter that door." That's the only way it's going to happen. The government needs to do the same thing. Twenty years ago, Rocky and I were working with the Aboriginal Business Canada program, trying to jump-start businesses. They were given that opportunity of procurement: "Procurement is going to be huge. Everybody, come to the door." However, the problem was that they never created that awareness program or made it worth it for those frontline managers to make that change and select that indigenous person. All those people who were putting in proposal after proposal and getting noes and noes and noes went somewhere else. That's what happened.

It's happening again. During this COVID crisis, we were told that we were going to be part of the COVID response. We have indigenous entrepreneurs who invested, on first nations, in creating masks. Wiikwemkoong has a mask facility, creating three-ply masks. It has not received one government contract. That's where we stand.

• (1835)

Ms. Marnie Suitor: If I might add to those comments, I do believe that trust is a huge element. A lot of the historical past is going to enter into this. Things that might not necessarily relate to the business world definitely come forward if you're an entrepreneur.

When we talk about quality, I would also say that has to do with concerns about whether or not there is hesitation on the capability to deliver. Whether it's perceived or not, or not a reality, the feeder system, the 5%—the weeding-out process, as Mr. Ducharme phrased it—is of real concern. It sometimes appears as if the system is set up to enable indigenous businesses to fail. Rather than being perceived as "how can we get you through the process?", it's perceived as a futile exercise.

The Chair: Thank you, Ms. Suitor. Thank you, Mr. Paul-Hus.

We will now go to Mr. MacKinnon. Sorry, Mr. Sinclair. It's just timing, unfortunately.

We'll go to Mr. MacKinnon for five minutes.

[Translation]

Mr. Steven MacKinnon (Gatineau, Lib.): Thank you, Mr. Chair.

[English]

Perhaps I'll direct the first question to you, Mr. Sinclair.

I want to pick up on something that Mr. McCauley said earlier. I want to honour the work that I know all of you have been involved in with respect to developing the indigenous procurement strategy of the Government of Canada. There have been so many working sessions and dialogues.

One of you referenced OSME and the good outreach work that's going on. We saw the budget contain some \$87 million over five years to advance, among other things, the indigenous procurement strategy. Many of you have noted the importance of a trusted partner in the communities that people can look to, and also a point of contact for the Government of Canada. The Australian case has been noted and remarked upon. I think they call it "Supply Nation". I want to ask our witnesses about this.

We'll start with you, Mr. Sinclair, since you got the short end a moment ago. How are those plans evolving? How is that looking from your various perspectives? Do you think we will continue down the road of establishing this sort of trusted partner to advance the cause of indigenous procurement?

Mr. Donald (Rocky) Sinclair: First of all, I would like to apologize for the audio issues I was having. I did miss most of the earlier conversation, and I apologize for that. Hopefully I'm not repeating some of the things that were said by others.

In general terms, I don't have direct experience with or knowledge of the Australian model. However, I do have limited knowledge of the efforts they're making in Australia in terms of their relationship with the indigenous peoples in their country. It really requires a resetting of a relationship, and this procurement strategy is a good example of an initiative that was ill-designed, has been around since 1996 and—

• (1840)

Mr. Steven MacKinnon: Are you referring to PSAB now?

Mr. Donald (Rocky) Sinclair: Exactly—PSAB. From my perspective as an individual who has worked in indigenous business development and finance for over 30 years, it has almost been a running joke. I realize there are good intentions behind it, but certainly its poor design speaks for itself.

I believe that there also are good examples not just in Australia but within our own country in terms of establishing trust, designing programs properly and establishing good, solid trust relationships with our communities in our own institutions and in our agencies. NACCA is a good example of that. We've worked very hard to prove that what we do is important. I think those examples exist and that if you look to those examples, they will serve as a design template or a way to do things that might not have been done with the procurement strategy.

I do recognize that this strategy has existed through many election cycles. This is owned by different parties, and it hasn't changed a whole lot in terms of effectiveness on the front lines. There are many reasons for that.

Those are just general comments. I don't know if I'm answering your question in any way, but I needed to get into the mix here.

Mr. Steven MacKinnon: We don't have much time left, but perhaps the others could comment briefly on the work of the reference group and the work towards establishing a business case for an indigenous organization that would work on indigenous procurement.

Mr. Shannin Metatawabin: Sure. Since July 2020-

The Chair: Excuse me for interrupting. I apologize.

Mr. MacKinnon, I am going to add the extra 20 seconds to your time.

Mr. Metatawabin, the interpreters are wondering if you can turn off your video feed. They're having trouble with the language. Try to answer it that way. Thank you.

Mr. MacKinnon, I will give you another 20 seconds.

Mr. Steven MacKinnon: Thank you.

Perhaps this is a longer topic, so perhaps one of my colleagues can pick this up in a moment.

Over to you, sir.

The Chair: Thank you.

Mr. Metatawabin, go ahead and answer the question if you can.

Mr. Shannin Metatawabin: I totally forgot what the question was.

Mr. Steven MacKinnon: It was on Supply Nation.

Mr. Shannin Metatawabin: Yes.

We started that in July 2020, which was far too late. This process should have started a lot earlier, because at those meetings we identified that there wasn't a lot of indigenous-led information or consultation or engagement. That's when we started the process. Now we're engaged in about five different research papers that talk about indigenous definition. There's a business plan for an indigenous-led institution, because trust is a big issue. The United Nations Declaration on the Rights of Indigenous Peoples says the institutions need to be led and owned by the indigenous people to provide the services on behalf of indigenous people.

We see that with this procurement. It's a day-and-night thing. It's a 24-7 service that means you have to be on top of the departments. You have to know what's coming down the pipeline, and you have to get businesses prepared to submit their proposals. It's something that needs to be done fully and wholly. There are a number of institutions in Canada that support finance. We have NACCA and CCAB for corporate development and business. We have CANDO. We have a number of organizations that provide services, but an indigenous-led institution that does procurement would be the highlight.

The Chair: Thank you, Mr. Metatawabin.

We'll now go to Ms. Vignola for two and a half minutes.

[Translation]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

You said just now that a target of awarding 5% of contracts to indigenous businesses had been set. If memory serves, only 0.8% of contracts, on average, have been awarded to indigenous businesses since 1996.

First, is the 5% target a realistic figure, in your opinion?

11

Second, how could the government go about really achieving it?

Third, what would be a reasonable time frame for achieving that target? We know that nothing has changed in 25 years.

• (1845)

[English]

Mr. Philip Ducharme: If I may answer that one, I think there are changes being made. I know that the federal government-and I've mentioned it a few times—is not the best at relaying the information and reporting it, but there was a report released just a while ago from the PSAB program. From 2015 to 2018, there was an incredible increase in procurement opportunities. In 2018, PSAB actually started reporting the spend that was not part of the PSAB program, that were not set-asides. At that time, it was 1.96% of the federal procurement. When we started working with the federal government and going to the government, we had that 5%. Again, that was a floor, and that was set based just on our indigenous population. We wanted it to be over five years because we don't want the government to be set up for failure. The government hasn't always been our friend. Again, realistically, we want to ensure that this is going to be something that's sustainable, something that's going to happen.

It is happening. For instance, in the past, PSAB was in the ISC portfolio, but it looks as though more ministries are becoming involved in it. I think that's what has to be done. It has to be across the entire federal government—all ministries, and even Crown corporations. I think Defence Construction Canada is probably one of the most proactive Crown corporations within the federal government in trying to increase opportunities for our indigenous businesses.

Ms. Marnie Suitor: I would add to that a couple of points that have come from my discussions with indigenous business owners and entrepreneurs.

