

MONITOR AND REVIEW COMMITTEE 2023–24 ANNUAL REPORT

Yukon First Nations Procurement Policy



TABLE OF CONTENTS

Introduction	1
What has the committee done?	2
Performance measurement	2
Evaluation and reporting	3
Relationship building	4
Communications	5
2023-24 by the numbers	6
Interpretation	7
Discussion and conclusion	8
Appendix 1 - FAQ	

INTRODUCTION

The Yukon First Nations Procurement Policy represents a transformative vision for economic reconciliation and self-reliance among Yukon First Nations. Rooted in Chapter 22 of the Umbrella Final Agreement, this policy is a commitment to the economic empowerment and equitable participation of Yukon First Nations in the territory's economy. By aligning government procurement processes with the aspirations of Yukon First Nations, the policy serves as a crucial mechanism for advancing economic reconciliation. The policy is designed to encourage a more equitable portion of government spending with Yukon First Nations businesses, which stimulates local economies and builds capacity within Yukon First Nations communities.

The Monitor and Review Committee, composed of Yukon First Nations members, industry representatives and Government of Yukon staff, plays a pivotal role in this landscape. This composition reflects a comprehensive approach to governance, embodying collaboration and inclusivity. As such, the committee is uniquely positioned to bridge diverse perspectives and enhance mutual understanding between the Government of Yukon, local businesses and Yukon First Nations. By incorporating voices from various interested parties, the committee provides recommendations for the policy to evolve in response to the needs and aspirations of stakeholders while being implemented effectively. This report outlines the progress made, challenges encountered and some recommendations for the path forward.

WHAT HAS THE COMMITTEE DONE?



Since the previous annual report, the Monitor and Review Committee created a work plan focusing on these four areas.

- 1. Performance measurement**
- 2. Evaluation and reporting**
- 3. Relationship building**
- 4. Communications**

PERFORMANCE MEASUREMENT

A Performance Measurement Framework has been developed to provide indications on the policy's performance. Over the last year, the Monitor and Review Committee reviewed an increased number of metrics reported through the Performance Measurement Framework. As a result, this year's report is informed by data on more policy measures than before. This include data on the following measures:

- Bid Value Reductions
- Direct Awards
- Invitational Tendering
- Standing Offer Arrangements
- Prequalification Lists

The committee also made the decision to switch to a fiscal year reporting cycle, as opposed to a calendar year reporting cycle.

In the effort to increase the number of metrics being reviewed through the Performance Measurement Framework, the committee noted some challenges that impact the analysis of the policy's performance. Some of the challenges encountered are:

- the lack of baseline data from before the policy was implemented;
- the data that is entered into government systems for use in analysis is highly decentralized;
- data entry practices are inconsistent due to high number of users;
- the data used to generate these reports does not always remain static; and
- data sources from multiple systems are currently compiled manually, making the reporting more susceptible to human error.

The committee acknowledges these challenges in producing this year's report and has focused their recommendations on data that can be reported on at present. The committee recommends that the Government of Yukon make additional efforts to collect additional data, to report on the remaining metrics, to automate certain reporting functions, and to enhance standardization of data entry practices. Improving data collection and reporting will better inform future policy insights.

EVALUATION AND REPORTING

One of the main functions of the Monitor and Review Committee is to evaluate information provided from a variety of sources to understand how the Yukon First Nations Procurement Policy is performing. Using this understanding, the Monitor and Review Committee makes recommendations to the Deputy Minister of Highways and Public Works to improve the performance of the policy.

As a key activity in the 2023-24 fiscal year, the Monitor and Review Committee collaborated on the 2-year review of Bid Value Reductions, which is a policy measure described in section 11(7.1)(c) of the Yukon First Nations Procurement Policy. The Monitor and Review Committee worked with the Government of Yukon to help select the contractor through a tendering process, and provided input to the scope of the review. Over the spring and summer of 2023, a consultant was retained to conduct the review. The consultant's report can be found at [Yukon.ca/en/report-review-bid-value-reduction-measures](https://yukon.ca/en/report-review-bid-value-reduction-measures).

The Monitor and Review Committee worked with the consultant and reviewed the report provided. Using the report, the Monitor and Review Committee created a set of recommendations for action to improve the performance of bid value reductions, based on the report's findings. The Monitor and Review Committee's recommendations can be found at [Yukon.ca/monitor-and-review-committee-recommendations-review-bid-value-reduction-measures](https://yukon.ca/monitor-and-review-committee-recommendations-review-bid-value-reduction-measures)

These recommendations were presented to the Deputy Minister of Highways and Public Works, who accepted the recommendations. The working group on policy development is preparing an action plan based on the recommendations. This important work will help the continuous improvement efforts for the bid value reductions measure, and help meet the intended policy objectives.

