



Mr. Paul Cardegna
Clerk of the Committee
Standing Committee on
Government Operations and Estimates
House of Commons
131 Queen Street, Floor 6
Ottawa, Ontario K1A 0A6

Dear Mr. Cardegna:

On behalf of Public Services and Procurement Canada (PSPC), we are pleased to provide, in electronic form, the Department's response to Part A of the Motion for the Production of Papers request adopted by the Standing Committee on Government Operations and Estimates on November 2, 2020.

PSPC's primary objective is to disclose as much information as possible within the scope of the motion. As instructed by the Standing Committee, the Government of Canada applied required redactions under the *Access to Information Act*. These redactions protect information that may harm Canada's negotiating position and ability to secure supplies through future procurements—18(b) Economic interests of Canada.

At the onset of the pandemic, PSPC, on behalf of the Public Health Agency of Canada and other federal departments and agencies, moved to urgently procure necessary personal protective equipment and other goods and services to protect front-line health care workers. As the situation began to stabilize, and as we received increasing amounts of personal protective equipment, PSPC moved, where possible, to competitive procurements, some of which were directed to Indigenous suppliers. Specifically, procurement opportunities were opened to Indigenous businesses for non-medical disposable masks that resulted in signed contracts with 7 Indigenous firms for approximately \$3 million for a total of 15 million non-medical disposable masks. One of the contracts was amended to exercise the option to procure an additional 20 million non-medical disposable masks for an additional \$2.94 million. In addition, PSPC awarded contracts to two Indigenous companies that will each provide 250,000 non-surgical face masks with an option to purchase an additional 2 million masks over a two-year period.

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Beyond these specific examples, PSPC has awarded 28 contracts to 23 self-identified Indigenous businesses, collectively worth over \$74 million, for numerous goods and services in response to the COVID-19 pandemic.

At this time, with the exception of Indigenous businesses, PSPC does not collect specific data related to businesses owned by under-represented groups (visible minorities, women and persons with disabilities) that have engaged with it with regard to the federal government's response to the COVID-19 pandemic, as outlined in the motion.

PSPC is able to provide one record related to Part A, sub-sections (i) and (ii), of the request on contracts awarded to Indigenous suppliers in response to COVID-19. The information provided is sourced from a departmental database of COVID-19-related contracts. The Department does not have data available for sub-sections (iii), (iv), and (v) with respect to Indigenous suppliers.

Work is underway to enhance data holdings with respect to under-represented groups. In 2019–2020, PSPC undertook for the first time an effort to manually gather and analyze bid data using a census approach to obtain data on procurement participation by Indigenous- and women-owned businesses. The results demonstrated that 11 per cent of bids received from businesses in Canada were owned by Indigenous peoples and that 16 per cent of bids were from businesses owned by women. This will provide a baseline year against which a result for a percentage increase can be calculated and reported on as of the 2020–2021 Departmental Results Report. The manual effort is a temporary measure until such time as the Electronic Procurement Solution is fully implemented.

Additional insight is provided through the *Survey on Financing and Growth of Small and Medium Enterprises, 2017* led by Innovation, Science and Economic Development Canada and administered by Statistics Canada. This survey collects information on the ownership of small and medium-sized businesses in Canada and includes analysis on a representative sample of PSPC procurements that are conducted on behalf of client departments. The 2017 [survey](http://www.ic.gc.ca/eic/site/061.nsf/eng/03087.html) (www.ic.gc.ca/eic/site/061.nsf/eng/03087.html) found that 6 per cent of suppliers in this sample had a majority ownership held by visible minorities, compared to 12.2 per cent for the entire surveyed population.

