

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.1	Aboriginal Business Development
<b>Sponsor(s):</b>	<i>Suncor Energy Inc.</i>	

## 1. Objective

To implement targeted procurement measures as part of an Aboriginal affairs strategy to achieve economic self-sufficiency through community-based business development.

## 2. Description

Suncor's Aboriginal affairs strategy supports local First Nations and Métis communities in their goal of achieving economic self-sufficiency through community-based business development. The strategy includes procurement measures for creating economic opportunities for Aboriginal businesses. Suncor has in place a target of \$50 million per year in long-term contracts to Aboriginal businesses by 2005.

Suncor established an Aboriginal business development committee in 1995 to implement the business development component of its Aboriginal affairs strategy. The committee looks for business opportunities that can be developed in the Wood Buffalo region. The specific mandate of the Aboriginal business development committee is:

- To increase the value of commercial contracts between Suncor and local Aboriginal communities
- To help Aboriginal communities develop the capacity to do business with Suncor and other industrial parties

The committee operates under the following guidelines:

- Facilitate relationships and focus on First Nation and Métis communities in the Wood Buffalo region
- Focus on business development. The measure of success is value of contracts, not the number of jobs.
- Focus on new opportunities. Suncor will not displace existing local employees, suppliers and contractors.
- Communicate the committee's mandate within Suncor and report on progress to employees and management
- The aim of all business relationships will be Suncor obtaining quality, cost-competitive goods and services

- The committee sets targets and measures success
- Individuals from the business unit most directly affected will be involved in developing any particular opportunity. The decision to implement lies with the user department.

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- The Aboriginal business development committee is sponsored by, and reports on a quarterly basis to the vice president, human resources support and community affairs.
- Suncor applies its procurement strategy to contractors by including the following policy statement in all tender documents:

“Suncor is to invest in local and Aboriginal Businesses through its purchasing expenditures. Contract award decisions made by Suncor shall take into consideration the local and Aboriginal content offered by tenderers, including but not limited to: (a) the use of local labour, supplies, and contractors; (b) the use of Aboriginal labour, supplies, and contractors; (c) notwithstanding the lowest or any contract prices tendered, Suncor may give preference to a tender offering demonstrated local and Aboriginal content.”
- The definition of an Aboriginal business is “not less than 51 percent ownership by an Aboriginal person(s)”.

### **4. Timeframe for Results**

The Aboriginal business development committee was established in 1995, followed by the policy and strategy in 1996. The Aboriginal business development strategy was last updated in 2001 and is reviewed for results every year.

### **5. Measurable Criteria**

- Success in meeting procurement targets for Aboriginal content
- Value of contracts awarded to Aboriginal businesses
- Number of Aboriginal businesses receiving contracts
- Success of Aboriginal suppliers in diversifying their customer base

### **6. Budget**

There is no direct budget for this program. The main cost is internal staff time in participating on the Aboriginal business development committee and working with Aboriginal businesses to help them become successful in bidding on contracts.

## **7. Partners and Sponsors**

Suncor Energy Inc. is the program sponsor. Suncor is an Associate Member of the Northeastern Alberta Aboriginal Business Association (NAABA) and works directly with its members to promote Aboriginal business opportunities and development.

As an additional business support, Suncor has committed up to 10 bursaries in partnership with the Northern Alberta Development Council (NADC) towards the Aboriginal Entrepreneurship Certificate Program at Keyano College.

## **8. Experience with the Program**

The program has been successful. In 1996, Suncor achieved its goal of \$30 million per year in long-term contracts with Aboriginal businesses. This goal was set as part of the company's strategy to increase the total value of Aboriginal business contracts in the Regional Municipality of Wood Buffalo while ensuring Suncor receives cost-effective and quality goods and services.

The annual amount spent on contracts with Aboriginal businesses has grown consistently since 1992 to reach \$47 million in 2000. Suncor plans to establish a new target - to increase the value of long-term contracts to a consistent level of \$50 million per year by 2005, excluding expansion projects.

## **9. General Applicability**

This program may be of interest to companies willing to consider the aggressive use of targeted procurement measures as a corporate strategy to increase the value of commercial contracts awarded to Aboriginal businesses.

## **10. Additional Information or Support**

Jerry Welsh, Aboriginal Affairs Manager, Suncor Energy Inc., P.O. Box 4001, Fort McMurray, AB, T9H 3E3

Telephone: (780) 743-6531

Email: [jwelsh@suncor.com](mailto:jwelsh@suncor.com)

Date Entered or Updated: October 10, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.2	Aboriginal Business Development Policy
<b>Sponsor(s):</b>	<i>Synchrude Canada Ltd.</i>	

## 1. Objective

To support the development of sustainable economic capacity by providing an opportunity for Aboriginal suppliers in the Wood Buffalo region to supply goods and services to Synchrude and develop as competitive players in the bigger marketplace.

## 2. Description

Synchrude uses the following strategies to support Aboriginal business development:

- **Create networks with Aboriginal businesses using an Aboriginal business coordinator.** The coordinator provides access to information on Synchrude procurement policies, practices and opportunities; assists prospective suppliers in raising their qualifications to obtain business contracts and aligns business needs to Aboriginal contractors' (current and new) capabilities.
- **Establish contract management policies.** Synchrude requires its contractors and suppliers to provide employment opportunities to local Aboriginal people. In awarding contracts, where all other factors are equal, preference is given to Aboriginal suppliers, then to local businesses, and finally to other contractors and suppliers who maximize the use of local Aboriginal business, local business, and employment of local Aboriginal people.
- **Ensure internal commitment and accountability.** Senior management plays an active role in communicating its approach to Aboriginal businesses with both internal and external audiences. Operational units are responsible for stewarding and meeting business objectives for Aboriginal participation.
- **Clearly define the requirements for an Aboriginal business.** To be considered an "Aboriginal business", the business must have at least 51% ownership by an Aboriginal person(s) who take(s) an active role in the day-to-day operation of the business.

These strategies are designed to:

- Ensure success and increase competitiveness of current Aboriginal businesses
- Encourage other contractors to employ Aboriginal people and to subcontract work to

Aboriginal businesses

- Communicate objectives and plans to key stakeholders to ensure their understanding and commitment

Syncrude believes that Aboriginal businesses are only truly successful when they compete in the marketplace with non-Aboriginal companies and expect that over time they will do so. However, in order to allow local Aboriginal businesses to develop to that point, Syncrude will, for a period of time, provide a supportive environment in which Aboriginal businesses can grow and develop.

### **3. Implementation**

Implementation of the Aboriginal business development policy includes a number of important operational elements:

- Ensuring that Syncrude's contracting strategies are consistent with its local and Aboriginal business development policy and with the capacity of Aboriginal businesses to compete and deliver. This may require tenders to be broken up to allow local contractors to bid on work they are capable of handling. Syncrude creates internal mechanisms to provide leadership, manage work issues and steward progress.
- Making sure a wide range of people and organizations are knowledgeable about opportunities and Syncrude's commitment. This includes holding regular meetings with key associations and groups; supporting local initiatives such as the Northeastern Alberta Aboriginal Business Association, Chamber of Commerce, Construction Association; maintaining key contacts and relationships ("Tell me, not the local newspaper."); and communicating upcoming work on a regular basis.
- Building capability of people and companies in the local area by conducting workshops on preparing bids and tenders with the Fort McMurray Regional Business Development Centre; providing access to training - safety Courses, CSTS, computer skills, first aid, etc; and sharing resources and expertise, such as contract administration or maintenance on equipment.

### **4. Timeframe for Results**

The policy has a long-term timeframe and improvements are made continuously as experience is gained. Syncrude developed a strategic plan in 1992 for working with Aboriginal businesses in the Wood Buffalo region. The position of an Aboriginal business coordinator was created in 1997 to assist Aboriginal entrepreneurs in becoming aware of the opportunities presented by Syncrude's substantial and growing oil sands operations. The coordinator reports to Senior management every quarter on the progress of the program.

### **5. Measurable Criteria**

Syncrude believes that it is good business to include local Aboriginal people as participants in the development of the oil sands through creating opportunities for the provision of goods and services because this:

- Creates wealth and employment in the region
- Enables local communities to fully participate in Syncrude's success and future growth

- Strengthens relationships with key stakeholders
- Enhances Syncrude's reputation of being socially responsive and responsible

Measurable criteria include the value of contracts awarded to Aboriginal businesses, the number of Aboriginal businesses operating in the local area, and the range of goods and services provided by Aboriginal businesses.

## **6. Budget**

Approximately \$200,000 a year.

## **7. Partners and Sponsors**

Syncrude Canada Ltd. is the sole sponsor. Key partners are the Northeastern Alberta Aboriginal Business Association (NAABA) and Keyano College.

## **8. Experience with the Program**

Syncrude set a target in 1992 of \$30 million in procurement contracts with Aboriginal businesses. This goal was surpassed in 1994 and Syncrude shifted its focus from increasing spending targets to working with contractors to increase competitiveness. In 2004, \$107 million was awarded to Aboriginal contractors. Since 1992, Syncrude has awarded about \$768 million in procurement contracts to Aboriginal businesses (to the end of 2004).

Syncrude has business contracts with over 23 Aboriginal contractors supplying the following goods and services: janitorial, waste management, labour supply, grounds care, shutdown safety watch, environmental monitoring, bison herd management, pallet manufacturing, safety clothing manufacturing, work clothing cleaning and repair, conveyor belt slicing, heavy equipment washing, electrical maintenance on facilities, shuttle service, long distance pipe hauling across Canada, sand blasting, fireproofing, material and mail delivery, furniture moving, sewage removal and water supply, ultra sonic cleaning, high pressure washing, welding and fabricating, drafting, reclamation of trees and grasses.

Syncrude played a role in 1993 in the formation of Northeastern Alberta Aboriginal Business Association (NAABA), which provided a means of networking for Aboriginal entrepreneurs. NAABA has delivered proven value to both Aboriginal businesses and Syncrude. In 2003, Syncrude also provided three scholarships for Aboriginal students to attend the Aboriginal Entrepreneurship Certificate Program at Keyano College.

Syncrude believes that their approach has been successful because:

- There has been strong senior level commitment that has been re-enforced throughout the organization and supported by action at all levels.
- There has been a great deal of learning as the policy has developed and Syncrude has been willing to make the necessary changes to make the policy a continued success.
- Syncrude has been transparent and accountable to community stakeholders.

## **9. General Applicability**

This policy may be of interest to companies looking for an integrated approach which utilizes corporate procurement spending to foster and promote Aboriginal business development. It is an effective strategy to maximize the productive participation of Aboriginal business and at the same time, build stronger, self-sustaining Aboriginal communities.

## **10. Additional Information or Support**

Les Diachinsky, Aboriginal Community Business Coordinator, Syncrude Canada Ltd., PO Bag 4009  
Fort McMurray, AB T9H 3E3

Telephone: (780)790-6357

Email: [diachinsky.les@syncrude.com](mailto:diachinsky.les@syncrude.com)

**Date Updated:** July 14, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.3	Aboriginal Business Development Success Models
<b>Sponsor(s):</b>	<i>Cameco Corporation</i>	

## 1. Objective

To identify and facilitate business opportunities for Aboriginal entrepreneurs, companies and communities in Saskatchewan in ways that build on existing business capacity and readiness.

## 2. Description

Cameco Corporation has developed and implemented an Aboriginal business development strategy for its mining operations in northern Saskatchewan. It resulted from consultations with Aboriginal communities that want economic opportunities for themselves and their children while mining activity is undertaken in the North, and they want the employment and business skills necessary to participate in the economy after mining activity is completed.

The strategy contains three broad principles and associated specific elements that are essential to the success of Aboriginal business development:

- **Create a corporate mindset.** Secure senior management commitment to the strategy; establish and communicate the business case; establish a policy framework; establish basic business parameters; establish procedural guidelines; and set internal performance expectations.
- **Create a community mindset.** Formalize internal and external expectations; formalize guidelines for business management; and separate politics from business.
- **Create Aboriginal business partnerships.** Set expectations and standards; establish flexibility in partnership models; and encourage independence and sustainability.

Four models have been used successfully by Cameco to encourage Aboriginal business development through the use of company procurement:

- Identify and custom fit existing entrepreneurial capacity
- Facilitate joint ventures with existing experienced contractors and suppliers
- Encourage and/or facilitate acquisitions by Aboriginal entrepreneurs
- Act as the joint venture partner and incubate a future Aboriginal supplier

### 3. Implementation

A number of issues and prescriptive factors need to be considered in the implementation of an Aboriginal business development strategy.

#### Create a corporate mindset

**Secure senior management commitment to the strategy.** Executive management commitment is critical for success; recognize significant potential for loss of resolve; recognize other vested interests; meet the needs of all levels of management to avoid the potential for sabotage; pay particular attention to the procurement department; and commit internal resources.