One thing is the uncertainty as to whether there is a mandate, or at the very least an expectation, that the set-asides will be considered and applied through all federal departments. At this point, it appears that some departments have that as a target and others don't. One example given to me involves Indigenous Services Canada and the funding they are in charge of with respect to capital projects within first nations. The gap there is the fact that when those contracts for the building of infrastructure on first nations are issued, they are not typically granted to or in consideration for those businesses that are part of the PSAB set-aside. To me, it's a glaring disparity when we are utilizing first nations funds for first nations infrastructure, yet the first nations are not in a position to engage or at least put in proposals on work that would further their indigenous communities.

The Chair: Thank you, Ms. Suitor.

We'll now go to Mr. Green for two and a half minutes.

Mr. Matthew Green: Thank you.

I want to make sure that I'm setting the record straight from my perspective. The grace that I have extended to the members of this particular committee in a non-partisan way I don't extend to government. In fact, I want to just go ahead and name that systemic racism has provided a considerable barrier to indigenous procurement, and there is a particular type of anti-indigenous racism that is presented. We've heard now about trust. We've heard about the 70% cuts to programming, programming that would help make these businesses more viable within our procurement supply chains.

There are two things we know to be true during COVID. One is that we missed an opportunity, as Ms. Suitor has identified, in terms of PSAB and the set-asides. The amount of money that has gone out in this COVID time, I think, was a missed opportunity. However, there is going to be a COVID recovery. There are going to be significant investments in infrastructure. There could be significant opportunities to ensure that we get it right this time around.

I want to direct my question to Mr. Sinclair in my last round here to talk a little bit about what it would look like to have the 70% cuts restored to the types of programs that would help the supply chain to get indigenous businesses into the supply chain at 2021 values.

• (1850)

Mr. Donald (Rocky) Sinclair: Without knowing specifically what those 70% cuts relate to, I would say that in my experience of the effects of those cuts and the work that we do on the front lines in the community, they are not only felt by the entrepreneur in the community and those fledgling businesses but institutionally. If we're an organization—and I am speaking as an AFI, an aboriginal financial institution—those kinds of cuts are deep, and they make it difficult for us to do our job and be able to support those entrepreneurs to develop or to have their businesses progress to a point to be able to realize some of those opportunities.

It really is, in some ways, where we started from in terms of developmental lending. We still need all of those supports in order to even come close to realizing some of those opportunities.

The Chair: Thank you, Mr. Sinclair.

Thank you, Mr. Green.

We will now go to Mr. McCauley for five minutes.

Mr. Kelly McCauley: Thank you, again, to the witnesses. It's great feedback we're receiving here.

Mr. Sinclair, it's good to see you here. I was at Enoch a couple of weeks ago, visiting the fire hall. They have some work to do there, so I'm hoping we can get some work done on that.

I want to make a couple of comments. When we did this study three and a half years ago on how to better serve indigenous small businesses, I spent some time with the U.S. Small Business Administration. They don't set goals as we're trying to do here; rather, they do it on a name-and-shame business. They far exceed their goals, similar to the numbers you were talking about in Australia. I asked how they did that, and they said that no one in the government—the bureaucrats—wanted to be the person who did not reach their targeted goals for marginalized groups. Even without these concrete goals, some other countries are succeeding.

We've heard a bunch about difficulty in meeting qualifying restrictions. Can you give us some examples, Ms. Suitor? I think you brought it up.

Ms. Marnie Suitor: I'll give you a couple of real live examples. An RFP was completed. I think there were 55 to 60 hours put into this RFP. In the fine print within that RFP was a requirement to submit the technical response on one USB and the narrative on another. The entrepreneur overlooked that one requirement and was immediately disqualified from the process.

The second example would be an RFP that went in after significant hours of investment. Again, the fine print had indicated that the font needed to be a certain size within the document. Unfortunately, the font was not 11, but probably a 12, so again the application was kicked out very early in the process.

I have to ask in both scenarios: What did that have to do with the quality and the content of the response? Absolutely nothing. I think that taking a really good look those criteria for responses comes first and foremost.

Mr. Kelly McCauley: Mr. Ducharme, I saw you nodding. Do you have anything to add?

Mr. Philip Ducharme: I do agree with everything Ms. Suitor said.

One of the other ones was.... It was interesting when one of the RFPs that came out was for cloth face masks. The federal government came out right at the beginning, in March, saying that they were looking at businesses to pivot to help meet the needs, and within that RFP there was a requirement for three previous cloth requirements. How are we going to get any opportunities if we had to have those requirements before even applying to the RFP? I think that's something the government has to look at if it is really serious about bringing in indigenous businesses. Again, that's almost a weed-out thing, sort of what Ms. Suitor was talking about. I think that's a prime example of what we have heard about within the last year.

• (1855)

Mr. Kelly McCauley: That's an excellent example.

I'm going to bring up the previous hearing again.

We heard about the difficulties in scaling up businesses. We've heard that the mother parliament in the U.K., when large contracts are given to, say, a PCO doing parliamentary precinct work, actually requires them to repost their subcontracting jobs on the government website. We tried to push for that, but it went nowhere. Do you think something like this would help with the scaling issue, where a company is perhaps not large enough to bid on a billiondollar contract but they're shut out of the subcontracting? It's still taxpayers' money, but they're not getting access to the subcontracting jobs.

Mr. Philip Ducharme: I believe that is something the government does have to look at. I understand that in a lot of the RFPs coming out right now, they are asking for the impact benefit plans. The federal government is looking at their prime vendors to help them meet that 5%. That's something they have to record and monitor. What makes us a little nervous when they have these indigenous benefit plans is the follow-through. What happens if they haven't met the requirements? There have been instances in the past when an indigenous business partnered with a non-indigenous on a contract; the non-indigenous business won the contract, but when the work was actually awarded, the indigenous business was told their capabilities were no longer needed. They were utilized for that.

Again, I think it has to be incentivized. Even when you look at the U.S. government, if they don't meet that target, I believe they're put into a caution and might not have the opportunity to bid on future government contracts.

Mr. Kelly McCauley: That is an excellent point.

Is there anything that is working right now? Is there any good news in the procurement process?

Feel free to say no.

Mr. Philip Ducharme: I do think some stuff is working, as I said earlier. I've never had as many connections with different government departments.

Mr. Kelly McCauley: Is there something we can build upon?

The Chair: Thank you. Excuse me, our time is up.

Mr. Ducharme, if you would like to say more, it would be greatly appreciated if you would submit that in writing to the clerk.

We will now go to Mr. Kusmierczyk for five minutes.

Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.): Thank you, Mr. Chair.

This is an open question, kind of a basic one, but I think it's important to understand. What impact has the pandemic had on indigenous businesses, whether we're talking about revenue, cancellation of contracts or even about access to proper mentoring and supports throughout the process? Can you give us a picture of how disruptive COVID has been to indigenous businesses?

Mr. Philip Ducharme: I can start.

I think we lost a lot of opportunities because many indigenous businesses were smaller and relied on face-to-face meetings. They—especially the artisans—would go to powwows or to trade shows. They'd go around and do that. A lot of our businesses struggle as well with the fact that everything is online right now and there are connectivity issues for some remote locations. Of the first nations businesses we deal with, I would say close to 30% don't even have a website. Again, we're trying to educate the businesses about this, because most people will do a search on a company's website before approaching them. That's an area where we've struggled.

Again—and this is not regarding procurement—indigenous businesses were unable to take advantage of a lot of the programming that had been introduced until groups like ours and NACCA stepped in and said, "Things need to be changed." Indigenous businesses have been disadvantaged in a lot of ways that others haven't.

Mr. Donald (Rocky) Sinclair: If I can just speak directly to my experience on the lending side in support of entrepreneurs in the first nations within Alberta, we were right in the middle of the downturn in the oil and gas economy, so we were already hurting very badly in Alberta, and of course the pandemic following that has caused a lot of problems and failures in our community.

