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**EVIDENCE**

**Tuesday, January 30, 2018**

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**Chair**

**Mr. Tom Lukiwski**



## Standing Committee on Government Operations and Estimates

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• (1100)

[English]

**The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)):** I'd like to commence. We're running a bit behind. Welcome to our new committee, the members who are with us after the membership change. I'm not sure if it's going to be a permanent change or not, but if it is, welcome to the committee. I look forward to working with all of you.

With that, I think we'll commence.

We have with us in person Mr. Patrick Cheechoo, representing the Native Women's Association of Canada. Via teleconference we have Mr. Howard McIntyre from Suncor Energy Inc.

We'll ask Mr. McIntyre to introduce the witness who is with him. I believe it is Madam Virginia Flood.

Of course, we are still discussing procurement matters. This study was initiated a couple of months ago. We'll talk with committee members a little later about how we wish to proceed.

Colleagues, at about 12:45, I'll see if we can suspend and go to an in camera discussion on future business. We have a number of calendar items we have to discuss and some future business that I'd like to consult all of you about. If I have your concurrence on that, we'll see if we can get through this section by approximately 12:45.

With that, colleagues, we will commence. We will start with Mr. Cheechoo, since we have him with us. Then we'll go to Mr. McIntyre and Madam Flood.

Mr. Cheechoo, do you have an opening statement?

The floor is yours, sir. You have 10 minutes.

**Mr. Patrick Cheechoo (Director of Operations, Native Women's Association of Canada):** This is my 10 minutes?

**The Chair:** It's your 10 minutes.

**Mr. Patrick Cheechoo:** I was told they were going to go first, but I'm fine.

I would like to begin by acknowledging that the land we are gathered on is the traditional unceded territory of the Algonquin Anishinaabe. I am honoured to stand before the standing committee, along with colleagues committed to the empowerment of indigenous peoples, promoting self-sufficiency and advancing economic opportunities.

Thank you for this opportunity to speak to the committee about indigenous women's business experiences and the procurement strategy for aboriginal business. As you can guess, I'm not an indigenous woman, but our executive director was unable to make it and sends her regrets.

I am Patrick Cheechoo, I'm the director of operations for the Native Women's Association of Canada. The organization is affectionately known as NWAC. NWAC is the long-standing national voice for indigenous women on urgent issues, including missing and murdered indigenous women and girls, truth and reconciliation, and more recently, building a nation-to-nation relationship with Canada.

As a primary organization representing indigenous women, we have a long history of successful projects, programs, and partnerships with government and industry from across Canada. In Canada the number of indigenous women who work for or are developing their own businesses is growing. Our nation's indigenous population is booming, and we want to ensure that our women will share in any prosperity that may result from increased business with government through the procurement process.

NWAC is founded on the collective goal to enhance, promote, and foster the social, economic, cultural, and political well-being of the women we represent within first nation, Métis, Inuit, and Canadian societies. As part of our mandate we support indigenous women's labour market participation and economic development opportunities. NWAC is committed to enhancing and strengthening the economic reality of aboriginal women, their families and communities across Canada.

It is important that the federal government aims to increase the number of aboriginal firms participating within the procurement process, including those owned and operated by indigenous women. As such, we welcome the opportunity to speak about the procurement strategy for aboriginal business.

The Native Women's Association of Canada's research, partnerships, and networking have revealed that indigenous women's businesses experience significant barriers to development and expansion. These barriers are relevant for indigenous women who wish to access procurement contracts with government departments. In order for indigenous women's business suppliers to access the benefits of the procurement strategy for aboriginal business and submit proposals, a larger strategic approach is needed to support their businesses from the ground up, from conception to implementation. For instance, barriers to financing and credit mean that indigenous women cannot leverage existing infrastructure to implement their concepts. Many live in poor socio-economic situations and isolated communities. Without first addressing the social determinants of their health, they cannot even begin to access the intended benefits of the federal procurement strategy.

As for the procurement strategy for aboriginal business, the process itself, indigenous women would benefit from training on how to structure their bids for government contracts to fit smoothly into the federal procurement strategy, not only as it is now but also in the new iteration. In addition, some departments only accept electronic bids, which can limit participation by smaller businesses owned by indigenous women and located in smaller or remote communities without the needed technological infrastructure. It should not be mandatory for an indigenous woman to move her business from her community and culture to do business with the wider world.

If you think there are no business solutions or innovative service delivery options to be found out there, we suggest you enhance the virtual highway to discover all those amazing concepts you've been missing out on.

●(1105)

Concerning the mandatory and voluntary set-asides within the procurement strategy, NWAC recommends that indigenous women-owned set-asides be established in order to help our women sustain their markets. It would also be beneficial for the federal government to establish a multi-year, longer-term commitment to purchase their goods and services. This would provide additional stability and support for indigenous women seeking to develop their businesses.

As part of the procurement strategy, the federal government promotes sub-contracting through aboriginal firms and encourages joint ventures between aboriginal and non-aboriginal businesses. It would be beneficial if the bidding evaluation process could be enhanced to recognize and reward the presence of indigenous women amongst those joint ventures as employees and entrepreneurs. Furthermore, all procurements over \$5,000 for which aboriginal populations are primary recipients are restricted exclusively to qualified aboriginal suppliers. These are mandatory set-asides.

There also exist voluntary set-asides at the discretion of the federal departments where aboriginal capacity exists, but how often does this occur? How often do aboriginal businesses succeed in securing federal contracts in open competition with non-aboriginal businesses? It would be helpful to see the statistics. We are concerned that the voluntary set-aside policies may leave the process open to interpretation; therefore, we'd like to be assured the federal

departments and agencies are adhering to the mandatory set-aside requirements. We would also like to see the establishment of an evaluation process that monitors and measures the particular success of indigenous women with the federal procurement system. Such an evaluation process would provide ongoing performance measurement data that tracks how indigenous women attempt to secure government contracts versus how often they actually succeed in the process.

It would also be helpful to understand the criteria the government uses to judge an aboriginal business, and in the opinion of federal departments and agencies, what is hindering a successful application among aboriginal business owners in general and indigenous women in particular.

Please note that many indigenous women are not aware of the procurement strategy for aboriginal business. As such it would be beneficial for the government to consider targeted promotion and marketing specifically for indigenous women. It would be beneficial to establish a formal government mechanism to implement and monitor this outreach towards indigenous women, and NWAC would be happy to sit on an associated advisory body that would be supported with online and print materials on how to submit a solid application and on understanding the registration process, where to submit it, and who to contact. The federal government encourages aboriginal firms to get to know the people within the departments who may wish to buy their goods and services, yet for many indigenous women the federal government appears as a large, faceless, inaccessible bureaucracy that is very difficult to reach.

NWAC can assist with this by spreading awareness through our social media platforms. We also publish quarterly reports to our stakeholders and clients regarding the labour market information and entrepreneurship for indigenous women. We could highlight the procurement strategy for aboriginal business in our next bulletin and welcome comments about the strategy from indigenous women concerning their awareness and personal experience while trying to bid for federal contracts. We could then share their experiences and comments with you, if this is something that interests the standing committee.

Please recognize that we appreciate your ongoing dialogue with NWAC and our counterparts to find productive, beneficial ways to increase the presence of indigenous business in the federal procurement process. The conversation we are having today will not just have a significant impact on the economic viability of businesses owned by indigenous women, it will have a positive impact on their whole community. Through dialogue, indigenous women can work with you as business leaders in indigenous communities to identify and demolish barriers that exist in the procurement process. Development of that process occurring in consultation and co-operation with indigenous women cannot help but ensure it becomes more equitable and able to help our sisters across Canada play a strong leadership role as partners in the development of their businesses and their communities.

Thank you.

● (1110)

**The Chair:** Thank you very much.

Colleagues, as I mentioned earlier, we have, via video conference from Calgary, representatives from Suncor Energy, Ms. Virginia Flood, and Mr. Howard McIntyre. I trust that both of you can hear us all right.

**Mr. Howard McIntyre (Vice-President, Supply Chain and Field Logistics, Suncor Energy Inc.):** Yes.

**Ms. Virginia Flood (Vice-President, Government Relations, Suncor Energy Inc.):** Yes.

**The Chair:** Thank you very much. You have 10 minutes, I believe, as an opening statement.

Madam Flood, or Mr. McIntyre, the floor is yours.

**Mr. Howard McIntyre:** I'll introduce Ginny Flood, who will give the opening remarks.

**Ms. Virginia Flood:** Thank you for inviting us here to speak to your standing committee today on your study on how the federal government can improve access to federal procurement opportunities.