**Establish and communicate the business case.** Good intentions are not enough to sustain commitment; be prepared to engage in cost/benefit analysis; and outline and communicate economic value - these include the value of relationships with local suppliers, social license to develop, political support through "buy local" program, regulatory peace, being viewed as a socially responsible developer, being viewed as the developer of choice both nationally and internationally, and investor confidence.

**Establish a policy framework.** Capture what the company hopes to accomplish; establish formal process for identifying opportunity; deal with the issue of preferential treatment; reference other obligations required by legislation; and set the stage externally by liaison with all levels of government, direct liaison with Aboriginal groups and conditioning external suppliers.

**Establish basic business parameters.** Ownership requirements (who qualifies and how); corporate expectations - quality, timeliness, cost competitiveness; and vendor obligations - management, subcontracting, employment, and training.

**Establish procedural guidelines.** Qualifying potential suppliers; tendering/bidding or call for proposals; bonding and financing; and how to handle expressions of interest from Aboriginal entrepreneurs - deal with reality.

**Set internal performance expectations.** Set annual corporate targets by \$ volume, type or even diversification; set annual targets by operation, department and individual manager; provide for internal and external monitoring and reporting; hold people accountable; and cherish the successes - move on from the failures.

#### Create a community mindset

**Formalize internal and external expectations.** Set business philosophy (create wealth through profits); connect community's social and economic goals; decide what to do with earnings and dividends; strategic planning (long-term); secure a commitment of finances; hire business planning expertise; engage potential partners and customers; and show pride in your successes.

**Formalize guidelines for business management.** Decide whether to support community-operated enterprises or individual entrepreneurs; assess capability in business management; understanding of the importance of customers; and desired level of management control (direct management control, joint management or limited

partnership).

**Separate politics from business.** Identify and deal with potential political problems; establish separate structure for business; resist temptation to draw operating funds or profits too early; train managers and administrators to operate the company; develop a process to identify entrepreneurs; test for commitment and provide regular feedback; and secure commitment from boards, councils and leaders.

#### **Create Aboriginal business partnerships**

**Set expectations and standards.** Communicate with existing suppliers; establish expectations on financing, management control, training, employment and Aboriginal participation; encourage cultural integration beyond business relationship; and decide on support for individual entrepreneurs vs. community-based economic development groups.

**Establish flexibility in partnership models.** Build flexibility into tendering and bidding process. Waive bonding when necessary; be prepared to get involved in financing; prepare to engage in business management and mentoring; commit to openness and communication; and give and receive feedback regularly.

**Encourage independence and sustainability.** Discourage contract dependency over extended periods; insist on preparing enterprise for diversification; and encourage joint ventures to grow beyond existing contract.

#### **4. Timeframe for Results**

Revisions to Cameco's policy on procurement of goods and services in 1999 directed the Saskatchewan operations to give preference to utilizing vendors located in northern Saskatchewan. The results are assessed and reported on an annual basis as required in Cameco's surface lease agreements and impact management agreement.

#### **5. Measurable Criteria**

- Dollar value and percentage of company procurement expenditures in northern and Aboriginal communities
- Number of Aboriginal business partners

#### **6. Budget**

No direct budget. Staff time is spent by purchasing, northern affairs and sustainable development departments to help northern businesses.

#### **7. Partners and Sponsors**

Cameco Corporation, 15 northern Aboriginal business partners (Cree, Dene and Métis) in 12 different sectors including aviation, trucking, environmental services, catering, mining, industrial maintenance, heavy construction, civil construction, road maintenance, janitorial, security, fabrication.

#### **8. Experience with the Program**

Seen as very successful. Cameco spent approximately \$81 million in 2004 on services supplied by

northern businesses; 72% of all service contracts were awarded to northern companies. As a result of this policy, Aboriginal businesses are being developed. Northern Resource Trucking (NRT) is one example. In return for an exclusive six-year contract for all Cameco hauling, NRT reorganized and invited the participation of nine other Cree, Dene and Métis communities into its already successful business. In 2004, NRT revenues were approximately \$12 million. In addition, many of the Aboriginal drivers for NRT are now lease operators, running their own businesses.

## **9. General Applicability**

This program may be of interest to companies looking for guidance on how to use procurement as a tool to encourage Aboriginal business development.

## **10. Additional Information or Support**

John Scarfe, Manager, Northern Business Development, Cameco Corporation, 2121-11th Street West, Saskatoon, Saskatchewan, S7M 1J3

Telephone: (306) 956-6640

Email: [john\\_scarfe@cameco.com](mailto:john_scarfe@cameco.com)

Date Entered or Updated: July 8, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.4	Aboriginal Contractor Database
<b>Sponsor(s):</b>	<i>EnCana Corporation</i>	

## 1. Objective

To measure Aboriginal participation in direct contracts and build internal awareness of existing Aboriginal businesses in proximity to EnCana's operations.

## 2. Description

The internal Aboriginal Contractor Database contains the following information: description and type of the business; size; descriptor references to capacity; equipment lists; price lists; and business contacts. Real-time reports can be generated that cross-reference geographic location, Aboriginal community type, business unit allocation and business type. The Aboriginal businesses are also coded according to ten distinct classifications:

- First Nation owned - tribal council (includes Inuit)
- First Nation member owned - off reserve (includes Inuit)
- First Nation member owned - On reserve (includes Inuit)
- First Nation band owned (includes Inuit)
- Métis community or organization owned
- Métis member owned
- Métis Settlement owned
- Aboriginal owned - other
- First Nation/non-Aboriginal business partnership) includes Inuit
- Métis/non-Aboriginal business partnership

Encana's internal Aboriginal relations website links to the Aboriginal Contractor Database, accompanied by the corresponding community profile.

## 3. Implementation

Some of the key elements for implementation and management of this program are:

- Internal administration resources are required to build the database and keep it current
- Administration of database includes accounting department involvement to generate current reports and statistics
- Database is for internal use only although data is shared with the public and communities

#### **4. Timeframe for Results**

Following the set-up of the database there were immediate results due to raised internal awareness.

#### **5. Measurable Criteria**

- Increase in number of contracts awarded to Aboriginal businesses
- Increase in number of Aboriginal contractors included on bid lists
- Creation of sustainable income, economic and other benefits for Aboriginal communities
- Increase in number of joint ventures and partnerships developed

#### **6. Budget**

Start-up of the database cost approximately \$30,000, including internal administrative input, IT support, and research. The ongoing maintenance of the database cost approximately \$4,000 annually.

#### **7. Partners and Sponsors**

EnCana Corporation is the sole sponsor.

#### **8. Experience with the Program**

The system provides accurate spend data that can be used to assess and communicate EnCana's performance regarding the level of Aboriginal participation in projects or within geographical areas. It provides useful information for Aboriginal communities, EnCana management, front-line staff and governments. The ease and timeliness associated with gathering this information has been greatly enhanced.

#### **9. General Applicability**

This program is a model that can be used by resource industries where there is potential for Aboriginal companies to bid on or participate in contracts to supply goods and services.

#### **10. Additional Information or Support**

Andy Popko, VP Community and Aboriginal Affairs, EnCana Corporation, PO Box 2850, 1800, 855-2 Street SW Calgary, AB, T2P 2S5

Telephone: (403) 645-8259

Email: [Andrew.popko@encana.com](mailto:Andrew.popko@encana.com)

Date Entered or Updated: June 1, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.5 Business Based Relationships with Aboriginal Communities	
<b>Sponsor(s):</b>	<i>Tolko Industries Ltd.</i>	

## 1. Objective

To establish business-based relationships with Aboriginal groups focused on development of timber harvesting capacity; to provide an opportunity for Aboriginal-based businesses to invest and partner in forest-based businesses complementary to Tolko's core business; and to proactively engage Aboriginal groups in the human resources and skills training associated with existing and new business ventures.

## 2. Description

Tolko's Aboriginal policy commits the company to working with Aboriginal communities and individuals on the basis of mutual understanding, respect and trust, as well as recognition of and sensitivity to the different cultural values and rights of each community in which Tolko operates.

The key principles that guide the development of business-based relationships are:

- Ensure effective communication and consultation on forest management activities that involve Aboriginal areas of interest
- Provide employment and contract opportunities to Aboriginal people consistent with Tolko's Equal Employment Opportunity policy
- Conduct business in a manner that will be supportive of ventures that make sound business sense and are operated for the mutual benefit of all parties
- Establish and maintain a consultative process to identify opportunities and address or resolve any conflicts that may arise

The approach used by Tolko is to enter into a memorandum of understanding (MOU) with interested Aboriginal communities in proximity to Tolko's operations. These MOUs set out a basis for the parties to work together and develop business-based relationships focused on timber harvesting and forest management opportunities. In particular, Tolko has entered into harvesting contracts with Aboriginal communities by committing timber volumes sufficient to support a viable harvesting operation (typically a total volume of 100,000-150,000 m<sup>3</sup>/year from all sources). The contract is on commercial terms and can be used to secure bank financing. One condition is that the harvesting operation must employ Aboriginal people and cannot simply be sub-contracted out to another party. In some cases where the Aboriginal party has lacked

sufficient equity, Tolko has provided start-up financial assistance, which is structured as a repayable loan. The company also provides in-kind services in forest management and operational planning at no cost to the Aboriginal venture, and supports training initiatives for Aboriginal people in these areas.

### **3. Timeframe for Results**

The length of the MOU varies depending on the situation, but generally it is a five-year agreement with renewal provisions subject to performance. All agreements contain default clauses that allow for termination in the event of non-performance. Tolko provides the business opportunity but the Aboriginal contractor must meet the terms and conditions which are negotiated on a commercial basis.

### **4. Measurable Criteria**

- Number of Aboriginal people employed
- Success of Aboriginal venture
- Aboriginal engagement is a key performance indicator (KPI) for Tolko managers

### **5. Budget**

Tolko has used repayable loans to assist in start-up of Aboriginal harvesting ventures where the Aboriginal party has lacked sufficient equity. The company also provides in-kind services in forest management and operational training at no cost to Aboriginal partners. No identifiable budget exists as these costs are internalized.

### **6. Partners and Sponsors**

Tolko Industries Ltd. is the sole sponsor. Key partners include First Nations (Little Red River Cree, Tallcree, Dene Tha, Whitefish, Meadow Lake Tribal Council, Agency Chiefs Tribal Council, La Ronge Band) and Métis communities in Alberta and Saskatchewan (Gift Lake, Peavine, East Prairie, North West Communities).

### **7. Experience with the Program**

Tolko has entered into a number of business-based timber harvesting and related contracts with Aboriginal parties. The company sees these initiatives as having been successful in providing business opportunities and building relationships with Aboriginal communities even though some are no longer active. Contracts include:

#### **High Prairie Division (since 1995)**

- Gift Lake Métis Settlement harvests approximately 150,000 m<sup>3</sup>/year for Tolko and sells approximately 40,000 m<sup>3</sup>/year to Tolko.
- Peavine Métis Settlement harvests approximately 145,000 m<sup>3</sup>/year for Tolko and sells approximately 20,000 m<sup>3</sup>/year to Tolko.
- Whitefish Lake First Nation harvests approximately 125,000 m<sup>3</sup>/year for Tolko. Alberta's first joint DTA was between Whitefish Lake First Nation and Tolko.
- Sturgeon Lake First Nation sells 10,000 m<sup>3</sup>/year to Tolko.

- Driftpile First Nation sells 5,000 m<sup>3</sup>/year to Tolko.

#### High Level Division (since 2001)

- Dene Tha First Nation harvests and delivers approximately 45,000 m<sup>3</sup>/year, currently has a one-year agreement to develop all Forest Management Plans for the F14 Forest Management Unit; formal commitment to develop a joint Detailed Forest Management Plan for F14; training staff of the Dene Tha First Nation in the area of GPS/map development; corporate sponsor of the Alberta's Future Leaders Program.
- Little Red River Cree Nation/Tallcree First Nation harvests and delivers approximately 186,000 m<sup>3</sup>/year to Tolko; Tolko continues to support the Special Management Area, which overlaps a portion of the FMA; First Nations members were involved in various aspects of development of the Detailed Forest Management Plan; donated funds and forestry-related books/supplies to schools for various traditional use and educational seminars/field trips; supported training initiatives including paying for the operational training of ten Little Red River Cree Nation members.

#### Meadow Lake, Saskatchewan (since 2002)

- Meadow Lake OSB Partnership includes two Aboriginal shareholders (Meadow Lake Tribal Council and North West Communities) whose interest could increase over time to 10% each; emphasis on partnership for other business opportunities (e.g. harvesting, short wood processing, loading, hauling).
- North West Communities (Métis) entered into a Forest Management Services Agreement and a Timber Supply Agreement for a timber volume allocated to the North West Communities La Ronge Band; entered into a Timber Supply Agreement with Kitsaki Management.
- Meadow Lake Tribal Council entered into an employment training program for OSB operations involving the Tolko High Prairie mill.
- Island Lake and Makwa First Nations signed MOUs providing timber harvesting opportunities.