In terms of just the pandemic itself, in our organization the kind of support that we provide is really hands-on, and with the limitations and the challenges of the pandemic, our ability to deliver what we need to deliver in the community has been severely affected. We're going to have to make up for lost time in that regard.

It really has been in a holding pattern currently. Yes, it's been tough, just as it has been for everybody else out there.

• (1900)

Ms. Marnie Suitor: I could add to that a little bit. A lot of our businesses, as has already been said, are owner-operated or smaller businesses. Not having the ability to pivot quickly or have the resources to help with a pivot strategy was definitely felt here. Then, of course, an unfortunate outcome of the pandemic is all the social disorder that has resonated. I think there was reference made to discrimination and those sorts of things, and unfortunately we have seen that heightened, not just here in Edmonton and Alberta but certainly across the country, and that has been difficult to manage as well.

Mr. Irek Kusmierczyk: When I was working for a regional innovation centre, we had started a program called Supporting Aboriginal Youth Entrepreneurship in Windsor and Essex. We had run the program for two years, and I know other regional innovation centres across Ontario run similar programs like that, but again they're concentrated around big urban areas.

How can some of the government programs—agencies like OSME, for example, the organization for small and medium-sized enterprises—bridge that gap and reach out to more communities outside of those major urban hubs? How can they provide that connection, get the awareness out and also maybe provide some mentoring and help build capacity?

Mr. Shannin Metatawabin: The Aboriginal Financial Institutions Network has 59 members from coast to coast to coast, and they've been doing this for more than 35 years. Rocky's got one of the first AFIs that was ever created. It's in Alberta, and they connect with their communities on a daily basis. They've been developing entrepreneurs. They have deep social connections within the regions where they operate, and to create a partnership with the AFI network would instantly connect you to the community. The AFI Network has been processing government support programs for many decades now. We've processed \$3 billion in lending to 50,000 loans. That's the reach of the AFI network.

This has been successful because there is a stimulus program that was in place, and this is the one I referenced with a 70% decline. Twenty years ago it was about an \$80-million program with 10 urban offices and a bunch of aboriginal financial institutions. That program was reduced to \$34 million.

The stimulus program, which enables a loan to be bought down so that the risk is bought down and the entrepreneur has a better chance of success, is a program that works. They've had lots of success, and the program has shown that it's an investment. For every dollar provided, there's \$1.20 back in the government's treasury department—never mind about the social impacts that are felt and the reduction in social spending that happens from supporting an indigenous business.

I forgot where I was going with that.

The Chair: Thank you, Mr. Metatawabin.

Now we will go to Mr. Paul-Hus for five minutes.

[Translation]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

We seem to be going in circles. We have been talking for just over an hour and we keep coming back to the same basic problem. There is a trust issue, but there is also the fact, as Mr. Ducharme said in his opening remarks, that there are a lot of discussions with the present government, but not many results.

I am trying today to see whether, before the end of our meeting, we can find at least one solution that could help everyone. What is interesting today is that we are with people who represent groups of entrepreneurs from indigenous communities. These are people who want to do business for everyone's benefit.

In fact, indigenous people are not the only ones who have had problems with government contracts during the COVID-19 crisis. Many non-indigenous people have never received a reply from anyone and don't understand why. Those are questions for another time. I would actually have far preferred to get products from your communities rather than bringing products in from China.

That said, what can we do to make it work?

I spoke a moment ago about the Wendake indigenous reserve, which is next to where I am from. I know an entrepreneur who has the same business in Wendake, where he is subject to the rules and the law that apply to indigenous people, and in town, in Quebec City, where he is subject to the provincial and municipal rules. Does saying that you are an indigenous business when an application is made create a problem from the outset?

For example, in your group, Mr. Ducharme, are there businesses that have responded to tenders without saying they were indigenous, and did that change anything?

If it was impossible not to declare it, has that been tried in the past?

If not, are there businesses that have two statuses, one as indigenous and the other as non-indigenous?

If so, do they see a difference when they send in their applications?

• (1905)

[English]

Mr. Philip Ducharme: A number of our businesses have applied to the PSAB program. Within the PSAB program, you are identifying that you are an indigenous-owned business. They never got the PSAB contracts, but when they applied to open tenders within the federal government, they've been successful in the contracts, so I think there is an unconscious bias on indigenous businesses within the procurement evaluations.

When you talked about one of the concrete things that needs to happen, it has to be past the mandate. It has to be within the executive and within management's reporting requirements. They have to have that target set right in there. If they have that target, they're going to make sure that it is happening.

Within the corporate world, Suncor has done that. That came from the the top down. They went to all the buying managers and told them that this was what they needed to do, and that if they didn't reach it, their evaluation was not going to be 100% successful and potentially they wouldn't have the bonuses as well.

That's the one thing that really needs to happen with the federal government for indigenous procurement. It has to be incentivized and have teeth to it.

[Translation]

Mr. Pierre Paul-Hus: I understand what you're saying. My philosophy, instead of imposing quotas, would be to find a solution to increase the effectiveness of the process in a more natural way. When you impose something on people, that is often when there is more resistance. However, if there is no choice, certainly that will have to be done.

I think Mr. Metatawabin wanted to say something also.

[English]

Mr. Shannin Metatawabin: Rather than trying to have a paintbrush approach to it, saying that everybody is going to be fair under a system that doesn't have an indigenous procurement process is not going to work, because we are living in a discriminatory system already. There's no way that our entrepreneurs will be able to enter that door without having this door available to them.

We have to really just become good at creating this door. Do it in the right way and implement mandatory targets that are transparent so that everybody can see them. Once Canadians know that by investing in an indigenous entrepreneur, they'll see that a program for indigenous business that was \$9 billion in 1996 was \$17 billion last year and is looking to be about \$40 billion in another 25 years, and you're going to see a lot more of the clear water type of business opportunities. If indigenous people have access to capital, have the right skills and are able to impact their communities, they are going to invest wisely.

We have to do this right. We have to foster the culture of awareness in the government.

Mr. Donald (Rocky) Sinclair: Could I make one quick comment?

The Chair: Certainly.

Mr. Donald (Rocky) Sinclair: To present the problem, there isn't one paintbrush that's going to solve the problem for us because of the historical complexities in our communities. We're talking about not just the first nations; it's indigenous procurement. There are lots of complexities. There are regional challenges, and urban versus rural, and sophistication versus start-up. There are huge complexities.

Would there be any thought given to a concierge-type of service, a design that could meet those complexities, whether it be done regionally or provincially or some other way, to recognize the complexities and the differences within our own business community and our communities in general?

• (1910)

The Chair: Thank you, Mr. Sinclair.

I didn't want to cut you off again, so I appreciated giving you that chance to have an ending comment.

We will now go to Mr. Drouin for five minutes.

Mr. Francis Drouin (Glengarry—Prescott—Russell, Lib.): Thank you, Mr. Chair.

I too want to say that I will be speaking with you and asking you questions on the unceded territory of the Algonquin and Anishinabe.

As Mr. McCauley said at the beginning, you've been more than patient to spend time with us. Thank you so much.

I've listened to this conversation, and it is really interesting. I've heard some comments that I've heard before.

My question would probably be to Mr. Ducharme first.

You mentioned that a lot of indigenous businesses you've spoken to are sometimes simply not aware of the federal opportunity until the RFP is out. You mentioned that you are working with the OSME office, and there seems to be engagement.

Are you mostly working with small businesses, or are they large businesses that are trying to do business with the government? I'm asking that because from an SME perspective, having somebody watching or monitoring the Buyandsell website 24-7 is physically impossible. They have to be doing something else. You mentioned training. I'd be curious to hear what type of training we could do, from the federal government perspective, on how to best respond to RFPs.

Mr. Philip Ducharme: Thank you.