My name is Ginny Flood, and I'm the vice-president for government relations. Howard McIntyre is our vice-president for supply chain and field logistics.

My remarks will provide an overview of how Suncor is working with aboriginal peoples, whereas Howard will focus on the procurement approaches and the relationships.

We would like to begin by acknowledging that the land on which we gather here in Calgary is home to many aboriginal peoples and is the traditional territory of Treaty 7, which includes the Stoney Nakoda, Tsuu T'ina, and Blackfoot, including the Siksika, the Kainai, and the Piikani.

Suncor is Canada's largest integrated energy company, contributing significantly to Canada's economy and jobs. We are best known for our oil sands production, but we also operate three refineries in Canada, in Edmonton, Sarnia, and Montreal. We have 1,800 Petro-Canada retail and wholesale locations. We have four wind farm power projects, and we have Canada's largest ethanol production facility. Many of our operations are located right across Canada. We

operate on the traditional territories of 140 aboriginal communities across Canada, so we hope we can share some of our experiences.

Suncor strives to be a leader with respect to environmental, social, and governance matters, and it is with this concept in mind that we recently created the position of chief sustainability officer, who has a strong accountability for our relationships with aboriginal people. That's where we'll focus today's conversation.

While our company has worked with aboriginal communities for more than 40 years, we recognize that sometimes our approach has been colonial rather than collaborative—we wanted to “do” or “fix” things rather than seeking to understand the interests and the needs of the communities.

● (1115)

This has been a journey and a learning experience. As you can see from the slide that we provided with the text, this has been a work in progress from 1999.

In 2016, we launched our first social goal within our company, declaring our intent to do things differently. We're choosing a new path that focuses on strengthening relationships so that aboriginal peoples can play a larger role in how energy is developed from project conception through to reclamation. It reflects our commitment to change the way we think and act as an organization.

Howard will speak specifically about procurement, but I first want to highlight a number of ways that Suncor is working with aboriginal people.

An important learning is that if you listen and if you are maybe creative, you can probably find other mutually beneficial arrangements that go beyond just procurement. We'd encourage you to put procurement within that broader context. I'll just give you a few examples of where our journey has taken us.

We have 26 Petro-Canada stations that are first nations owned. Fort McKay First Nation and Mikisew Cree First Nation purchased 49% equity position in a billion-dollar oil sands infrastructure project. The Aamjiwnaang First Nation, whose reserve is adjacent to our refinery in Sarnia, holds a 25% interest in the Adelaide wind power project near Strathroy, Ontario. As well, Suncor purchased a 41% stake in Petronor, which is operated and owned by the James Bay Cree.

I'm going to turn the presentation over to Howard so he can give you a few examples of our procurement.

Howard.

**Mr. Howard McIntyre:** Good morning, everyone. Thanks for taking the time, and thanks for the opportunity to speak to you. I commend you for learning more about this area. It's a very important part of our business.

I understand that you had a number of sessions this year, and from them I think you should be in a position to agree that the capability and diversity of aboriginal businesses is quite outstanding and that they in a position to grow going forward.

In 2017, I'm proud to say that Suncor spent \$521 million on goods and services from 197 aboriginal businesses and suppliers. This brings us over the \$4-billion mark since we started in 1999. We're aiming to build on these successful relationships and see a lot of growth opportunity going forward. We want to apply what we've learned more consistently in our economic envelope and broaden it across business lines so that more aboriginal entrepreneurs and communities have the opportunity to participate in and benefit from our operations.

I thought I'd share with you six lessons that we've learned and applied that enable us to be successful in this area.

First, we ingrain aboriginal commerce in our culture. The most important aspect of continuously being able to seek to develop these opportunities is to embed this attitude within our staff and our vendor community. We do this by ensuring that our staff have aboriginal awareness training as a baseline. In my group of approximately 792 people, 75% of the organization has completed basic web training on this. We expect to get close to 100% by the end of the first quarter. Many more employees have participated in advanced training and learning opportunities and associated themselves with aboriginal groups. We're trying to incorporate this understanding so it's part of our mindset and comes instinctually in what we do. In many ways, it's very similar to the safety journey that we've ingrained in our staff at our contractor program.

We've developed processes, policies, and metrics. We hold ourselves accountable. We measure ourselves. This is supported by governance structure where both Ginny and I sit on Suncor's Aboriginal Relations Vice-President Committee. We believe that leading from the top is important. We have complementary governance structures in other areas of our organization. Mel Benson, from Beaver Lake Cree Nation, has been on our Suncor board of directors since 2000.

The second thing we do is to develop joint business development plans. We have a long history of working with aboriginal suppliers, particularly Wood Buffalo. We're working with some communities in Wood Buffalo to generate these joint business development plans, which aren't short-term focused. They can look well into the future. We co-create these plans, and they provide structure for how we work together and collectively focus on the same objectives. These annual work plans have helped aboriginal communities to direct their efforts where there is a possibility to increase their business and help Suncor to track our suppliers' capabilities and to identify new opportunities.

Together, we're building increased capacity. I can't express enough how important it is to recognize that this requires a long-term investment, a lot of effort, and investment in relationships. We grow together with patience and hard work in looking for opportunity, giving opportunity and accepting it; in listening and discussing; in getting creative and working together to navigate through growing pains; and in keeping communication open. It's much more than simply posting opportunities on Merx and hoping for good things to come.

The third thing that we do is to diversify aboriginal procurement. Internally, we're working with each of our supply chain categories and looking for opportunities where there's a natural fit for aboriginal

entrepreneurs and communities to participate. We're finding ways to broaden and diversify the scope of our overall spending available to these aboriginal groups. We're working directly with them to select the businesses to help build their capabilities.

We're also investing resources to develop our business line. Just recently, as an example, we added new resources to take a look at what we could do with our downstream operations. Specifically, we're investing in people to look at how we can marry up in our refining operations contracted work and aboriginal opportunities there. I think Suncor will be spending money in this area in a very big way going forward. We always look at how we can support each other in launching a business that can grow and mature over time. It's an ongoing investment by both parties.

The next new initiative is a sustainable supply chain. We work with our contractors and our suppliers, who provide a lot of our commercial work, to promote shared values, such as increasing aboriginal participation in both the aboriginal and non-aboriginal companies. We take into account their aboriginal strategies when evaluating each contract. When they make a bid about their commitment to the community, and particularly to the aboriginal groups, that measure is weighted.

• (1120)

I've recently begun a new review of our sustainable supply chain. We believe there's a lot of opportunity here. It talks about community, it talks about the economy, and it talks about investment in the environment.

Frankly, some businesses might be majority aboriginal-owned in name, but have little role for aboriginal people, yet some non-aboriginal companies can be very good at employing aboriginal groups and getting them started and in developing strong relationships with these communities. It is complex and something that we will be taking a closer look at. We work with aboriginal organizations, the NAABA and the Canadian Council for Aboriginal Business, CCAB. We're very well connected, we sponsor events, we attend and we help them.

CCAB runs a certification standard for progressive aboriginal relations, which confirms corporate performance in this area. I'm happy to announce that last fall Suncor received gold-level certification, the highest level recognition, which we're very proud of. Our chief operating officer, Mark Little, has just agreed to be an inaugural co-chair procurement champion with CCAB.

Last but not least, we work with industry associations, such as the Canadian Association of Petroleum Producers, the Mining Association of Canada, and the Canadian Chamber of Commerce. We try to influence these people to do the right thing.

In conclusion, I can tell you that aboriginal businesses are a major opportunity across the country, for us, for you, and for other companies. They provide a broad diversity of products and services, excellent quality, with very good pricing, efficiency, and safety records. There is no way that Suncor would be as successful as we are today without these crucial business relationships. We know they'll be important going forward. Suncor continues on its journey to fully utilize aboriginal businesses and is pleased that this committee is looking into the procurement strategy as it relates to this area. I'm excited not only for the past accomplishments that we've had, but also the promise of tomorrow. Our \$520 million last year is going to grow significantly in the years ahead.

We now look forward to answer any questions you might have of us.

• (1125)

**The Chair:** Thank you very much to all of our presenters.

Before we begin, I must apologize to Madam Flood. In the information I had, the last name was Ginny, but that would have meant I would be introducing you as Ginny Ginny, and I'm sure that's simply wrong.

**Voices:** Oh, oh!

**The Chair:** My apologies for that.

We will now start with our seven-minute rounds of interventions. We'll start with Mr. Ayoub.