### 8. General Applicability

This program may be of interest to companies in the forest products business as well as non-forestry companies that want to participate in supporting Aboriginal business ventures.

### 9. Additional Information or Support

Dave Knight, Regional Manager, Woodlands, Tolko Industries Ltd., Slave Lake Division, PO Box 630  
Slave Lake, Alberta T0G 2A0

Telephone: (780) 805-3003

Email: [Dave.Knight@tolko.com](mailto:Dave.Knight@tolko.com)

Date Entered or Updated: July 30, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.6	Fox Creek Business Alliance
<b>Sponsor(s):</b>	<i>Hinton Wood Products - Hinton Woodlands</i>	

## 1. Objective

To develop an Aboriginal business model for forestry contracts and support diversification into new areas such as campsite maintenance, firefighting and road monitoring.

## 2. Description

Hinton Woodlands has traditionally employed many Aboriginal people in its tree-harvesting operations. In the 1970s, logging technology changed from using hand-cutting and horses to a mechanized process. In order to continue to employ Aboriginal people living in the area, Hinton Woodlands helped to establish an Aboriginal business - Fox Creek Development Association Ltd. (FCDA). This business has operated successfully for 25 years, with the continued involvement of Weldwood.

In the early years, FCDA was primarily supported by contracts from Hinton Woodlands. Initially, contracts were for timber harvesting, and the contracts were given to the company on a non-competitive basis.

FCDA is evolving in terms of clients and business experience. While Hinton Woodlands is still a major supporter, about 50% of revenues now comes from contracts with other clients, including the Alberta Department of Sustainable Development and oil and gas companies.

Forestry contracts are still the major business, although contracts are now for silviculture (stand tending) rather than harvesting. FCDA has also expanded into new areas. For example, it has contracts for campsite maintenance and money collection on 16 provincial recreation areas managed by Hinton Woodlands. It also has contracts for firefighting, brush cutting and road monitoring. The company now competes for more contracts on a competitive basis.

FCDA is a company owned by 22 Aboriginal shareholders who are also employees of the company (incorporated under the Societies Act). The company has a general manager, administrator, 25 permanent employees and 10 seasonal employees. A board of directors guides the company and is comprised of prominent community and government leaders. The board is very active in working with the company to identify new opportunities and provide business advice.

FCDA is an example of an Aboriginal business that has evolved with changing technology and is diversifying its clients and types of contracts.

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- FCDA hires all local Aboriginal people, without distinction based on band or community. There are no reserves within the Forest Management Area, however there are many Aboriginal people living in the local communities.
- Both FCDA and Hinton Woodlands have a long-term commitment to the community. They involve people who live in the community in their organizations.
- The business is flexible in its hiring policies and accommodates the culture and lifestyle of Aboriginal employees. Some contracts also involve training.
- FCDA has shown itself to be adaptable to changing business conditions. For example, it has recently moved into the area of provincial recreation management.
- FCDA has a certificate of recognition through the Occupational Health and Safety - Partners in Injury Reduction program.
- FCDA supports traditional and cultural lifestyles including facilitation of a traditional native dance troupe and post-secondary scholarships.

### **4. Timeframe for Results**

FCDA has been active for 25 years. While most projects are short term, the business alliance between the Aboriginal community and Hinton Woodlands is long term, and is expected to continue.

### **5. Measurable Criteria**

Satisfactory provision of quality services on budget.

### **6. Budget**

FCDA revenues are approximately \$2 million per year with about half from Hinton Wood Products.

### **7. Partners and Sponsors**

Other companies and the Alberta Government also provide contracts. Community leaders serve on FCDA's board of directors and help in finding contracts.

### **8. Experience with the Program**

This Aboriginal-owned company has been successful in maintaining long-term relationships in the community and in responding to changing conditions.

## **9. General Applicability**

This program is applicable to other Aboriginal companies and communities.

## **10. Additional Information or Support**

Dave Kmet, Lands Coordinator, Hinton Wood Products, 760 Switzer Drive, Hinton, AB T7V 1V7

Telephone: (780) 865-8137

Email: [dave.kmet@westfraser.com](mailto:dave.kmet@westfraser.com)

Sharon Kelly, Fox Creek Development Alliance, 649 Switzer Drive Hinton, Alberta, T7V 1G9

Telephone: (780) 865-2154

Email: [foxsk@telus.net](mailto:foxsk@telus.net)

Date Entered or Updated: August 15, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.7	Local Opportunity Process
<b>Sponsor(s):</b>	<i>Petro-Canada Ltd.</i>	

## 1. Objective

To optimize local economic benefits associated with the development of Petro-Canada's oil sands projects.

## 2. Description

The Local Opportunity Process applies to work awarded and performed by Petro-Canada directly or by its prime contractors.

Local business opportunities are created through: identifying pieces of work or work packages that are capable of being sourced from within the Regional Municipality of Wood Buffalo (RMWB); implementing a standard pre-qualification criteria; implementing a standard decision-making process for awarding the work; offering timely and honest debriefing of unsuccessful local good/services providers; giving preference to local goods/services providers, assuming "all else equal". All bids are evaluated based on technical competence (including equipment), safety record, cost, and local content.

Application of the Local Opportunity Process ensures that businesses in the region are:

- Informed of work opportunities
- Informed of capabilities required to perform the work
- Understand contract selection and the award process
- Provided an opportunity to pre-qualify and/or bid specific work

The Local Opportunity Process implementation guidelines and tools include:

**Flowchart.** The process of identifying and awarding local business opportunities applies to both fixed work packages and variable or as-required good and services.

- Fixed work packages - typically larger dollar values, with longer lead times to bid and award contract
- Variable goods and services - typically smaller dollar values, required on an as-needed basis, short lead times, short duration (days), seasonal work

### 3. Implementation

Some of the key elements for implementation and management of this program are:

- The application of the Local Opportunity Process does not automatically mean the awarding of work to local goods or services providers. The procurement of any goods or services is managed in a manner that ensures quality, site safety, cost targets and work schedules are maintained.
- The success of the Local Opportunity Process depends upon the ongoing and open dialogue between Petro-Canada staff, the First Nations IRC (Industry Relations Corporation) staff, and local business representatives.
- The policy does not specifically mention Aboriginal involvement, but it is implied for local communities with a high percentage of Aboriginal people.
- Petro-Canada plans to track and consolidate local economic benefits data on a project specific and overall basis.

Implementation steps are distinct steps corresponding to roles and responsibilities. Implementation and tracking of the Local Opportunity Process is the combined responsibility of business representatives (project specific, operations, drilling, construction and logistics, seismic), supply chain management and environment health, safety and stakeholder relations.

#### *Tools*

- **Stakeholder contact log** - the prime tool for capturing decisions, commitments or issues related to business and employment opportunities. The log provides an important historical account of key communications between Petro-Canada representatives and stakeholders.
- **Bid vs. sole source decision process** - consideration may be given to bid or sole source fixed work packages or variable goods/services. Benefits and cost factors are assessed and documented.
- **Business and employment data summary** - consistent and comprehensive tracking of local business and employment data is key to the company's ability to demonstrate local benefits realized by local communities.

### 4. Timeframe for Results

Ongoing. Results are reported to the Regional Initiatives Working Group (RIWG) in its annual survey.

### 5. Measurable Criteria

- Higher local employment
- Creation of a sustainable and skilled Aboriginal employment base
- Increase in local contractors providing goods and services
- Creation of sustainable income, economic and other benefits for the Aboriginal community

## **6. Budget**

Local Opportunity Process costs are part of Petro-Canada's ongoing business practice. There is no specific budget allocation.

## **7. Partners and Sponsors**

The partners for this initiative are Petro-Canada, local and Aboriginal communities in the Regional Municipality of Wood Buffalo and the Fort McMurray Chamber of Commerce.

## **8. Experience with the Program**

This program was implemented in 2001. It has been very beneficial to Petro-Canada's overall operational presence. The evidence is in the millions of dollars spent by the company on goods and services in the community. Operationally it is beneficial because service providers who live and work in the community and are better able to respond to company needs (flexibility). The quality of work has been excellent.

## **9. General Applicability**

While this particular example is related to oil sand operations, the model can be used where there are opportunities for local companies to bid on and participate in contracts to supply goods and services.

## **10. Additional Information or Support**

Sheri Pidhirney, Aboriginal Affairs Advisor, Petro-Canada, 9902 Franklin Avenue, Fort McMurray, AB T9H 2K5

Telephone: (780) 714-5672

Email: [spidhirn@petro-canada.ca](mailto:spidhirn@petro-canada.ca)

Date Entered or Updated: June 30, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.8	Northern Preferential Supplier Program
<b>Sponsor(s):</b>	<i>Cameco Corporation</i>	

## 1. Objective

To increase the opportunities and strengthen the capabilities of suppliers in northern Saskatchewan. While the program is intended for all northern suppliers, the population of the region is 80-90% of Aboriginal ancestry and there will be a significant number of eligible Aboriginal businesses.

## 2. Description

In 2002, Cameco adopted a new vision and mission - to become a dominant nuclear energy company and to achieve sustainable growth through socially, environmentally and economically responsible conduct. Cameco is committed to purchasing locally. In northern Saskatchewan this has helped create employment for northerners and develop more than 15 businesses that supply its northern mining operations. The company has recently established a one-year pilot program to augment opportunities for northern suppliers.

The general principles for Cameco's Northern Preferential Supplier Program are:

- Cameco will conduct its business in a socially, environmentally and economically responsible way and will work to enhance its status as an investment, supplier, employer and partner of choice and to earn the support of communities where it interacts.
- Cameco views its contractors as business partners and believes that high-quality, long-term relationships are desirable in delivering strong financial performance and value to its shareholders.
- Cameco will preferentially provide employment and contract opportunities for residents of Saskatchewan's North, to the extent that they meet the qualifications as set out by company's operations management.
- Cameco will contract work to preferred northern suppliers, who in the company's assessment are capable of delivering high quality services at competitive prices.
- Cameco respects the obligation it has to its employees, both union and non-union, and will assign contractors to work at its operating sites with consideration to these obligations, and in the case of unionized employees, in accordance with provisions in its collective agreements.

### **3. Implementation**

Some of the key elements for implementation of this program are:

Cameco defines a northern supplier as “a supplier (company) that is owned 50% or greater by a resident or group of residents of Saskatchewan’s North and whose northern owners/partners have legitimate participation in the management or governance of the company.”

A preferred northern supplier meets the above stated qualifications and in addition agrees to the following guidelines in its business relationship with Cameco. Preferred northern suppliers will:

- Guarantee strict adherence to all pertinent Cameco policies and operating procedures, with particular attention to safety and environmental protection.
- Supply goods and services that meet Cameco’s quality standards at guaranteed competitive prices.
- Maximize the employment of residents of Saskatchewan’s North, at wage ranges that are agreeable to Cameco, in the fulfillment of contract services to Cameco.
- Maximize the procurement of supplies and subcontractors from Saskatchewan’s North in the fulfillment of the contract services to Cameco. In all cases, proposed subcontractors must receive Cameco’s approval.
- Deliver contract services on a schedule agreeable to Cameco in order to maximize its operating efficiency.
- Maintain a high level of confidentiality in all business dealings with Cameco.
- Demonstrate ongoing efforts to diversify customer base and/or business focus to lessen reliance on Cameco over time.
- Participate in a quality audit process, to ensure the attainment of specific contract objectives and to submit to an annual review of its status as a preferred northern supplier.
- Maximize efforts to maintain a high quality customer/supplier relationship with Cameco.

Preferred northern supplier status with Cameco is conditional upon, but not limited to, adherence to all of the guidelines outlined above. It is not a guarantee of work, but a general commitment by Cameco to allocate its operations contract work to preferred northern suppliers.

Cameco maintains the right, at its sole option, to withdraw preferred northern supplier status, to change or modify its preferred northern supplier list, to tender its work to other suppliers at any time, or to undertake work using its own employees.

### **4. Timeframe for Results**

This is a pilot program under which the term of the agreement is for 2005 only. If successful, Cameco’s intention is to enter into longer-term agreements with its preferred northern suppliers.

## **5. Measurable Criteria**

- Number of businesses participating
- Value of contracts

## **6. Budget**

No direct budget. Staff in the purchasing, northern affairs and sustainable development departments spend time helping northern businesses.

## **7. Partners and Sponsors**

Four northern businesses are taking part in the pilot program.

## **8. Experience with the Program**

This is a new program and will be evaluated in a year. Cameco spent approximately \$81 million in 2004 on services supplied by northern businesses in support of mining operations; 72% of all service contracts were awarded to northern companies.

