

ANNEX F

ABORIGINAL PARTICIPATION COMPONENT

The Aboriginal Participation Component (APC) is designed to encourage the Contractor to contribute to socio-economic development for Indigenous people, businesses and communities.

A mandatory APC applies to the Contract as detailed in section 2 below.

1. **DEFINITIONS:**

The following definitions apply to the APC Requirement of the Contract:

(i) Direct Benefits:

Direct Benefits are transactions incurred by the Contractor during performance of the Work that include:

a. Aboriginal Business Subcontracting:

Subcontracting a portion of the Work, or goods or services required by the Contractor to deliver the Work, to a qualified Aboriginal Business as defined under the Procurement Strategy for Aboriginal Business (PSAB).

b. Aboriginal Employment:

Full-time, Part-time and Casual employment of Aboriginal Persons as defined under the PSAB; and,

c. Aboriginal Training and Skills Development:

In house and on the job training opportunities and skills development for Aboriginal Persons as defined under the PSAB.

(ii) Indirect Benefits:

Indirect Benefits are relevant socio-economic measures, other than Direct Benefits, such as, but not limited to, specialized training, career development, scholarships, and community outreach programs to help local Indigenous communities meet their economic development needs.

(iii) APC Transactions:

The total value of all transactions incurred by the Contractor on Direct and Indirect Benefits.

(iv) Contract Year:

Each twelve month period that occurs throughout the duration of the Contract. The initial Contract year is calculated starting on the date of Contract Award and ends twelve months later at which point the next Contract Year begins.

(v) Minimum Annual APC Transaction Value:

In performance of the Work the Contractor must ensure that, for each Contract Year, a value equal to or greater than, the value indicated below is incurred on either Direct Benefits, Indirect Benefits or a combination of both:

Region	Contract Year 1	Contract Year 2	Contract Year 3	Contract Year 4 (Option Year 1)	Contract Year 5 (Option Year 2)
QC	1.75% of the total value invoiced to Canada in Contract Year 1.	2% of the total value invoiced to Canada in Contract Year 2.	2.50% of the total value invoiced to Canada in Contract Year 3.	3% of the total value invoiced to Canada in Contract Year 4.	3.50% of the total value invoiced to Canada in Contract Year 5.
AB	1.75% of the total value invoiced to Canada in Contract Year 1.	2% of the total value invoiced to Canada in Contract Year 2.	2.50% of the total value invoiced to Canada in Contract Year 3.	3% of the total value invoiced to Canada in Contract Year 4.	3.50% of the total value invoiced to Canada in Contract Year 5.
ON	4.50% of the total value invoiced to Canada in Contract Year 1.	5% of the total value invoiced to Canada in Contract Year 2.	6.50% of the total value invoiced to Canada in Contract Year 3.	7.50% of the total value invoiced to Canada in Contract Year 4.	9% of the total value invoiced to Canada in Contract Year 5.
MB	4.50% of the total value invoiced to Canada in Contract Year 1.	5% of the total value invoiced to Canada in Contract Year 2.	6.50% of the total value invoiced to Canada in Contract Year 3.	7.50% of the total value invoiced to Canada in Contract Year 4.	9% of the total value invoiced to Canada in Contract Year 5.

Canada requests that the Contractor meets the required Minimum Annual APC Transaction Value, to the best of its ability, through creation of Direct Benefits. As a result, the degree to which the Minimum Annual APC Transaction Value has been incurred on Direct Benefits by the Contractor, for any given Contract Year, forms a Key Performance Indicator (KPI) in Annex G, the Performance Measurement Framework.

2. APC REQUIREMENTS

2.1. The Contractor must, within 30 calendar days after completion of each Contract Year, deliver the following to the APC Authority, the Contracting Authority, and the Project Authority for review:

- i) An APC Report, with supporting calculations, that detail the following for that Contract Year:
 - a) A breakdown of the APC Transactions and their total value;
 - b) A detailed breakdown of the Direct Benefits and Indirect Benefits incurred; and,
 - c) The surplus or deficit from the Minimum Annual APC Transaction Value and, if applicable, the total value of the APC Transaction Fee Credit.
- ii) Supporting documentation certifying that the Aboriginal firms stated in the APC Report meet the definition of an Aboriginal Business as defined under the PSAB, and that Aboriginal employees

stated in the APC Report meet the definition of Aboriginal Persons as defined under the PSAB.

(Refer to Appendix B to Annex F for PSAB Aboriginal Certifications)

- iii) Invoices, pay stubs, receipts, and/or any other documentation that provides evidence that the Transactions claimed in the APC Report were made in the amount claimed.

2.2. APC Transaction Fee Credit:

For each Contract Year:

- i) If the total value of Contractor's APC Transactions for that Contract Year does not meet the Minimum Annual APC Transaction Value, a fee credit will be applied as follows:

Note: if the result of the calculation are negative, then the APC Transaction Fee Credit will be \$0.

$$\text{APC Transaction Fee Credit} = (\text{Minimum Annual APC Transaction Value} - \text{total value of Contractor's APC Transactions for that Contract Year}) \times 120\%$$

- ii) To collect the APC Transaction Fee Credit, Canada will hold back, draw back, deduct or set off from and against any money Canada owes to the Contractor.
- iii) The Contractor's calculation of credits under the Contract is subject to verification by government audit, at the Contracting Authority's discretion, before or after payment is made to the Contractor. The Contractor must cooperate fully with Canada during the conduct of any audit by providing Canada with access to any records and systems that Canada considers necessary to ensure that all credits have been accurately credited to Canada in the Contractor's invoices. If an audit demonstrates that past invoices contained errors in the calculation of the credits, the Contractor must pay to Canada the amount the audit reveals was required to be credited to Canada, plus interest, from the date Canada remitted the excess payment until the date of the refund (the interest rate is the Bank of Canada's discount annual rate of interest in effect on the date the credit was first owed to Canada, plus 1.25% per year). If, as a result of conducting an audit, Canada determines that the Contractor's records or systems for identifying, calculating or recording the credits are inadequate, the Contractor must implement any additional measures required by the Contracting Authority.

