



Aboriginal Business Assistance Program



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Electricity Human Resources Canada (EHRC) provides support to the Canadian electricity & renewables workforce by collaborating with industry employers and other stakeholders to research and resolve human resource and workplace development issues.

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EXECUTIVE SUMMARY

Canadian statistics confirm that there are exciting opportunities for Aboriginal businesses to participate more fully as suppliers to the electricity and renewables sector. Compelling advantages exist for both the potential suppliers as well as the purchasing utilities. The benefits range from immediate cost savings to longer term development of nearby communities to support major power installations.

The current project builds upon recommendations from Electricity Human Resources Canada (formerly Electricity Sector Council)'s *Diagnostic of Aboriginal Procurement Strategies* project. As one component of this project, three regional facilitated workshops were conducted as pilots of possible ongoing support to Aboriginal businesses in understanding and participating in the procurement process within the sector. This report provides the research foundation, a description of the workshop, the results and learnings from the workshop, and recommendations for future initiatives.

The previous project, as well as the current research and consultation findings, confirmed that the workshop should provide informational content about procurement practices, blended with an opportunity for face-to-face networking with industry representatives.

The workshops were positively evaluated by the participants. There was a wide range of Aboriginal businesses involved, and everyone reported that they received good value from their participation. The process of implementing the workshops, as well as the discussions during the sessions, generated many ideas for improvements to the procurement process and for future initiatives; these are captured within the report.



ABORIGINAL BUSINESS ASSISTANCE PROGRAM: PROJECT BACKGROUND

According to the 2006 Census, 37,000 Aboriginal people have their own business – an increase of 38% from 5 years before. With 72% of these businesses located on reserve,¹ they are often within the vicinity of electricity and renewable energy projects across the country. Aboriginal businesses offer a full range of products and services from construction and primary sectors to knowledge and service-based sectors. This makes them prime candidates for participation in the electricity and renewable energy industry as goods and services suppliers.

This project builds upon the recommendations from the Electricity Human Resources Canada's *Diagnostic of Aboriginal Procurement Strategies* project. It provides pragmatic support to Aboriginal businesses in multiple ways:

- Summary research into the business case for business relationships between the electricity sector and Aboriginal firms, an overview of procurement within the sector, and an identification of some current challenges that hinder Aboriginal-Electricity sector contractual engagements.
- Development and piloting of a one-day workshop that builds the capacity of Aboriginal businesses to successfully compete for business opportunities in the electricity sector, and that provides an opportunity for face-to-face networking between Aboriginal businesses and electricity/renewables companies.
- Creation of learning and resource materials that will be available for ongoing reference through a website.
- Creation of a consolidated directory of Aboriginal businesses that are potential vendors to the electricity sector.

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¹ Statistics drawn from Statistics Canada, 2006 Census.



These project elements will, in turn, foster an understanding of both sides of the procurement process and support the creation of more successful collaborations and business relationships.

The project was conceptualized and managed by Electricity Human Resources Canada (formerly the Electricity Sector Council) with funds provided by Aboriginal Affairs and Northern Development Canada (AANDC). The research and the workshop development and delivery were conducted by Graybridge Malkam, a consulting firm. Significant support and in-kind contributions were provided by electricity sector companies – their active involvement helped to make this project a success.

The research to inform the design and development of the workshop curriculum and approach drew from a review of the pertinent research literature, a scan of industry websites and procurement materials, as well as from a series of interviews with key informants from within the electricity and renewables sector, Aboriginal-focused educational institutions, and Aboriginal business specialists.

It was piloted in three locations, with 40 Aboriginal business participants, during the winter of 2013:

- Prince George, BC
- Mississauga, ON
- Saskatoon, SK

The workshop pilots also provided important input to future opportunities to support Aboriginal involvement in the procurement process. Aboriginal participants' experiences and challenges, as well as their suggestions for improved procurement practices, were identified and captured. Aboriginal businesses were encouraged to register with the EHRC Aboriginal business directory. End-of-day feedback from participants, as well as a targeted follow-up several weeks later, explored their perspectives on the workshop design and experience.

This current report summarizes the research findings and focuses on the development and piloting of the one-day workshop; many of the component workshop materials will also be made available as learning and resource materials accessible through the website.

The Aboriginal Business Directory was developed in response to the issue raised by industry that there were so many lists of Aboriginal businesses that they did not know where to begin and for those organizations that have their own lists, they typically are restricted to one province or territory. EHRC's directory seeks to amalgamate these various lists into one national directory, allowing easy access by stakeholders, regardless of location. The directory will be searchable by organization name, region, or goods/services type. Businesses will be included in the directory if they maintain Aboriginal ownership of 51% or greater. The directory currently has 1700 names listed. For those Aboriginal businesses who wish to be added to the list, the registration form can be downloaded from: www.electricityhr.ca/aboriginaldirectory.

RESEARCH FINDINGS

The research has been drawn from the published literature; government, corporate and association web sites; and a series of interviews with key informants. Results of the research formed the foundation for the design and content of the workshop. A summary research report was made available to all participants.

1. ABORIGINAL PROCUREMENT: A PROFITABLE OPPORTUNITY FOR THE ELECTRICITY AND RENEWABLES SECTOR

In a challenging economy, finding high quality suppliers and building mutually successful long-term relationships is a preoccupation for many businesses. One area that forward thinking companies are beginning to explore for supply arrangements is Aboriginal businesses. For many organizations, doing business with Aboriginal companies still represents an unknown experience, but a quick review of the latest statistics, and identification of the common interests, should encourage most to consider this supply chain as a valuable and viable resource.²

Growth of Aboriginal Entrepreneurship

The number of Aboriginal business owners and entrepreneurs is growing at a rate that far exceeds that for self-employed Canadians overall. The 2006 Census revealed more than 37,000 self-employed Aboriginal people in Canada, up from just over 27,000 in 2001 – an increase of 38 percent.³ Not only are there many Aboriginal businesses to consider as suppliers, they have built businesses across a wide range of industries. Aboriginal entrepreneurs are well-established in the construction (18%) and primary sectors (agriculture, forestry, fishing and hunting, mining, and oil and gas extraction; 13%). Large numbers also operate in knowledge and service-based sectors, such as education, scientific and technical services, or health and social services (28%).⁴ These businesses can be found across the country, with the highest concentrations in Ontario (23%), British Columbia (22%) and Alberta (18%). Smaller proportions are located in Quebec (10%), Manitoba (10%), Saskatchewan (8%), the Atlantic Provinces (5%) and the Territories (3%).⁵

Added Value from Working with Aboriginal Business

Having Aboriginal businesses as suppliers makes good business sense, *especially* for the electricity and renewables sector. Intangible benefits such as reputation, corporate image, social capital, and related community economic development are taking on increasing importance within the sector. Companies that are able to leverage these assets through strong relationships with Aboriginal vendors are often able to produce significant business opportunities while also helping minimize exposure to risk arising from regulatory and site specific requirements.

Aboriginal communities are often located in the epicentre of industrial and resource development and thus can have a significant impact on the ability of firms to obtain access to lands and resources. A company that has a positive reputation for Aboriginal engagement practices, a strong environmental track record and support for community economic development programs is better positioned to gain access to these resources than a company with a weak reputation.⁶ As in many procurement decisions, the specific transactions must be considered in a broader strategic context, such as “total cost of ownership,” capacity development, risk reduction, and supplier diversity.⁷

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² Several reports outline the business case in greater detail. See, for example, Aboriginal Human Resource Council. (2011) *Introduction to Successful Aboriginal Procurement Strategies for Corporate Canada*, and Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*.

³ Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics. P. 2

⁴ Ibid

⁵ Ibid

⁶ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 11

⁷ Ibid. P. 10

Positive Relationships supported by Common Values and Goals

One of the very pillars of Aboriginal individuals, communities and their businesses is the cultural foundation of building strong, holistic relationships. These are relationships that are dynamic, focused on the long-term, respectful, and collaborative. This is exactly the type of relationship that leading companies are looking for with their suppliers.

There is also increasing alignment of values between the firms in the electricity and renewables sector and Aboriginal businesses. The electricity sector is focused on environmental conservation, and responsible environmental stewardship; the sector is at the centre of a multibillion dollar “green revolution.”⁸ At the same time, an important catalyst for the emergence of Aboriginal enterprises has been their growing belief that they can move into the mainstream economy without sacrificing their core values.⁹ On environmental issues, for example, the basic sacred elements of earth, air, fire, and water have been respected across Aboriginal communities since time immemorial and remain important today. This alignment of interests with respect to environmental stewardship can be a powerful benefit for utility companies as well as for the Aboriginal communities.

Bottom Line Advantages

Clearly, cost and value for money are important drivers of procurement decisions. Here, too, there is value in working with Aboriginal suppliers. In remote locations, for example, Aboriginal firms based in nearby communities often have direct advantages based on location, cost, and proximity to their customers.¹⁰ Many Aboriginal businesses bring a solid track record of success as suppliers: one-third say their competitive advantage is offering high quality products or services (34%); and almost one-fifth highlight their experience, knowledge and reputation (18%).¹¹ Finally, having a supplier who has local staff and strong knowledge of the local environment and communities can help minimize project delays or added costs.¹²

When you consider profits, resource access, values and relationships – the case is clear, Aboriginal supply arrangements should be a focus of the electricity sector’s core procurement strategy.

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⁸ Aboriginal Human Resources Council. (2010) *Green Energy Outlook Generating Opportunities for Aboriginal Communities*. P. 1

⁹ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 11

¹⁰ Ibid

¹¹ Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics. P17

¹² Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 12

2. BECOMING A SUPPLIER TO THE ELECTRICITY AND RENEWABLES SECTOR: A PROFITABLE OPPORTUNITY FOR ABORIGINAL BUSINESSES

Like other entrepreneurs, Aboriginal business owners are looking for their business to succeed. In the 2010 Aboriginal Business Survey, 6 in 10 reported their firms were profitable and 7 in 10 anticipated revenue growth over the next two years.¹³ One potential opportunity for continued and increased success may lie in becoming a supplier to the electricity and renewables sector. The sector is projecting growth, profits and continued success, requiring a solid relationship with their suppliers.

