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Procurement Ombud

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# Office of the Procurement Ombud (OPO)

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Procurement Practice Review of Contracts Awarded to Indigenous  
Businesses

Canada

2026 CPPC Forum

May 5, 2026



# Agenda

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- Who is OPO?
- Legislative mandate
- Procurement Practice Review (PPR)
  - Published reviews
  - Findings on the Procurement Practice Review of Contracts Awarded to Indigenous Businesses
- Questions



# Who is the Office of the Procurement Ombud (OPO)

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- **Neutral and independent**
- Promotes **fairness, openness and transparency** in federal procurement
- **Helps resolve contracting issues** between federal organizations and Canadian businesses



# Legislative Mandate

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- **Review supplier complaints** about the award of certain federal contracts below \$34,700 for goods and \$139,000 for services
- **Review supplier complaints** about the administration of certain federal contracts, regardless of dollar value
- **Review procurement practices of federal departments** to assess fairness, openness and transparency
- **Provide dispute resolution services** for parties to a federal contract (mediation)



# Procurement Practice Review (PPR)

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- Assesses **departmental procurement practices** for alignment with applicable legislation, policy, and established good practices
- Identifies **systemic issues, risks, and best practices** across the procurement lifecycle
- **Supports improvement** by providing recommendations to strengthen fairness, openness, transparency, and consistency in procurement



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# Procurement Practice Review of Contracts Awarded to Indigenous Businesses

(March 2026)



# Background and Context

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- The Procurement Ombud launched a **PSIB-focused review** of contracts awarded to **Indigenous businesses** to assess the **fairness, openness, transparency, and compliance**.
- The review drew on **OPO data, OGGO testimony, and media reports** on federal Indigenous procurement.

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Indigenous

## Indigenous business leader calls federal study 'a witch hunt' against Indigenous procurement

In 2021, Ottawa set a target of awarding 5 per cent of federal contracts to Indigenous businesses

 **Stephanie Cram** · CBC News · Posted: Sep 26, 2024 1:48 PM EDT | Last Updated: September 27, 2024

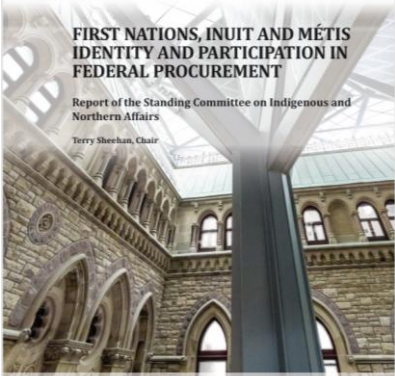
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 GOVERNMENT OF CANADA  
 LE MINISTRE DES AFFAIRES INDIGÈNES ET DU NORD

## FIRST NATIONS, INUIT AND MÉTIS IDENTITY AND PARTICIPATION IN FEDERAL PROCUREMENT

Report of the Standing Committee on Indigenous and Northern Affairs

Terry Sheehan, Chair



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## Indigenous procurement: feds urged to work more with communities to verify businesses after 'historic' recognition of Métis suppliers

Increased access to federal contracts and ensuring departments meet the government's five-per-cent Indigenous procurement target are a vital part of economic reconciliation, says Northern and Arctic Affairs Minister Rebecca Chartrand.

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## Federal departments fix 61 errors related to Indigenous business contracts on public database

The RCMP has corrected the status of two firms as non-Indigenous at Indigenous Services Canada's direction. But one of those companies remains on the government's controversial Indigenous Business Directory.

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BULLETIN

## Federal Procurement Strategy for Indigenous Business (PSIB) Faces Further Scrutiny at the Human Rights Commission


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INDIGENOUS



CANADA

## Indigenous Services told tribal council to use a bunny picture to prove Indigeneity

By **Alex Boutilier** · Global News  
Posted September 11, 2024 6:00 am · Updated September 12, 2024 7:23 am · 3 min read



## Why It Matters

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- PSIB is a **key mechanism** supporting **economic reconciliation** and increasing **Indigenous participation** in federal procurement.
- Ensuring compliance protects the **integrity, fairness, and credibility** of federal procurement processes.
- **Effective oversight** ensures PSIB contracts deliver **real benefits** to Indigenous businesses and communities.



# Review Objective

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- To determine whether procurement practices pertaining to contracts awarded to Indigenous suppliers were conducted in a manner consistent with applicable legislation, regulations, policies, procedures and guidance, and supported the principles of fairness, openness and transparency.
- OPO examined whether these practices were consistent with:
  - Canada's obligations under national and international trade agreements
  - The *Financial Administration Act* and the regulations made under it
  - The Directive on the Management of Procurement
  - Other organizational policies and guidelines, where applicable.



# Scope

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- The guidance and support provided by Indigenous Services Canada (ISC) for the implementation of PSIB requirements.
- The procurement practices of 4 departments:
  - Shared Services Canada (SSC)
  - Employment and Social Development Canada (ESDC)
  - Correctional Service Canada (CSC)
  - Public Services and Procurement Canada (PSPC) when contracting on behalf of these departments
- 27 set-aside contract files from these departments to assess how PSIB requirements were applied, focusing on planning, awarding, monitoring, and oversight activities.