Again, it is a very hard system to navigate. As I said, within the aboriginal procurement marketplace that we've created at CCAB and Supply Change, we go to the Buyandsell. There isn't a consistent way with Buyandsell to show which ones are the PSAB companies. For RFPs, you go in and you do a search, and it all depends, because each one of the procurement managers has a different way of doing it. If there was one standardized way that would identify a PSAB program and check it off, it would be easy to search that. I think that would be a simple solution.

As for the larger businesses, we do have larger businesses that are trying to get federal procurement contracts, but one area they run into is the bid bonds. If the federal government looks at those bid bonds in the future, is there a way of maybe doing a 10% holdback on the contract instead of having to have that bid bond?

Ms. Suitor also mentioned insurance. Each time you apply for insurance, you could get an increase in insurance according to the amount of the contract you had.

Those are some areas that we can work with.

On the training that we do, we're a small team at CCAB. I think Shannin also mentioned that we're all coming together. This is a lot bigger than one organization, but we have been working a lot with it.

I think with the government, there are the needs.... We've done a webinar where we actually did the reverse, so that the suppliers would evaluate the RFPs. That would help them in a way as well, just by knowing what they need to do when they're actually applying to the RFPs.

With regard to training that we can provide to our businesses, I think that can go through CANDO, and also with NACCA and the financial officers that they have.

Mr. Francis Drouin: Did somebody else want to jump in there and add some comments?

Mr. Shannin Metatawabin: On training specifically, for the indigenous businesses, I think we are good with the AFI network interfacing with the indigenous entrepreneur and providing training. We could use some more support to ensure that we can add to our complement so that they can do the right work.

Really, the problem is within the government itself. Governments have always had a problem with aligning their own systems. You have multiple programs and services that are being done at different levels of the government. There are almost 200-plus economic development programs that ISC counted that weren't aligned. If we can get everybody to align.... It's kind of like a centralized decentralized system. You have PSPC that's providing a service for all the departments, and they're all decentralized, but a more centralized system would work, with each of them doing their own procurement. It's a really mixed-up system, and it needs a lot of cultural awareness. If we can give the departments a reason to want to do it, they will do it.

• (1915)

Mr. Francis Drouin: Thank you.

Mr. Ducharme, I think you said that Defence Construction Canada seems to be doing a better job of engaging. I'd like to know what they are doing that perhaps the Government of Canada could adopt as a whole.

Mr. Philip Ducharme: They seem to be going into the directory and looking at the businesses. A lot of our businesses say that they've had a call from Defence Construction Canada. They're not going in with a one-keyword search and saying, "Okay, that's it. We're not going to go past to another company." What they do is they look to see if there's a possibility, and they're reaching out to our business members, saying that they have this opportunity coming up and asking whether this something that is going to be of interest to them.

Again, so many times everything is just through one narrow tunnel. When you're looking, you have to expand the search. My understanding from what I've heard from our suppliers is that Defence Construction Canada is doing that.

The Chair: Thank you, Mr. Drouin. Thank you, Mr. Ducharme.

We will now go to Ms. Vignola for two and a half minutes.

[Translation]

Mrs. Julie Vignola: Two and a half minutes is always so short!

To encourage the ...

[English]

Mr. Matthew Green: I have a point of order, Mr. Chair.

We had a two-and-a-half-minute intervention. Is this not now a five-minute intervention?

The Chair: No. It's scheduled as we go forward. Normally we have a one-hour meeting, and then we have new witnesses and another hour, but when we're extending, it continues on at this pace. That is my understanding.

Mr. Matthew Green: No, we should have a five-minute intervention now.

The Chair: Hold on for a second, then, please.

Mr. Matthew Green: Let it be on the record that I am fighting for this speaking time and the rights of Quebeckers and the Bloc Québécois here at committee. Thank you.

Mr. Kelly McCauley: But you're using up her time.

Sorry, Ms. Vignola.

Mr. Francis Drouin: Except you're wrong.

Mr. Steven MacKinnon: Noted.

I've never done two-and-a-half-minute rounds back to back.

Mr. Kelly McCauley: It might be because we just have one two-hour block as opposed to two one-hour blocks.

Mr. Matthew Green: It looks like we're going to the instant replay here with the clerk. He's going to the box to check the screen to see what we have here, to see if this is going to be a goal or no goal.

The Chair: Thank you for that.

I just wanted to clarify what the wording is. The wording, actually, as I've indicated, is that as we roll into second and subsequent rounds, we continue with that second round.

I'll get the clerk to comment on it for you, Mr. Green.

By the way, Ms. Vignola, I have stopped your time. You haven't started yet.

The Clerk: Thank you, Mr. Chair.

In the motion that identifies and sets the time for the questioning of witnesses, it talks about how in the first round there will be six minutes for each of the recognized parties. It says after that, "For the second and subsequent rounds, the order and time for questioning be as follows", and it outlines that it would be five minutes for the Conservative Party, five minutes for the Liberal Party, two and a half minutes for the Bloc Québécois, two and a half minutes for the NDP, five minutes for the Conservative Party and five minutes for the Liberal Party.

Where this would change is if you change the panels. You would start new with round one, and each party would get six minutes in the first round.

That is my understanding of how we interpret the motion. It does rest at the discretion of the chair, but that is the way the motion was adopted by the committee.

• (1920)

The Chair: Thank you, Mr. Clerk.

With that, we will now go to Ms. Vignola for two and a half minutes.

[Translation]

Mrs. Julie Vignola: Thank you very much, Mr. Chair.

I have listened closely to the witnesses.

I note that we have received 30,000 pages of data from the businesses that participate in the federal contractors program for employment equity. That data, which had to be provided by the businesses, concerned the number of women, members of First Nations and visible minorities, and persons with disabilities, among others. I thought that all these statistics must also have made the process more complicated for businesses. I thought, as you said, that only the big businesses were able to get around like this on the websites, which are real labyrinths. In short, to encourage diversity, SMEs have to be supported as well.

The impression I get is that you believe the system is too complicated for small actors like the SMEs of the world. In concrete terms, what could truly facilitate the work that SMEs do to get contracts?

[English]

Mr. Shannin Metatawabin: I would like to start.

During my opening remarks, I said that we're working on a business plan for an indigenous-led institution. I think that would be more of a concierge sort of service in working with the departments, understanding what's coming down the pipeline, getting the businesses ready and also doing some educational programming and working with the partners. You need somebody who is sort of stickhandling everything in the middle.

I think the big part that I keep bringing up is that the government just does not want to change. There needs to be some really bigtime awareness. I'll bring up Australia again. They have reconciliation action plans that the corporate world, government and everybody buys into. Also, they have to really outline exactly what they're going to do to make a difference in the indigenous lives. It's almost like an IBA, an impact benefit agreement. It's about looking at training, business support services, processes and awareness within their organizations. This needs to take place within other governments.

Ms. Marnie Suitor: I'd like to add a comment. I think it would be important to scale the requirements in that RFP to the nature of the opportunity. It would take some time to ensure that it's not a sort of blanket approach for large versus small. There are some nuances that could change within that RFP requirement.

The Chair: Thank you, Ms. Suitor, and thank you, Ms. Vignola.

Ms. Vignola, you are correct: Two and a half minutes goes by very quickly.

We'll go now to Mr. Green for two and a half minutes.

Mr. Matthew Green: Thank you, Mr. Chair.

Both Ms. Suitor and Mr. Sinclair have been kind of cut off on some of what was remaining on their questions.

I'd like to turn it over to you, beginning with Ms. Suitor, to just add anything that has been front of mind but that time didn't permit you to fully answer in terms of points that you want this committee to take away.

Ms. Marnie Suitor: Thank you for that. I did want to share an example with you that I think will speak to capacity, programming and training, etc.