## **9. General Applicability**

This program may be of interest to companies wanting to take a proactive role in the development of local and Aboriginal suppliers.

## **10. Additional Information or Support**

John Scarfe, Manager, Northern Business Development, Cameco Corporation, 2121-11th Street West, Saskatoon, Saskatchewan, S7M 1J3

Telephone: (306) 956-6640

Email: [john\\_scarfe@cameco.com](mailto:john_scarfe@cameco.com)

Date Entered or Updated: July 8, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.1	Providing Business Opportunities
<b>Template:</b>	3.1.9	Supply Chain Management (Pre-qualification support, Sole-sourcing, and Aboriginal Content Requirements for Contractors and Bidders)
<b>Sponsor(s):</b>	<i>TransAlta Corporation</i>	

## 1. Objective

To support local contracting opportunities through pre-qualification support, sole-sourcing and Aboriginal content requirements for contractors.

## 2. Description

The Supply Chain Process Program assists Aboriginal communities in proximity to TransAlta's operations to develop viable businesses and have economic benefits associated with company operations. The program builds better working relationships with Aboriginal communities. The program includes:

**Support for pre-qualification and sole-sourcing.** TransAlta has a Supply Chain Management Process for support of local business opportunities through implementation of a prequalification process that applies to work awarded and performed by its contractors. The process provides an opportunity for local Aboriginal contractors to pre-qualify and bid on specific work contracts or, when appropriate, the contract may be sole-sourced. This process involves:

- Best efforts of TransAlta to identify capability gaps early
- Giving preference to local goods/services providers, assuming "all else equal"
- Assistance with project management training to develop management expertise
- Information on work opportunities and the capabilities required to perform that work
- Understanding of the contract selection and award process
- Assistance with performance bonds and insurance
- Offering timely and honest debriefing of unsuccessful local good/services providers

**Aboriginal content requirement for contractors.** TransAlta requires that any contractor acknowledges that TransAlta is committed to building and maintaining open and positive long-term, mutually beneficial and sustainable relationships with Aboriginal communities. The company views Aboriginal communities and Aboriginal people as key customers, suppliers, stakeholders and associates. Accordingly, contractors are expected to recruit, train, and employ

qualified local Aboriginal persons and utilize Aboriginal businesses.

**Reporting of Aboriginal content for contractors.** The contractor is expected to provide estimates regarding the value of the content of direct-hire local Aboriginal persons, as well as the percentage of the proposed contract price. The contractor is also requested to estimate the number of local Aboriginal persons to be employed by the contractor and its subcontractors in performance of the work.

**Aboriginal content requirements for bidders.** TransAlta requires that any bidder acknowledges that TransAlta is committed to building and maintaining open and positive long-term, mutually beneficial and sustainable relationships with Aboriginal communities. TransAlta's objective is to maximize Aboriginal content, while giving consideration for labour, material, equipment and services. Bidders are expected to give full consideration to this requirement, and submit with bids a summary of the Aboriginal content anticipated. Where special efforts have been made to meet this policy, the bidder shall detail these plans and efforts. Local Aboriginal content is an integral part of measuring TransAlta's success in realizing such commitment. All other things being equal, TransAlta will consider bidders that agree to recruit, train and employ qualified local Aboriginal persons and utilize Aboriginal businesses for projects.

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- Application of the Supply Management Process does not automatically mean the award of work to local goods or services providers. The procurement of any goods or services will be managed in a manner that ensures the quality, site safety, cost targets and work schedules are maintained.
- Success of the Supply Management Process depends upon the ongoing and open dialogue between the company staff and local contractors.
- If local Aboriginal contractors show an interest in submitting a bid but lack some of the criteria, TransAlta will encourage the Aboriginal community to joint venture with a corporation with expertise in project management in order to assist the Aboriginal business in. TransAlta attends joint venture organization meetings. The joint venture bid is then tendered through the pre-qualification process.
- When sole sourcing is appropriate, specific criteria must still be met. Assistance to meet specific criteria can be provided by a third-party joint venture corporation.
- Success of the process requires regular monitoring.
- Those involved are expected to share feedback of the successes and deficiencies of the process with TransAlta on an ongoing basis.

### **4. Timeframe for Results**

The program is reviewed on an annual basis.

### **5. Measurable Criteria**

- Creation of a sustainable and skilled Aboriginal employment base

- Increase in local contractors providing variable goods and services, and winning contracts in the competitive bidding process
- Creation of sustainable income, economic and other benefits for the Aboriginal community
- Capacity and management skills developed

## **6. Budget**

TransAlta recognizes that costs of doing business with Aboriginal businesses may be higher in some respects in the short term. Initially higher costs during the sole-sourcing phase may be incurred until the contracts can be awarded on a competitive basis. However, the company expects Aboriginal businesses to provide goods and services at fair market value in the long term.

## **7. Partners and Sponsors**

TransAlta and the Aboriginal communities in proximity to operations such as the Paul First Nation.

## **8. Experience with the Program**

The program was established in 1996. The evidence of success is demonstrated in the increase in contracts (dollar value) going to Aboriginal businesses each year. This fluctuates depending on business needs.

## **9. General Applicability**

While this particular example is related to electric power generation, this program is a model that can be used by both resource industries and suppliers where there are opportunities to bid on and participate in contracts to supply goods and services.

## **10. Additional Information or Support**

Joel Thompson, Manager, Community Relations, TransAlta Corporation, Box 1900 Station "M", 110-12th Avenue, SW Calgary, AB, T2P 2M1

Telephone: (403) 267-7208

Email: [joel\\_thompson@transalta.com](mailto:joel_thompson@transalta.com)

Date Entered or Updated:           October 26, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.1	Drilling Rig First Nation Partnerships
<b>Sponsor(s):</b>	<i>Western Lakota Energy Services Inc.</i>	

## 1. Objective

To establish mutually beneficial business partnerships for the ownership of state-of-the-art drilling rigs between industry and First Nation and Métis communities.

## 2. Description

Western Lakota constructs and sells interests in state-of-the-art drilling rigs to Aboriginal partners. The rigs are then operated by Western Lakota with other rigs in its fleet to provide contract drilling services to the oil and gas industry in western Canada. Western Lakota supervises rig construction and commissioning, arranges bank and other financing for the construction of rigs, arranges drilling contracts, and acts as manager, operator and marketer of the drilling rigs that are built and interests therein sold to Aboriginal partners. Western Lakota's business strategy is to work in partnership with Aboriginal communities by providing a long-term ownership investment opportunity for Aboriginal partners and training and hiring people from Aboriginal communities to work on the drilling rigs.

Western Lakota's currently has 50/50 partnerships with the following Aboriginal communities:

- Dene Tha' First Nation - five rigs
- Saddle Lake First Nation - two rigs
- Duncan's First Nation - one rig
- Blood Tribe - one rig
- Horse Lake First Nation - one rig

The Métis Nation of Alberta owns 100% of another rig that is operated by Western Lakota. The Samson Cree Nation recently transferred its portion of three rigs back to the corporation in exchange for shares. The Samson Cree Nation is now a major shareholder of Western Lakota and Chief Victor Buffalo of the Samson Cree Nation is a company director.

Upon establishing relationships with Aboriginal groups, Western Lakota makes employment and training opportunities available to the communities of its Aboriginal partners. Drilling crew members receive training and skills upgrading as necessary, and are encouraged to move up through the employment levels inherent in drilling operations. In addition, Western Lakota endeavours to facilitate hiring Aboriginal consultants and auxiliary services to support drilling

operations where practical.

In October 2004 Western Lakota established a Drilling Rig Training Program. The training is done directly in the community. Alberta Human Resources and Employment committed funding to launch the program, which includes personal empowerment counselling, hands-on training on a portable drilling rig platform, classroom teaching, emergency first aid training and hydrogen sulphide training. Trainees who successfully complete the program should be employable in the oilfield services industry.

Aboriginal partnerships provide Western Lakota with unique operational and financial leverage. Establishing partnerships with Aboriginal groups presents benefits for both partners as well as for the corporation's customers. Equity investment in drilling rigs is designed with an expectation of a return on investment for the corporation's Aboriginal partners.

For its oil and gas customers, Western Lakota's Aboriginal partnerships facilitate the development of positive relations with Aboriginal communities. The objective is that the relationship will foster the economic participation of Aboriginal communities in the energy services industry.

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- An established communications process with the Aboriginal partner community:
  - Quarterly meetings are held with each partner to report on the financial, operational, and employment status of the partnership, as well as any other issues important to that specific Aboriginal community.
  - An open-door policy in which members of the community may contact any of Western Lakota's management to discuss issues of concern from their perspective.
- Support for the partner communities:
  - Each partnership has a community sponsorship budget that is used to sponsor local community activities, such as pow wows and youth leadership programs. Company personnel often get involved in these community events as well.
  - The implementation of the Drilling Rig Training Program has provided training and employment opportunities for the community members.
- Meeting with new Aboriginal groups that have shown an interest in the organization. The company also occasionally places advertisements in Aboriginal-focused newspapers and magazines to encourage interested parties to contact Western Lakota.

### **4. Timeframe for Results**

Timelines can range from four months to over a year, given the need for issues between the parties to be addressed and the time required to create agreements and complete financing and funding application and approvals. Interim financing is frequently used as a means of shortening this time frame. Typically, the rigs are paid out in approximately four years. Western Lakota is accountable to its shareholders; Aboriginal representatives are elected and accountable to their

constituents/members. It can take some time to build trust with the community. Western Lakota is in various stages of discussions with several Aboriginal communities, aside from its current partners.

## **5. Measurable Criteria**

- Positive financial results for the partnership - profits, revenue growth, etc.
- Creation of a successful Aboriginal business model with good growth potential
- Rig utilization rates that generally exceed the industry average build exceptional value and produce strong financial returns for Aboriginal partners
- Once the first rig(s) are purchased in a partnership and have operated for a period of time, the earnings and available debt financing may allow for further rig purchases
- Creation of a sustainable and skilled Aboriginal employment base through the Drilling Rig Training Program
- Customer support for strong in-field performance coupled with Aboriginal partnerships
- Strength of the relationship between company and community

## **6. Budget**

The budget for each partnership is determined on a case-by-case basis, taking into consideration several factors such as the cost of the rig(s), the availability of funding and financing opportunities, etc.

## **7. Partners and Sponsors**

Western Lakota Energy Services Inc. is the sole sponsor.

## **8. Experience with the Program**

This program is seen as very successful to date. Drilling rigs that are equity-owned have delivered high performance levels. Aboriginal employment on rig crews has increased. The partnerships have received strong support and endorsement among government, industry and community stakeholders.

The Samson Cree Nation has recently exchanged its 50% ownership interest in three drillings rigs for shares in Western Lakota and has therefore become major shareholders of the corporation. Chief Victor Buffalo has also been named a director of Western Lakota.

## **9. General Applicability**

While this particular example is related to oil and gas, this program is a model which can be used by both resource industries and suppliers where there is potential for Aboriginal companies to purchase equity in business ventures.

## **10. Additional Information or Support**

Elson McDougald, President and CEO, Western Lakota Energy Services, 1050, 400 5 Avenue SW, Calgary, Alberta, T2P 0L6

Telephone: (403) 214-5953

Email: elson@westernlakota.com

Fred Jobin, INAC Economic Development, 630 Canada Place, 9700 Jasper Avenue, Edmonton, AB, T5J 4G2

Telephone: (780) 495-2818

Email: jobinf@inac.gc.ca

Gary Trippel, Consultant Business Development-Funding, Calgary, AB

Telephone: (403) 245-6586

Email: gtrippel@telusplanet.net

**Date Entered or Updated: August 17, 2005**

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.2	Environmental Consulting Business Partnership
<b>Sponsor(s):</b>	<i>Jacques Whitford Environment Limited</i>	

## 1. Objective

To establish and operate a sustainable, for-profit Aboriginal environmental services and solutions consulting business, increase Innu employment and business capacity, and provide training and mentoring.

## 2. Description

Minaskuat (pronounced “min-ah-sqwat”) Limited Partnership was created to provide environmental consulting services to resource developers in Labrador and other areas and to achieve long-term social and economic benefits associated with encouraging and developing Innu-owned and controlled businesses. It is the direct product of a long-term investment in building a business relationship and establishing trust between an Innu-owned environmental consulting firm (Innu Environmental Limited Partnership) and an international engineering, environmental and earth sciences consulting firm (Jacques Whitford).

Prior to forming Minaskuat (Innu-aimun for “in the bush”), its partners worked together in a spirit of cooperation and actively engaged in transferring business skills to and mentoring and training of Innu in environmental and archaeological methods and techniques over a period of approximately six years. The decision to enter into a formal business partnership was seen as mutually beneficial and a natural progression for working on key resource developments in the Innu land claims area. These include low-level military flight training, Voisey’s Bay mine/mill, Trans-Labrador Highway, proposed Lower Churchill hydroelectric development and other projects.