RELATIONSHIP BUILDING

Over the last year, the Monitor and Review Committee has focused on strengthening the relationships between the Government of Yukon, local businesses and Yukon First Nations. The goal is to strengthen relationships, confidence, and buy-in among First Nations and industry in Yukon First Nations Procurement Policy implementation. Monitor and Review Committee members have championed this goal, which resulted in Yukon First Nations inviting industry representatives to participate in working groups, which had previously only included Yukon First Nations and Government representatives. Consultants for Yukon First Nations and industry are now collaborating on shared priorities like workforce development and contract enforcement.

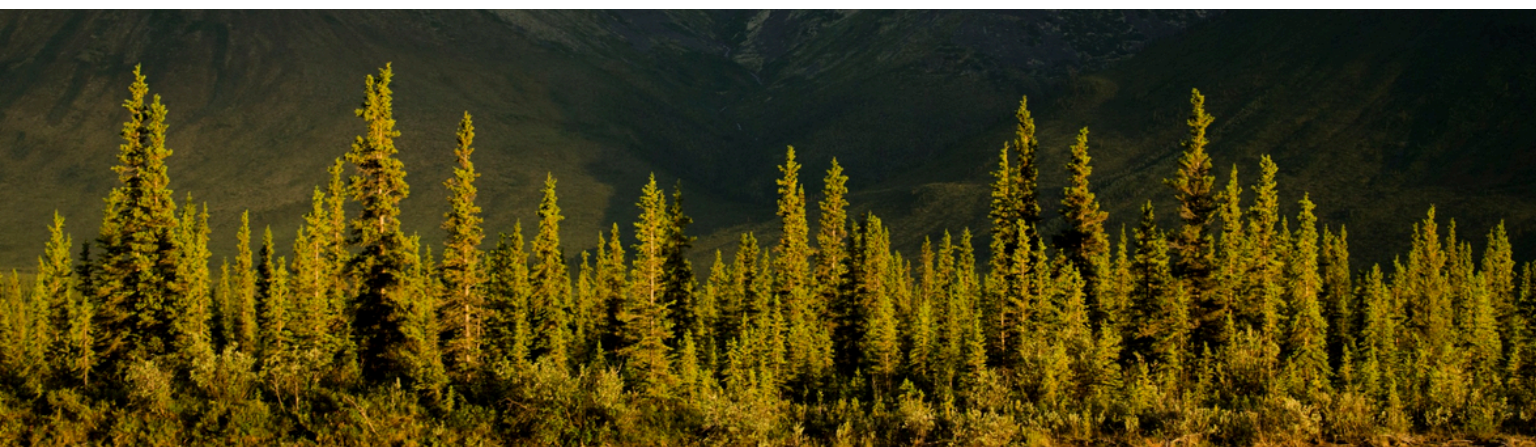
Strong relationships were also instrumental in the development and launch of a new guide to applicants for the Yukon First Nations Business Registry in June 2024. This guide was developed in collaboration with Yukon First Nations, Government of Yukon and the Yukon First Nations Chamber of Commerce and announced using a joint communications strategy.



COMMUNICATIONS

Over the last year, the Monitor and Review Committee suggested that awareness needed to be raised among businesses and Yukon First Nations about the Yukon First Nations Procurement Policy. Here are some actions that were taken to raise awareness.

- The Monitor and Review Committee co-chairs hosted a panel on the committee's progress and challenges encountered at the 2023 Industry Conference, reaching 115 participants from industry, First Nations and government employees.
- The Yukon First Nations Chamber of Commerce started conducting community visits and attending outreach events to promote applications to the Yukon First Nations Business Registry while increasing supports for local businesses to access the registry.
- The Monitor and Review Committee has requested that Government of Yukon develop a Frequently Asked Questions information sheet to respond to questions they are commonly asked, and to stem the spread of misinformation about the policy.