To our conference participants, if you have translation devices you may want to put them on now. I believe Mr. Ayoub may be speaking in French.

Mr. Ayoub.

[*Translation*]

**Mr. Ramez Ayoub (Thérèse-De Blainville, Lib.):** I want to thank all of you and welcome you to our committee.

[*English*]

Maybe, Mr. Cheechoo, I'm going to wait for you to be ready to hear me in French or English.

[*Translation*]

This is an important topic, and I am pleased to be able to hear the viewpoint of the Native Women's Association of Canada, and to learn about how to do business with enterprises that belong to indigenous women. I am also happy to hear the opinion of the private sector from the Suncor Energy representatives. As they indicated, it is a respected and renowned enterprise that is widely well-regarded, which is all to its credit.

I'd like to speak to the Suncor representatives and gain some understanding of the business integration.

You included a graph in appendix A entitled "Suncor's Aboriginal Annual Revenues Earned". What can that income be compared to? We see that the company's overall income has grown. What is this due to? In percentage terms, what has that growth been in the past ten years? What guarantees are there that this growth in indigenous business income that is derived from Suncor will continue?

[*English*]

**Mr. Howard McIntyre:** I'd be happy to answer that.

If you look at the chart we supplied, you'll notice that we go from \$32 million a year to \$521 million, and we have a target that we think we can exceed for next year.

I should point out that the drop from 2015 to 2016 was driven by two things: the fires in the Wood Buffalo region and the suspension of our operations, and the dramatically lower price of oil. There was a lot of cost cutting and pulling back on things that we had done. We do feel quite confident that we have a ramp-up going forward. What do we think is possible? Can we get to a billion dollars at some point in the future? There's no reason why not. We see it ever-increasing going forward.

The percentage of our spending available to aboriginal groups in 2014 was about 4.7%. Last year we were up to 6.4%. That's a 50% improvement over a relatively short period of time. It's good to see the rise in that spending outpacing our overall spending growth. It's a very positive trend that aboriginal communities and companies are outpacing our overall spend.

[*Translation*]

**Mr. Ramez Ayoub:** This approach and the need to deal with aboriginal businesses and make transactions is reinforced in the business culture. The fact that you've gone from 4.7% to 6.4% is excellent, but is that a one-off, or does it reflect a very clear objective to grow that percentage?

[*English*]

**Mr. Howard McIntyre:** I mentioned in my overview that there are two things we do.

We always make ourselves conscious of the capabilities of aboriginal companies and communities. We have dialogues, and when we do a bidding process we have a pretty good understanding of who is interested in the business and who is capable.

The second thing we do is that we make this a topic with major companies in Canada that do construction work for us. We ask them about the capability in areas where we operate, and we say, "You know what? There's a really good capacity and capability in the aboriginal area to do some of the work." Many of them subcontract in the areas. The majority of the work that's done for us is in the construction area.

There's a third thing we do. We try to have dialogues with these organizations and with individual first nation groups to talk to them about where we see our business needs going forward and to help them with their development goals: to develop their own capacity, not necessarily for the needs of today but for tomorrow's. I'm personally very well vested and interested in growing the long-term capacity of the aboriginal community.

For example, we think there's a fantastic opportunity for them to play a role in the environmental monitoring of our facilities as we grow going forward. They have awareness. They have understanding. They have appreciation. They have capacity. That could be an example of a new business area that we could help co-develop with them to hit our target of \$600 million plus over the next couple of years.

• (1130)

[Translation]

**Mr. Ramez Ayoub:** Thank you for your answer.

From your perspective, do you think it costs more to do business with aboriginal enterprises than with non-aboriginal businesses?

[English]

**Mr. Howard McIntyre:** No, it does not. We're very keyed in to our shareholders and make sure that we hire the right companies to do the right work, and I can give many examples of where aboriginal businesses are extremely competitive in terms of price. They're very competitive in their safety records and in their effectiveness and quality of the work that needs to be done. It's equal competition, and they're winning many contracts.

[Translation]

**Mr. Ramez Ayoub:** Doing business with companies that are fully owned by aboriginal people may not always generate quite the same income as does dealing with businesses that are partially owned by aboriginal people, or not owned by them at all, but there are benefits for aboriginal peoples.

You say that this is a complex matter that deserves to be studied. What do you mean by "complex matter"? What sort of study do you have in mind?

[English]

**Mr. Howard McIntyre:** In terms of complexity, we have a very changing environment. In the aboriginal portfolio of economic opportunity, there are new entrepreneurs who identify themselves every quarter, I would say, and there are new partnerships between aboriginal communities and businesses and with large international and national contracting companies.

The first thing we have to keep abreast of is the amount of capacity, what the capability is, and who is partnering with whom. We manage this complexity by being very planful in the work that we need to have done many years out—three to ten years. Then we start lining up what our contracting and construction partners will look like three years in advance.

We're very planful. We're very aware. We're very plugged in. Opportunities are given to us and we bring opportunities to the business environment. That's how we try to manage complexity on the spot.

**Ms. Virginia Flood:** I would like to—

**The Chair:** Unfortunately, we're out of time in this particular intervention, but I'm sure you'll have opportunities as we continue to expand upon your answers.

We'll go now to Mr. McCauley, please, for seven minutes.

**Mr. Kelly McCauley (Edmonton West, CPC):** Mr. McIntyre and Ms. Flood, thanks for being with us.

Ms. Flood, did you want to finish what you were going to start?

**Ms. Virginia Flood:** All I was going to say is that one of the ways of looking at complexity is actually handing it out to business.... It's part of our business. It's not what happens in a corner in Howard's shop. It's part of our overall culture. In our operations, we're very

much aware of the aboriginal capabilities. The business opportunities come from multiple sources. It's not just one area.

**Mr. Kelly McCauley:** I want to thank the two of you for being with us today, but also for all the work that Suncor is doing. We've heard repeatedly from other witnesses that the gold standard for involving indigenous business has been the oil sands companies—you, Enbridge, ATCO and some of the others. It's quite remarkable that such a maligned industry is showing the way in environmental leadership, but also in helping the indigenous population, so thank you very much. It makes me wonder how much we are hurting indigenous people by cancelling Northern Gateway and Energy East, and how much opportunity is lost for them as a result, but I'll go on.

You spoke about how you tie in your subcontractors. I'm wondering if you could expand on that a bit more and what the process is like. We obviously have a lot of large contractors here; we're doing billions of dollars' worth of work rejuvenating the parliamentary district, and we've heard from aboriginals that they got shut out entirely. How are you doing your large projects to make sure the subcontractors are employing aboriginal companies?

• (1135)

**Mr. Howard McIntyre:** That's a very important question. I'd like to lead off by saying that we don't demand that they do so, so it has to make sense. We have strategic partnerships with many of our large contractors who did a project in Fort Hills with some big companies there. We demonstrate to them the results that we've had working with aboriginal groups as primary contractors or subcontractors. It all starts with, first of all, making them aware of what's possible; making them aware of the quality of work and the costing that's available there.

Second, I mentioned the focus on sustainability. I would say that Suncor and probably other companies having been focused largely on managing environmental, economic, and community responsibilities within what we manage. Starting last year, we said that we have a much bigger footprint than we occupy. This is a personal conversation between all of our contractors and my group to say that when we score them, in terms of when we want to do business with them, where their profits go, what they do in your community, who they employ, and what they're doing to improve the environmental footprint can be very much part of our portfolio. We actually have a scoring mechanism. More than 10% is on the evaluation of them in this area. They'll come through with cost and capability, but they know it's important to us.

**Mr. Kelly McCauley:** Is there any chance you can share that scoring with us?

**Mr. Howard McIntyre:** I'll just say it's at 10%, but I see it growing going forward. I could probably wrap it all up by saying that we don't do this because we have to; we do this because it makes good economic sense with a great labour force that's strategically committed to these types of portfolios that we're looking at for decades to come. It's good to do business with companies that have that long-term strategy as opposed to some companies where they're here and there. They're there for the long term.

**Mr. Kelly McCauley:** Perfect.

Mr. McIntyre, you talked about joint business development plans and how you work with Wood Buffalo. I used to work in Fort McMurray and I understand it's a wonderful business partner. Do you find a lot of the success that you're having contracting out or engaging aboriginal businesses is because of the partnerships you have with the band? How are you achieving success with those who may not be related directly with the band or have such a strong band as Wood Buffalo?