Minaskuat is 51% owned and controlled by Innu Environmental Limited Partnership and meets the Government of Canada’s definition of an Aboriginal business. It is committed to employing and training as many Innu as possible, at all levels of the company, in keeping with sound business principles and practices. Minaskuat is also committed to conducting its work in a manner that is respectful of the environment and Innu culture and traditions.

Minaskuat is based out of Sheshatshiu and Happy Valley-Goose Bay, Labrador, and currently employs seven people on a permanent full time basis, four of whom are Aboriginal. Minaskuat’s seasonal staff can reach up to 30+ people, 99% of which are Aboriginal (mostly Innu). The services that Minaskuat provides include:

- Environmental impact assessment, including socio-economic impact assessment
- Environmental protection and management system planning
- Baseline environmental studies, including studies of freshwater, marine and terrestrial ecology
- Archaeology and heritage, traditional and cultural resources studies
- Traditional ecological knowledge studies
- Aboriginal community and public consultation
- Innu labour supply
- Logistical support and project management
- Materials testing
- Environmental engineering
- Geotechnical engineering
- Integrated risk assessment
- Innu Aimun and Inuktituk translation

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- Minaskuat was initially formed through a memorandum of understanding between its parent companies and later defined in legal agreements. Once established, the Labrador offices of its parent companies merged, their employees were laid off and immediately re-hired by the new company at a single location.
- Innu and other Aboriginal employees receive mentoring, on-the-job and other training. For example, an Innu woman is training for a managerial position. When she has learned the necessary management and business skills, she will be responsible for managing the day-to-day operations of Minaskuat.
- Innu pursuit of post-secondary education is recognized as important and Innu employees are encouraged to pursue post-secondary education. Minaskuat believes it has a role to play in encouraging education and the pursuit of environment-related careers in the Innu communities and with Innu youth. This includes participating in career fairs and other Innu-led initiatives.

### **4. Timeframe for Results**

The partners are committed to a long-term business relationship in Minaskuat.

### **5. Measurable Criteria**

- Increase in revenue and profit
- Performance, attendance, attitude and retention rates for Innu employees and employee satisfaction

- Innu advancement into management and/or meaningful positions
- Increased levels of education and skills development in Innu employees
- Client satisfaction
- Repeat business and expanding client base
- Expansion of the business and service lines
- Safety and quality performance

## **6. Budget**

Budgets are established on an annual basis by the board of directors.

## **7. Partners and Sponsors**

Minaskuat Limited Partnership is a legal business partnership between Innu Environmental Limited Partnership and Jacques Whitford. Innu Environmental Limited Partnership's parent company, Innu Development Limited Partnership, is owned by the Sheshatshiu Innu and Mushuau Innu Band Councils in Labrador. Jacques Whitford is a full-service engineering, environmental and earth sciences solutions provider with 1000 employees and offices across Canada, in the United States and other international locations.

## **8. Experience with the Program**

The experience has been positive from all perspectives (clients, partners and employees) and has achieved acceptance within the Labrador community.

IDLP (Innu Development Limited Partnership) has been nominated Band Enterprise of the Year for Eastern Canada. Companies like Minaskuat have come a long way since 2003 and are growing every day. The IDLP group of companies is also expanding and taking on new services and creating new opportunities for the Innu people.

## **9. General Applicability**

This model is applicable where a business case exists and a relationship of trust is or can be established and maintained between the Aboriginal and non-Aboriginal partners. The approach is particularly advantageous for resource development clients that are operating in areas subject to land claims and/or impacts and benefits agreements.

## 10. Additional Information or Support

Guylaine Joncas-Bennett, Manager, Minaskuat, P.O. Box 482, Stn C, Happy Valley-Goose Bay, NL AOP 1C0

Telephone: (709) 896-5860 or (709) 896-2070

Email: [gbennett@minaskuat.com](mailto:gbennett@minaskuat.com)

Linda Jefferson, Area Manager Newfoundland and Labrador, Jacques Whitford and Director, Minaskuat, St. John's, NL

Telephone: (709) 576-1458

Email: [ljeffers@jacqueswhitford.com](mailto:ljeffers@jacqueswhitford.com)

Kathy Penney, Vice President Western Canada, Jacques Whitford and Director, Minaskuat, Calgary, AB

Telephone: (403) 263-7113

Email: [kpenney@jacqueswhitford.com](mailto:kpenney@jacqueswhitford.com)

Perry Trimper, Principal, Minaskuat, Happy Valley-Goose Bay, NL

Telephone: (709) 896-5860

Email: [ptrimper@jacqueswhitford.com](mailto:ptrimper@jacqueswhitford.com) or [ptrimper@minaskuat.com](mailto:ptrimper@minaskuat.com)

Bart Jack, CEO of Innu Development Limited Partnership, Happy Valley-Goose Bay, NL

Telephone: (709) 896-3174

Email: [bjack@innudev.com](mailto:bjack@innudev.com)

Date Entered or Updated: September 23, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.3	First Nation and Native American Business Development
<b>Sponsor(s):</b>	<i>PCL Constructors Inc.</i>	

## 1. Objective

To create the potential for developing project-specific joint ventures between Aboriginal communities and interested companies in the engineering and construction business. Aboriginal governments and organizations have significant construction opportunities both on and off-reserve and on traditional lands. However, they often lack the construction management expertise to benefit from these project opportunities.

## 2. Description

This is a model used by PCL in developing formalized business agreements and joint ventures with Aboriginal communities and organizations to pursue construction opportunities both on and off-reserve, on traditional lands or where Aboriginal participation is required under the terms of a benefit impact agreement or operating license. The opportunity is usually project-specific but can become part of a continuing relationship between the parties through formalized business agreements to pursue opportunities as they arise. Typical projects include community infrastructure, housing, schools, highways, industrial facilities and land servicing. The PCL model has three key components:

- **Building relationships.** This is the basis for trust and confidence. The opportunities come later. It is important to make contact with community leaders at an early stage, usually before there is a specific project identified. The choice of Aboriginal communities with whom to develop relations is done strategically in areas where there is potential for projects to develop. Often these relationships are formalized through a general written agreement.
- **Forming a joint venture.** This is the vehicle for doing business with both parties expected to bring value to the table. The joint venture may take the form of an incorporated business entity to formalize the relationship for a specific project. The ownership structure and responsibilities will vary depending on the nature of the project and these can be set out in the joint venture agreement.
- **Training and skills transfer.** This represents an important capacity-building opportunity for the Aboriginal community and contributes to the local workforce available for the joint venture company. Key elements may include pre-employment training, on-the-job training and formal recognition of skills attained.

The opportunities are generally related to engineering and construction contracts awarded by:

- Governments (federal and provincial) and Aboriginal organizations for projects on or in proximity to reserves or Métis Settlements, and on traditional lands of First Nations
- Companies under the terms of benefit impact agreements or operating licenses which require Aboriginal participation

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- The ownership percentage held by the parties in the joint venture is only critical if there is a requirement that the company awarded the contract is Aboriginal-owned. Otherwise, the joint venture agreement defines the terms and conditions of the business arrangement and usually identifies the industry party as the managing partner.
- The bid criteria used to award these types of projects often consider more than price alone and may include such factors as Aboriginal content (jobs, training, and business opportunities). This can range from an open tender, lowest bid approach which may include “best efforts” performance criteria for Aboriginal participation, to a negotiated fixed-price contract that includes clear requirements for Aboriginal participation. The case for a negotiated direct award is based on securing community support for the project and the need to provide sufficient lead time for the joint venture partners to screen, recruit and train Aboriginal people for the jobs.
- As many Aboriginal people lack work experience, pre-employment training (life and employable skills) is important. The Aboriginal partner can assist in identifying people who want to work and are willing to be trained. Project supervisors should participate in the training. Some attrition during training should be expected. The training program should be custom-designed for the project and a reputable post-secondary institution or other training provider can be contracted to deliver the program. Successful graduates of the program should receive a recognition certificate.
- On completion of the project, the trainees have new skills and work experience which allow them to pursue employment opportunities they were not previously qualified for. The recognition certificate of skills acquired is an important asset for the trainee.

### **4. Timeframe for Results**

Time is initially invested in building a relationship with the Aboriginal community or organization. This relationship needs to be maintained through the peaks and valleys of the business, which is often difficult to manage. The important factor from a business perspective is a reasonable prospect of securing a project(s) and that the investment in time and effort is adequately rewarded.

### **5. Measurable Criteria**

- Success in securing contracts through the partnership
- Bottom line profitability
- Completing the project on-time and within budget
- Number of Aboriginal people trained and employed on the project. Project opportunities

should always be assessed on the business case.

## **6. Budget**

The main cost is the time spent by company representatives in building and maintaining relationships with Aboriginal communities and organizations. Using PCL's experience, contract values have ranged from \$270,000 (Rae Lakes winter road) to \$120 million (McClellan Lake uranium mine). There is also financial assistance available to the Aboriginal partner to offset the costs of training (Human Resources Development Canada) and business development (Industry Canada and Indian & Northern Development Canada).

## **7. Partners and Sponsors**

PCL Constructors Inc., in partnership with Aboriginal communities and organizations such as Tallcree First Nation, Dogrib First Nation and Prince Albert Development Corporation.

## **8. Experience with the Program**

The model is seen by PCL as a successful approach for developing joint ventures with Aboriginal communities and organizations to secure engineering and construction contracts. The model works best where the Aboriginal partner takes the lead in lobbying government to secure the project. Other situations are more direct where benefit impact agreements and operating licenses have Aboriginal participation requirements.

Several successful examples involving PCL and Aboriginal joint venture partners include: the \$120-million McClellan Lake uranium mine with the Prince Albert Development Corporation, the \$9-million Siksika School with Siksika First Nation, the \$20-million Snare Cascades hydro facility with Dogrib First Nation, the \$2.3-million Highway 88 reconstruction with Tallcree First Nation, and the \$3-million Loki gold mine with Dawson First Nation.

## **9. General Applicability**

This program is generally applicable to companies in the engineering and construction business that are interested in pursuing contracts on or in proximity to reserves and Métis Settlements by forming partnerships with Aboriginal organizations.

## **10. Additional Information or Support**

Norm McLennan, Chief Operating Officer - Western Canada Buildings and Manager First Nations and Native American Business Development, PCL Constructors Inc., 2882 - 11th Street NE, Calgary, AB T2E 7S7

Telephone: (403) 250-4800

E-mail: [namclennan@pcl.com](mailto:namclennan@pcl.com)

Website: <http://www.pcl.com>

Date Entered or Updated: August 15, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.4	Joint Venture Wind Turbine Project
<b>Sponsor(s):</b>	<i>EPCOR Power Development Corp.</i>	

## 1. Objective

To develop a successful joint venture with the Peigan First Nation to develop a wind power farm on Peigan land, leading to benefits in jobs and revenues from “green” electricity.

## 2. Description

EPCOR is a major producer of coal-fired and natural gas-fired power plants in Alberta. EPCOR is also diversifying to produce “green” power from run-of-river and small hydro, wind and landfill-gas power. EPCOR Power Development Corporation (EPDC) and the Peigan Utilities Corporation (PUC) worked together to develop the wind power project, Weather Dancer 1 (WD1), on Peigan Nation land.

WD1 is a 900 kW wind turbine, estimated to generate 3000 MWh (enough to light 450 homes). The entire output of WD1 is under contract by EPCOR Energy Services for the first 10 years, after which the contract will be evaluated.

The ultimate business goal of EPDC and PUC is the joint development of a large 100+MW wind farm. WD1 provides an excellent opportunity to build a working relationship and explore the wind power markets.

## 3. Implementation

PUC and EPDC formed a 50/50 joint venture to run WD1. The joint-venture relationship allows both corporations to retain their own interests and structure within the project.

The joint venture assumed both parties would contribute 50%, but EPCOR put the funds in immediately, as the Peigan were engaged in discussions with Indian and Northern Affairs Canada (INAC) on a grant. Upon receipt of the Peigan funds, EPCOR's share will be reduced to 50%.

A joint management board, with two parties from each side, meets every quarter. The Peigan monitor the machine's output from their offices (so does EPCOR) and they respond first to a problem. Then, depending on the assessment, others are called in. The turbine has instruments that tell what the issue is most of the time, which helps both sides.

A project management team, consisting of two representatives from each partner, developed the project. The team will continue to manage the joint venture, with EPDC responsible for

operating and maintaining the turbine and PUC responsible for maintaining Peigan Nation support and interests and being first to investigate wind turbine outages, should they occur.

The project provided economic benefits to community. By siting WD1 on reserve land, a royalty fee for land use flowed from the project to the Peigan Nation.