Several years ago, I was asked to write a business plan and a feasibility study and then eventually manage a small business incubator for a first nation in the heart of the oil sands. The funding had been secured. We moved forward with developing that small business incubator. I was there on the ground every day, working with entrepreneurs on various stages of their business, be that marketing, responding to RFPs or creating partnerships—just providing that whole host of development services for them. We were making some significant traction. We had about 16 really healthy businesses that were up and running and making a difference, not just in the community but within the industry and its sector entirely.

Then, of course, the three-year funding agreement ran out. It was not renewed. Unfortunately, that business incubator went away and left not only the 16 businesses struggling, which were really just starting to get their feet under them, but so many others that were in the midst of start-up and weren't able to move forward.

That's a sad example of the funding and the nature of the funding cycles and how that affects progress.

• (1925)

Mr. Matthew Green: Unfortunately, I'm going to run out of time, which is why I fought for my earlier time.

Ms. Suitor, was that private sector funding or was that federal funding for the incubator?

Ms. Marnie Suitor: It was federal funding.

Mr. Matthew Green: Do you recall which program it was?

Ms. Marnie Suitor: I want to say rural development, but I would have to look back through my files and provide that information to you.

Mr. Matthew Green: Thank you for sharing that.

Thank you, Mr. Chair.

The Chair: Mr. Green, you still have another minute.

Mr. Matthew Green: Really?

The Chair: Yes.

Mr. Matthew Green: I have a timer here, and...but I will take it, absolutely, or I could give it back to Ms. Vignola—

The Chair: I must have hit the clock a little bit after. I was cutting you a little slack here.

Mr. Matthew Green: You were. I appreciate it.

The Chair: You have a little bit more time. You have a minute left, please.

Mr. Matthew Green: I'll just say that at a future committee meeting, I may be moving a motion, should we return in the next session, to ensure that we third and fourth parties get our five minutes in these two-hour marathons.

The Chair: Don't waste your minute, Mr. Green.

Mr. Matthew Green: It's all good. You can have it back.

The Chair: Okay. Well, thank you very much. I will stop my clock here.

We will now go to Mr. McCauley for five minutes.

Mr. Kelly McCauley: Thanks, Mr. Chair. It's five, not two and a half.

Mr. Ducharme, I think it was you who mentioned that one of the businesses you dealt with had the capability to provide masks and had bid on some of the COVID business.

I'm sorry. Was it you who brought that up?

Mr. Shannin Metatawabin: That would be me.

Mr. Kelly McCauley: Yes. Did you ever receive any feedback on why a business like that did not get the contract, or similar businesses? Was it price, or was there just no response?

Mr. Shannin Metatawabin: They basically said that it was national security confidentiality. They weren't able to provide any feedback to the business owner, other than to say that they weren't eligible. This was even though they had invested in a facility to be built on a first nation, hired first nation people, and invested quite heavily in the equipment, thinking that the procurement process would work. There were no indicators within the process to select for any social impacts to say that somebody would score higher for being on a first nation, hiring first nations, impacting first nations—

Mr. Kelly McCauley: They invoked national security.

Mr. Shannin Metatawabin: Yes, they did.

Mr. Kelly McCauley: Good lord. That's garbage. I'm sorry. We see this again and again when, in order to sole-source something to a preferred vendor or someone they want, it's national security. I highly doubt there's a national security issue—and I think you would agree with me—in buying masks and supporting an indigenous business.

I'm wondering if there's any low-hanging fruit here. It's probably very obvious, but for the record, is there any low-hanging fruit or any quick changes the government can make to better help indigenous businesses procure government contracts? We talked about the insurance one. We could change that, because we heard this before—three years ago—but I'm wondering what other low-hanging fruit the government could make immediate changes on.

Mr. Philip Ducharme: I think it would be regarding the RFPs and scaling the RFPs to the amount of work that's done if you want to include more of the small businesses. To respond to an RFP with the federal government, you almost need a full-time employee who's a proposal writer. I think if that were geared to the size of the contract, that would increase opportunities for the smaller indigenous businesses.

Mr. Kelly McCauley: This was a theme that came up repeatedly when we did the same study three and a half years ago. Unfortunately, nothing has changed since then. Whether it's women-led business, indigenous-led business or other SMEs, what we hear is that for Amazon for their HQ2 it's an eight-page RFP, whereas for them it's 100 pages for a roll of toilet paper. It's silly.

Is there anything else in terms of low-hanging fruit? Obviously, scalability is one. Is there anything else we could implement relatively painlessly and quickly, if there is such a thing within government?

Mr. Philip Ducharme: I think it's the company that Shannin was talking about. I mean, that company invested their own money in it. They got no funding from the government to help them start this manufacturing plant. They brought the cost of their stuff down to 10ϕ or 12ϕ per mask. You might be able to get it from a foreign company for 6ϕ to 7ϕ , but when you look at it, you're spending that 10ϕ to 12ϕ per mask here in Canada, which in turn is hiring indigenous people. That money is staying in Canada instead of going outside it.

I think that would be a really quick one. I would look at that company right now. They have 20 million masks sitting, because within that RFP they had to guarantee that if the government came to look at their warehouse, they would have that in stock.

• (1930)

Mr. Kelly McCauley: Mr. Chair, how much time do I have, please?

The Chair: You have a minute and 15 seconds.

Mr. Kelly McCauley: Ms. Suitor, I'm going to bounce back to you, please. You've dealt with energy businesses a lot. Again, on a previous study, we heard repeatedly how the energy companies—Suncor, etc.—were setting a very high bar for indigenous participation and were achieving it.

Can you give us some examples of what they're doing right that perhaps the government should make steps to copy, when they're not trying to shut down the oil business?

Ms. Marnie Suitor: The one that is very obvious to me is that within many of those resource companies, there has been an indigenous inclusion evaluation criterion within all the RFP responses. It's not about a set-aside per se, but it's about anyone responding to an RFP being able to prove that they have an indigenous inclusion policy and that it is being followed through.

Mr. Kelly McCauley: Is there any reason the government couldn't copy that?

Ms. Marnie Suitor: That would be my wish or my suggestion. Why wouldn't we have indigenous inclusion throughout the country and throughout all of the procurement process? It could be scored somewhere in the criteria, with back-up documentation to prove it.

Mr. Kelly McCauley: Right. Thank you, Ms. Suitor.

The Chair: Thank you, Mr. McCauley. Thank you, Ms. Suitor.

We will now go to Mr. Weiler for five minutes.

Mr. Patrick Weiler: Thank you, Mr. Chair.

My first question, through you, is to Mr. Ducharme.

You mentioned in your introductory remarks that you were leading different training seminars with OSME. I'm wondering if you've been able to track the effectiveness of those training sessions in terms of if and how they led to more success through the procurement process with some of the businesses that were involved.

Mr. Philip Ducharme: We haven't done an evaluation on the successes of them, but we have had businesses that have said that they are applying. Again, some of these contracts take a long time. When we looked at the masks last year, it took, I think, two and a

half to three months for it to be awarded. There are changes. I think the indigenous businesses are looking at the RFPs differently.

Mind you, you guys also make changes sometimes within the process. When the government went to the Ariba platform, we had done a training session on using Buyandsell, and everything was done. The first contract that the federal government did for the Ariba system was the indigenous-only business, and it was really hard for us to get in. Even the procurement officers at OSME were trying to go in to try to learn how to use the system.

I think what we've been trying to do is get them better equipped, and there have been more bids submitted, but we don't have the stats right now. We can find that out, though, and bring it back to you.

Mr. Patrick Weiler: Thank you.

I have a general question for your opinion.

What level of awareness do you believe the federal government has on indigenous-owned capacity in different areas for procurement? I am just wondering if you see a need for that—maybe a training thing on the other side for the government—just to have a better understanding of where there are opportunities to work more with indigenous-owned companies.