To further enhance our understanding of the businesses with which the Government is contracting, PSPC will complete the development and implementation of a procurement data strategy. This will contribute to strengthening the Department's capacity for evidence-based program design and reporting, including supporting efforts to increase the diversity of bidders in federal procurements and federal socio-economic goals. Moving forward, PSPC will also release additional datasets via ongoing participation in the Open Contracting Data Standard initiative

As our data work progresses, the Government of Canada continues to use its purchasing power to achieve economic, environmental and social policy goals. In particular, PSPC is developing initiatives that will increase the diversity of bidders on government contracts. For example, PSPC has undertaken a number of pilots to increase the participation of under-represented suppliers in federal procurement. An example is the Temporary Help Services (THS) supply arrangement. As part of the THS supply arrangement qualification process, suppliers were able to self-identify as one of the under-represented groups using a self-attestation form. These suppliers included businesses that are 51 per cent owned or led by under-represented groups (women, persons with disabilities and visible minorities), as well as Indigenous peoples. With the new supply arrangement, each system-generated bidder's list will consist of at least 33 per cent suppliers from the under-represented groups and Indigenous businesses. The results of these pilots are being studied by the Department to identify ways to further diversify the federal supplier base.

PSPC continues to work in partnership with Indigenous Services Canada and the Treasury Board of Canada Secretariat to develop a strategy to meet a goal of awarding 5 per cent of federal contracts to businesses managed and led by Indigenous peoples.

PSPC's efforts to diversify procurement are informed by extensive outreach efforts. The Department works with partner organizations across Canada to help under-represented entrepreneurs understand the federal procurement process and find federal procurement opportunities. This includes organizations that represent entrepreneurs who are Indigenous, women, visible minorities, youth, GLTBQ2+, and entrepreneurs with disabilities. In the first and second quarter of fiscal year 2020–2021, the Office of Small and Medium Enterprises (OSME) participated in 430 events, assisting over 21,000 under-represented individuals in understanding the procurement process for doing business with the Government of Canada. This outreach includes 67 engagement events targeting Indigenous suppliers across Canada that have reached over 1,096 Indigenous entrepreneurs. OSME has also entered into an agreement with the Council for Advancement of Native Development Officers (CANDO) and has been working closely with it to increase understanding and awareness of federal procurement opportunities. OSME is also working closely with the Indigenous Women Entrepreneur ecosystem, which is part of the Women Entrepreneurship Knowledge Hub (WEKH) led by the Diversity Institute at Ryerson University. In response to requests from the community, PSPC is also reaching out specifically to entrepreneurs who are Black or of African heritage.

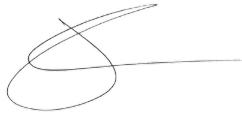
In July 2020, the Minister of Public Services and Procurement hosted two black-owned business round tables attended by 67 participants from Operation Black Vote Canada, the Black Business and Professional Association (BBPA), the Black Business Initiative and the UNDPAD PUSH Coalition to understand common issues faced by Black-owned businesses. In August 2020, the Minister also hosted an Indigenous round table with 12 Indigenous business leaders from across Canada to discuss barriers to participation in federal procurement faced by the Indigenous community.

PSPC also held meetings with its Supplier Advisory Committee to identify horizontal procurement issues faced by suppliers. The Committee is currently co-chaired by the President of the Canadian Black Chamber of Commerce; membership was recently expanded to include the BBPA, the Canadian Gay and Lesbian Chamber of Commerce, and CANDO. The Committee's membership also includes the Canadian Aboriginal and Minority Supplier Council, Women Business Enterprises Canada, the Canadian Federation of Independent Business, as well as a number of other organizations.

The membership expansion supports the Minister's interest in increasing representation from Indigenous peoples and under-represented business communities to give PSPC a better understanding of issues pertaining to them. It also helps the Department to obtain input and feedback from these communities to contribute to improving federal procurement and mitigating barriers for under-represented groups.

We hope that the Standing Committee on Government Operations and Estimates finds this information and the enclosed material useful for its work.

Sincerely,

A handwritten signature in black ink, appearing to be 'James Stott', with a long horizontal line extending to the right.

James Stott
Assistant Deputy Minister
Policy, Planning and Communications Branch
Public Services and Procurement Canada

Enclosure