**Mr. Howard McIntyre:** It's a little bit of both. I have the business we do here—Mikisew Cree, Athabasca Chipewyan, Fort McKay First Nation, Fort McMurray No. 468, which you're probably familiar with, and some others there. Certainly the bands have really done a good job on setting up their—

**Mr. Kelly McCauley:** Let me interrupt for a second. Going forward with the government, as we try to develop a process that makes it easier to engage, should that be one of our focuses, to start with the relationship with the band? Mr. Cheechoo talked about the difficulty getting the information out. Should we start at the band level or should it be two-pronged, with the band as well as...?

**Mr. Howard McIntyre:** It's to the entrepreneur, so I would say it's both. Many times the band represents entrepreneurs, so they can represent both, but I would say reach out to the bands who have developed a lot of capability in planning in these areas and post your "ready to do business" sign with entrepreneurs in the various areas of Canada.

**Mr. Kelly McCauley:** The last question is for Mr. Cheechoo, but also for Mr. McIntyre and Ms. Flood.

In the text of your opening remarks, under "Sustainable Supply Chain", you wrote, "We want to ensure businesses that we contract with are delivering real value to Aboriginal People". This came up before. What's of more value—a contract with an aboriginal owner but all non-aboriginal people or with say, a non-aboriginal owner who's employing lots and lots of aboriginals?

Where should our focus be?

I've only left you about a minute.

Maybe, Mr. Cheechoo, you can start.

**Mr. Patrick Cheechoo:** I would say they are equally important. I think using CCAB's program as... You know they grade as gold level, as Suncor has mentioned—they're gold under the PAR program. Both are equally important.

• (1140)

**Mr. Kelly McCauley:** Okay, go ahead, Mr. McIntyre.

**Mr. Howard McIntyre:** I would agree with Mr. Cheechoo. The reason I do is that often many of the aboriginal communities get employed as subcontractors by a major company and kind of learn the ropes, and then they spin off and become their own entity. So both of them are equally important, for probably different reasons.

**Mr. Kelly McCauley:** I bring this up because....

**Ms. Virginia Flood:** It's also part of that long-term capacity-building. You have to really be looking at all different aspects.

**Mr. Kelly McCauley:** I brought this up because we heard one witness concerned about a shell company being set up where none of the value is getting delivered to indigenous people, but just as part of

a hidden shell company. How do we get around that? How do we avoid that?

Thank you for your time.

**The Chair:** We perhaps can get more into that with our next intervenor.

Mr. Weir, for seven minutes, please.

**Mr. Erin Weir (Regina—Lewvan, NDP):** Thank you.

I would like to ask Mr. Cheechoo about the procurement strategy for aboriginal business that is currently administered by INAC. Of course, INAC is being split up into two new departments, Crown-Indigenous Relations and Northern Affairs, and Indigenous Services. I'm wondering if the Native Women's Association of Canada has a position or a perspective on which of those new departments should be administering the aboriginal procurement strategy.

**Mr. Patrick Cheechoo:** The short answer is no. However, I think the important thing is that how it's implemented is why I'm here. Actively reaching out to indigenous women entrepreneurs is kind of the reason I'm here. Whoever administers it, we need to have some formal activity toward outreach for indigenous women entrepreneurs.

**Mr. Erin Weir:** I guess to broaden the question, are there other changes to this procurement strategy for aboriginal business that you would recommend? Are there aspects of it that could be improved to work better for aboriginal women entrepreneurs?

**Mr. Patrick Cheechoo:** Yes, as I mentioned briefly, we just need a formal process of outreach and training for indigenous women entrepreneurs. Even further, I would like to see the Canadian Council for Aboriginal Business enhance its PAR program to include some kind of a highlight for indigenous women. So, it could be activities from Northern Affairs but also working with other partners in that process.

**Mr. Erin Weir:** Mr. McIntyre, you mentioned the possibility of businesses that might nominally be aboriginal owned but do not actually have much aboriginal participation. Mr. McCauley also got into this question of ownership versus employment. I'm wondering how Suncor defines an aboriginal business in its procurement.

**Mr. Howard McIntyre:** The work that is done has to be aboriginal content. We don't have any shell companies that represent themselves as an aboriginal group with maybe just one person. We get right down to who is doing the work and where the money goes. It's been consistent ever since we started this in 1999, so the comparison of the numbers is on the same basis and a large part of our... If there is a subcontracted piece of business to a major construction firm and it's provided with aboriginal resources, we measure that piece, not the value of the whole company's work but just the value of the subcontracts. We're very transparent about it and right-minded in what to call it.

**Mr. Erin Weir:** Just to get down to brass tacks, if half of the employees were aboriginal then you would count half the value as aboriginal business. How do you arrive at a figure like \$520 million?

**Mr. Howard McIntyre:** We take a look at the company representing the work that's being done, aboriginally owned. An aboriginally owned company could have workers, temporary workers, who are not aboriginal, but we would look at the spend with that company.

• (1145)

**Mr. Erin Weir:** Okay, so it would be 50% plus one aboriginal ownership, as well as a standard in terms of employment?

**Mr. Howard McIntyre:** Essentially, yes, but I'll get to the specifics on that with a follow-up note.

**Mr. Erin Weir:** Yes, we would appreciate it, because what the definition should be is one of the things we're looking at in the federal government's program, so we'd certainly welcome whatever detail you can provide on that front.

You also mentioned encouraging construction contractors to engage first nations employees, and I wondered if you could also speak to the role and involvement of building trades unions in that process.

**Mr. Howard McIntyre:** With the building trades unions, we think there is a big opportunity for capacity-training of aboriginal groups so they can be members of building trades groups and unions. We don't have any specific call-out to only employee aboriginal groups that come from these trade areas.

In influencing contractors, I mentioned that we believe they're an important available labour source in that area. It's not so much an issue today, but in the past trying to get labour into the Wood Buffalo region in Alberta was a challenge. It was a natural fit to use the resident workforce to increase our the capability there and not to have to worry about the transportation of migrant workers there.

I think we've been very successful with a lot of our big contractors to willfully and successfully employ aboriginal entrepreneurs in communities in that area. If I take a look at growth going forward, the hard work is getting started. I mentioned we just finished a very big project, and we're very satisfied with the quality of work that was done. Our contractor was very satisfied with the new aboriginal engagement they had. I think that's going to be how this is amplified, not just for Suncor, but, certainly, within that concentrated area, the next job they bid on for a competitor for Syncrude or whatever could very well have a bigger aboriginal content.

**Mr. Erin Weir:** We invited both of our witnesses from Suncor here to gain a better understanding of your own procurement activities. Do you have any thoughts or recommendations for the federal government's procurement programs for aboriginal business?

**Ms. Virginia Flood:** One of the things we certainly learned is that it's more than just about the procurement aspect of it. Procurement is an outcome, and what we do with the contracting is really about how you engage and how you work with the communities to better understand what is happening and what the capabilities are and how to build them. I would say that's a whole-of-government approach, because all departments in the government have some kind of engagement with aboriginal communities, but need to look more at how they can build those capacities so these communities can be part of the government procurement strategy.

If it's just housed in PWGSC or in Indigenous Relations and Northern Affairs, that's probably not the best approach, because I think that while those departments probably have the experts on the procurement side, that's not necessarily building the capacity of the federal government because the departments are all procurers as well.

**The Chair:** Madam Mendès, welcome to our committee and the floor is yours.

**Mrs. Alexandra Mendès (Brossard—Saint-Lambert, Lib.):** Thank you very much, Mr. Chair.

Thank you all for being here this morning.

Ms. Flood, you just addressed something that I would like to take up with Mr. Cheechoo, namely who should be responsible for administering this program, the PSAB.

If I understood correctly, you don't have a formal opinion on who should be administering the program for NWAC.

**Mr. Patrick Cheechoo:** Not at this point. I would have to look at that more closely.

**Mrs. Alexandra Mendès:** But do you agree with Ms. Flood that it has to be a whole-of-government approach, that procurement doesn't just concern one department?

**Mr. Patrick Cheechoo:** Again, the message is in the procurement process for government. In any outreach group, you're looking for formal focus outreach to indigenous women entrepreneurs.

**Mrs. Alexandra Mendès:** I think you also spoke a lot about the training on how to access all these programs and how lacking it's been in the past.

• (1150)

**Mr. Patrick Cheechoo:** Not to generalize, but indigenous women entrepreneurs know it exists, but they don't know how it connects to them, and we would like to see that connection.