A Thriving Sector

The generation, transmission and distribution of power feature prominently in the Canadian economy, contributing over \$28 billion to the country's GDP in 2011.¹⁴ There are almost 700 establishments in Canada in these sectors, varying from large, government owned or regulated utilities to small start-up businesses, employing over 92,300 people.

Projections for the growth of Canada's hydropower, in particular, range from a "business as usual" scenario of 24 hydropower projects over the next 20 years, to a "mid-scenario" of 114 projects, and to an "optimistic" scenario of 158 projects.¹⁵ The Conference Board of Canada has noted that the electricity and renewables sector can be expected to invest \$293.8 billion from 2010 to 2030 to maintain existing assets and meet market growth. Expected investments are \$195.7 billion in generation, \$35.8 billion in transmission, and \$62.3 billion in distribution.¹⁶ Clearly, the electricity sector will be making continued investments – which require partners and suppliers. It is imperative that Aboriginal businesses prepare themselves to participate and profit from these opportunities.

People within the industry concur, and cite specific opportunities that could be of great interest to Aboriginal firms. For example, one utility company suggested that there might be many future opportunities in the far north. Many communities still operate on diesel generators and are looking for a permanent power solution. Northern development in other resource industries such as mining, or oil and gas, can also be expected to drive power-related investments.

Procurement Opportunities

It is projected that over the next 20 years, almost \$300 billion will be spent in the electricity and renewables sector across three specific divisions: Power Generation, Power Transmission, and Power Distribution.¹⁷ The range and complexity of procurement needs for this sector varies from small scale operational needs to large scale capital projects.¹⁸

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¹³ Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics

¹⁴ Statistics Canada, reported by the Canadian Electricity Association (March, 2012), *Key Canadian Electricity Statistics*. http://www.electricity.ca/media/Industry%20Data%20and%20Electricity%20101%20May%202012/KeyCanadianElectricityStatistics_2012.pdf

¹⁵ Aboriginal Affairs and Northern Development Canada. (2012) *Aboriginal participation in major resource development*. Policy and Coordination Branch, Lands and Economic Development Sector. P8

¹⁶ Statistics cited in: Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P3

¹⁷ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P19-21

¹⁸ Ibid P25

Supplier opportunities are available in each province, for example:

- Over the next decade, Manitoba Hydro expects to spend \$10 billion in capital growth projects, expanding power production by 50%. In order to meet this aggressive growth target, Manitoba Hydro is committed to establishing and maintaining development partnerships with Aboriginal and northern communities.¹⁹
- British Columbia's commitment to reducing the province's greenhouse gas emissions by 33 per cent by 2020 has spurred an explosion of interest in renewable energy projects, especially run-of-river hydro generation.²⁰
- In Alberta, Calgary is committed to running its operations using 100 per cent green electricity as a means of meeting its commitment to reducing greenhouse gas emissions.²¹
- Saskatchewan is investing in both wind power and biomass – clean fuel generated from forest waste – while Manitoba is leading the country in the installation of geothermal heat pump installations.²²
- Hydro Quebec is both awarding contracts to large wind developers and encouraging individuals, homeowners and small businesses to generate clean energy from their own facilities by offering special rates. It is also soliciting bids specifically from First Nations and local communities to produce power at a premium price.²³
- The Atlantic Provinces are also pursuing renewable energy opportunities. In the next couple of years, Nova Scotia is expecting to produce 20 per cent of its electricity from sustainable sources, while Prince Edward Island is counting on renewable energy to reduce its high dependency on imported fossil fuels. The development of wind power in New Brunswick is accelerating, and Newfoundland and Labrador is developing wind projects to tap the province's huge potential.²⁴

Major projects, in particular, often have related Impact and Benefit Agreements (IBAs) with local communities. Aboriginal suppliers can help the utility company deliver on these commitments when the contracts provide local residents with valuable career opportunities/development, encourage education, provide royalties, or reduce the impact on environment and community overall. Agnico Eagle in Nunavut was noted as a successful example by an interviewee. Many communities look for benefits that go beyond the immediate lifespan of the project – e.g. community members gain skills/papers to be qualified to work on subsequent projects.

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¹⁹ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P50

²⁰ Aboriginal Human Resources Council. (2010) *Green Energy Outlook Generating Opportunities for Aboriginal Communities*. P3

²¹ Ibid

²² Ibid

²³ Ibid

²⁴ Ibid

Active major projects within the sector in 2012 included the following:

MPMO Project Name	Description	Proponent	Project Type	Location
Bruce to Milton Transmission Reinforcement Project	500 kV line	Hydro One	Transmission	ON
Labrador - Island Transmission Link	1,100 km line	Nalcor Energy	Transmission	NL
Maritime Link Transmission	500-MW, +/-200 to 250 kV HVDC & HVAC	ENL Maritime Link Inc.	Transmission	NL/NS
Keeyask Hydroelectric Generation	695 MW	Keeyask Hydropower Limited Partnership	Hydro	MB
Lower Churchill Hydroelectric Generation	3,074 MW	Nalcor Energy	Hydro	NL
Site C Clean Energy Hydroelectric Generation	1,100 MW	BC Hydro	Hydro	BC
Darlington New Nuclear Power Plant	Up to 4,800 MW	OPG	Nuclear	ON
Marten Ridge Wind Energy	80 MW	Premier Renewable Energy	Wind	BC
Mount MacDonald Wind Power	250 MW	Rupert Peace Power	Wind	BC
NaiKun Offshore Wind Energy	320 MW (off-shore)	NaiKun Wind Development	Wind	BC
Nicomén Wind Energy	70 MW	Premier Renewable Energy	Wind	BC
Trillium Offshore Wind Farm	414 MW	Trillium Power Wind Corporation	Wind	ON
Bow City Coal Mine and Power	2x 500 MW	Bow City Power Ltd.	Coal	AB
Deep Geological Depository	Waste Management	Ontario Power Generation	Nuclear	ON
Port Granby Long-Term Low-Level Radioactive Waste Management	Waste management	Natural Resources Canada	Nuclear	ON
Port Hope Long-Term Low-Level Radioactive Waste Management	Waste management	Natural Resources Canada	Nuclear	ON
Pointe du Bois Spillway Replacement	Spillways and earth, Dams	Manitoba Hydro	Hydro	MB

Open to Engagement

The sector is specifically targeting Aboriginal businesses with its procurement processes. Currently, most large utilities have an Aboriginal procurement strategy, e.g. BC Hydro, Manitoba Hydro, OPG, SaskPower etc., and finding and reviewing this strategy is a great place to start. For example:

- Ontario's Green Energy and Economy Act is the only one of its kind worldwide that promotes Aboriginal participation. Its measures include: an Aboriginal Loan Guarantee Program, an Aboriginal Energy Partnerships Program, and Aboriginal price incentives over and above the feed-in tariffs being paid for renewable energy. It is estimated the Green Energy and Green Economy Act will result in the creation of over 50,000 jobs in Ontario's Green Energy Sector in the next three years, which will drive over \$10 billion worth of revenue.²⁵
- Hydro-Quebec Distribution has made its processes more transparent by producing its bidding procedures as a publicly available seven page document that defines the steps in the process.²⁶
- In 2007, BC Hydro introduced their Aboriginal Contracting and Procurement Policy. The focus of this policy is to increase opportunities for Aboriginal businesses that will result in long term economic growth for the Aboriginal people and their communities. This policy enables BC Hydro's contract managers the ability to make use of a number of procurement mechanisms and tools to create greater access for Aboriginal businesses or service providers. This includes set asides/restricted tendering, specific Aboriginal business source negotiations and select tenders. In the 2010 fiscal year, BC Hydro awarded approximately \$20 million in contracts directly to Aboriginal businesses.²⁷

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²⁵ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 34

²⁶ Merrimack Energy Group, Inc. (2011) *Final Report on BC Hydro's Energy Procurement Practices*. P. 26

²⁷ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 39

3. BECOMING A SUPPLIER TO THE ELECTRICITY AND RENEWABLES SECTOR: GENERATING THE OPPORTUNITY

Doing business as a supplier with the electricity and renewables sector is not always easy; particularly for small or medium-sized enterprises (SMEs) or those unfamiliar with the sector. It does require an investment of time and effort to understand the different roles played by various organizations, where the current opportunities are located, and what steps are required to become a chosen supplier.

A Range of Opportunities

In order for Aboriginal firms to participate in supplying the electricity sector, it is important to understand who the electricity sector is, the types of businesses they are conducting, and what their businesses might need.