An economic development program was also established, creating jobs during the construction and operation of the wind turbine. The project management team developed a method to advertise available jobs within the Peigan community. Important elements of the program included:

- Peigan Nation had the first opportunity to offer use of material and labour for the project. This included gravel, water trucks, bob cats, security guards, general labourers and flag people.
- Job postings listed specifics such as skill/tools needed, time of availability, salary, opening and closing dates of the posting.
- Contractors hired to do work on the project were made aware of and used the economic development program.

#### **4. Timeframe for Results**

WD1 is a first step. The goal of the project management team is to develop a large wind farm on the Peigan Reserve. If a large project were built it would result in several benefits to the community:

- **More jobs.** The construction period would be six months to a year, and a number of jobs would be available during this time. There would be an opportunity to begin training for on-site operating personnel for the completed wind farm.
- **Tourism.** WD1 is already a source of interest to tourists. Blending environmentally friendly power generation with First Nations traditions could be capitalized on for the tourist industry with a positive benefit to the community.

#### **5. Measurable Criteria**

- Meeting construction and operations targets
- Community benefits in jobs and royalties

#### **6. Budget**

\$1.8 million for capital of plant.

#### **7. Partners and Sponsors**

EPCOR Power Development Corporation (EPDC) and the Peigan Utilities Corporation (PUC)

#### **8. Experience with the Program**

PUC and EPDC have gained a vast understanding of permitting, developing, construction and operation of wind power projects, particularly as it relates to working on First Nations land and involving INAC and the Federal Department of Justice.

EPCOR is very pleased with the way the operation of the joint management board, which provides an ability to ask the Peigan for anything that is needed and acts as an excellent forum for raising matters of interest or concern.

## **9. General Applicability**

Similar joint venture activities may be applicable to other companies.

## **10. Additional Information or Support**

David Morrow, Vice President, Power Development and Acquisitions, EPCOR Inc., 10088, 102 Avenue, Edmonton, AB T5J 3Z1

Telephone: (780) 412-3492

Email: [drmorrow@epcor.ca](mailto:drmorrow@epcor.ca)

Date Entered or Updated: August 16, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.5	Northern Business Participation Policy and Program
<b>Sponsor(s):</b>	<i>Diavik Diamond Mines Inc.</i>	

## 1. Objective

To support the development of Aboriginal and northern businesses, resulting in stronger communities and individuals with increased entrepreneurial, business and technical skills.

## 2. Description

The owners of the Diavik joint venture - international mining giant Rio Tinto plc and Aber Diamond Corporation - began exploration work in the Northwest Territories in 1992. Diamond discoveries a few years later led to the construction of Canada's second diamond mine, which began production in early 2003. Early in the project's development, the manager of the project, Diavik Diamond Mines Inc., adopted a Northern Business Participation Policy to support Aboriginal and northern businesses during the construction and operation of the mine.

## 3. Implementation

Diavik's business policy is implemented through a variety of business mechanisms, primarily through contracts to Aboriginal companies and joint ventures.

## 4. Timeframe for Results

The Diavik diamond mine has a limited life-span. The intention of the Diavik Northern Business Participation Policy and Program is to assist communities to build capacity and skills that will allow them to grow into other contracts and opportunities, both during the life-span of the mine and once the mine has closed.

## 5. Measurable Criteria

The Diavik Northern Business Participation Policy and Program has resulted in over 70% of Diavik's spending on goods, services and construction being won by northern and Aboriginal companies.

## 6. Budget

Not identified.

## 7. Partners and Sponsors

This policy and program has seen a wide range of partners including large and small businesses from the North as well as the rest of Canada, governments and institutions.

## 8. Experience with the Program

A number of Aboriginal enterprises have been supported, using a variety of business models. A selection includes:

- **Tli Cho Logistics** originated as a partnership between the Dogrib Rae Band's Behcho Ko Development Corporation and ATCO Frontec, combining local Dogrib knowledge with ATCP Frontec's expertise in site services, facilities management, fuel provision and handling. The company, guided by an active board of directors, was structured to give the Dogrib maximum control over personnel and capacity building, and to ensure the conditions of employment reflected Dogrib values and aspirations. Within a year of formation, Tli Cho Logistics was awarded a contract for site services at Diavik. Since 1999, Tli Cho Logistics has provided Diavik with site services including road maintenance, facility management (airport, power house, water and sewage treatment), and oversees fuel handling services. The Tli Cho Logistics workforce has grown from six employees to over 140. In June 2005, Behcho Ko Development Corporation and ATCO Frontec transitioned their joint ownership of Tli Cho Logistics to 100% Behcho Ko ownership, marking a new stage of growth in the young Aboriginal company.
- **Ekati Services** is a diversified company providing Diavik with accommodation facilities, camp management, food and environmental services. It is a joint venture between Deton'Cho Investments North Ltd. and Edmonton-based PTI Group. Since 1996, Ekati Services has been providing camp management services to Diavik, including meal preparation, housekeeping, maintenance, procurement, laundry, administration and other services. Their first project for Diavik was building a temporary 89-person camp and providing catering service. Ekati Services later built the four wings of Diavik's permanent accommodations complex. The company supplied catering and housekeeping services through the entire construction of the Diavik mine, and today provides the same services for mine operations.
- **Denesoline Corporation** is owned by the Lutsel K'e, a Dene band on the shores of Great Slave Lake. The Denesoline Corporation's goal is for economic development of their community. Denesoline is a business development corporation with contracts for firefighting, ice road maintenance, survey stake production, big game hunting and outfitting, and residential construction and other general contracting. Incorporated in the early 1990s, Denesoline has joint ventures with industry and investment equity in other corporations. Denesoline has various interests in the diamond mining industry. In a joint venture with Calgary's Western Explosives, Western provides experience in the manufacture, distribution, transportation and storage of explosives, while Denesoline provides labour and financing. The Western Denesoline Explosives joint venture currently supports Diavik's explosives program by supplying ammonium nitrate prill, operating the emulsion plant and storage facilities, and providing a down-hole service for mining operations.

- **SECURECheck** is a full service, Inuit-owned, security firm operating in the Northwest Territories and Nunavut. SECURECheck has been supplying security services to industry, business and government since late 1997. Their management team has extensive experience in all areas of security and enforcement including intelligence, project management, risk assessment and investigations. SECURECheck was the first in Canada to provide security training in rough diamonds, bringing in diamond experts from Antwerp, Belgium, to train government, industry, and law enforcement professionals.
- **Kitikmeot Cementation Mining & Development** is a new partnership between the Kitikmeot Corporation (KC), the birthright development corporation of the Inuit of the Kitikmeot Region of Nunavut, and Cementation Canada, one of the largest and most respected underground mine contracting companies in North America, and part of the global Murray & Roberts mining group. KC's expansion into underground mine services is a natural progression that will provide further opportunities for the Kitikmeot Inuit and other Aboriginals and northerners to participate in the northern mining industry. The company was recently awarded the contract to carry out the underground development for Diavik's underground feasibility studies, a two-year \$20-million contract.
- **Lac de Gras Constructors** is a joint venture between Peter Kiewit Sons Ltd, a major international mine constructor, and a majority Inuit-owned company, Nuna Logistics. Nuna's involvement with Diavik goes back to its early exploration days, where the company cleared the land and built the exploration camps, the first small airstrip and assisted with the original sampling of the lake bottom. Lac de Gras Constructors provides logistics, construction, contract mining and site services to the mining industry in northern Canada, in particular the expertise required to construct Diavik's water retention dikes, without which there would be no mine.

## 9. General Applicability

This policy and program are applicable to other companies.

## 10. Additional Information or Support

Eric Christensen, Manager, Business Services, Diavik Diamond Mines Inc., 5007 - 50<sup>th</sup> Avenue, PO Box 2498, Yellowknife, NWT X1A 2P8

Telephone: (867) 669-6500

Email: [eric.christensen@diavik.com](mailto:eric.christensen@diavik.com)

Website: [www.diavik.ca](http://www.diavik.ca)

Date Entered or Updated:            Fall, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.6	Purchase of Facilities by First Nations
<b>Sponsor(s):</b>	<i>TransAlta Corporation</i>	

## 1. Objective

To facilitate opportunities for the purchase of TransAlta's transmission facilities located on reserve lands by a group of First Nations.

## 2. Description

It is TransAlta's desire to exit the regulated transmission business due to deregulation and realignment with the company's business goals. Twelve First Nations expressed interest in this business opportunity. The following are phases identified for a process for the twelve First Nations to become a transmission facility owner/operator (TFO):

- Indian and Northern Affairs Canada (INAC) funding (RAN program) can be applied for to assist the First Nations to prepare the proposal for the purchase of the facilities
- Interested First Nations must meet certain criteria set out by the regulator and TransAlta - .e.g. capacity to manage the transmission facility, financial capability, operations and maintenance agreement with a qualified contractor
- TransAlta meets with the First Nations to inform them of objectives and criteria for necessary the transfer of ownership
- TransAlta directs First Nations to the First Nations Resource Council (the organization that makes recommendations for proposal funding approval to Economic Development Board of INAC)
- First Nations gain understanding of budget requirements, how to operate a business, and how to prepare a business case for funding
- INAC funding approval for proposal is acquired
- The First Nations form a company - at this time, a qualified transmission facility operator may partner or joint venture with a First Nation group to provide expertise
- With potential for purchase in sight, financing is secured, a regulator hearing is held, approval is in place, and closing documents are signed

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- It is a challenge to construct business opportunities when dealing directly with a number of First Nations that are attempting to work together as part of the same business venture.
- It is important to attempt to separate business from other band priorities.

### **4. Timeframe for Results**

Slow process due to the number of First Nations involved and internal band politics.

### **5. Measurable Criteria**

- Creation of a successful Aboriginal business model with good growth potential
- Creation of a sustainable and skilled Aboriginal employment base
- Creation of sustainable income, economic and other benefits for the Aboriginal community

### **6. Budget**

Substantial time and resources are required upfront to facilitate the transfer of ownership of the transmission facilities.

### **7. Sponsors**

TransAlta and twelve First Nations with TransAlta transmission assets

### **8. Experience with the Program**

This transfer of ownership program was initiated in fall 2002. No transactions have been completed to date, but TransAlta is optimistic that progress towards a sale will continue.

### **9. General Applicability**

While this particular example is related to electric power generation, this program may be of interest to companies looking at potential opportunities to divest assets, facilities or operations in proximity to Aboriginal communities.

### **10. Additional Information or Support**

Joel Thompson, Manager, Community Relations, TransAlta Corporation, Box 1900 Station "M", 110-12th Avenue, SW Calgary, AB, T2P 2M1

Telephone: (403) 267-7208

Email: [joel\\_thompson@transalta.com](mailto:joel_thompson@transalta.com)

Date Entered or Updated: October 29, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.7	Strategic Business Partnership - Shehtah Nabors LP
<b>Sponsor(s):</b>	<i>Nabors Canada Ltd. and Shehtah Drilling Limited</i>	

## 1. Objective

To develop a strategic business partnership between a major energy service firm and an Aboriginal-owned contractor in the same business.

## 2. Description

In June 2004, Shehtah Drilling Limited and Nabors Canada formed a new strategic partnership - Shehtah Nabors LP. The new joint venture has its head office in Yellowknife, NWT, and is owned by affiliates of Denendeh Development Corporation (51%) and Nabors (49%).

Shehtah Nabors LP offers drilling rigs, service rigs and related services to customers with northern oil and gas activities. It started with an initial rig fleet of four drilling rigs and four service rigs. Since then, additional rig capacity has been added to meet the anticipated increase in demand for northern drilling.

Shehtah Drilling had been active in the North since 1984 and is a wholly owned subsidiary of Denendeh Development Corporation which is 100% Dene-owned through the 27 Dene First Nations of the Gwich'in Chiefs Secretariat, Sahtu Dene Council, Deh Cho First Nations, Tli Cho First Nations and Akaitcho Territory Government.

Nabors has been in the contract drilling business in Canada since 1952 and is a proven leader in northern drilling technology with 20 rigs in Alaska. Nabors Canada LP markets 81 drilling rigs and 209 well servicing rigs across Canada and is a wholly owned subsidiary of Nabors Industries Ltd.

## 3. Implementation

The case for the partnership was described by both parties in the following terms.

### Shehtah Drilling

The partnership immediately doubled Shehtah's drilling capacity and gave the company access to new technologies and a wealth of experience.

It also increases the opportunities for the people of the Dene communities to participate in the growing northern oil and gas industry. The new partnership benefits the Dene through equity ownership as well as employment, training and business opportunities.

Shehtah provides training and education for all employees, specifically northern Aboriginal employees, as part of northern and local benefits initiatives.

#### **Nabors Canada**

The joint venture is the first for Nabors in the North, although the company was active in the territories in the 1970s. Nabors CEO Duane Mather said having a partner with northern experience was a driving force behind the venture. "They (Shehtah) have over 20 years worth of experience and are in tune with the issues and challenges of operating in the North."