# Lines of Enquiry

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- **LOE 1:** Whether ISC guided and supported federal departments for procurements conducted under the PSIB, in accordance with its responsibilities under the Directive on the Management of Procurement.
- **LOE 2:** Whether SSC, ESDC, CSC and PSPC have established departmental procurement management frameworks
- **LOE 3:** Whether contracts awarded under the PSIB were issued in a manner consistent with applicable legislation, regulation, policies, procedures and guidance.
- **LOE 4:** Whether contracts awarded under the PSIB were monitored and adequately reported in a manner consistent with the applicable legislation, regulation, policies, procedures and guidance.



# Summary of Findings

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- The Procurement Ombud identified **systemic deficiencies** in PSIB implementation.
- Collectively, these gaps erode transparency and accountability so **significantly that the Strategy's ability to achieve its intended goals is called into question.**



# Finding 1

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- **Absence of a centralized Indigenous procurement policy**, leading to unclear role definitions, fragmented and incomplete guidance, and no clear accountability for the program oversight function.

## Key findings

- No guidance from ISC on **conditional set-asides**.
- No guidance from ISC on which circumstances trigger a **post-award** or **discretionary audit**.
- No guidance from ISC or clauses for the **33% content criterion**.
- Outdated guidance in the Supply Manual related to supplier verification – no information about **validating the IBD** prior to award.



## Finding 2

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- **Inconsistent departmental practices**, resulting in the frequent omission of essential contractual clauses, limited use of required audits, limited verification of Indigenous business status before contract award, and a failure to monitor that the work was completed by Indigenous suppliers, therefore providing the intended economic benefits.

### Key findings

- In **8** of **17** competitive solicitations, mandatory clauses A3000T and A3001T were not included.
- **20** of **27** files lacked evidence to demonstrate that contracting authorities reviewed the IBD to confirm the supplier was registered or exempted prior to contract award.
- In the **23** files where the Contractor performed work to date, there was no evidence that departments verified the 33% content criterion was met.



## Finding 3

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- Indigenous suppliers have **unequal access to established recourse mechanisms** when compared to non-Indigenous suppliers in challenging the award of PSIB set-aside contracts.

### Key findings

- In **8** of **27** files, solicitation documents incorrectly stated that trade agreements applied.
- In another **8** of **27** files, suppliers were advised that the CITT or OPO were available to receive complaints.



## Finding 4

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- **Misleading reporting methodology** related to the 5% Indigenous procurement target, **overstating the actual economic benefit** flowing to Indigenous businesses.

### Key findings

- The portion of the work completed by non-Indigenous businesses for a specific contract is not disaggregated from the total contract value when calculating the 5%.



## Recommendations (Overview)

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OPO made recommendations highlighting the need for:

- **A clear, comprehensive Indigenous Procurement Policy** to strengthen fairness, transparency, accountability, and oversight
- **An independent complaint mechanism** for PSIB contracts, with interim support from OPO and a permanent, potentially Indigenous-led solution
- **Indigenous procurement reporting** that reflects **actual work and payments**, so the **5% target** shows **real economic benefits**



# Recommendation 1

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**Indigenous Services Canada (ISC), in collaboration with First Nations, Inuit, and Métis and Public Services and Procurement Canada (PSPC), should expedite the development of a comprehensive Indigenous Procurement Policy that reflects the core objectives of PSIB, with a particular emphasis on fairness, openness and transparency in the procurement process.**

This policy should **consolidate and clarify strategy requirements, roles and procedures**, particularly those related to **procurement strategy planning, eligibility verification and maintenance, audit mechanisms, and documentation standards** while ensuring **eligibility persists throughout the duration of the contract.**

To enhance accountability, OPO will **review and publicly report on progress** on the policy based on **6-month intervals** until successful implementation.



## Recommendation 2

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A. **PSPC, in collaboration with the Department of Justice (JUS), should establish OPO as the interim recourse mechanism office to handle supplier complaints related to the award of PSIB set-aside contracts until a permanent mechanism is established.**

B. **ISC, in consultation with PSPC, JUS, and First Nations, Inuit and Métis stakeholders, should also establish a permanent impartial recourse mechanism which provides a fair and transparent review of supplier complaints related to the award of PSIB set-aside contracts. Serious consideration should be given to establish this impartial recourse mechanism as Indigenous-led.**



## Recommendation 3

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**Indigenous Services Canada (ISC)** should **implement measures** to ensure that, when **calculating the 5% target** for the total contract value awarded to Indigenous businesses, the **amounts reported by departments and agencies** are immediately updated to **reflect the value of work that was paid and clearly documented as having been carried out by Indigenous businesses**. This will ensure that reporting accurately reflects the **actual impact on Indigenous businesses**.



# Departmental Responses

Recommendation	Response	Implementation Timeline
1	<b>ISC:</b> accepted	Spring 2027
2A	<b>PSPC:</b> not accepted	N/A
2B	<b>ISC:</b> accepted	Spring 2028
3	<b>ISC:</b> accepted in part	TBD



## Conclusion - OPO's Vision

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OPO's vision is for a federal Indigenous procurement framework that is:

- Comprehensive, evergreen, and codified
- Enforceable
- Representative of actual Indigenous economic contribution

Why?

- Tangible economic benefits for Indigenous businesses
- Equitable and transparent access to federal procurement for all businesses



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# Questions?



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