The general business divisions in the electricity and renewables sector are:

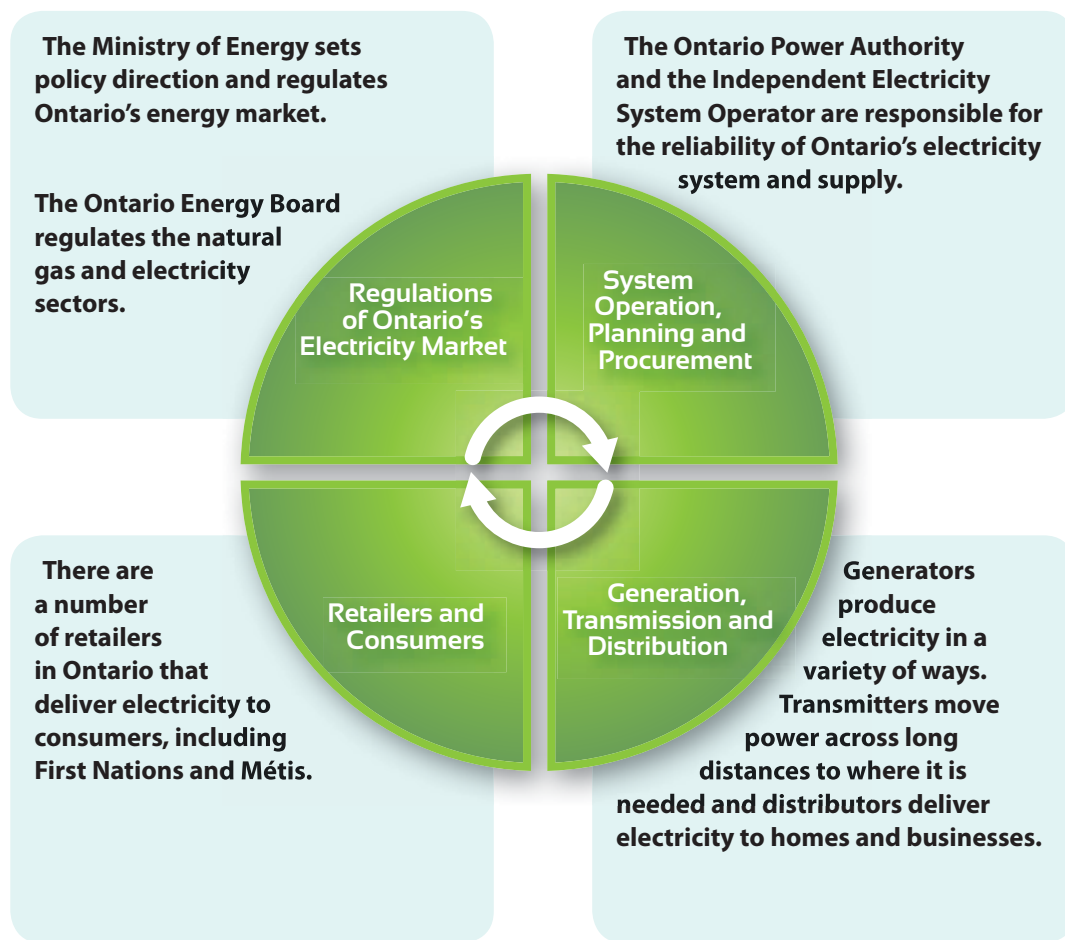
- Power Generation – purchases include fuel source, plant construction and plant operations. In Canada, there is opportunity for Aboriginal businesses to participate in a variety of electrical energy generation initiatives, including fossil fuels, nuclear fission, kinetic energy (water/hydro and wind), solar photovoltaics, biomass, and geothermal.²⁸
- Transmission and Ancillary Services – including sub stations, transmission lines, power reserves, load control and shaping, and servicing wholesale customers.
- Distribution, Delivery and End-user Customer Service – including lowering voltage, metering and billing, maintaining accounts, servicing outages, repairs, new connection/service request fulfillment, and end-user marketing.²⁹

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²⁸ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 15

²⁹ Ibid

The electricity and renewables sector is highly regulated, and as such can appear complex. There are nuances to be found in every province, but the structure of the sector in most follows a version similar to that found in Ontario as depicted below.³⁰



The list of products and services purchased by organizations in the sector is extensive, and most Aboriginal entrepreneurs are likely able to see their business reflected in the lists below. It is important to note that although these lists appear long and comprehensive, it is by no means a complete listing.³¹

³⁰ Adapted from Ontario Power Authority. (2012) *How the Electricity Market Works*. <http://www.aboriginalenergy.ca/how-electricity-market-works> [Accessed 30/08/2012]

³¹ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 19-20.

Supplies and products that are often purchased by firms in the industry would include (but not be limited to) the following:

- Abrasive, grinding, adhesive and sealant products
- Batteries, commercial batteries
- Breakers, capacitors and conductors
- Building accessories, hardware and wire, and electrical tape
- Cable and wire, and cable support systems
- Cleaning Supplies
- Control Equipment including computers, gateways, and monitors
- Controls, cables, connectors and services, including installation and repair
- Computers, IT services, software licenses and software maintenance
- Concrete
- Construction materials and services, backfill and grading, concrete and guy wire
- Culverts and drainage
- Fabric metal products and fasteners
- Fencing
- Fleet vehicles
- Food and beverage products and services
- Fuels, gases and chemicals
- Furniture and furnishings
- Fused switches and fuses
- General hardware and tools
- Generators, motors and engines
- Heating, ventilation and A/C, and HP air systems
- Hoist equipment
- Insulation and line post insulators
- Lab equipment
- Landscaping supplies and herbicides
- Lighting
- Lubricants and anti-corrosive agents
- Metering accessories and metering transformers
- Measuring and testing equipment and power operating equipment
- Neutral grounding
- Office equipment and supplies
- Packaging and storage products
- Paint products
- Pipe, valve and fittings
- Pole products and pole/line hardware
- Prefab buildings
- Protection equipment
- Rebar and re-closer
- Rentals with operator, without operator
- Safety supplies, scaffolding and ladders
- Series capacitors and reactors
- Shear frames
- Station post insulators and service transformers
- Step volt regulators
- Stores equipment, tools and work equipment
- Submarine cable
- Surge arrest distributors
- Suspension insulators
- Switches and breakers - disconnect, parts, load interrupting switch, GIS switch, ground switch, low voltage breakers, circuit switcher
- Tank pumps and filters
- Telecom digital, fibre, hardware, neutral ground and wireless
- Telecom services – internal and retail
- Towels and tissues
- Tower extensions and towers
- Transformers and parts, instrumentation, dry and submersible
- Transmission Schemes, Steel

Table 4: Sample listing of products procured by the Electricity and Renewables Sector.

In addition, firms in the electricity and renewables sector often require various services, such as the following:

- HR Services, Legal Services, Financial Services, Management Consulting Services
- Mail & Courier Services, Trucking and Transport Services, Physical Security
- R&D Services, Survey Services, Engineering Services
- Landscaping, Fencing, Snow Removal, Environment Services, Wildlife Control, Facilities Repairs and Services
- Real Estate Services, Marketing Services, Sales Materials and Signs
- IT Services including Computer Trainers, Hardware and Software Purchasers, Image Serving Solutions, Programmers, Security Analysts
- Construction Crews, Line Operation Crews, Line Installations (hydro wires, pole diggers)
- Car Services including Supply of Vehicles (demand for various cars, trucks, trailers, snow mobiles, construction vehicles)
- Supply of misc. products (cable, switchers, fences, steel, strut materials, pipes and clamps, fuel, concrete, heat shield panels, batteries, lattice)
- Consultants including Researchers, Project Managers, Programmers, Geotechnical Investigation, Construction Services (Design, Supply, and Install)
- Support services such as Catering, Daycare, Janitorial, Laundry, Travel and Employee Transportation

Procurement Models

Within these opportunities, there are some common characteristics of procurement across the electricity sector. Research has shown that most Crown-owned power companies in the electricity and renewables sector keep a core list of suppliers with whom they have ongoing relationships. This vendor list is comprised of businesses that the company has previously contracted, and therefore, a relationship/engagement has already commenced with those companies who have proven themselves reliable and valuable.³²

Many of the points listed below are taken specifically from BC Hydro,³³ but they are not dissimilar from general procurement activities in the electricity and renewables sector:

- In designing procurement activities, the organization must meet broad and comprehensive energy directives originating from regulatory sources.
- Procurements are often directed by the Government or are tied to explicit government policy (e.g. removal of Burrard Thermal in BC Hydro's planning, Ontario's Green Energy and Economy Act etc.).
- The process can be designed to provide an opportunity for bidders to participate in the upfront activities associated with the request for proposal design (i.e., opportunity for pre-proposal meetings between the supplier and the firm).
- Contracts may be solicited through:
 - » Request for Proposals (RFP)
 - » Call for Tenders (CFT)
 - » Request for Information (RFI)
 - » Request for Quotation (RFQ)

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³² Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P18

³³ Merrimack Energy Group, Inc. (2011) *Final Report on BC Hydro's Energy Procurement Practices*.p13

- There is a wide variability within the process for how the evaluation of bids is undertaken, and the amount of transparency provided in the evaluation process. Price will typically be an important criterion.
- Procurement processes can be based on resource type or size. For example, Hydro-Quebec's solicitations for renewable resources are all targeted solicitations for specific types of resources (e.g. wind-only, biomass, hydro, etc.).³⁴
- Procurement processes can be based on specific areas within the province (used by the Ontario Power Authority).³⁵
- Sources where opportunities are posted include:
 - » Electricity Companies' Websites
 - » Canadian Public and Private Electronic Tendering Sites, such as:
 - MERX <http://www.merx.com/>
 - Biddingo.com <http://www.biddingo.com/>
 - » Municipal/Provincial Tender sites, such as:
 - SaskTenders
 - BCbids
 - Energy Boards e.g. Ontario Energy Board
 - Department of Innovation, Business and Rural Development (NL)
 - Alberta Purchasing Connection
 - » Newspaper advertising or daily commercial news for construction-related procurement
 - » One interviewed organization only publicizes business opportunities within the community and on their website, as opportunities are targeted to local business.

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³⁴ Merrimack Energy Group, Inc. (2011) *Final Report on BC Hydro's Energy Procurement Practices*, p25

³⁵ Ibid

4. BECOMING A SUPPLIER TO THE ELECTRICITY AND RENEWABLES SECTOR: MAKING A SUCCESSFUL CONNECTION

Aboriginal small business owners are able to clearly identify a number of disadvantages or challenges facing their business' success. Similar to many business owners, the most commonly identified challenges are financing, cash flow, budgets and payroll (37%).³⁶ These are in addition to the personal challenges faced by many small and medium-sized business owners, such as responsibility, stress and risk, and the long hours and limited time off. Aboriginal businesses indicated in a survey that these challenges are felt by 21% and 19% of operators, respectively.³⁷

While these challenges are not dissimilar to those faced by non-Aboriginal firms, there can be elements that are unique to Aboriginal entrepreneurs. For example, constraints within the *Indian Act* have historically made it difficult for on-reserve businesses to access capital financing. Community expectations and the importance of close family relationships can pose additional tests to the Aboriginal entrepreneur trying to grow a business while also balancing work and non-work commitments. Nonetheless, the recent Aboriginal Business Survey³⁸ found that 60% of the responding Aboriginal firms reported a profit in 2010 and about one-third saw an increase in revenues in 2010 despite the economic downturn. Importantly, roughly half reported that their business was a success – based not only on financial results, but also on personal satisfaction with their profession and having a steady client base.