**Mrs. Alexandra Mendès:** Training would be one of your definite recommendations.

**Mr. Patrick Cheechoo:** Training and a focused awareness campaign.

**Mrs. Alexandra Mendès:** And accessibility, because that's the other issue that you mentioned about remote regions where the Internet is not necessarily available, so the online submission of proposals is difficult.

**Mr. Patrick Cheechoo:** Yes, the process itself is challenging because of the need for a higher broadband, and remote communities tend to not have those broadband capabilities.

**Mrs. Alexandra Mendès:** How did you deal with that, Mr. McIntyre, with your remote communities?

**Mr. Howard McIntyre:** We're a very fair bidding company, so we accept all forms....

If we were doing some work in a remote community, and they could help us out, we would adjust our filing practices to whatever best suits them. We can go old-fashioned and have something submitted by paper. We're very accommodating to make sure we flush out the best people and groups to do the work.

**Mrs. Alexandra Mendès:** So would you—

**Ms. Virginia Flood:** I think one-size-fits-all is really one of the things we would want to caution about. One-size-fits-all does not work with the communities with various capacity issues and capabilities. They take a little bit more, and that's why having that whole-of-government understanding of the communities in which they're working is important to draw on.

**Mrs. Alexandra Mendès:** That's precisely one of the things I've understood from this conversation. It doesn't fit all circumstances; there's a great need for flexibility in this issue.

The training issue is definitely very important, and I think it goes beyond native women. For all aboriginal communities, the accessibility of these government programs needs to be better known and explained from the government side.

**Mr. Patrick Cheechoo:** That's true.

Further to that, we want to emphasize that there's even a bit more of a need when it comes to outreach to indigenous women. In the broad spectrum of saying "indigenous population", the special needs of indigenous women get lost.

**Mrs. Alexandra Mendès:** On the issue with the bureaucracy, you mentioned that it always seems inaccessible, remote, or difficult to reach. Is it specifically with Indigenous Affairs or is it with the public service generally? What is specifically your issue with the bureaucracy?

**Mr. Patrick Cheechoo:** Basically, there's no direct interaction, right?

**Mrs. Alexandra Mendès:** There's no person.

**Mr. Patrick Cheechoo:** There's just something that exists on the Internet, basically.

**Mrs. Alexandra Mendès:** Therefore, that would be another issue that you'd recommend we pay attention to, the need for more direct person-to-person interaction.

Would that be something that you do at Suncor, having much more direct interaction?

**Ms. Virginia Flood:** Yes, I would say absolutely.

Getting back to that, one of the things is understanding the culture of the communities you're working in.

Last year or two years ago, we developed web-based training for all of our employees, and Howard mentioned that his staff were taking that. It was really developed with the aboriginal peoples. We've made it public now, but it's about understanding that issue around culture, the capabilities, and the capacity within the communities.

Again, it gets back to, if you take this one-size-fits-all approach, you're probably going to have a few successes, but not as great as they could be if you're looking at having more flexibility. It's about understanding that culture, and the departments that are working in those communities have the relationships that understand those cultures they're working within.

**Mrs. Alexandra Mendès:** Thank you all very much.

**The Chair:** We will now go to our five-minute rounds of interventions starting with Mr. Kelly.

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC):** Thank you, Mr. Chair.

Mr. Cheechoo, in your remarks you said a couple of things that struck me about the challenges faced by indigenous women entrepreneurs. You mentioned specifically access to credit, systemic poverty, and access to technology. Furthermore, you said there's a perception of federal government procurement as being about dealing with a large—I think you said—nameless, faceless bureaucracy that's difficult to reach.

On the one hand, the barriers you identified also suggest there are probably barriers to being able to bid on private sector contracts, not just government contracts. Can you identify what the specific barriers are, since we're dealing with government procurement? What are some specific barriers in government itself that you could maybe help us identify so that we may be able to make recommendations to deal with them?

•(1155)

**Mr. Patrick Cheechoo:** I think there was a reference to having targets or goals on what per cent of procurement would go to indigenous women. Have those tangible numbers, and then focus on outreach. It's about raising awareness on how to overcome the obstacles—or even becoming aware of the obstacles—unique to indigenous women. For example, I'm familiar with a project that we're working on with a partner called Women Building Futures. Their program for women in trades is slightly different from indigenous women in trades, because there are unique factors that you might not think about initially. For example, there are a lot of indigenous women who might need to start with how to get their ID. That's where you have to start.

It's about recognizing elements like that and then having, as part of the strategy, goals set specifically for indigenous women entrepreneurs, and what that means.

**Mr. Pat Kelly:** Okay, I would ask Mr. McIntyre to maybe help. You gave some examples of successes you've had with procurement from indigenous businesses. You mentioned specifics on the number of retail locations that are indigenous-owned in the Petro-Canada side of your business, as well as the wind farm in southern Ontario.

What are some of the other...and the size and scale of enterprises that you have successful partnerships with? I'm thinking now more about your upstream oil and gas side, or elsewhere in your company.

**Mr. Howard McIntyre:** I'm happy to respond.

A large part of our spend is in the area of construction—providing transportation, providing workers that do some of the construction on what we call turnaround projects or new builds. That's a big piece of it.

If I look at first nations and where we spend our money, I see that in 2017 we exceeded all our goals—Mikisew Cree, \$84 million; Athabasca Chipewyan, \$53 million. Fort McKay is our biggest spend at \$155 million, and so on going forward. We have a very diverse number of groups involved. We spend with 197 groups, and as I mentioned, we're also seeing an expansion, from something that's based predominantly in construction and maintenance, into other areas, such as environmental services and some other areas. We are trying to grow that diversity by growing knowledge and capacity of the business opportunity in those areas. Quite frankly, when we attend CCAB and some of these other events, we speak to what we see as the biggest opportunities going forward.

You mentioned some good examples in our downstream assets owned and operated by aboriginal groups, and as we continue to grow our economic presence in Canada—construction and maintenance is big today—we're diversifying into other areas.

● (1200)

**The Chair:** Now we'll go to Mr. Drouin, for five minutes, please.

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

I want to thank each witness for being in front of us.

I have just a couple of questions for Suncor about how you've increased your capacity with indigenous suppliers and where you've had challenges in some communities to boost those numbers—or if you've had any challenges. That's actually the question. If you have, how did you solve that challenge?

Part of the reason that I ask is that in Ottawa, some companies will say they have a hard time finding indigenous companies. I've met tons that actually do the work that the companies say they can't do.

How did you work with the communities to get those numbers up?

**Mr. Howard McIntyre:** Mr. Drouin, this is a good point for me to emphasize inflect something that I've been waiting to do for this group. It's my mantra here; that is, the powers of positive deviance.

We have to spend time to find out where things are working and understand why, even if it's a minority; learn from that, and then find a way to replicate it. With examples of where things have worked, we say if this has worked over here and there was a good outcome, then how can we approach the development of an entrepreneur or business or find a way to marry this company and that company together? I'd say that a large part of our success is finding what works, the power of positive deviance, and trying to replicate it.

The challenge that we've had is that there have been many occasions when an aboriginal group or entrepreneur has come to the table and not been fully qualified. They don't have the big plan on how they're going to source their workers, how they're going to have a trained set of workers, etc., and then sometimes they're not successful in their bid.

It's about being honest and transparent with them on why they didn't succeed, what they could have done to win that bid, and giving them some input on their business development plans and what they need to do to be successful, as opposed to just saying, you weren't successful. We've seen many companies that have been the second or third bidder. Over the years they have developed a capable

workforce, an infrastructure, brought the right people on board, and then suddenly they earn the business. If we share with them why they haven't been successful, and are open and transparent, they then have something to work on and what it's going to take to win.

I can't emphasize enough that there are a lot of examples out there, and they grow every year, on what's working. If you could just assemble that group of those who are succeeding, and learn from it, then we could all collectively benefit from it.

**Mr. Francis Drouin:** I suspect that the debriefing after the unsuccessful bid is not just 40 minutes. It's probably longer.

**Mr. Howard McIntyre:** It could be several meetings. But you know what, it's absolutely the right thing to do. Sometimes it's a tough message, but the message about what they can differently is very well received.

**Mr. Francis Drouin:** Great. Thanks.

Mr. Cheechoo, you have quite the challenge dealing with this double minority setting, where you're dealing with indigenous companies and women-led indigenous companies specifically, or potential companies, through your association.

I'm just curious to find out more. We had previous witnesses here who have worked through national organizations and international organizations to certify whether companies have a majority of women working within the company. It's not just the CEO, but it's also the leadership. It's also the employees. They have a certification process. Do you would see it as favourable to partner with them on some of these issues?