Mr. Philip Ducharme: I don't believe that a lot of the procurement officers do know the indigenous capacity that's out there. We did research on it when we were talking about 5% indigenous businesses that have the capacity to procure up to 24% of federal contracts. Most of these departments are not looking past.... There are certain requirements. Again, I don't want to comment on what the procurement managers are doing, but I think there is opportunity if they looked at it.

Again, when I went back to Defence Construction Canada, they were looking to see if that business—they might not see it right there—has the capacity, and they were exploring to see if that is happening.

• (1935)

Mr. Patrick Weiler: Thank you.

One thing I want to touch on is outcomes-based procurement.

I understand there have been a few programs that the federal government has launched in this respect, including Innovative Solutions Canada, which was putting forward challenges designed to find novel solutions for products or services that weren't necessarily commercially available at the time. Treasury Board and PSPC had launched an agile procurement initiative more towards solving a particular problem rather than through lengthy RFPs. I'm just curious about your thoughts on where there may be some opportunities to do more of this.

I'd like to open this up to all of the three organizations that are here as witnesses. Do you see an opportunity to do more of that to engage indigenous-owned businesses in federal procurement? **Mr. Shannin Metatawabin:** I'd like to use an example that we heard about. Last summer, or maybe it was the fall before COVID hit, the defence department let out a 10-year clothing contract. This one would have been an ideal indigenous contract. It would have probably encapsulated a number of communities to be able to meet the needs of this procurement, if there had been some forward thinking, some planning, some will, and if we had a process in place to let us know that this was coming out. We know the defence department needs clothes. We know that it's coming out. We just need to know when it's going to be coming out so that we can work with our entrepreneurs to consolidate and coordinate a response and submit a bid.

I think this is what's lacking. The RFP just comes out, and you're expected to respond. In the indigenous case, they had already put in the effort and they saw nothing for it. For them being ready for these things, the trust has left the station. I think we need to build up that trust again, create an institution, provide the financing and business support services, and change the internal culture of the government in selecting indigenous businesses.

Mr. Patrick Weiler: Thank you.

Mr. Chair, how long do I have left?

The Chair: My buzzer just went off, giving you about 10 seconds. If you have a really quick question—

Mr. Patrick Weiler: I'll just thank the witnesses again.

The Chair: I gave Mr. Green a little extra time, so I figured I could give you a couple of extra seconds too.

We now go to the final round. We will start with Mr. Paul-Hus for five minutes.

[Translation]

Mr. Pierre Paul-Hus: Thank you, Mr. Chair.

This is a very interesting meeting and we are learning a lot of things.

As the 2018 report said, one of the Conservatives' recommendations was to reduce red tape. You talked a lot about the computer problem and the fact that the applications were too complex. For some members of First Nations communities, computers are not as easy to understand. There is also a lot of red tape in all government processes. In fact, that is what the Conservatives tried to do when they were in government.

You said that the processes were complicated. Even non-indigenous businesses complain about problems accessing the processes. Would there be a way to simplify the way things are done?

What quick solution could the government adopt to resolve the issue right away? What stage of the process could be completely changed to facilitate everything?

I invite Mr. Sinclair to answer.

[English]

Mr. Donald (Rocky) Sinclair: I certainly wish there was a simple answer, but just based on the discussion today, it's complicated. I don't have enough familiarity with procurement to be able to give you a firm answer in what that might be.

Lots of suggestions were made in testimony thus far. I think it's going to require collective change in a lot of different areas. I don't think there's a quick fix to it. There are a lot of things outside of simply changing the way the program operates. There are biases and stereotyping. All kinds of things factor into the inability of this program to be effective at this point.

• (1940)

[Translation]

Mr. Pierre Paul-Hus: That is a point that often comes up these days. There is often talk about systemic racism in the police and more or less everywhere. I am not saying that it doesn't exist. There is certainly a problem somewhere, if indigenous businesses are never accepted or selected and they don't know why.

I would hope that at the end of this meeting, you could say that it was worth it to take two or three hours of your time to appear here today. I hope that this meeting of our committee will benefit everyone and we will be able to make progress. As I said in my previous series of questions, often, there is often confrontation, and no progress is ever made.

The processes are one thing, yes, but what other solutions would there be? Mr. Sinclair has said that after two hours in the meeting, the conclusion was that everything was complex and we always come back to the basic problem, this kind of lack of trust between businesses in indigenous communities and the Government of Canada. Everyone talked about this at the outset. Certainly, I do not necessarily have the solution for you. I would hope that we have a magic solution to propose to you today.

That said, as I was saying, we want Canada to be more autonomous in terms of production and to depend less on countries like China, for example, which has been a serious problem in recent months.

Mr. Ducharme or Ms. Suitor, I would like to give you one last opportunity to make constructive comments.

Mr. Ducharme, I see you nodding your head.

[English]

Mr. Philip Ducharme: Thank you, Mr. Paul-Hus.

I want to go back to where we talked about ensuring that indigenous procurement targets are in the departmental plans and every executive's professional management plan. I think if those are in place, then the ones who are doing the procurement will come forward with ideas as well, because then they have to do it. They're going to make the changes as well, because on these RFPs there will have to be something that's done for them, instead of having those RFPs set up so it's like a weeding-out system. I think that's something that can be done without legislation, and it would really help to increase the opportunities for our indigenous businesses.

The Chair: Thank you, Mr. Ducharme.

Thank you, Mr. Paul-Hus.

Mr. Steven MacKinnon: Thank you very much. It's a great honour for me to serve at this point in time in this government, which is committed to acting to get to 5% indigenous procurement.

It's a tortuous road, admittedly. As I think anyone encountering federal government procurement discovers, it is very detailed and very heavy at some times, and I fully understand how anyone new to this system or anyone who sometimes fears the level of detail would recoil. That's why I want to finish this round of questioning on a perhaps more hopeful note. I do note—and I want to return to this scene, because I think it's so important—this issue of trust that we explored.

As things currently stand, unless you're in a treaty organization, PSAB requires you to register. I think the government has shown all kinds of goodwill in supporting indigenous organizations in the establishment of an organization run by indigenous peoples that would have that level of trust, that would certify businesses as indigenous-owned and would provide that sort of one-stop shop for procurement.

I note that we have not heard from a couple of witnesses on this next point. I want to get your views on the importance of having indigenous leadership so that businesses can access the procurement system, and the best way of going about that. Who would like to go first?

Mr. Ducharme, would you comment?

• (1945)

Mr. Philip Ducharme: Okay, sir. I thought you were maybe directing it to someone else, because I feel like I've been talking a lot.

On the trust issue, it does have to come from indigenous people for this to be happening. So many times when we're brought into the fold, we're told what's good for us.

As I said earlier, we've been working at CCAB on this for a number of years. It's a really big project, so it is great when Shannin talks about the groups that are coming together. I think that collectively we all have very many expertise areas that we can bring together. This does encompass a lot of different things. We haven't even looked at increasing employment with the procurement opportunities for indigenous businesses.

The trust does have to be there, and it has to be indigenous-led. As indigenous people, we've been told time after time what's good for us and what needs to be done. I think if the government is really committed to this, they will engage with us and have an open dialogue to make sure that this is going to happen and that we are leading the way.

Mr. Steven MacKinnon: Perhaps let me ask this: Are you not sensing that will on the part of the government?

Mr. Philip Ducharme: I think that in the past, the government has been pretty good at doling out a little bits of money here and there. We've always been so hungry because we've struggled so much in the past. Again, these are just strictly my feelings. It's not on behalf of CCAB.

I think quite often, for the government, that has been a way of sort of controlling, by saying they'll give us a little bit of money. Someone speaks a lot and they give us a little bit of money.

I think it has to be looked at collectively. I do believe that our indigenous groups are working together, as Shannin has mentioned as well. These indigenous-led organizations are coming together because we realize that we need to do it for ourselves. We can't rely on anyone but ourselves to get it done.