With the local presence of Shehtah and new northern technology capabilities of Nabors, the partners expect to the new entity to create real benefits for customers with plans in the North.

Both parties have an expectation for growth based on the need to for technology to extend the drilling season in the North, thus changing the economics for producers.

#### **4. Timeframe for Results**

The timeframe was almost immediate as Nabors could provide additional drilling and service rig capacity to meet increased northern demand. As well, the parties worked closely together for almost a year before the joint venture was formalized.

#### **5. Measurable Criteria**

- The ability of the joint venture to generate additional drilling contracts and related work in the North
- Improved capacity to work effectively with northern communities
- Success in recruiting and retaining local Dene people as part of the joint venture's workforce

#### **6. Budget**

Not specified

#### **7. Partners and Sponsors**

Nabors Canada and Shehtah Drilling

#### **8. Experience with the Program**

While the joint venture is still relatively new, Nabors has been pleased with the results to date in terms of additional contract drilling work in the North and the solid business relationship that has developed with Shehtah. Both parties have been able to bring their respective strengths into the partnership for mutual benefit.

#### **9. General Applicability**

This program may be transferable to other companies and sectors interested in forming strategic business partnerships with Aboriginal companies as a business development strategy.

## **10. Additional Information or Support**

Bob Henderson, Human Resource Manager, Nabors Canada, Suite 3000, 500 - 4th Avenue SW,  
Calgary, AB T2P 2V6

Telephone: (403) 263-6777

Email: <mailto:bob.henderson@nabors.com>

Joseph Gibot, Aboriginal Affairs Coordinator, Nabors Drilling, 902 - 20th Avenue, Box 1006,  
Nisku, AB T9E 8A8

Telephone: (780) 920-2055

Email: [joseph.gibot@nabors.com](mailto:joseph.gibot@nabors.com)

Date Entered or Updated:           October 14, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.8	Support for Aboriginal Business Start-Ups
<b>Sponsor(s):</b>	<i>Imperial Oil Resources Ltd.</i>	

## 1. Objective

To assist an Aboriginal community in gaining the experience and skills required to start-up a service rig business that provides local employment and business opportunities.

## 2. Description

An Aboriginal well-servicing operation was developed through the joint efforts of Imperial Oil Resources and six First Nations in north-eastern Alberta. Pimee Well Servicing Ltd. was structured to address several key issues: (a) capacity development in all areas of business including the management and technical skills required to run a well-servicing company; (b) sustainable income and employment for the residents of the Aboriginal community; (c) generate profits for the Aboriginal company which could be reinvested into other employment-generating undertakings; (d) provide the oil and gas company with another competitive local service company; and (e) provide local skilled workforce for the resource company.

The assistance provided by Imperial Oil included:

- Sectioning out one segment of its business to single source a small percentage of well-servicing contracts in a specific area
- A guaranteed number of rig hours and a buy-back provision were in the contract for the first two years.
- Secondment from Imperial Oil of an experienced company manager, rig manager and driller essential to making this project a success. (Experienced personnel from industry could also have worked.) The secondees assisted in setting up the Aboriginal company including establishing safety and training programs. One secondee went back to the company in one year; the others remained for five and seven years.
- Employees for the new company were trained under the secondees' supervision.
- Imperial Oil maintains ongoing communication with the Aboriginal community to identify opportunities for employment/business development in the area.
- Expansion to two rigs within 2.5 years

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- The Aboriginal well-servicing business is 100% owned by the First Nation. The resource company has no ownership interest or financial exposure.
- The governance of the Aboriginal well-servicing company is structured to keep politics out of the operations of the business (the company exists to make a profit).
- The model is based on “fee for service”, not as a donation.
- The resource company received a management fee from the Aboriginal company; the secondees payroll was somewhat subsidized.
- A key task of the secondees was to train Aboriginal employees in all aspects of the business including operational responsibilities. As the company matures, Aboriginal employees are trained in management.
- Training of employees is recommended to take place at rig site.
- The program requires effort from the resource developer.
- All employees are able to drive home at night - no camp or hotels.
- The well-servicing company does the employee hiring, not the oil and gas company.
- Senior management and the local operations of the resource company must be supportive of the initiative.

### **4. Timeframe for Results**

The start-up of operations began in 1984. Pimee Well Servicing is expected to service its debt and operate profitably on a year-by-year basis. Initial thoughts were that the company could be independent within three years, but that was not realized. Pimee has been independent since about 1993. Because well-servicing was new for Aboriginal people, the learning curve was steep. Now, well-servicing expertise is more prevalent within the Aboriginal workforce.

### **5. Measurable Criteria**

- Creation of a successful Aboriginal business model with good growth potential
- Creation of a sustainable and skilled Aboriginal employment base
- Creation of sustainable income, economic and other benefits for the Aboriginal community

### **6. Budget**

Pimee Well Servicing financed the start-up capital through government grants and a contract from Imperial that allowed for bank loan financing. There was some subsidization due to the secondees' wages.

## **7. Partners and Sponsors**

Imperial Oil Resources and Pimee Well Servicing Ltd

Pimee Well Servicing Ltd. is a 100% First Nation-owned company. Pimee's shareholders are the Saddle Lake First Nation, Whitefish Lake Band #128, Kehewin Cree First Nation, Beaver Lake First Nation, Frog Lake First Nation and Heart Lake First Nation. Pimee's head office is situated on the Kehewin Cree First Nation.

## **8. Experience with the Program**

This program is seen as successful to date. Pimee also works for Husky Energy in the Frog Lake/Marwayne area. Pimee has worked for Devon Energy and Anadarko. Pimee's other company, Tarsands Steamcleaning, works for many different oil companies.

## **9. General Applicability**

This model which can be applied to support the development of Aboriginal businesses and the transfer of management and operational capacity, which is needed to be successful. It can be applied by an oil and gas company for numerous businesses including: surface reclamation, abandonments, handling spills, soil sampling, garbage hauling, pipeline right-of-way maintenance, and water sampling.

## **10. Additional Information or Support**

Roy Steinhauer, Aboriginal Affairs Manager, Imperial Oil Resources, PO Box 2480 , Station M, 237-4 Avenue SW, Calgary , AB T2P 3M9

Telephone: (403) 237-3710

Email: [roy.g.steinhauer@esso.ca](mailto:roy.g.steinhauer@esso.ca)

Paula McMillan, Imperial Oil Resources, Cold Lake, AB

Telephone: (780) 639-5194

Email: [paula.l.mcmillan@esso.ca](mailto:paula.l.mcmillan@esso.ca)

Tim Schultz, Pimee Well Servicing Ltd., Bonnyville, AB

Telephone: (780) 826-6392

Email: [tschultz@pimee.com](mailto:tschultz@pimee.com)

Date Entered or Updated:            June 28, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.9	Support for Aboriginal Business Start-Ups: Transfer of Management and Operations Skills
<b>Sponsor(s):</b>		<i>Alberta-Pacific Forest Industries Inc.</i>

## 1. Objective

To support Aboriginal business start-ups by ensuring that the management, technical and operational capacity to successfully run the business is in place.

## 2. Description

An Aboriginal logging company - Bigstone Forestry Inc. (BFI) - was developed through the joint efforts of two forestry companies (Alberta-Pacific Forest Industries Inc. and Weyerhaeuser Ltd.) and the Bigstone Cree First Nation in northern Alberta. It was structured to address several key issues: (a) capacity development in all areas of business, including the management and technical skills required to run a logging company; (b) sustainable income and employment for Bigstone members; and (c) generate profits that can be reinvested in the company to facilitate growth.

The assistance provided by the forestry companies included:

- Secondment of an experienced forester and operational coordinator as the general manager of BFI
- Purchase of all timber harvested (the forestry companies had committed 180,000 cubic metres a year of timber to be harvested - stump to roadside - by BFI) subject to meeting price and performance standards
- Placement of a representative from each forestry company on the board of directors of BFI to provide additional management support

## 3. Implementation

Key elements for implementation and management of this program are:

- BFI is a general partnership between the Bigstone Cree Nation and AI-Pac.
- The governance of the Aboriginal logging company is structured to ensure a business focus (versus political). That is, BFI exists to make a profit while providing jobs for community members.

- The two forestry companies pay the salary of the person seconded as general manager of the Aboriginal logging company.
- A key task of the general manager is to train Aboriginal employees in all aspects of the business including operational and management responsibilities, and to develop a transition plan that can be implemented by the end of the three-year secondment term.
- Initially, the profits are retained in the Aboriginal company to retire debt and acquire equipment as needed. Over time, the utilization of the profits may broaden to support other employment-generating business initiatives.

#### **4. Timeframe for Results**

BFI began operations in June 1999. It is expected to service its debt and operate profitably on a year-by-year basis.

#### **5. Measurable Criteria**

- Creation of a successful Aboriginal business model with good growth potential
- Creation of a sustainable and skilled Aboriginal employment base
- Creation of sustainable income, economic and other benefits for the Aboriginal community

#### **6. Budget**

The start-up costs for BFI were \$1.8 million. Bigstone Cree First Nation provided an equity contribution and the balance was financed through loans backed by timber purchase agreements from the two forestry companies. The cost of the secondment was shared equally by the two forestry companies for the three-year term.

#### **7. Partners and Sponsors**

The sponsors were Alberta-Pacific Forest Industries Inc., Weyerhaeuser Ltd., and Bigstone Cree First Nation. The logging company established was Bigstone Forestry Inc.

#### **8. Experience with the Program**

This program has been in operation for five years, and is an example of a successful industry-First Nation partnership. In that time, BFI has grown substantially. In 2000, the company owned \$1.4 million in assets (seven pieces of equipment); employed seven local Aboriginal people; had a \$640,000 contract to harvest 180,000 m<sup>3</sup>; and, was managed by the aforementioned secondment. In 2005, the company owns \$4.1 million in assets (17 pieces of equipment); employs 24 multi-skilled local Aboriginal people; has a \$3.3-million contract to harvest 265,000 m<sup>3</sup>; and is managed by a local Wabasca resident trained by the AI-Pac secondment.

#### **9. General Applicability**

While this particular example is related to forestry, this program is a model that can be applied to assist Aboriginal businesses in developing the management and operational capacity needed to be successful.

The model was used to establish JHL Logging Inc., an Aboriginal logging company that is a partnership between Heart Lake First Nation, Chipewyan Prairie First Nation, AI-Pac and the Government of Canada. JHL began operations in 2004 with nine employees and an asset value of approximately \$1.8 million. A three-year harvest contract commitment has been made by AI-Pac. It is also worth noting that in its first year of operations, JHL employees were mentored by employees from BFI.

#### **10. Additional Information or Support**

Dave Lloyd, Operations Coordinator, Alberta-Pacific Forest Industries Inc., Box 8000, Boyle, AB  
TOA OMO

Telephone: (780) 891-0337

Email: [lloydda@alpac.ca](mailto:lloydda@alpac.ca)

Date Entered or Updated: September 9, 2005

# ACR Aboriginal Programs Project Project Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.10	Support for Business Ventures in Specific Project Areas
<b>Sponsor(s):</b>	<i>EnCana Corporation</i>	

## 1. Objective

To expand local services and opportunities, provide new avenues of meaningful and profitable participation for local Aboriginal people in a specific project area, and participate in an equity-building approach to Aboriginal business ventures.

## 2. Description

EnCana Corporation developed a multi-faceted relationship with Cold Lake First Nation (CLFN) that resulted in ten new First Nations-owned business ventures in the community since 1999. During the peak season, 80 to 100 full-time jobs are provided through these ventures. Total annual revenues for the companies paid out by EnCana are approximately \$8 million.

EnCana guaranteed contracts and facilitated equipment purchases that helped launch a variety of band-owned businesses, including companies that supply camps and catering services, road maintenance, construction, fuel supply, emergency medical, service rig, drilling rig, non-hazardous waste disposal, courier, security and environmental services.

Perhaps the most significant evidence of CLFN's serious involvement in business ventures came when the band, with help from EnCana and the federal government, signed a four-year deal in 2001 to operate its own drilling rig. EnCana promised 1,000 days of rig utilization over the four-year period of the contract. The rig contract led to the creation of a Cold Lake rig training course. Of the 54 applicants accepted into the training program, 51 successfully completed the training.

EnCana has set aside or sole sourced contracts for the services provided by CLFN to ensure participation by the community. Most of the contracts with CLFN are negotiated as to price and other factors to ensure best value. Of services actually bid, CLFN has been successful in obtaining several of these contracts.

EnCana's provision of seed money in 2001 enabled CLFN to establish a First Nations-owned business - Primco Dene Limited. This enterprise was able to repay EnCana's \$100,000 loan in the first year of its operation and has created several profitable business ventures since then. Profits from these business ventures are re-invested back into the CLFN to fund other employment-generating opportunities and develop partnerships and secure contracts with other energy companies.