**Mr. Patrick Cheechoo:** For sure.

As I mentioned briefly, for example, just in this process, I would like to pursue a partnership with the Canadian Council of Aboriginal Business under their PAR program, to see if we can do an enhancement to their gold, silver, bronze certification program, and include, just to brainstorm, a turquoise enhancement of it, which means indigenous women.

**Mr. Francis Drouin:** Should the Government of Canada be tracking how many indigenous companies are part of that? They tell us that they're tracking, but we've heard from previous testimony that their statistics may not be as current as they should be.

**Mr. Patrick Cheechoo:** Well...

**Mr. Francis Drouin:** Tracking is measuring. We need to measure whether or not our programs are working.

● (1205)

**Mr. Patrick Cheechoo:** Yes, if there is any kind of tracking around indigenous women, it needs to be enhanced, but I don't think there's an easy way to find out today. With the development, that should be a goal, to specifically find ways to enhance, monitor, and build procurement access for indigenous women.

**The Chair:** We have Mr. McCauley for five minutes, please.

**Mr. Kelly McCauley:** Mr. Cheechoo, you've mentioned—and we've heard repeatedly from other witnesses—the difficulty everyone has in dealing with the government in procurement, not just women and indigenous groups, but everyone.

I'm just wondering if your organization's had any success dealing with provincial governments that may be doing it better than the federal government, or municipalities.

**Mr. Patrick Cheechoo:** I actually can't answer that today. I'd have to look—

**Mr. Kelly McCauley:** We're all equally bad, or...

**Mr. Patrick Cheechoo:** No. I just don't have that information.

**Mr. Kelly McCauley:** Okay.

We talked about the set-asides and, of course, we have PSAB with the set-asides, but you talked about a set-aside for indigenous women. Do you think it should be two separate set-asides or one within the other—that if we have a set-aside for indigenous business, part of that should be for women-led indigenous companies, or...?

Do you have any thoughts on that?

**Mr. Patrick Cheechoo:** I would say it should be in addition.

As I said, the point I'm trying to make is that there need to be direct and active goals around increasing procurement from indigenous women entrepreneurs.

**Mr. Kelly McCauley:** That's what I was trying to get at. What do you think is the best way forward?

You would think it should be as a separate: PSAB and...?

**Mr. Patrick Cheechoo:** Yes.

**Mr. Kelly McCauley:** Okay.

One of the other things you chatted about was the need to get the information out to first nation businesses that this exists. Within the government there's a program, OSME, the Office of Small and Medium Enterprises. It does a very good job of training businesses, but no one knows about it.

What do you think, from your experience, would be the best way to get this training or this information out there? Is it through you? Is it through reaching out to bands or organizations? There are programs to help, but we just don't know about them.

**Mr. Patrick Cheechoo:** I mean, if we can get connected as an organization with the one you just mentioned, we could work within our own infrastructure. We have member organizations across Canada.

**Mr. Kelly McCauley:** Who else should they be reaching out to, through the bands directly or through other aboriginal business associations?

**Mr. Patrick Cheechoo:** Yes.

**Mr. Kelly McCauley:** As many as they can find?

**Mr. Patrick Cheechoo:** Expand that as much as possible.

**Mr. Kelly McCauley:** Okay, thank you.

**Mr. Patrick Cheechoo:** My focus, of course, would be NWAC's offer to help raise awareness specifically for indigenous women.

**Mr. Kelly McCauley:** Perfect. That was a great idea, thanks.

Mr. McIntyre and Ms. Flood, you talked about changing your process and embedding this with your staff via internal training, the web-provided training. You talked about it being similar to your safety journey, and having worked in Fort Mac and with some safety

issues up there, I know the oil sands folks do a phenomenal job of training and safety, everything first.

It's interesting how you talk about doing that same process with educating your staff for indigenous awareness. We've probably got only a couple of minutes, but could you expand a bit more on what that process is? It sounds as if you've changed your culture around it.

**Mr. Howard McIntyre:** Just as with safety, we want people to have a reflex response to do the right thing as opposed to having to think about it. We don't want aboriginal content to be something that is an exception to any decision criteria, so it just has to be ingrained and natural.

I mentioned before that for the length of our company, which could be 100 years plus, we see the aboriginal communities and entrepreneurs fitting in very well and complementing operations. We just made the decision that in all aspects of our business, not just procurement, this is our opportunity, our reality. New students who come and work for us are exposed to this philosophy, and we're going to enhance it going forward.

**Ms. Virginia Flood:** I would just say that one other piece around that, as I mentioned, is that we launched a social goal. In that social goal it's very clear that they are the aboriginal piece, and that's right from the top, and in our performances we're measured on that as well, and on what we're doing to contribute to that shift in how we're working with communities.

•(1210)

**Mr. Kelly McCauley:** You mentioned web training. Did you develop that in-house, or was that an outside program?

**Ms. Virginia Flood:** The web-based one was done in-house, but we worked with aboriginal peoples, and for our social goal as well. We've also had advisers to help us do that, so that we're doing it in a respectful way and understanding what's required.

The other thing that we've established is an aboriginal employee network, which is employees, both aboriginal and non-aboriginal, who get together and talk about and experience the cultural experiences. So we're really looking at people to understand that culture of the aboriginal people, because it's very much how they make decisions and how they interact with us, and it's part of the respect and the values in really understanding that.

**Mr. Kelly McCauley:** Thank you.

**The Chair:** Thank you very much.

**Mr. Kelly McCauley:** I'm out of time.

I just want to thank you again, and congratulate you folks on the fantastic job you are doing there.

Well done.

**The Chair:** Thank you.

We'll now go to Mr. Jowhari for five minutes, please.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair.

It's good to have you all here, and it's good to be part of this committee. I'm hoping to be a full-time member.

Let's start with Mr. Cheechoo.

A lot of my colleagues, in their discussion, covered a lot of the barriers. One of the things that stuck with me was the offer or the recommendation that you put on the table around consultation and partnership—specifically with NWAC—in helping to improve the process and bring access to the training, education, and to address financial barriers, etc.

You briefly touched on the type of model of partnership in your previous comment, but can you expand on that? How can we go about facilitating that consultation and partnership? What would be the first step that your organization would take, and we could facilitate, to build on or design that partnership?

**Mr. Patrick Cheechoo:** It could take place in a couple of ways. One is our existing infrastructure with our member organizations across Canada, and then within that we have the Aboriginal Women's Business Entrepreneurship Network. Over the past couple of years we've been building a network of indigenous women entrepreneurs, and they act as mentors to other budding indigenous women entrepreneurs. That would be one, using that infrastructure.

The second is that we actually have a store that we're in the process of developing and enhancing, so we have a network of actual indigenous entrepreneurs supplying our store. That would be another mechanism.

**Mr. Majid Jowhari:** On that topic, do you have any stats around the percentage of women entrepreneurs to the percentage of total entrepreneurs for the indigenous community?

**Mr. Patrick Cheechoo:** No, I don't have that.

**Mr. Majid Jowhari:** Okay. Thank you.

Let's go to Mr. McIntyre and Ms. Flood.

Let me start by congratulating Suncor for achieving gold standard and for their 50% increase in spending available for aboriginal groups.

Specifically, I'd like to get an understanding of the number of vendors that Suncor has as a subcontractor or as a direct vendor who are from indigenous communities or employ 50% plus one of the indigenous population.

The reason I'm asking that question is that I'm trying to get an understanding of whether the growth has come from doing more business with a select group of businesses, or whether you are actually expanding your base. A total number of vendors and the percentage who are indigenous would help me get a better understanding.

**Mr. Howard McIntyre:** I don't have the history of the number of vendors, but I can say on the 197 that we interfaced with, that is a material growth, so it's not.... Our spending has is not just increased in total, but it's also increased with the number of companies we've done business with.

I don't know if we have the stats here.

• (1215)

**Ms. Virginia Flood:** No, we don't have any stats. We'd have to get back to you on that.

**Mr. Majid Jowhari:** I'd appreciate it. It would be good to know that out of  $x$  number of vendors, 197 of them are categorized indigenous, and this is the spending for that number. We would be able to see whether the base is growing.

Okay, so my last question back at Suncor regards the hindrances you are seeing, specifically dealing with the PSAB. What are the challenges you see, and what are the opportunities for us to be able to amend that program to help you better in getting access and improving your...?

**The Chair:** Make it a very brief answer if you could, Mr. McIntyre and Ms. Flood.

We've only got about 30 seconds.