It is widely held that Aboriginal entrepreneurs face a unique set of challenges when contracting with the electricity sector. The challenges arise from historical inequities, the remote location of many of the businesses, and lower than the general population levels of education of Aboriginal entrepreneurs and their employees. These can be considered from two perspectives: challenges related to specifically working with the electricity sector, and those arising from the capacity of the businesses themselves.

Factors Specific to the Electricity Sector

Skills Gap

Much of the work that is contracted in the electricity and renewables sector is highly technical, requires a major focus on safety, and procurement involves technical expertise in specific areas. It is challenging for the electricity sector to find vendors with the specific expertise and qualifications to undertake the work, Aboriginal or not. Across the electricity sector, there is a forecast shortage of qualified workers that is unprecedented. Electricity Human Resources Canada estimates that a combination of increased demand and shrinking labour supply can be expected to create *"the most severe skills shortages and labour market challenges that the industry may have ever faced."*³⁹

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³⁶ Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics. P. 27

³⁷ Ibid

³⁸ Ibid

³⁹ Electricity Human Resources Canada (2011) *Power in Motion: 2011 Labour Market Information (LMI) Study Full Report*, P. 4

Specifically, OPG has found that many of the First Nations and Métis businesses do not have the qualifications to meet the demands for many specialized contracts and positions. For example, there are no First Nations and Métis designated businesses with nuclear qualifications.⁴⁰ The education gap between Aboriginal and non-Aboriginal Canadians remains high, training and skills development being pursued by Aboriginal Canadians is not as market-driven as it could be, and the on-reserve Aboriginal workforce has limited mobility.⁴¹ Much like their clients, the inability of Aboriginal firms to access highly skilled employees severely restricts their success when bidding on contracts within the sector. This could also hinder the ability of Aboriginal businesses to drive future growth. At least one-third of Aboriginal business owners also expect a lack of available skilled labour (33%) to be challenges to future growth.⁴²

One Aboriginal organization has been working strategically to prepare themselves for the opportunities to be presented by the sector in the years ahead – e.g. investment in education and scholarship to send community members to be trained in occupations in demand (power line workers, environmental scientists, biologists who can become qualified to conduct environmental assessments on their projects), learn machinery needed on upcoming projects, and build other capacity to be ready to take advantage of new projects. As a result, a community member is “required to have a high school education before they can hold a shovel.” A success factor has been the construction of a private high school in the community. This has had a cascading effect of not only increasing the number of secondary school graduates, but also encouraging youth to continue their education by going on to trades-schools, colleges and universities. In addition, the community has a policy that financially incentivises young people to graduate from high school.

Remote Operations

A second challenge arises from the very locations where the electricity sector conducts its businesses, and where the potential Aboriginal suppliers are located – often very remote, isolated locations. Conducting business in these locations often incurs premium costs, that is, cost associated with extra training, extra management expenses and extra direct costs such as fuel, transportation and maintenance in servicing a contract or project. Manitoba Hydro provides an example of the complexities involved. While it recognizes the value of incurring these premium costs to increase the experience and capabilities of local employees and businesses, it must also balance this with the need to deliver cost-effective energy to all the provincial ratepayers (consumers).⁴³

Due to the cyclical nature of many projects in the industry, an Aboriginal industry company consulted reported that having a broad enough business within their community to provide opportunities to local businesses is a challenge. They have addressed this, to a degree, by partnering with their local suppliers to bid on projects in other regions of Canada. It is important to note that these challenges are not exhaustive, and that some remote communities, in particular, may also face broader socio-economic and capacity constraints before they can take full advantage of supplying the demand for products and services in the electricity and renewables sector. An Aboriginal entrepreneur who needs skilled workers to meet the demands of the electricity sector can face many of the same challenges of limited capacity that the larger employers in the sector also confront when seeking to expand their Aboriginal workforce.

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⁴⁰ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 29

⁴¹ Aboriginal Affairs and Northern Development Canada. (2012) *Aboriginal participation in major resource development*. Policy and Coordination Branch, Lands and Economic Development Sector. P. 14

⁴² Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics. P. 27

⁴³ Electricity Human Resources Canada. (2011) *Diagnostic of Aboriginal Procurement Strategies*. P. 49

Factors Specific to Aboriginal Business Development

Formal Business Training

When considering the challenges facing Aboriginal businesses, it is important to explore what some businesses are doing to be successful in their contracting and supplier efforts. One key factor for success appears to be linked to the use of an annual business plan.⁴⁴ Unfortunately, only a minority of Aboriginal small businesses had a formal business plan in place the previous year (19%).⁴⁵ This may not be dissimilar to the situation of other, non-Aboriginal SMEs. Nonetheless, for electricity and renewable energy firms who take a long-term perspective on their business, with capital investments that have a lifespan measured in decades, the viability and longevity of suppliers can be a critical concern in procurement decisions.

Often, the development of a successful business plan is driven by a leader who has experience developing plans previously, and/or formal training in their development. A minority of Aboriginal business owners have had formal business training at the college or university level. Three in ten (28%) say they have taken business training courses, while seven in ten (71%) have not.⁴⁶ An alternative is for Aboriginal businesses and entrepreneurs to access support in the development of a business plan. Yet, according to a recent survey of Aboriginal business owners a majority (62%) indicated there are no individuals or organizations that have been particularly important in providing them with guidance or advice about their business.⁴⁷ There is clearly a gap in the skills or support to produce a business plan, a key element in building a successful business, one that has the drive and foresight to prepare for, and respond to, electricity sector procurement opportunities.

Access to Capital

As indicated above, there has been a longstanding barrier to Aboriginal businesses' ability to access financing that is essential for the operation and growth of their businesses. This challenge is top of mind for many Aboriginal small business owners, as 43% consider access to financing, and 38% consider access to equity or capital, to be obstacles to their growth plans.⁴⁸ This may be a particularly important factor for the on-reserve businesses, many of which are in remote areas where the electricity sector could be specifically seeking Aboriginal suppliers. Statistics reveal that the on-reserve businesses are experiencing less growth than off-reserve businesses.⁴⁹

Some of the challenges in accessing capital are uniquely Aboriginal: regulatory and legislative impediments due to outdated provisions in the *Indian Act* are causing Aboriginal entrepreneurs to lack the ability to utilize land in order to obtain a loan in order to start up a business or finance a project.⁵⁰

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⁴⁴ Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics. P. 7

⁴⁵ Ibid P. 3

⁴⁶ Ibid P. 33

⁴⁷ Ibid P. 34

⁴⁸ Ibid P. 4

⁴⁹ Ibid

⁵⁰ Aboriginal Affairs and Northern Development Canada. (2012) *Aboriginal participation in major resource development*. Policy and Coordination Branch, Lands and Economic Development Sector. P. 14

This situation can cause a specific challenge with the industry's common bonding requirements. Some electrical companies will demand insurance to assure payment in event of any loss such as:

- **Bid deposit/bond** — assures that supplier will do contracts for which bids are won or compensate buyer for expense.
- **Performance bond** — if supplier does not complete the contract, (walks off the job, etc.) and the buyer needs to get someone else to do it; there is compensation in the bond amount.
- **Payment bond** — protects the buyer if the supplier does not make proper payments for materials or labour.

Aboriginal on-reserve businesses will frequently face a barrier in obtaining a bond. Partnerships and creative solutions with utility companies can be useful solutions.

A positive recent development has been the proliferation and growth of Aboriginal Financial Institutions (AFIs) that are estimated to have provided over \$1.3 billion in financing and over 30,000 loans to small Aboriginal businesses since the 1980s.⁵¹ Nonetheless, these longstanding challenges continue to hinder the ability of Aboriginal businesses today, and are a serious concern for future growth. At least one-third of Aboriginal business owners also expect the cost of borrowing (37%) and government policies rules and regulations (34%), to be challenges to future growth.⁵²

Other Challenges

Business relationships between Aboriginal firms and electricity sector companies do not exist in a vacuum. The relationships between the communities and the industry pre-date, and often strongly influence, any current negotiations between individual representatives of the firms. Treaty claims, land use agreements, IBAs, community development investments and so on are all 'part of the mix.' One interviewee reported that expectations of some of the Aboriginal businesses they subcontract to can be a challenge. There is sometimes a sense of entitlement – e.g. an expectation that the proposal submitted to the electricity company should be accepted, regardless of price, because the development is happening on their traditional lands. The interviewee suggested that education is needed to inform Aboriginal business about what is possible or not regarding contracting opportunities.

It appears that there is sometimes limited understanding of the benefits of working with Aboriginal businesses. One interviewee reported that some firms they work with disagree with the requirement to give priority to Aboriginal businesses.

One utility company noted that having a clearly articulated Aboriginal procurement strategy is a must nowadays. Knowing how best to consult with local communities, identifying the impact on the community, and how to identify the concerns of the local population is essential for a project's success.

Some interviewees commented that they see a gap in leadership and management capacity within many communities – and consequently these communities are not taking up the opportunities presented by the electricity sector. With the planned investments within the sector from coast to coast, one utility company felt that this should be enough incentive for First Nations to strategically work towards qualifying local businesses for upcoming opportunities in power line construction and maintenance, as well as ownership and operation.