2023-24 BY THE NUMBERS

Metric	Sub-Metric		Fiscal Year		
			2021-22	2022-23	2023-24
Number, value, and percentage of contracts awarded to YFN Businesses	# of contracts awarded ¹		13,587	12,577	13,693
	# of contracts awarded to YFN businesses		211	207	224
	% of contracts awarded to YFN businesses		1.6%	1.7%	1.6%
	Total dollar value of all ² contracts awarded		\$728.4m	\$672.8m	\$804.3m
	Total dollar value awarded to YFN businesses		\$21.6m	\$37.2m	\$55.7m
	% of dollar value awarded to YFN businesses		3.0%	5.5%	6.9%
Number and percentage of competitive procurements awarded to YFN businesses	# of competitive procurements awarded		511	547	643
	# of competitive procurements awarded to YFN businesses		22	37	46
	% of competitive procurements awarded to YFN businesses		4.3%	6.8%	7.2%
BVRs applied to Yukon tenders ³	Total # of competitive procurements with BVR applied	Goods	13	43	57
		Services	16	98	115
		Construction	11	22	52
		Total	40	163	224
	% of competitive procurements with BVR applied		7.5%	29.7%	34.0%
	# of competitive procurements where BVR resulted in reranking		3	10	26
	% of competitive procurements where BVR resulted in reranking		0.6%	1.8%	4.0%
	Total Number of Community Development Agreements				3
Total Number of Verified Yukon First Nation Businesses				138	

FOOTNOTES

1. This data fields include data from purchasing software, and individual micro purchases are included which may lead to high contract numbers.
2. These numbers include contract change order amounts.
3. This data does not include data from Yukon Housing Corporation.

The Yukon First Nations Procurement Policy commits Government of Yukon to work toward awarding 15% or higher of all government contracts, measured by number and value, to Yukon First Nations (YFN) Businesses (GAM 2.6 s11(11)). The policy indicates that a progressive approach to achieving targets over time will be adopted.

This year, the Monitor and Review Committee Annual Report provides information on metrics over the past 3 fiscal years. The policy is still in early stages of implementation, and this data provides some early insights into how it is performing.

The 2023-24 fiscal year has shown some progress with toward the 15% target set in the YFNPP. Although the MRC is aware that there are some challenges with respect to data collection and analysis, it is clear there is still a need for continued efforts to increase the dollar value and number of contracts awarded to Yukon First Nation businesses.

INTERPRETATION

Monitor and Review Committee offers these observations:

- The dollar value of contracts awarded to Yukon First Nations businesses has increased consistently over the last 3 fiscal years. The number of contracts awarded to Yukon First Nations business has also increased slightly compared to 2021-22.
- Although the number and the dollar value of competitive procurement contracts awarded to Yukon First Nations businesses are increasing, they are well below the targets set in the policy.
- Yukon First Nations businesses are responding to the Government of Yukon's competitive procurements and are engaged with other forms of procurement such as direct awards.

MRC notes that this report is based off of the quantitative data which is currently captured through the Performance Measurement Framework. Quantitative data is one measure of the effectiveness of the policy. Anecdotally, MRC has heard positive stories about new businesses and partnerships, and about Yukon First Nations youth who indicate that this policy has contributed to them seeing themselves as part of the future of their communities. Additional work is required to capture and report on qualitative data.

The difference between the policy target and the outcomes underscores the need for continued focus on increasing the number of contracts awarded to Yukon First Nations businesses. The data suggests that one way to reduce this gap is by increasing the proportion of direct award contracts to Yukon First Nations businesses.

Providing opportunities through lower dollar value contracts may enhance capacity Yukon First Nations businesses to compete for larger, higher dollar value contracts in the longer term.

Recommended areas of focus:

- Direct Awards in accordance with the policy threshold may be a useful tool for increasing the number and dollar value of contracts with Yukon First Nations businesses. MRC recommends that the Government of Yukon consider how to increase the number of Direct Awards going to Yukon First Nations Businesses.
- To achieve greater progress towards the policy targets, the Monitor and Review Committee recommends that appropriate incremental targets are created and reported on, as highlighted in GAM 2.6 section 11(11)(e).

DISCUSSION AND CONCLUSION

The Monitor and Review Committee continues to assess the progress towards the objectives of the Yukon First Nations Procurement Policy. The committee acknowledges that advancing economic reconciliation is a long process, and the policy serves as an essential tool in progressing this goal. While immediate outcomes may not fully reflect the policy's potential, its foundational principles are sound and are expected to yield significant benefits as they are more fully realized.

The Yukon First Nations Procurement Policy is in the early phases of implementation. The committee is actively working with the Government of Yukon staff to provide feedback and recommendations on the implementation of this policy, highlight challenges and promote action to make it more effective.

Throughout this year, the Monitor and Review Committee has closely monitored the implementation of the Yukon First Nations Procurement Policy, revealing both accomplishments and areas in need of further development. Notably, while the participation measures have shown some promising results, the overall dollar value of contracts awarded to Yukon First Nations businesses remain below the 15% target at 6.9% of total contract value. This indicates that additional efforts are required to reach the policy targets.

The journey to economic reconciliation is ongoing and complex, and government procurement can make a meaningful contribution on that journey. With persistent efforts, strategic adjustments and the unwavering support of Yukon First Nations and government bodies, the Monitor and Review Committee is confident that continuing to implement and improve this policy is the path forward.