2.3 No more often than once a Contract Year, the Contractor may propose changes to the APC Plan in writing to the Contract Authority, with a copy to the APC Authority, no later than 6 months after the start of the Contract Year. Any such proposal must include a justification for the change and a detailed explanation demonstrating that the change does not result in an APC that is reduced in quantity or quality. Any changes to the APC Plan must be approved by the APC Authority before taking effect.

Appendix A to Annex F Aboriginal Business Capacity

To identify Aboriginal Business capacity, for contracting and sub-contracting purposes, the Contractor may refer to the list of Aboriginal Businesses registered in the Aboriginal Business Directory (ABD). The ABD is a search engine available to industry and the federal procurement community for identifying Aboriginal Business suppliers. It is housed within Industry Canada's Canadian Companies Capabilities database <http://www.ic.gc.ca/app/ccc/srch/cccSrch.do?lang=eng&prtl=1&sbprtl=&tagid=248> .

In addition to the ABD, the Contractor may refer to other Aboriginal Business Directories such as:

- Canadian Council for Aboriginal Business www.ccab.com
- Union Gas <https://www.uniongas.com/about-us/community/aboriginal/business-list>
- Kativik Regional Government www.krg.ca
- BC Aboriginal Business Association <http://bcaboriginalbusiness.com>
- Canadian Aboriginal and Minority Supplier Council www.camsc.ca
- Province of Manitoba www.gov.mb.ca/ana
- Province of Ontario <https://www.lrcsde.lrc.gov.on.ca/aboriginalbusinessdirectory>

The Aboriginal Financial Institutions may also help in identifying Aboriginal business capacity <https://www.aadnc-aandc.gc.ca/eng/1100100033216/1100100033220> .

The Contractor should engage early with Aboriginal Businesses and communities to create meaningful relationships and beneficial partnerships with Aboriginal peoples. Indigenous entrepreneurs and communities are very receptive to respectful working relationships where partners understand their interests.

Early engagement can benefit all concerned by: enhancing relationships; ensuring a common understanding of the project requirements; determining Aboriginal Business capacity for the procurement of goods and services; and identifying skills and training gaps for employment of Aboriginal peoples. As a result, Contractors that engage with Indigenous communities and businesses in the development of their project plans may be in a better position to meet the outcomes as outlined in the Aboriginal Participation Component for Aboriginal Businesses and employment growth.

Appendix B to Annex F Aboriginal Business Certifications

CERTIFICATION #1:

Certification Requirements for Aboriginal Businesses

1. (i) I, _____ (*Name of duly authorized representative of business*) hereby certify that _____ (*Name of business*) meets, and shall continue to meet throughout the duration of the contract, the requirements for this program as set out in the attached document entitled "Requirements for the Set-Aside Program for Aboriginal Business", which document I have read and understand.
- (ii) The aforementioned business agrees to ensure that any subcontractor it engages with respect to the contract shall, if required, satisfy the requirements set out in "Requirements for the Set-Aside Program for Aboriginal Business."
- (iii) The aforementioned business agrees to provide to Canada, immediately upon request, information to substantiate a subcontractor's compliance with this program.

PLEASE CHECK THE APPLICABLE BOXES IN 2 AND 3 BELOW

2. (i) The aforementioned business is an Aboriginal business which is a sole proprietorship, band, limited company, co-operative, partnership or not-for-profit organization, []

OR
 - (ii) The aforementioned business is a joint venture between two or more Aboriginal businesses or an Aboriginal business and a non-Aboriginal business. []
3. The Aboriginal business or businesses have:
 - (i) fewer than six full-time employees []

OR
 - (ii) six or more full-time employees []
4. The aforementioned business agrees to immediately furnish to Canada, such evidence as may be requested by Canada from time to time, corroborating this certification. Such evidence shall be open to audit during normal business hours by a representative of Canada, who may make copies and take extracts from the evidence. The aforementioned business agrees to provide all facilities for audits and to furnish information requested by Canada with respect to the certification.
 5. It is understood that the civil consequences of making an untrue statement in the bid documents, or of not complying with the requirements of the Program or failing to produce satisfactory evidence to Canada regarding the requirements of the Program, may include: forfeiture of the bid deposit; retention of the holdback; disqualification of the business from participating in future contracts under the Program; and/or termination of the contract. In the event that the contract is terminated because of an untrue statement or non-compliance with the requirements of the Program, Canada may engage another contractor to complete the performance of the contract and any additional costs incurred by Canada shall, upon the request of Canada, be borne by the aforementioned business.

Solicitation No. - N° de l'invitation
HT426-17-2611/C
Client Ref. No. - N° de réf. du client
HT426-17-2611

Amd. No. - N° de la modif.
File No. - N° du dossier
005xf. HT426-17-2611

Buyer ID - Id de l'acheteur
005xf
CCC No./N° CCC - FMS No./N° VME

6. Date	Signature
Place	Title (Duly authorized representative of business)
	For:
	Name of Business

CERTIFICATION #2:

Owner/Employee Certification Form

1. I, _____, am an
Name

owner and/or full-time employee of _____,
Name of business

and an Aboriginal person, as described in the document "Requirements for the Set-Aside Program for Aboriginal Business".

2. I certify that the above statement is true and consent to its verification upon the request of Canada.

Date	Signature of owner and/or employee
Place	