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⁵¹ Figures from the National Aboriginal Capital Corporations Association, as reported by TD Economics, (June, 2012) *Special Report: Debunking Myths Surrounding Canada's Aboriginal Population*. http://www.td.com/document/PDF/economics/special/sg0612_aboriginal_myth.pdf

⁵² Canadian Council for Aboriginal Business. (2011) *Promise and Prosperity: The Aboriginal Business Survey*. Environics. P. 27

Other Considerations for Vendors

Other aspects of the procurement process are important considerations for vendors in seeking work with the sector. Understanding these in advance can help Aboriginal businesses, particularly those that are small to mid-sized, to create the necessary conditions for success in the bidding process. These include:

- Safety Certification:
 - » The Electrical Safety Code states that every piece of electrical equipment that is sold, displayed, or connected to a source of power in a municipal must be approved.
 - » Some Safety Certification Bodies located in Canada include:
 - CSA Group <http://www.csa-international.org/>
 - Electrical Safety Authority <http://www.esasafe.com>
 - Labtest Certification Inc. <http://www.labtestcert.com/>
 - Nemko Canada Inc. <http://www.nemko.com/>
 - QPS Evaluation Services <http://www.qps.ca/>
 - Quality Auditing Institute <http://www.qai.org/>
 - Underwriters Laboratories of Canada <http://www.ulc.ca/>
- Strong reference history:
 - » Many procurement processes will include an evaluation criterion that gives a benefit to companies with a strong track record of success.
- Aboriginal content and following related corporate policies:
 - » Some firms in the sector have a clear hiring and contracting process that promotes employment opportunities for local community members, which also applies to their subcontractors. As part of the process, they monitor their subcontractors and require them to report back on numbers of local contractors used, numbers employed, etc.
 - » Some leading organizations also draw from a database of local contractors and help them qualify to meet the criteria required to bid for the work – some are provided training interventions and other economic development support, if needed.
- Broader benefits:
 - » As outlined above, individual procurement opportunities are often considered within a broader context. One interviewee noted that identifying how an opportunity will impact the community, environmental concerns, and career development opportunities for local people were key considerations.

5. THE SPECIAL CASE OF PARTNERSHIPS

Partnerships are a central element in Aboriginal societies. They take many forms, including trade and political alliances. Long before Europeans arrived in North America, Aboriginal peoples maintained extensive trade networks, exchanging surplus products, obtaining essential or desirable supplies and distributing new materials and products.⁵³

Partnerships in various forms are also a secondary opportunity for Aboriginal entrepreneurs and businesses to build capacity in order to successfully bid on contracts with the electricity and renewables sector. One Aboriginal business noted that it is more likely that Aboriginal businesses would participate as subcontractors rather than the lead contractor due to their capacities. This would mean the larger company would look after bonding, equipment, etc.

Many businesses will require an Aboriginal business partner to successfully submit bids for work, due to requirements outlined in Impact Benefit Agreements (IBAs), Aboriginal set-asides, Ontario's Green Energy and Economy Act, etc.

Aboriginal businesses will need to consider if a partnership will benefit their business, how, and what type of partnership agreement they will need and are willing to enter into. Aboriginal businesses should carefully consider why they want to enter into a partnership, and examine the potential benefits. It has been noted in this report that Aboriginal businesses face significant challenges successfully in contracting in the electricity and renewables sector due to issues accessing capital, a lack of formal business education and supports, and technical skills shortages.

However, a successful partnership is one way Aboriginal businesses can overcome these challenges by strengthening business capacity and increasing their access to the electricity and renewables market.⁵⁴

Is Partnership for Us?

- Do we know our goals?
- How would a partnership help to achieve our goals?
- Do we know our strengths?
- Why are our strengths valuable?
- Do we know our limitations?
- How could a partner help overcome our limitations?
- Does our organization have a strong commitment to partnership?
- Who in our organization might resist partnership? Why?
- Is partnership the only path to our goals or the best way for us to proceed?

Ontario Native Affairs Secretariat. (2001) *The Power of Partnerships Resource Kit*. Queens Printer for Ontario. P. 77

Partnerships can help strengthen Aboriginal business capacity by:

- leveraging existing resources and capabilities;
- improving access to capital and financial resources;
- developing and training employees;
- transferring new technologies and processes;
- fostering innovation; and
- developing managerial skills and expertise.

Partnerships can increase Aboriginal access to markets by:

- transferring market knowledge;
- improving the ability to compete for larger contracts;
- building the capability to supply and serve a larger customer base; and
- strengthening the capability to take advantage of procurement and contracting opportunities in the sector.

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⁵³ Ontario Native Affairs Secretariat. (2001) *The Power of Partnerships Resource Kit*. Queens Printer for Ontario. P. 1

⁵⁴ Ibid P. 16-17

Aboriginal businesses with experience in partnerships see them as a way to possibly increase or re-establish their management over natural resources, acquire business knowledge and experience, and access capital to support the community and to support other economic initiatives.⁵⁵

Generally, there are three main types of partnerships: joint ventures, strategic alliances or comprehensive partnerships.

- 1. Joint Ventures:** A form of partnership where a new legal entity is created to carry out a specific purpose or set of purposes. Joint ventures are found in many different sectors of the economy, and usually involve complex, long-term arrangements between two or more organizations. These are often found in manufacturing, marketing and production based industries.
- 2. Strategic Alliances:** Usually have a narrowly focused set of purposes. The partners remain legally separate entities, but they agree to collaborate in one principal area, such as employment development, contracting, marketing, service provision, technology development, etc.
- 3. Comprehensive Partnerships:** In this form of partnership, the partners remain legally separate entities but make a joint commitment to collaborate in a number of inter-related areas. Comprehensive partnerships often involve long-term economic, resource, infrastructure and community development activities.⁵⁶

As many Aboriginal businesses participate as subcontractors (rather than the lead), partnership agreements are important. Content of partnerships with communities can depend on land claims settlements among other considerations. One aboriginal business emphasized that before making an agreement with a community, consultations are important, as is identifying the key players in the region, the formal and informal leaders, and where the technical and/or business expertise can be found.

However, many Aboriginal organizations hesitate to embrace partnerships with the wider business community. One company highlighted the importance of having local Aboriginal expertise and credibility in house in building relationships. There may be a legacy of distrust arising from past experiences and concerns about the potential for incompatible expectations, operational problems and a negative impact on traditional values.⁵⁷

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⁵⁵ Lori Ann Roness Consulting. (2010) *Examining Partnership Arrangements between Aboriginal and Non-Aboriginal Businesses*. Atlantic Aboriginal Economic Development Integrated Research Program. Atlantic Policy Congress of First Nations Chiefs Secretariat.

⁵⁶ Ontario Native Affairs Secretariat. (2001) *The Power of Partnerships Resource Kit*. Queens Printer for Ontario. P11

⁵⁷ Ibid P14

Therefore, it becomes increasingly important that both Aboriginal businesses and their non-Aboriginal partners understand what being a good business partner requires: *Respect, Motivation, and Commitment*.⁵⁸

The Aboriginal Partner		The Corporate Partner
<ul style="list-style-type: none"> • Respect for corporate values • Respect for corporate decision process 	Respect	<ul style="list-style-type: none"> • Respect for Aboriginal values • Respect for Aboriginal decision processes
<ul style="list-style-type: none"> • Business case for corporate relations • Strategic fit with vision for community economic development 	Motivation	<ul style="list-style-type: none"> • Business case for Aboriginal relations • Strategic fit with corporate priorities
<ul style="list-style-type: none"> • Willingness to set goals • Willingness to share risk • Willingness to allocate resources • Willingness to sustain effort 	Commitment	<ul style="list-style-type: none"> • Willingness to set goals • Willingness to share risk • Willingness to allocate resources • Willingness to sustain effort

Should an Aboriginal business have a compelling reason to enter a partnership, understand which types will benefit their business, and be able to locate a partner who has the capacity to be a good partner, then partnership agreements are a great way to increase Aboriginal contracting and procurement arrangements in the electricity and renewables sector.

⁵⁸ Ontario Native Affairs Secretariat. (2001) *The Power of Partnerships Resource Kit*. Queens Printer for Ontario. P79

WORKSHOP DESIGN

The research findings outlined above were instrumental in determining the content and format of the workshop.

What Aboriginal Businesses Need to Know

Interviewees recommended including some of the following topics in the workshop/program:

- Nuts and bolts of putting together procurement bids.
- The importance of pragmatic elements such as ensuring that buyers have updated contact information for the firm.
- Understanding the perspective of buyers and the importance of project economics – i.e. bidding is a competitive process; need for better understanding of commercially reasonable terms.
- Being able to succinctly describe what business the firm is in, what products or services it provides, its record of success, etc.
- Benefits and possibilities for creating various types of partnerships.
- Mentoring, networking, role models and case studies are valuable learning opportunities to promote, where possible.
- Offering an opportunity for Aboriginal firms to meet with potential customers in the electricity and renewables sector (procurement agents, Aboriginal/community affairs representatives, line managers responsible for sourcing/purchasing goods and services, etc.).

Workshop Design and Format

The primary target audience was identified as Aboriginal-led firms that are already established within their line of business, and are seeking to find new opportunities in the electricity and renewables sector. The review of support materials, and the results of the interviews, highlighted the importance of keeping the workshop firmly “grounded” in local realities. The research interviews and the workshop experience clearly demonstrated that start-up firms do not have the same needs as established firms that are looking to expand into the electricity and renewables sector. As outlined above, there is a need to provide dedicated learning time to the Aboriginal firms, as well as an opportunity for networking with local electricity and renewables representatives. Consequently, the workshop was structured to have the following characteristics:

- Structured to have a half-day instructor-led workshop on the procurement process followed by a half-day with facilitated networking between industry and Aboriginal firms.
- Keynote speaker(s) who can describe their own successful experience in Aboriginal business relationships with the electricity and renewables sector.
- Comprehensive set of materials, with specific topics to be selected and emphasized based on the needs/interests of the participants (identified at time of registration) and the local opportunities (identified when confirming the participation of industry representatives).
- Focus of the instructor-led session on pragmatic steps, tools, accessible resources and local solutions.
- Materials and brief explanations to be made available, where possible, to start-up entrepreneurs who attend the workshop and might need more information than the more established companies.
- User-friendly take-away materials to be provided to participants.
- A networking session that is facilitated and semi-structured, to ensure a good use of time with a balance of industry-led and Aboriginal-led discussions and to foster positive and productive interactions between industry representatives and Aboriginal firms.