Mr. Steven MacKinnon: Does anyone else want to comment on that?

Mr. Shannin Metatawabin: I can jump in here.

I think it's really important that it be indigenous-led. I think that's a given. I think that's the only way that we're going to go. Government keeps on talking about devolving services to indigenous people, without the resources. We all have to work together on proper planning.

I think that there's a service function to an indigenous organization. If we have mandatory targets, then those line managers and those ministers are going to make sure that their teams are putting into place the services, the processes and the supports necessary to meet those targets. They'll follow after you have the mandatory target. It also has to be transparent. Everybody has to know how those mandatory targets are being hit.

I like how Philip Ducharme said that it should be in their plans that they have to present. I think it needs to be public. If we made it public that everybody is trying to achieve a target, it's maybe not going to be right away, but it will eventually, gradually increase. As more supports are in place.... We just launched a \$150-million growth fund, I hope you know. It's the first time ever that we're going to have access to capital, with BDC, FCC and EDC all contributing.

The Clerk: I'm sorry, Mr. Chair. My understanding is that the interpretation had stopped.

If you could ask Mr. Metatawabin to slow down and speak a little more clearly, it may be possible. The interpreters were unable to follow him.

The Chair: Thank you, Mr. Clerk.

Mr. Metatawabin, I don't know whether you heard that. If you would be able to maybe slow your speech a little bit such that they can follow you, the interpretation will be concise and thorough and we'll make sure that we get it all done appropriately.

• (1950)

Mr. Shannin Metatawabin: I'm very sorry. I'm very passionate when I get into this.

The Chair: No worries. It's not a problem. I get that. We appreciate that and we are thankful for you doing that.

I'll let you finish, if you would, please.

Mr. Shannin Metatawabin: I'll just say that if we provide mandatory targets and, rather than just a mandate letter to two departments, if everybody got a mandate letter that was going to be posted publicly and everybody had to hit those targets or there would be consequences, then every department would be putting in the processes to make sure they hit those targets. Everybody would work together.

For the first time ever, all of our indigenous institutions are collaborating and working together. There's the need, so we're doing it.

The Chair: Thank you for that.

Mr. Sinclair, I see you. You're always coming out at just that time when I have to change.

I'll give you 15 seconds to quickly answer that.

Mr. Donald (Rocky) Sinclair: I'll just make one quick comment. It's just a cautionary observation.

The devolution of responsibility in the delivery of these kinds of programs to the indigenous community doesn't always solve the problem. It takes much more effort beyond just having those organizations deliver. It does require some metrics and measurements that need to be instilled or to hold the governments responsible. It's not just simply devolving responsibility to an indigenous-led agency. It will take more than that.

The Chair: Thank you, Mr. Sinclair. I appreciate that.

Thank you, Mr. MacKinnon, for your questions. We have come to the end of your five minutes.

We will now go to Ms. Vignola for two and a half minutes.

[Translation]

Mrs. Julie Vignola: Thank you very much.

I have been listening to you for a while, and when you talk about the need to be informed, I can't help but think about the applications where you can choose what notifications to get based on your areas of interest. Every day, you get a notification that tells you what's new. I think I can imagine—this is just an idea I am sharing with you, I don't want to impose anything on someone—a business that says it works in construction, its specialty is masonry, for example, and it wants to be informed when there are projects of that type. It would then receive notifications on that subject. That would be marvellous.

However, it is not up to me to make that decision. I think it is really up to you to say how the First Nations' resources and strengths can be better utilized. That is essential, to my mind.

That said, how many times has the indigenous business COVID-19 taskforce met since March 2020?

[English]

Mr. Shannin Metatawabin: I guess I can answer that.

The task force actually ran in 2020, and it ran for-

The Clerk: I beg your pardon, Mr. Chair. I apologize for intervening.

Mr. Metatawabin, I apologize as well.

I've been informed by our technicians that part of the issue with your sound, sir, is that you may not have your headset selected. I do apologize for intervening at this late time, but it's one of the issues the interpreters are having. If you could check in the bottom left-hand corner of your screen where the microphone is, there's a small arrow next to it. By clicking there, you may be able to select the microphone. Alternatively, if you could—

Mr. Shannin Metatawabin: I just selected it. How does it sound now?

The Clerk: I'm just waiting to see. If you could continue, I'll monitor it with the interpreters. I apologize for the interruption.

Thank you.

Mr. Shannin Metatawabin: There was a question about a task force. The task force was a temporary gathering. I was speaking today about a reference group, which is a procurement working group that's working with government. I don't think we were talking about the task force.

Ms. Vignola, did you ask about the task force?

• (1955)

[Translation]

Mrs. Julie Vignola: I think so.

I'm trying to find the exact name. It's a group that brings together the Canadian Council for Aboriginal Business, the National Aboriginal Capital Corporations Association, Inuit Tapiriit Kanatami and Pauktuutit Inuit Women of Canada.

To your knowledge, how many times did that group meet?

[English]

Mr. Shannin Metatawabin: That group was meeting from March until August of last year, at which point we met our mandate, which was to undertake a task force and set up a database and get some other information. We achieved that and we discontinued meeting. A portion of that group kept on meeting, but we started new initiatives, such as the reference group on procurement.

The Chair: Thank you, Ms. Vignola.

I did give you a little extra time there with the interruption. I appreciate that.

Mr. Green, you have two and a half minutes, and maybe a couple more seconds.

Mr. Matthew Green: I always appreciate you, Mr. Chair.

Ms. Vignola brings up a good point. PSPC had touted this task force that was supposed to be doing ongoing work with the indigenous business COVID-19 task force. I think the CCAB was involved in that. Can I get an expansion on the suggestion that the mandate was met? What were the outcomes of the mandate? Do you feel it was an effective and successful way of including indigenous businesses within the hundreds of billions of dollars of procurement over the course of COVID-19?

Mr. Shannin Metatawabin: I was part of that task force-

Mr. Matthew Green: I think it goes through to the CCAB, because I think they were also involved. Maybe Mr. Ducharme could answer.

Mr. Philip Ducharme: Thank you, Mr. Green.

Yes, the CCAB was involved with the task force, and the task force mandate dealt with COVID procurement. We had the businesses that were registered within that directory, and they were identified to different ministries in the government. Once we started going past the current needs of PPE and COVID requirements, my understanding was that the task force sort of expanded past that. We all had our own groups, as well as this other collective that was going through it.

When we did the initial search on the seven businesses that were publicly identified, it was hard to get results with regard to who actually won these awards. We mentioned that earlier. You don't know who gets them within the government. However, out of those seven, I believe only four were within that task force, so the other ones were not part of the task force.

Mr. Matthew Green: You referenced one example, I think, of how there were about 32 RFPs that were unsuccessful. Were those from one company? Did one organization apply 32 times?

Mr. Philip Ducharme: Yes, but that was for all federal procurement. It had nothing to do with strictly the PPE, but that one was 32 within one year. Their business development person spent that time and was then told that it didn't make sense to apply to the federal government for opportunities when we're investing all this time and money and not getting any feedback.

Mr. Matthew Green: You heard me earlier reference the historic investments that are going to be made during the COVID recovery. What feedback would your task force, or you from your experience in the task force, provide to this committee to ensure that there is a greater uptake of that opportunity?

Mr. Philip Ducharme: I'll be honest with you, Mr. Green, that I was not part of that task force. Again, it was Ms. Bull who was part of that task force, and they did give the recommendations.

I think when we're looking at post-COVID opportunities, we need to find out what those opportunities are going to be so that we can ensure that our businesses are able to fully participate in them.

Mr. Matthew Green: Mr. Chair, I have one question. I don't know if it's a point of order, but it's a procedural question. When documents like that have been referenced, are we able, through our clerk, to request that those documents be tabled at this committee for the purpose of this study so that we can adequately reflect them in any of the outcomes or recommendations that might come from this study?

