



Contracting Policy Notice 2022-01: New Appendix E – Mandatory Procedures for Contracts Awarded to Indigenous Businesses to the Directive on the Management of Procurement

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Procédures obligatoires pour les marchés attribués aux entreprises autochtones de la Directive sur la
gestion de l'approvisionnement

Contracting Policy Notice 2022-01: New Appendix E – Mandatory Procedures for Contracts Awarded to Indigenous Businesses to the Directive on the Management of Procurement

From: Treasury Board of Canada Secretariat

Date: April 25, 2022

To: Senior Designated Officials for the management of procurement and Functional Heads, Finance and Administration of all Departments and Agencies

Subject: New Appendix E – Mandatory Procedures for Contracts Awarded to Indigenous Businesses

Overview

The Government of Canada is implementing measures to renew and strengthen its relationship with Indigenous peoples by providing increased economic opportunities to First Nations, Inuit, and Métis businesses through the federal procurement process. These measures support the August 2021 announcement, when Canada committed to leverage its spending to help Indigenous businesses succeed and grow, by way of implementing a mandatory requirement (mandatory minimum target) for federal departments and agencies to award at least 5% of the total value of contracts to Indigenous businesses.

In support of the mandatory minimum target, the Treasury Board *Directive on the Management of Procurement* has been amended effective on April 1, 2022, to introduce *Appendix E - Mandatory Procedures for Contracts Awarded to Indigenous Businesses*.

Mandatory Procedures for Contracts Awarded to Indigenous Businesses

Appendix E - Mandatory Procedures for Contracts Awarded to Indigenous Businesses, developed in collaboration with Indigenous partners, describes procedures to address the Government of Canada's requirement that a mandatory minimum target of 5% of the total value of contracts is awarded to Indigenous businesses annually. It includes procedures for public disclosure of contracts awarded to Indigenous businesses and reporting on procurement planning and performance against the mandatory minimum target, including its calculation. For the purposes of these reporting procedures, requirements for verifying Indigenous Businesses are available in the Indigenous Business Directory.

In addition, *Appendix E - Mandatory Procedures for Contracts Awarded to Indigenous Businesses* calls for departmental *Senior Designated Officials for the Management of Procurement* to develop and maintain departmental procurement management frameworks to include oversight, planning and reporting mechanisms that:

- support development of a procurement plan to identify opportunities for Indigenous businesses to meet the mandatory minimum target;
- support Indigenous businesses' participation in the federal procurement process;
- maintain a process for seeking Deputy Head approval of exceptions to exclude contracts from the calculation; and
- support recording of accurate, complete and timely contractual data that enables departments to publicly report on performance against the mandatory minimum target.

To enable an iterative approach to these procedures through continued engagement with Indigenous partners, Appendix E incorporates reference sources, such as Indigenous Services Canada's Indigenous Business Directory. Departments are encouraged to periodically consult the incorporated references for updates.

Other Considerations

The Guidelines on the Proactive Disclosure of Contracts have been amended to facilitate transparent and timely public reporting of contracts awarded to Indigenous businesses. The renamed *Procurement Strategy for Indigenous Business* data field (PSIB, formerly Procurement Strategy for Aboriginal Business) captures whether a contract was set-aside on a mandatory or voluntary basis for Indigenous businesses where competition was restricted to Indigenous business firms under PSIB. The *Procurement Strategy for Aboriginal Business Incidental Indicator* has been revised to capture *Indigenous Business excluding PSIB Set-Aside*. The repurposed data field will now be used to indicate whether a contract was awarded to an Indigenous business when the procurement was not subject to a mandatory or voluntary set-aside under the PSIB. Together with the PSIB data field, these two fields will represent the total value of contracts awarded to Indigenous businesses as per E.2.2.3.1.1 of *Appendix E - Mandatory Procedures for Contracts Awarded to Indigenous Businesses*, and will be counted towards the performance calculation against the mandatory minimum target. Departments are to continue to report on the legacy data fields on an interim basis until these data fields are updated in their procurement/ financial systems for proactive disclosure reporting.

PSIB plays a critical role in achieving the mandatory minimum target. Departments should take into consideration the applicability of the PSIB in every step as it forms part of contracts awarded to Indigenous businesses. To support the mandatory minimum target, Indigenous Services Canada has expanded the geographical areas where federal organizations must first consider procuring with Indigenous businesses and broadened the definition of "Indigenous business" to enable more

businesses to meet the eligibility criteria. For additional information on the PSIB, please visit the [Indigenous business and federal procurement \(sac-isc.gc.ca\)](https://sac-isc.gc.ca) web page.

The Guidance on the Planning and Reporting on Contracts Awarded to Indigenous Businesses provide additional support to practitioners in satisfying the requirements set out in the Appendix and are available at the Mandatory Procedures for Contracts Awarded to Indigenous Businesses [GCpedia site](#) (accessible only on the Government of Canada network).

Enquiries

Questions about this policy notice should be directed to [Public Enquiries](#).

Samantha Tattersall

Assistant Comptroller General, Acquired Services and Assets Sector

Treasury Board of Canada Secretariat

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