**Mr. Howard McIntyre:** Okay.

To reframe the question, what could we do to make aboriginal entrepreneurs and communities more successful in—

**Mr. Majid Jowhari:** What changes can we make in the policy to help you improve the access?

**Ms. Virginia Flood:** I would say it would be in some of the work that's being done on the policies, because they actually have unintended consequences because they put up some barriers. I don't have a specific example, but there are areas which, if you look at them through more of an economic lens, so you're looking at...

I think the environmental monitoring is a really good one in the sense that it is actually a growth area, but if the regulations, the monitoring, and all of the conditions around that are not actually going to work in the context of having aboriginal communities doing that because of capacity issues or whatever, working much more closely trying to figure out how to link some of those types of things together will be really important going forward.

**Mr. Majid Jowhari:** Thank you.

**The Chair:** Mr. Weir, go ahead for a three-minute round, please.

**Mr. Erin Weir:** Thank you.

When Mr. McCauley was asking Mr. Cheechoo about provincial and municipal best practices, it looked as though Ms. Flood had a point she wanted to make, so I would just try to give her the opportunity to do so if that's the case.

**Ms. Virginia Flood:** No, I'm good. Thanks.

**Mr. Erin Weir:** Okay.

I'll ask about something else then. Something we've been looking at is whether and how the federal government should score contractors on past performance to inform future contracting. I'm interested in knowing how Suncor approaches that process, especially given that you've spoken about building these long-term business relationships.

**Mr. Howard McIntyre:** First of all, in scoring the work that's done, we look at whether they may be a performer worthy of consideration going forward. We look at the three classic measurements of any project work, and we have a very important fourth one. Most projects are measured in terms of the schedule, the quality of the work, and the cost. Safety trumps all of that for us, so we look at a scorecard that looks at their safety record, performance on schedule, quality of the work done, and the cost.

We do have a qualification selection criteria template that we give to all companies. I have it in front of me here. It's the 10% that I talked to you about that helps with the qualification process going in. We have expectations coming in and expectations against which we measure the work done. The record we've had with aboriginal groups is no different from what we have had with non-aboriginal groups on those four categories.

**Mr. Erin Weir:** Okay, so would past suppliers of Suncor have a grade or a score or something on file that you would explicitly factor in when considering their future bids?

**Mr. Howard McIntyre:** Yes, it is certainly considered. Past performance is an indicator of the future, so if an aboriginal or non-aboriginal company comes in and makes a bid, we'll take into consideration not just what they promise on paper but also what their past performance has been.

With regard to the point I think you're getting to, if they have a sustained record of very good performance, I would entertain a strategic relationship. I'm not going to do three bids and a buy every two years, and quite frankly for any company, including aboriginal, that's a great position to be in for investment in people and capital and knowing that they have a longer-term business arrangement with us.

**Mr. Erin Weir:** You say for any company, so would you extend that logic to the federal government as well?

**Mr. Howard McIntyre:** I would.

If you were a vendor of mine, your perspective should be the same as well.

**Mr. Erin Weir:** Okay.

Thank you.

• (1220)

**The Chair:** Colleagues, we have some additional time before we go into committee business.

If any of you around the table have questions, we can go to three seven-minute interventions, starting with the government side.

Mr. Weir, you're certainly able as well if we have any....

Certainly, we'll have three interventions. We'll go to the government, the official opposition, and Mr. Weir, starting with Mr. Peterson.

**Mr. Kyle Peterson (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

Thank you to our participants for being here with us this morning. It's very much appreciated.

I want to start with Suncor. Frankly, I think you're coming across as more modest than you need to be. Your relationship with aboriginals is much more than just a procurement relationship or supplier relationship of course. It's much more than a business relationship. It's much more than a business partnership, although it's all those things. It's part of your culture, isn't it?

Maybe you can take the opportunity to expand on that. I think it's important for us in the government to realize that these things don't happen overnight. It's been a committed effort, I think, for over 40 years by Suncor to develop the aboriginal partnerships that you have, and there are no quick fixes really, are there?

Maybe you can elaborate more on how it goes to the very culture of Suncor. I know about Suncor from reading up about it little bit and being very interested in industry for a long period of time for other reasons, but how did the social goal come to be an important part of your investor relations and a part of the company overall?

**Ms. Virginia Flood:** Sure. I can start and then maybe Howard can answer.

One of the things that I think we've certainly recognized is that the commitment is right from the top. It's about the importance of having these relationships. We're working in these communities. They're very much part of our business and our success. It's not good enough to just have a few people in the organization who basically are responsible for the relationships. We've really broadened that out in looking at ways of, first of all, really having those respectful relationships. Second, it's about creating the trust so that we can actually have the tough conversations when we need to have them. Also, it's really about learning together.

What often happens, I think, where we've hired and have learned this—it does take some time, and hopefully people can leapfrog—is the idea that if we go in and think we know what's best, we would be looking at it just from our perspective, from a business perspective. You have to actually be looking at it from their perspective as well, and they bring a different perspective to the table. I think what it means is that you have to listen differently, and you have to show up differently. Sometimes it takes a lot longer in order to work with the communities than it does if you want to just negotiate a deal, necessarily. You have to be able to understand why that is, and it's built on trust and respect.

I think that has permeated through our culture at Suncor. We're still continuing to do this. This is not an easy thing to do, but it certainly is worthwhile, and I think our employees see the investment and they as well really feel that it's important.

**Mr. Howard McIntyre:** Yes, this isn't a program. It's a dimension of who we are. It makes sense. In business, I often use the difference between commitment and compliance. This is a commitment that we have. It's who we are. It's the way we do things. We entrench this philosophy in the newest hires we have, and throughout their careers with Suncor it's meant to carry through.

We've talked about attaining diversity in government and in business and whatnot, and we're at a point in Suncor where we want to leverage diversity. It's not as if we don't have a diverse supplier base, with diversity in gender and diversity in people with experience of different cultures. We also have a mandate to start bringing together these focus groups, for lack of a better term, and saying collectively what we can do better or differently going forward. It's in our hands, and we need to leverage that going forward, but to Ginny's point, if this were a program, it would die on the vine. This is a long-term commitment, and that's just the way we do things in every facet of our business.

**Mr. Kyle Peterson:** Thank you for that. I appreciate the elaboration.

This is where I think that part of the perspective as a government, as a player in the procurement world, needs to perhaps take a different approach, maybe emulate Suncor in a certain way, and develop partnerships and relationships with aboriginal groups that may be able to provide services to the government.

Mr. Cheechoo, obviously you've talked about it a bit in your presentation, but can you perhaps elaborate on the approach we're taking and the reason there are these barriers? A part of those barriers is awareness. A part of the barriers, as you've said, is that aboriginal women just see this as something that's out there and may not be for them, if they even know about it at all.

Is there a way for us to develop the trust and the relationship to allow these aboriginal women in business to feel comfortable, to be aware of it, and to feel like they're part of a collaboration with us in providing services to the government. Is this something that we should be doing a lot more of?

• (1225)

**Mr. Patrick Cheechoo:** That's exactly what one of my messages is. There needs to be a sincere and, I guess, formal outreach to indigenous women as far as the whole procurement process goes, to overcome the fact that this procurement... People know that the government has a procurement process, but how do you extend an invitation specifically to indigenous women as part of the process and have formal steps specifically for that in your strategy?

**Mr. Kyle Peterson:** Right, and maybe it could take the form of some sort of advisory board, as you mentioned. Obviously your organization would be happy to play a role on that, I would imagine.

**Mr. Patrick Cheechoo:** For sure.

**Mr. Kyle Peterson:** How's my time, Mr. Chair?

**The Chair:** You have about a minute.

**Mr. Kyle Peterson:** Mr. Cheechoo, further to that, NWAC is a huge organization, of course, with many facets to it. Business is just one part of it. You guys do so much on behalf of aboriginal women. If you had the ability to track successful businesses, I wonder what percentage of aboriginal women's businesses would even be aware of this. What sorts of metrics do you have? Or is it just that you guys are so busy that the capacity isn't there to accurately track and measure what's going on currently?

**Mr. Patrick Cheechoo:** We're actually just beginning the process, and again it's twofold. We're trying to sustain and build on the Aboriginal Women's Business Entrepreneurship Network, which

would have a key role in exactly what you're describing, but even within the organization we're trying to get resourcing to specifically do that, again, through our own research and policy development and whatnot, but also even through our endeavours for the store that we rent.

**The Chair:** Thank you.

Thank you, everyone.