The Chair: Mr. Green, we will check with the clerk and find out if that's possible.

Mr. Clerk, do you have any comments?

The Clerk: The committee has in its power to send for documents, which the committee has done in the past. There's nothing that prohibits any member from putting a motion forward identifying the documents that the committee wishes to receive.

In recent times, that has mostly been done with government departments; however, it's not outside the realm of reason, and I've even seen examples of documents being sought from private individuals or private corporations. Therefore, the committee does have a fairly wide-ranging power within its mandate to send for documents from the government, private individuals, corporations, associations, and so on.

• (2000)

The Chair: Thank you for that answer.

Mr. Green, do you have anything further on that?

Mr. Matthew Green: Just so we're clear about what we're referencing and so that I can reflect back on this from the Hansard, this would these have been recommendations that came out of the COVID-19 task force? Is that correct, Mr. Ducharme? You mentioned that Ms. Bull had provided these recommendations in another capacity. Do you have the name of that committee?

Mr. Philip Ducharme: I believe the group that was actually collecting all the data was CANDO. They were the ones who were housing all the information. They were the ones who were creating the reports and they would come to the members, Shannon and Ms. Bull and other groups, with the recommendations. Again, I think there were discussions in there that I was not privy to, so it would have to go back to Ms. Bull, who was on the committee.

Mr. Matthew Green: Thank you very much for that.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Green.

We'll now go to Mr. McCauley for five minutes.

Mr. Francis Drouin: On a point of order, Mr. Chair, I'm just wondering how long this meeting is supposed to last. We're way over two hours.

The Chair: Thank you, Mr. Drouin.

We're finishing up now. We're at the last two questioners, so there will be Mr. McCauley and then Mr. Kusmierczyk.

Mr. Francis Drouin: I just want to make sure that our interpreters are okay.

The Chair: Yes, and I'm trying to tighten this up and get this done. They've been bearing with us this whole day, and we greatly appreciate that.

Mr. McCauley, go ahead for five minutes, please.

Mr. Kelly McCauley: Great.

Mr. Ducharme, the rather disturbing information you provided to us about government invoking what I think is probably kind of a shady use of the national security exemption to not give a contract reminds me of the TV show *Yes Minister*, with Humphrey Appleby, and his comment of "All government policy is wrong...but frightfully well carried out!" That seems to be the case here. OGGO-36

Have you heard any similar stories of companies you believe were perfectly suitable to provide PPE or other COVID-related items to the government being shut out for such dubious reasons?

Mr. Philip Ducharme: I believe they discussed the National Security Act when the proponent asked the government what was wrong with their bid or what they lacked within their bid. When the 233 indigenous businesses applied to that one RFP that was for indigenous businesses, that was the standard comment. Originally—

Mr. Kelly McCauley: Then was it just on the one contract that several purveyors were told they couldn't be told the reasons because of security?

Mr. Philip Ducharme: Yes.

Mr. Kelly McCauley: Wow.

Did they get any other feedback at all about the reasons? I recall—and I think it was you who mentioned it—that one company had submitted 34 RFPs and heard nothing. I think that was over several years. Did these companies receive any feedback at all—besides on national security—on pricing or anything else as to why they did not get the contracts?

Mr. Philip Ducharme: They did not, to my knowledge. We actually went back and we worked. I contacted the contracting officer to try to find out—and I went to our members who applied, too—and he said it was based on the price. That was the only sort of.... I tried to educate our suppliers, as opposed to the government coming back and telling them where they may have been lacking in that opportunity, but again, that was through our own research with the government.

Mr. Kelly McCauley: That's great.

Ms. Suitor had some comments about how the energy industry, especially in Alberta, had very good systems set up to deliver contracts and businesses. Do you have any similar industries you could point to as a gold standard the government could contact and learn from on being better able to deliver contracts to indigenous businesses?

Mr. Philip Ducharme: Is that for Ms. Suitor or me?

Mr. Kelly McCauley: That's for you, and then I can pop over to Ms. Suitor. It's just that I have limited time now, and she's answered already.

• (2005)

Mr. Philip Ducharme: Sure.

I talked about supply chains. We have 82 corporations that have joined us. We had an event last week with Deloitte, which is one of our newest aboriginal procurement champions. They actually told us they have met their 5% target, which I think is quite interesting for a new company that's starting the journey with indigenous procurement. We also had Suncor there, which has over 10% of their spend with indigenous businesses.

It's happening, but, again, it's happening from the leadership in these groups and the commitment they are making to realizing that this is going to help the overall indigenous economy and Canada as a whole.

Mr. Kelly McCauley: Do you find that indigenous businesses have just given up or are perhaps refusing even to bid on things and are focusing on Suncor or other companies that have better systems set up?

Mr. Philip Ducharme: I think they are going around and shopping to see what the opportunities are. We look at some companies, especially in Saskatchewan. Cameco used to do a lot of procuring. In the last few years, I think it's gone down a little bit. We have looked at these businesses that are looking to expand. We have one company from Saskatchewan that's partnered with an indigenous company here in Ontario.

I think within the federal government there are some that have given up, but as indigenous people, we are resilient. We've had the door slammed in our face so many times—

Mr. Kelly McCauley: You're nothing if not-

Mr. Philip Ducharme: —that we're not going to give up.

Mr. Kelly McCauley: How are Deloitte and other companies getting the word out that there are contracts to bid on?

Mr. Philip Ducharme: I don't want to take too much credit, but within our program we have this aboriginal procurement marketplace. It's an enhanced LinkedIn feature. When these champions come to us with opportunities, we reach out to our members. In an ideal world we would open it up to all indigenous businesses, but as an association, we do require membership. We've worked together quite closely with corporate Canada on increasing opportunities.

Mr. Kelly McCauley: Okay.

Mr. Chair, how much time do I have?

The Chair: Mr. McCauley, you have four seconds.

Mr. Kelly McCauley: I'll just say thanks to the witnesses.

The Chair: Thank you very much, and thank you for that.

Now we will go to our last questioner.

I do have Mr. Kusmierczyk down, but I do not see Mr. Kusmierczyk here.

Oh, it's Mr. Drouin. We will defer to Mr. Drouin for five minutes.

Mr. Francis Drouin: Thank you, Mr. Chair.

I'll just take this opportunity, because we've gone round and round with the questions and you have provided so much material for us to work with. I'll make this offer as well. We had the opportunity to chat at this committee a few years back, as Mr. McCauley mentioned, as we are both old people on this committee—just him, not me. I want to thank you for coming to this committee. All of you have provided some good material. Please do reach out to us outside of committee when there are issues that arise. I know we have the parliamentary secretary for public service. I know he can be helpful and we can all be helpful in navigating the system when it's not working.

Thank you so much.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Drouin. I appreciate that.

With that, I really do want to state that I found this extremely compelling. The witnesses had me so much into it. I really appreciate the conversation. In many ways, I allowed things to go probably longer than I have in our meetings the past a couple of times because it was so riveting to hear your responses and the comments you had. I really do appreciate that. Ms. Suitor, thank you very much for attending.

Mr. Sinclair, thank you, and I apologize. It seemed to be always you that I was cutting off when the time came up. It just worked that way.

Mr. Ducharme, thank you very much for your comments and your thoroughness.

Also, Mr. Metatawabin, thank you for your comments. It's eight o'clock in Ottawa. It's six o'clock here where I am in Saskatchewan. I believe it's closer to 10 o'clock for you, so I appreciate your being here.

I also would like to thank the interpreters, who have stuck with us this whole time with the ins and outs of today's meeting and the challenges we have had with the votes, etc.

With that said, I would like to thank everybody for staying with us today.

I declare the meeting adjourned.

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