The identified objectives of the workshop were:

1. Foster a better understanding by Aboriginal businesses of the various components required to develop a successful proposal, the preferred vendor process, and strengthen their ability to participate in the electricity and renewable energy industry procurement chain. Bring awareness to Aboriginal businesses of the specific goods and services that electrical and renewable energy utilities require within a given area.
2. Provide an opportunity for Aboriginal businesses and utility companies to develop strong working relationships in a face-to-face setting.

To achieve these objectives, the workshop agenda was as follows:

WORKSHOP AGENDA
Opening: <ul style="list-style-type: none">• Introduction to the day (topics, timing, agenda)• Roundtable of brief introductions• Welcoming remarks:<ul style="list-style-type: none">» Electricity Human Resources Canada» Hosting organization (if relevant)
Procurement Overview for Aboriginal Vendors : <ul style="list-style-type: none">• Facilitated discussion of experiences, interests and workshop expectations of Aboriginal business participants – to tailor the presentation of the material• Examine the business case for developing supplier arrangements with the sector.• Define some common terminology in procurement.• Understand the RFP process.• Explore the preparation of a formal bid in response to an RFP, and some common contracting requirements.• Identify appropriate actions after the bid decision.• Identify additional supports for a successful contractual agreement.
Networking Lunch
Keynote Speakers – <i>Sharing Experiences: Representatives of electricity sector companies and successful Aboriginal vendors</i>
<i>Sharing Perspectives – Industry Needs and Aboriginal Business Capabilities:</i> Small group discussions <ul style="list-style-type: none">• Brief description of procurement process, business lines and upcoming opportunities.• Question and answer from Aboriginal business representatives.• Brief profiles from Aboriginal businesses – capabilities, achievements and business interests.
Wrap-up and Closing Comments <ul style="list-style-type: none">• Review of action items and tips collected through the day, including: What are the essential networks and approaches needed to ensure that Aboriginal people are aware of the procurement processes?• Qs and As• Complete feedback forms

Workshop Locations and Implementation

Three workshops were conducted as pilots within the scope of the current project. In recognition of the varying needs across regions, and in the interests of fostering a national scope for this project, the sessions took place in three different provinces.

As outlined above, Ontario and British Columbia account for almost half of the Aboriginal businesses in the country, and are also provinces with well-established robust electricity sectors. In Saskatchewan, there are significant opportunities projected with SaskPower capital projects over the coming ten years.

Consequently, the workshops occurred as follows:

- Prince George, BC on January 22 2013
- Mississauga, ON on January 29 2013
- Saskatoon, SK on February 26 2013

Refreshments and a light lunch were provided. Each participant was provided with a manual that contained workshop content as well as supporting tools such as application forms for registration in Aboriginal business directories, copies of local utility company procurement policies/practices, and tips for successful bidding. Participants also received a copy of the research findings, a copy of the report of the previous Electricity Human Resources Canada's project, *Diagnostic of Aboriginal Procurement Strategies*, and a list of the session participants with their contact information.

WORKSHOP OUTCOMES



Workshop Participants

Three workshops were conducted, with 40 Aboriginal business participants and 10 industry representatives.

There was a wide range of experience among the Aboriginal businesses. Most were established businesses seeking to expand their opportunities with the electricity and renewables sector; in general, they had previously submitted bids to local utilities and/or major contractors and felt they had achieved only limited success. There were a handful of businesses with very limited experience and inconsistent business practices in formalized procurement processes; some had no website, or no knowledge of industry procurement sites such as MERX; they were looking to build a business presence within the industry. The workshop also attracted First Nations or Métis economic development representatives, and similar umbrella organizations that in turn provide advice, guidance and business development support to Aboriginal businesses.

Industry representatives were from large provincial utilities. Although an effort was made to attract major contractors and large suppliers as industry representatives, this was not successful. Nonetheless, the utility company representatives were candid and forthcoming in their discussion of procurement opportunities and challenges, and the Aboriginal businesses were very appreciative of the chance to network with them.

Overall, the reaction of both Aboriginal and industry participants was positive; they indicated that the workshop was a valuable initiative and worthwhile investment of their time.

Workshop Participants' Interests and Expectations

At the workshop opening, participants were asked to indicate what their primary interests were and what they hoped to gain from the day. As shown in the table below, their interests aligned well with the design and content of the workshop. Facilitators adjusted the agenda, timing and content focus during the day to reflect the numbers of participants in attendance and the particular experience, knowledge level and interests of the Aboriginal businesses.

Participant Interests for the Day

Creating and finding opportunities

- Understand the specifics of the local utility's purchasing – how much spending, with what types of businesses, etc.
- Uncover new electricity opportunities and Aboriginal procurement opportunities, including investment opportunities as well as sub-contracting and partnering with bigger contractors
- How to find opportunities in MERX and other online sites: terminology, effective searching, etc.
- Finding opportunities outside of MERX
- How to gain meaningful access to industry; knowing who's who and finding the right people to talk to
- How to ensure we are on the invitation list for tenders, particularly in partnership situations

Understanding the utilities' plans that affect Aboriginal procurement

- The local utilities' goals for Aboriginal purchasing, including planned actions and initiatives
- The utilities' position on industry trends and initiatives (such as New West Partnership Trade Agreement) and how they affect Aboriginal procurement and relationships

Improving our ability to bid successfully

- How to prepare so we can win bids
- How to develop safety plans, obtain bonds, etc.
- Understanding the safety considerations (training, etc.) and finding effective ways to meet the requirements
- Understand the evaluation criteria that are applied

Discussions with industry representatives to improve the process

- Streamlining the process
- Discuss and address procurement clauses that exclude small/medium businesses
- Evaluation criteria used – how effective / successful are these criteria?
- Ensuring that companies can obtain feedback after an unsuccessful bid, to build capacity

Going beyond specific procurement opportunities to establish deeper relationships

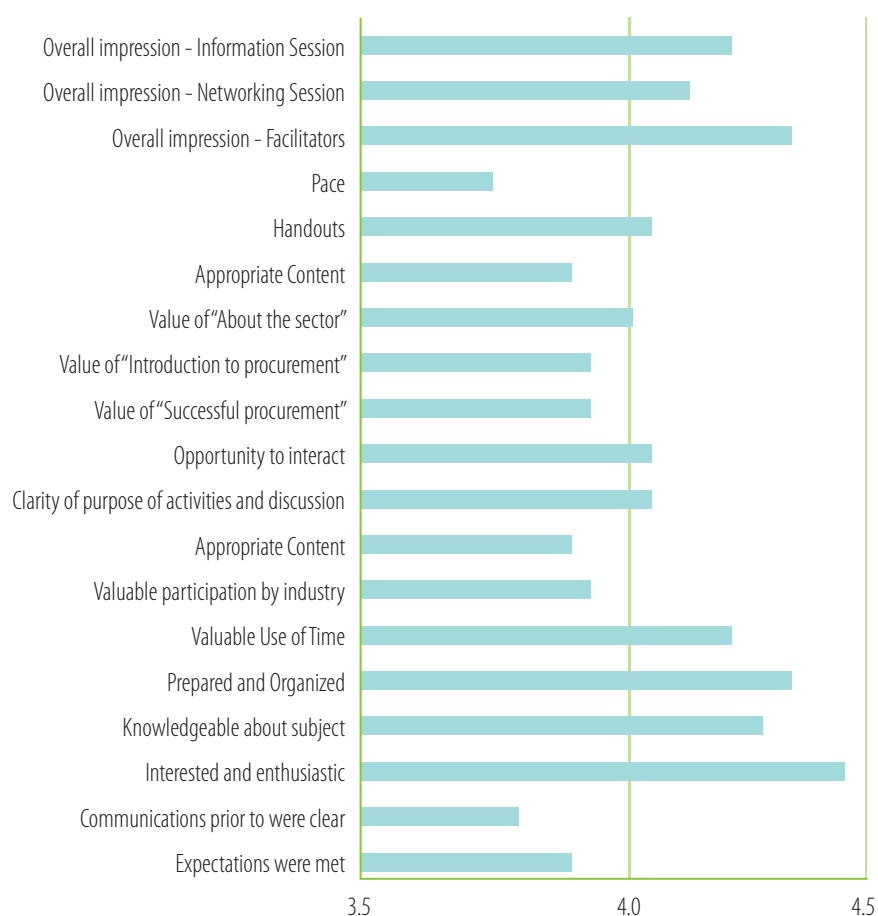
- Discuss how to form partnerships with Aboriginal communities / companies
- Information to help focus community training and education – what is the 5-10 year horizon / outlook on jobs

Workshop Participants' Feedback and Evaluation

At the end of the workshop, participants were asked to complete an evaluation form to provide their feedback and comments. The results from the Aboriginal participants are summarized below. Industry representatives also provided feedback; while the number of returned industry questionnaires was not sufficient for a quantitative summary, their comments were positive.

The Aboriginal business participants' average ratings for "overall impression" of the information session, networking and facilitators were 4.2, 4.2 and 4.3 respectively. The rating scale used was a 5-point scale, with 3=Average, 4=Good, and 5=Excellent. In general, participants rated each aspect of the workshop as above average.

Average Ratings from Aboriginal Businesses



Participants were also asked to comment on particular aspects and to provide suggestions for improvements. These results confirmed that the participants appreciated the workshop and found it valuable.