Mr. McCauley or Mr. Kelly, do you want to add to that?

**Mr. Kelly McCauley:** I just have one quick question for Mr. McIntyre and Ms. Flood. You talked about the need to increase capacity with aboriginal business, as we've heard with regard to other businesses as well. Can you maybe give us some of your best practices, especially on the smaller scale, of how you've increased capacity?

**Mr. Howard McIntyre:** I'll give a couple of examples. First of all, entrepreneurs and aboriginal businesses need to know how the procurement process works—how to put in a bid, what's expected—just so they can kind of get to the qualification table. So training, telling them how it works face to face, is important.

Second is telling them what they need to do in order to be a qualified vendor, the expectations of capacity, skills, and things like that. So if we have an incumbent in a position that has our business, tell them what and why it's got that business, so that they have a benchmark to go against.

Finally, I'd say the perspective, which I pleasantly see in many of these communities, is to have a longer term plan. Every piece of opportunity that comes to you isn't necessarily the one you should pick. Know what you're good at, know what your own long-term strategy is and your labour pool and capacity, and then pick that path that has decades' worth of opportunity. Many of the ones we've dealt with have really done a good job of knowing what they are good at, or going to be good at, and then we can daisy-chain into their longer term plan.

**Mr. Kelly McCauley:** Great.

**Ms. Virginia Flood:** I think one of the areas where we're seeing more growth opportunities is the area of equity partnerships. We have some of those equity partnerships already. I think that's an area where, instead of just providing the services through procurement, they actually want to be business operators as well, working in partnerships with big companies like Suncor and others. So there is another opportunity.

**Mr. Kelly McCauley:** That's great. Thank you.

**Mr. Pat Kelly:** Thank you.

I agree with my colleagues that Suncor is to be commended for the work it's done in this area. Responsible resource development in remote communities is known and understood by indigenous residents to be a pathway out of poverty, and I think it's great seeing and hearing about success stories in these communities.

Having said that, the majority of indigenous Canadians now live in cities, where many indigenous Canadians remain outside of participation in the broader economic life of Canadian society. Is there an opportunity here through federal government procurement to perhaps do for urban indigenous Canadians what primary resource development companies have done in rural communities?

• (1230)

**Mr. Howard McIntyre:** Here's an opinion. I think when we take a look at our portfolio investment, it is largely industrial. I think if I look at what I know about the portfolio of the government, I'll see there are many other things that urban vendors supply solutions for—anything from analytics, consultation, architecture, policy, to whatever those things are. I think, like our approach to developing capability in serving ourselves in remote communities, there's no reason why a similar model couldn't be done for urban-based entrepreneurs.

**Mr. Pat Kelly:** I guess I'm assuming that, just because of the examples you gave, the majority of your successes are in remote indigenous communities as opposed to larger urban centres. Is that correct?

**Mr. Howard McIntyre:** That would be correct.

**The Chair:** We'll conclude with an intervention by Mr. Weir.

**Mr. Erin Weir:** Thanks.

I'd like to explore the link between aboriginal procurement and the delivery of services in aboriginal communities. The current federal government policy has mandatory set-asides for aboriginal procurement when it's delivering services to aboriginal communities, but only voluntary set-asides for departments and agencies beyond that.

Mr. Cheechoo, do you think this focus on encouraging aboriginal business where services are being delivered in aboriginal communities makes sense, or would you like to see the federal government trying to encourage aboriginal business, and female-owned aboriginal business specifically, right across Government of Canada procurement?

**Mr. Patrick Cheechoo:** Business is business and entrepreneurs are entrepreneurs, so I think it's just a matter of getting the word out that these opportunities exist and how you can be considered for such opportunities.

**Mr. Erin Weir:** Okay.

I'll pose a similar question to Suncor. I don't doubt that your company got interested in aboriginal business in part because you were operating in an area with a large aboriginal population, but at this point, due to mergers and other things, your company has assets all over the place. I'm wondering therefore whether aboriginal procurement in your operation is tied to projects in areas with a large aboriginal population, or whether it applies evenly throughout the corporation.

**Mr. Howard McIntyre:** It's something that we seek everywhere in the organization. It's not limited just to where it's available. I should mention that we have the same perspective on hiring aboriginal employees and whatnot. This isn't just unique to one area; it's representative of our culture, and we look for an opportunity to do business everywhere. In my opening remarks I mentioned that in our downstream business where we have refineries and whatnot we

want a more concentrated effort to liaise with aboriginal opportunities in urban centres. We have Edmonton, Sarnia, Montreal, and that could be an example of how we hook up with some more urban-based aboriginal groups.

• (1235)

**Mr. Erin Weir:** That's good.

Unless any of our witnesses have additional points they're burning to add, I think that's good for me, and I want to thank everyone for their testimony.

**The Chair:** Thank you, Mr. Weir.

We do have some additional time. Madam Ratansi, you said you have a question or two.

**Ms. Yasmin Ratansi (Don Valley East, Lib.):** I have a few quick questions.

Thank you all for being here; you're doing such good work.

I'd like to ask Suncor three questions. In the best practices you shared, I was amazed at your saying that you had first taken a colonial approach, which nobody admits to, and then went to a collaborative approach. Number one, where did that cultural shift come from?

Number two, when you were engaging the aboriginal communities was there ever an incentive to hire aboriginal employees? I ask because when we met with the Canadian Council for Aboriginal Business, they said the federal government should provide incentives for major businesses or corporate Canada to employ aboriginals.

Finally, how many of the aboriginal entrepreneurs you employ or work with are women? Thank you.

**Ms. Virginia Flood:** I'll answer the first part of the question and I might get back to you on more. As we started working more and more with the aboriginal communities—if you look at the chart that we provided—our successes were over quite a while and it wasn't until we started shifting to being more collaborative that we started seeing real results. If you're telling people how to do it and you think you know best, you're probably not going to get the best reaction. If you want to have relationships built on trust and respect, you have to demonstrate trust and respect, and that means being collaborative and being good at listening.

It was part of that learning experience, because it's very easy to come in as a big company and think you know best. You know what? We had to suck it up a little and say we needed to have a different approach. A few people who were very much behind the scenes were saying that Suncor was not doing what we needed to do, that we needed to change the way we did things.

I'll give my colleague Arlene Strom huge kudos, because she was one of the ones who was behind developing the social goal, as well as getting all of us on board and bringing us together so we understood how we had to change our behaviours, and how we were working with the communities to have better success. I think we see those results.

**Mr. Howard McIntyre:** To answer the second question, on incentives, no, we have not been offered or received any incentives to do business with or hire any particular groups.

**Ms. Virginia Flood:** I would say one thing from our point of view in the resource sector, that there's a lot of great work happening in this sector. It's not well known, and we're not really good at speaking about it.

My background from the mining side basically taught me that you're 200 kilometres from any aboriginal community when you're in a resource sector. The idea is to find some way for government and industry to work together to accelerate that and to increase the bar. We're only known as our lowest performer, and that's part of what we're trying to do, to say "raise the bar". We think there is also a role for government to be working with us, whether it's through associations or business, and really looking at business practices.

There is a good story here. There are real successes that are happening in this space, and government working with business and aboriginal communities in a much more collaborative space would be advantageous for all of us.

**Ms. Yasmin Ratansi:** The last question was, how many of the aboriginal entrepreneurs you work with or employ are women?

**Mr. Howard McIntyre:** First of all, I don't have the exact number. I would say not enough, and I would also suggest that among the companies I've seen that try to do business with us, only a very small proportion of their senior leaders or owners are woman. There's lots of opportunity in that area.

**Ms. Yasmin Ratansi:** Thank you. I'm wondering whether you could share your best practices with other businesses, so they can learn how to engage indigenous communities and entrepreneurs. Perhaps there is an intersectionality between NWAC and other businesses, so that they can understand how the system works, because your training and the way you reach out is really good.

Thank you.

● (1240)

**The Chair:** Thank you for being here. It's been extremely informative, and I'm sure very helpful, for our committee as we pursue this study. Should you wish to provide our committee with any additional information you think would be helpful to our ongoing study, please submit it directly to the clerk. We would appreciate that.

I want to thank you all for being here once again, and particularly Mr. McIntyre and Ms. Flood. Really, your comments on the culture of Suncor being one of commitment rather than compliance speak volumes to the type of corporate citizenship you exhibit, and we congratulate you for that.

Colleagues, we'll suspend for just a few moments and come back for committee business in about two or three minutes.

*[Proceedings continue in camera]*

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