- *Did you find the workshop was a good use of your time?*
 - » 100% said “Yes”.
 - » Illustrative comments:
 - Explained how purchasing works and was insightful.
 - Great opportunity to network with the utility.
 - I learned a lot about the utility’s vision for procurement and I made some contacts.
 - Networking, idea generation
 - Opportunity to meet some key people with [the utility].
 - It opened possible opportunities.
 - Great contacts and shows [the utility] is a leader willing to adapt.
 - We made some great contacts.
- *Would other Aboriginal businesses benefit from attending this workshop?*
 - » 96% said Yes
 - » Illustrative comments:
 - Because of the procurement information and networking
 - Important to ask the utility questions
 - They would benefit from the contacts
 - Business development and opportunities
 - Would give them the same exposure
 - Good information on future procurement by [the utility]
 - Workshop is geared toward Aboriginal procurement
 - Will help to get established in large companies through RFP
- *The most valuable learning for me was:*
 - » Illustrative comments:
 - Where to look for contracts
 - The process of purchasing
 - Successful procurement tips
 - Networking
 - Information about [the utility], including who to contact
 - Learning that [the utility] wants to do more business with local enterprises and businesses
 - Round table discussions
 - How to prepare bids
 - Meeting new contacts
 - How to access MERX and Biddingo
 - That most share the same issues

- *Suggested improvements:*
 - » Illustrative comments:
 - The networking session should have been longer
 - The information session could have been shorter
 - Even more interaction with [the utility] would have been beneficial
 - More industry representation would have been valuable

The Aboriginal participants in the first two sessions were contacted several weeks following the workshop, to ask for their feedback and uncover any impact of the workshop. The participants who responded to the request prior to the writing of this report provided the following input:

- The following aspects of the workshop were useful:
 - » Explanation about how procurement works in the industry
 - » Tips, stories and experiences about how to bid successfully
 - » Opportunity to network with other Aboriginal businesses
 - » Opportunity to network with electricity sector companies
- Since the workshop, the responding businesses indicated that *based on the workshop*, they had:
 - » Attended an Aboriginal business networking event
 - » Registered the company in two directories
 - » Properly updated and re-registered the company in an Aboriginal business directory
- The workshop had this impact:
 - » Slightly increased our confidence that:
 - We know how to find opportunities
 - We know how to put together a winning bid
 - We have good chances to grow our business with electricity companies
 - » Increased our interest in looking for opportunities with the electricity sector

Learnings from the Workshop Implementation

Overall, the workshop implementation was successful. As pilots, there were also good learnings that will be beneficial in any future offerings:

Ensure sufficient industry representation.

1. The workshop is most valuable when there is participation from multiple industry organizations, including electricity utilities, renewable energy companies, large contractors, and major suppliers to the industry. The wider range of industry 'buyers' provides a wider range of possible opportunities to Aboriginal firms.
2. Within large companies, such as utilities, it is beneficial to have multiple representatives. Line managers, specialized purchasing professionals, executives, and Aboriginal relations representatives provide different perspectives. In the Saskatchewan workshop, the conversation was enriched by the comprehensive knowledge on various issues.
3. One scheduled workshop had to be cancelled when the one and only confirmed industry representative was suddenly unavailable to attend. Having multiple representatives confirmed would minimize this risk.

Streamline the "customization" of the workshop delivery

1. Each session was customized to the region, the number of participants, and the particular experience and interests of the participating Aboriginal businesses. Materials could be separated into a generic component and customized local information (upcoming opportunities, industry contacts, utility company procurement policies/practices, and so on).
2. Based on the current experience, 2 or 3 delivery models (i.e. modified agendas) could be summarized for use by future facilitators. A workshop with 20 Aboriginal businesses and 5 industry representatives works well with the current agenda. If numbers are significantly different, a modified agenda will be required.
3. It is very beneficial to have experienced facilitators, in order to effectively adjust content delivery, support the discussion of the keynote speaker presentations, and facilitate the small group and networking sessions. In this way, the workshop experience is more likely to meet the needs of the participants.





SUGGESTIONS TO INDUSTRY – FROM ABORIGINAL BUSINESSES

The workshops provided a good opportunity to gain insights from the Aboriginal business participants, to understand their experience and perspective regarding the procurement process. Several suggestions were compiled from the three workshop sessions:

- Provide active support for Aboriginal businesses
 - » Sit down and provide feedback to suppliers
 - » Provide mentoring to promising Aboriginal businesses
 - » Facilitate networking and contacts between Aboriginal companies and larger contractors/ businesses that they could sub-contract or partner with
 - » Communicate Aboriginal business directories to “mainstream” contractors
- Reduce and streamline the administrative burden
 - » Procurement
 - » Safety management and reporting systems (SMS, etc.)
 - » Reduce compliance overlap with other regulatory bodies
 - » Streamline documentation and certification processes (end-to-end)
- Ensure that processes are clearly explained and transparent
 - » List the common requirements for various businesses and types of suppliers
 - » Clarify the policies, priorities, and process for Aboriginal procurement
 - » Specify evaluation criteria weighting
 - » Consider how best to build in requirements at front end (e.g., EPCM, ISNetworld, etc.)
 - » Follow up on the execution of contracts to be transparent that the requirements were met by the chosen supplier
- Structure the opportunities to minimize barriers to Aboriginal businesses
 - » Break up large contracts
 - » Be attentive to bonding as a barrier
- Go beyond specific procurement opportunities to establish deeper relationships
 - » Build relationships at the local level – focus on the local economy
 - » Leverage opportunities with suppliers to create a talent pool for recruitment

RECOMMENDATIONS FOR FUTURE INITIATIVES



Based on the learnings from the research, design and delivery of the workshops, the following recommendations are offered for consideration by the electricity and renewable energy sector.

1. Take action to minimize the identified barriers to Aboriginal participation in procurement opportunities.
 - » Small and mid-sized businesses, in particular, find it difficult to compete effectively for contracts in the sector. Streamlined processes, identified contact persons, alternatives to standard bonding requirements, and so on would all be helpful.
2. Establish business mentoring or support initiatives
 - » Several Aboriginal business representatives highlighted their interest in having feedback, advice and guidance from more experienced business people and/or industry representatives. During the workshop sessions, there was good sharing of experience among the Aboriginal businesses; it appeared that these exchanges were valuable and much appreciated.
3. Foster ongoing networking opportunities among Aboriginal businesses and electricity / renewable energy companies within a region
 - » Annual or semi-annual business events could be a good vehicle for establishing and maintaining a strong network of contacts among all stakeholders.
4. Reach out to suppliers and contractors who work directly with electricity companies to engage them in Aboriginal procurement initiatives
 - » Many small or mid-sized Aboriginal firms seek opportunities to partner with larger firms to gain entry into, and experience with, the electricity and renewables sector.
5. Make the workshops and/or the workshop materials accessible to a wider range of Aboriginal businesses.
 - » Materials can be posted on the EHRC website. Links to the material could be provided on the Aboriginal procurement web pages of major utility companies.
 - » Future workshops could be offered in various regions across the country, with support from funding agencies and/or companies within the sector.
6. Leverage the three pilot workshops, as well as any subsequent offerings, to promote Aboriginal procurement.
 - » Occasional follow-up with workshop participants might uncover success stories, testimonials, or positive impacts that could be documented and reported in industry publications and/or on the EHRC website.

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APPENDICES

APPENDIX 1

ADDITIONAL TOOLS AND RESOURCES TO INFORM WORKSHOP DESIGN AND CONTENT

Table 1: Federal/Provincial Governments

Organization/Resource	Comments
Northwest Territories Public Works and Services	<p>The Proponent's Guide: Responding to a Request For Proposals: A guide to answer questions asked by potential contractors about responding to a Request for Proposals http://www.pws.gov.nt.ca/pdf/publications/Proponents_Guide_October%202005.pdf</p> <p>Procurement Guidelines - Helps GNWT(Government of Northwest Territories) contracting staff through the stages of procurement http://www.pws.gov.nt.ca/publications/index.htm</p>
Government of Nunavut	<p>How to Guide-Doing Business with the Government of Nunavut: Provides clarity and transparency of its procurement activities and to assist local businesses by providing a plain language guide to the Government of Nunavut's procurement policies and procedures. http://www.gov.nu.ca/businessguide/bg.pdf</p>
Government of British Columbia	<p>Responding to Government RFPs: A Proponent Guide to the Request for Proposals Process in the Government of British Columbia http://pss.gov.bc.ca/psb/pdfs/ProponentRFPGuide.pdf</p> <p>How to do business with British Columbia government. -this guide gives you a step by step overview to government procurement, the purchasing of goods and services. http://www.resourcecentre.gov.bc.ca/pdf/Guide.pdf</p>
Government of Alberta	<p>RFP Administration Terms and Conditions, September 28, 2009: Defines some common terminology found in RFPs and addresses issues around terms and conditions of putting together an RFP such as: vendor questions and confidentiality and information security, conflict of interest, Proposal evaluation, contract, etc. http://www.servicealberta.gov.ab.ca/pdf/buy_sell/RFP_TandC.pdf</p>
Government of Ontario	<p>How to Do Business with the Ontario Government: Provides helpful tips on how to do business with the government of Ontario, it includes how to respond to a Request for Proposal (RFP), as well as hints to writing an effective proposal and other useful information. http://www.doingbusiness.mgs.gov.on.ca/mbs/psb/psb.nsf/Attachments/HowtodoBusiness-page-ENG/\$FILE/HowtodoBusiness-oda-ENG.html</p>
Council Of Atlantic Premiers' Secretariat	<p>Guide To Doing Business With Governments In Atlantic Canada http://www.cap-cpma.ca/images/CAP/Vendor%20Guide%20RFP.pdf</p>

Organization/Resource	Comments
Canadian International Development Agency	Responding to a CIDA Request for Proposal (RFP) on MERX Frequently Asked Questions http://www.acdi-cida.gc.ca/acdi-cida/acdi-cida.nsf/eng/REN-218124759-P8H
Business Link	Writing a Proposal: Provides some guidelines and tips http://www.canadabusiness.ab.ca/index.php/component/content/article/10-marketing/456-writing-a-proposal How to Become an Independent Contractor: Guide provides instructions to those considering becoming independent contractors- http://www.canadabusiness.ab.ca/docs/How-to-Become-an-Independent-Contractor.pdf

Table 2. Other Industries (oil & gas, mining, etc.)

Organization/Resource	Comments
Yukon Energy	Procurement Policy & Guidelines - Provides a list of downloadable procurement policies and guidelines available at: http://www.yukonenergy.ca/about/purchasing/purchasing_policy/#related_downloads
National Consumer Supporter Technical Assistance Center	Guide to Proposal Writing http://www.ncstac.org/content/materials/proposal.pdf

Table 3. Electricity Sector

Organization/Resource	Comments
Electricity Human Resources Canada	<p>Diagnostic Aboriginal Procurement Strategies http://electricityhr.ca/daps/</p> <p>Hydro One, as an example, has made it easier as the names of the firms that download their tender documents are available and thus smaller suppliers can approach these firms with offers to sub-contract. The MERX system used extensively by federal government departments uses a similar http://electricityhr.ca/daps/index86ea.html?page_id=388</p> <p>Case studies: Provides some case studies in Aboriginal procurement of some of organizations in the electricity sector http://electricityhr.ca/daps/index2dd6.html?page_id=179</p>
Hydro One	<p>Bid Information Database (BID) System: Opens to Hydro One's bidding portal. Allows vendors/contractors interested in doing business with Hydro One or any of its subsidiaries to register on their Bidder Information Database (BID) System. Information How To Instructions (PDF) to assist Aboriginal businesses to transit to eBidding. http://www.hydroone.com/DoingBusiness/Pages/default.aspx</p> <p>Provides access to registered First Nation and Métis Business Directory http://www.hydroone.com/DoingBusiness/Documents/First_Nation_and_Métis_Business_Directory.pdf</p>
BC Hydro	<p>Aboriginal Businesses Directory: BC Hydro's Aboriginal Business Directory is used to match opportunities with potential suppliers and to help facilitate joint ventures or partnerships between Aboriginal and non-Aboriginal companies. Companies that are registered in the directory may be notified by email, as business opportunities become available on the BC Bid Website. https://www.bcaboriginalvendors.ca/aboriginal_vendors/</p> <p>Access Business Registration Form: http://www.bchydro.com/etc/medialib/internet/documents/community/aboriginal/aboriginal_directory_registration_form.Par.0001.File.AboriginalBusinessDirectoryForm.pdf</p> <p>BC Hydro's Compilation of Question and Answers http://www.bchydro.com/energy_in_bc/acquiring_power/closed_offerings/bioenergy_phase2_rfp/qas.html</p> <p>BC Hydro-learn more about BC Hydro contracting opportunities: http://www.bchydro.com/etc/medialib/internet/documents/about/company_information/partners_vendors/PV_aboriginal_contracting_opportunities.Par.0001.File.BCHydroContractingOpportunities.pdf</p> <p>Increasing opportunities for Aboriginal business BC Hydro is committed to the advancement of economic opportunities for Aboriginal businesses. http://www.bchydro.com/about/partners____vendors/aboriginal_procurement.html</p>
SaskPower	<p>Dedicated Aboriginal Relations: Provides vendor registration: http://www.saskpower.com/tenders/assets/vendor_registration.pdf</p>

Organization/Resource	Comments
Manitoba Hydro	Vendor Online Registration: Manitoba Hydro will add your company's information to a vendor database. The database facilitates buyers searching for potential suppliers of the product or service they are interested in purchasing, efficiently connecting buyers to vendors. Vendors will have better opportunity to be included in tenders http://www.hydro.mb.ca/selling_to_mh/vendor_information.shtml
Hydro Quebec	Doing Business with Hydro Quebec: <i>The main purpose of this brochure is to provide suppliers key information about how to do business with Hydro-Québec and its acquisition of goods and services. Intended for suppliers who wish to offer their goods and services to Hydro-Québec, this brochure is a quick reference covering the basics of our business process.</i> http://www.hydroquebec.com/soumissionnez/pdf/brochure_en.pdf
Ontario Power Generation	Our Supply Chain organization is committed to developing strategic sourcing initiatives with preferred suppliers. We focus on developing and including capable suppliers who can meet our price, quality, delivery and service level requirements. Website lists Current Opportunities, the Code of Business Conduct , and management. http://www.opg.com/customers/procurement/

Table 4. General Support Tools for Businesses

Organization/Resource	Comments
	The Info-Guides are documents designed to help firms navigate through different government programs, services and regulations and identify those of interest.
Government Programs and Services	Includes general business and how to information , or information on Government financing, regulations and services http://www.canadabusiness.ab.ca/index.php/business-resources/449-programs-and-services Grant Programs for Business- Provides financing programs and support information for Aboriginal businesses and other small businesses in various industries. http://www.canadabusiness.ab.ca/index.php/business-resources/46-grant-programs- Canada Business Network: Provides support services for entrepreneur which includes government grants, loans and financing: http://www.canadabusiness.ca/eng/program/search/
Government of Alberta	BizPal - Online Business Permits and Licences Service BizPal is an online service that walks Canadian entrepreneurs through the process of finding comprehensive information about business permits and licensing requirements from all levels of government. http://www.servicealberta.ca/bizpal.cfm

Organization/Resource	Comments
Business Development Corporation	<p>Website Assessment</p> <p>Take the first step in optimizing your website. Just enter your web address and the BDC web assessment tool will analyze up to 5 pages of your website http://www.bdc.ca/EN/solutions/smart_tech/assessments/website_analysis/Pages/default.aspx#</p>
Aboriginal BEST Program funded by Ministry of Aboriginal Relations and Reconciliation, HRSDC, and community champions such as Vancity and Spiritlink Communications.	<p>Aboriginal BEST Program (Business & Entrepreneurship Skills Training) http://www.fnbc.info/apply-now-free-aboriginal-best-program-business-entrepreneurship-skills-training http://www.aboriginalbest.com/BestRFP.pdf</p>
Aboriginal Affairs and Northern Development Canada	<p>Frequently Asked Questions – Provides answers to frequently asked questions on Aboriginal Procurement Strategy http://www.aadnc-aandc.gc.ca/eng/1100100033030/1100100033031#100125</p>
Finding Opportunities	<p>MERX is the most complete source of Canadian public tenders, private tenders, U.S. tenders and private-sector construction news available in Canada. MERX has leveled the playing field so that businesses of any size can have easy and affordable access to billions of dollars in contracting opportunities with the Government of Canada (GC), participating provincial and municipal governments, the U.S. Government, state and local governments, and the private sector. http://www.merx.com/</p> <p>SaskTenders- Provides a full access to all competitions. You may set up notifications, identify your areas of interest, bookmark competitions and download competition documents. http://www.sasktenders.gov.sk.ca/content/public/index.aspx</p> <p>BC Bids- Provides Access to create, browse and compete on public sector opportunities anytime. http://www.bcbid.gov.bc.ca/open.dll/welcome</p> <p>Alberta Purchasing Connection (APC) is an easy to use tool that lets public and private sector users manage, advertise, distribute, and download public purchasing opportunities for goods, services, and construction in Alberta. With APC, purchasers advertise opportunities for tender and vendors find opportunities to sell their products or services. http://www.purchasingconnection.ca/</p>

Tips for Suppliers Responding to RFPs

- Provides some articles with generic tips to bear in mind when responding to an RFP:
Lear Norman, You Too can Respond to RFPs, November 16, 2010:
<http://www.slaw.ca/2010/11/16/you-too-can-respond-to-rfps/>
- Matthew D. Peters, Joel Ramsey, Catherine M. Samuel, Responding to RFPs — Tips for Suppliers:
http://www.mccarthy.ca/article_detail.aspx?id=4735

Table 5. Directory of Aboriginal Businesses in the Electricity Sector

Organization/Resource	Comments
Ontario Ministry of Aboriginal Affairs	Aboriginal business directory- Ontario's Aboriginal procurement pilot supports Aboriginal communities by stimulating and diversifying Aboriginal business and economic development, and promoting partnership opportunities between Aboriginal and non-Aboriginal businesses http://www.aboriginalbusinessdirectory.aboriginalaffairs.gov.on.ca/abdWeb/en/directory/searchresults.jsp
Certificate of Insurance	http://www.londonhydro.com/@assets/uploads/pages-147/certificateofinsurance.pdf

Additional Information for Workshops

- Module provides a guide on how to write a proposal:
<http://www.aadnc-aandc.gc.ca/eng/1100100032908/1100100032909>

Case Studies and Successful Examples

- Partnership cases Appendix C: Lori Ann Roness Consulting. (2010) *Examining Partnership Arrangements between Aboriginal and Non-Aboriginal Businesses*. Atlantic Aboriginal Economic Development Integrated Research Program. Atlantic Policy Congress of First Nations Chiefs Secretariat.
- Success Stories, Page 14: Aboriginal Human Resources Council. (2010) *Green Energy Outlook Generating Opportunities for Aboriginal Communities*.
- Case studies page 15: Aboriginal Affairs and Northern Development Canada. (2012) *Aboriginal participation in major resource development*. Policy and Coordination Branch, Lands and Economic Development Sector.
- Partnerships in practice page 89: Ontario Native Affairs Secretariat. (2001) *The Power of Partnerships Resource Kit*. Queens Printer for Ontario.

Miscellaneous Resources

- AltaLink
[http://www.altalink.ca/files/procurement/AltaLink%20Request%20for%20Proposal%20\(RFP\).pdf](http://www.altalink.ca/files/procurement/AltaLink%20Request%20for%20Proposal%20(RFP).pdf)
- Aboriginal Business Development Online: Building Aboriginal Economies in Ontario
http://www.growourregion.ca/images/file/Aboriginal_Strategies/10297582.pdf

APPENDIX 2

RESEARCH INFORMANTS

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