### **3. Implementation**

Some of the key elements for implementation and management of this program are:

- Encourage band-owned companies to stay at arm's length from the political entity and be run by a board of directors that prioritizes community interests
- Encourage Aboriginal leaders to take advantage of government funding programs
- Have company representatives engage the chief and council on business proposals from the earliest stages
- Engage federal and provincial governments to help take proposals forward
- Long-term contracts are much more attractive to banks
- Beneficial if band members are receptive to partnering with industry
- CLFN member-owned businesses and contractors are entered into EnCana's Aboriginal contractor database (template 3.1.4)
- EnCana hired a salaried employee to develop training and employment initiatives in the community

### **4. Timeframe for Results**

The program showed results within the first year.

### **5. Measurable Criteria**

- Creation of successful Aboriginal businesses with good growth potential
- Creation of a sustainable and skilled Aboriginal employment base
- Creation of sustainable income, economic and other benefits for the Aboriginal community
- Value-added local suppliers providing quality of service at competitive prices

### **6. Budget**

EnCana requires a sufficient budget to ensure obligations under a long-term contract, including take or pay. Federal and provincial funding programs are available. CLFN also provided equity contributions.

### **7. Partners and Sponsors**

EnCana and Cold Lake First Nation

### **8. Experience with the Program**

This program, started in 1999, is seen as successful to date. These initiatives have been a major factor in the reduction of social assistance in the community. Long-term employment opportunities have been created through these ventures. Business acumen and community pride has improved.

## **9. General Applicability**

While this particular example is related to oil and gas, this program is a model that can be used by both resource industries and suppliers where there is potential for independent business ventures.

## **10. Additional Information or Support**

Andy Popko, VP Community and Aboriginal Affairs, EnCana Corporation, PO Box 2850 1800, 855-2 Street SW Calgary, AB, T2P 2S5

Telephone: (403) 645-8259

Email: [Andrew.popko@encana.com](mailto:Andrew.popko@encana.com)

Date Entered or Updated: June 1, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.11	Support for Community Economic Development: Economic Development Officers
<b>Sponsor(s):</b>	<i>Alberta-Pacific Forest Industries Inc.</i>	

## 1. Objective

To provide Aboriginal communities with the expertise and experience needed to identify business opportunities in their own communities resulting from resource and industrial development.

## 2. Description

Business development capacity is a problem in most Aboriginal communities. There are numerous reports and studies from various companies coming into the band office. In order to assist these communities, Alberta-Pacific Forest Industries Inc. (AI-Pac) recruited economic development officers (EDOs) to work in three different communities. The EDOs report to the chief and council.

The EDOs are persons who are familiar with the oil & gas, forestry and other resource industries. These individuals have had previous experience in assisting communities and individuals in understanding economic opportunities and assisting them to put together the appropriate plan to take advantage of the opportunity.

The EDOs are paid by AI-Pac and carry out specific duties on its behalf. In addition, the EDOs work directly with the chief and council on economic development issues that are not related to the sponsoring company. The EDOs report only information to the sponsoring company that is relevant to it.

The EDO will work with the community to identify an opportunity, develop a plan to address the opportunity, meet with the industry involved, provide advice to the community on decisions required, liaise with the appropriate government agencies as required, and assist with the applications for various licenses, permits, grants and authorizations.

## 3. Implementation

Some of the key elements for implementation and management of this program are:

- Ensure that the community, chief and council are learning through the whole process. Capacity building and the transfer of skills are key features of the program.
- While the sponsoring company pays the salaries, the selection of EDOs is done jointly between the company and First Nation. It is essential that the EDO has the confidence of the chief and council from the start, and that qualified people are selected who are strong advocates of the program's objectives.

- The community must come to see the EDO as a valuable team member on economic development issues.
- There may be benefit in having more than one funding sponsor - either other companies or governments. There are advantages to broader sponsorship in sharing the costs, better access to resources and the capacity to draw on a broader network for support.
- The sponsoring company will have to show patience as gains are likely to be incremental in nature. However, there should be progress and a growing sense confidence by the Aboriginal community in approaching business ventures.

#### **4. Timeframe for Results**

The program and results are reviewed annually between the sponsoring company and the First Nation.

#### **5. Measurable Criteria**

- New business ventures
- Increased employment
- Training and skills transfer
- Strengthened community capacity and readiness to support economic development
- Financial return to the community

#### **6. Budget**

\$110,000 per year for each EDO position established.

#### **7. Partners and Sponsors**

Alberta-Pacific Forest Industries Inc., Bigstone Cree, Heart Lake First Nation

#### **8. Experience with the Program**

This program commenced in April 2002 and has two full-time and one "as needed" EDO positions. It is credited with the development of locally-owned and operated companies involved in providing services to the oil & gas, forestry and other resource industries in north-eastern Alberta.

#### **9. General Applicability**

This program is a model that can be used by any industry in working with Aboriginal communities.

#### **10. Additional Information or Support**

Sandra Cardinal, Director, Aboriginal Affairs, Alberta-Pacific Forest Industries Inc., Box 8000, Boyle, AB T0A 0M0

Telephone: (780) 525-8045

Email: [cardinsa@alpac.ca](mailto:cardinsa@alpac.ca)

Date Entered or Updated: September 9, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.2	Strengthening Business Capabilities
<b>Template:</b>	3.2.12	Support for Independent Aboriginal Business Start-Ups
<b>Sponsor(s):</b>	<i>Gibson Energy, Japan Canada Oil Sands (JACOS)</i>	

## 1. Objective

To provide Japan Canada Oil Sands Limited (JACOS) and Gibson Energy Partnership with local owner-operators, and to provide local Aboriginal people with employment and small business opportunities.

## 2. Description

JACOS, working in conjunction with Gibson Energy Partnership (a trucking firm), encouraged an independent band member (tractor owner-operator) to truck bitumen production. Gibson Energy dispatches and owns the trailers and hires individual owner-operators to supply the tractor units. JACOS and Gibson Energy sponsor the training for local drivers. The trucking operation involves Gibson Energy picking up bitumen at JACOS and delivering it to the Athabasca pipeline terminal. The product is hot so proper safety equipment must be used, training must be in place and insulated trailers must be used. Because the product is produced 24 hours per day, it must also be trucked 24 hours per day.

## 3. Implementation

Some of the key elements for implementation and management of this program are:

- JACOS and Gibson Energy formed a working agreement. The resource developer made this selection based on the willingness of the service provider to hire Aboriginal tractor unit owner-operators.
- Encourage individual band member entrepreneurs, rather than band-owned owner-operators
- If band-owned, the band administration needs to have the skills and time to manage their operation as owner-operator.
- A relationship is formed with Gibson Energy and the independent Aboriginal owner-operator. JACOS becomes their client.
- The relationship will not be effective if the Aboriginal owner-operator and service provider demand work from JACOS. The most successful relationship is where a service of value is provided to the client, and local people participate in the business model.
- Program is most effective if Aboriginal owner-operators are also drivers, and they hire Aboriginal drivers to be trained as upcoming owner-operators.

#### **4. Timeframe for Results**

It takes one year to develop the capability of the Aboriginal owner-operator company in operating a business, hiring drivers and ensuring that drivers are trained.

#### **5. Measurable Criteria**

- Number of successful Aboriginal businesses (owner-operators) with good growth potential
- A sustainable and skilled Aboriginal employment base (drivers)
- Creation of sustainable income, economic and other benefits for the Aboriginal community
- The service alliance is "best value" for all involved

#### **6. Budget**

JACOS pays the driver training costs - \$3,500 per driver. Gibson Energy pays for the in-house instructor to certify the owner-operator or driver.

#### **7. Partners and Sponsors**

JACOS, Gibson Energy Partnership, the business owner-operators in Aboriginal community, Chipewyan Prairie First Nation

#### **8. Experience with the Program**

The program started in 1997 with two trucks; eight trucks are now owned by Aboriginal people. The lack of qualified drivers is currently limiting expansion.

#### **9. General Applicability**

This program may be a model which can be applied to support the development of independent Aboriginal businesses. This model may be most useful for less complex operations such as gravel or water hauling.

#### **10. Additional Information or Support**

Bill Rennie, Community Relations, Japan Canada Oil Sands, Suite 2300, Standard Life Building, 639-5th Ave. SW Calgary, AB T2P 0M9

Telephone: (403) 264-9046

Email: [rennieb@jacos.com](mailto:rennieb@jacos.com)

Rod Bantle, General Manager Truck Transportation, Gibson Energy, Calgary, AB

Telephone: (403) 206-4186

Email: [rbantle@gibsons.com](mailto:rbantle@gibsons.com)

Gord Herman, General Manager Sales and Business Development, Gibson Energy, Calgary, AB

Telephone: (403) 206-4187

Email: [gherman@gibsons.com](mailto:gherman@gibsons.com)

Date Entered or Updated: July, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.1	Aboriginal Business Canada (ABC)
<b>Sponsor(s):</b>	<i>Industry Canada</i>	

## 1. Objective

To promote the establishment and growth of Aboriginal businesses on a national basis. For eligible applicants, the program provides financial assistance, information, resource materials and referrals to other possible sources of financing or business support.

## 2. Description

- Clients must be individuals of Canadian Indian, Métis, or Inuit heritage, or majority-owned Aboriginal organizations or development corporations.
- ABC also supports measures to strengthen Aboriginal business and financial institutions and their capacity to provide services and deliver programming that benefits Aboriginal entrepreneurs.
- Priority areas include: innovation, trade and market expansion, tourism, youth entrepreneurship development, and strengthening Aboriginal financial and business development organizations.
- For clients planning to establish or acquire a business, ABC can consider financial assistance when the business falls under one of the following categories: tourism, manufacturing, business, professional, scientific or technical services, and businesses linked to specific major developments. For other new businesses, ABC can consider support for marketing and information technology needs.
- ABC also considers financial support for clients already operating a business that involves innovation or expansion into new markets.
- The vast majority of ABC contributions are made to small and medium-sized businesses and are in the form of nonrepayable equity contributions. Contributions may be repayable in some circumstances. In the case of larger, community-based projects, other conditions will be taken into account in order to determine the contribution level and repayability.
- ABC has offices across the country. In Alberta/NWT, offices are located in Edmonton and Calgary. External delivery organizations operate in Yellowknife and Edmonton.

### 3. Implementation

Types of assistance to Aboriginal clients include:

- Helping to determine whether a proposed project is eligible for ABC assistance before submitting an application
- Helping to develop a business plan by providing business planning guides, terms of reference, advice and referrals to business consultants, financial support
- Providing sector information relevant to a business
- Helping to access lenders for the commercial financing requirements of a business, which may include referring to an Aboriginal financial institution
- Providing financial assistance, most often in the form of equity contributions
- Providing advice and financial assistance to facilitate business partnerships
- Providing financing towards the costs of management training and for business advisors once a business is operating
- Providing financial assistance for conferences, workshops and studies, on a limited basis

**Assistance for starting a business.** ABC can assist Aboriginal clients (first-time entrepreneurs or existing entrepreneurs/businesses that are proposing to carry out a particular commercial activity for the first time) to establish or acquire:

- A tourism business
- A manufacturing business
- A professional services business
- A scientific/technical services business
- A business that exports a product or service with a confirmed market; or in limited situations, a business linked to a specified major development

**Assistance for existing businesses.** ABC can assist Aboriginal clients who are already operating a business with business planning, capital cost, marketing and business support financing related to activities that include:

- Expanding sales into other regional, national or international markets
- Improving business processes, productivity or sales, through technology or other improvements, including use of information and communications technologies in commercial applications
- Developing, enhancing and commercializing new or existing products, technologies, systems and processes

**Assistance for Aboriginal organizations.** Financial support may be available for Aboriginal organizations requiring support towards eligible activities designed to improve the business climate for Aboriginal firms in Canada, including:

- Organization or coordination of business-specific conferences, trade shows or other events or initiatives related to innovation, trade and market expansion, tourism, youth

entrepreneurship development, business financing or entrepreneurial and institutional capacity building

- Private sector-led development of research, sector information and analysis, or other educational material, which increases the shareable data available on the progress of Aboriginal enterprise in Canada

#### **4. Timeframe for Results**

Individual projects range from short- to long-term.

#### **5. Measurable Criteria**

Conditions for support are defined in each Letter of Offer (contract) between Industry Canada and the client.

#### **6. Budget**

Aboriginal Business Canada manages a budget of approx \$50 million (grants and contributions, salary and non-salary).

#### **7. Partners and Sponsors**

After almost two decades of delivering programs and services, Aboriginal Business Canada continues to work in partnership with many sectoral and other business organizations.

- A network of more than 30 Aboriginal capital corporations provides loan and business services to small and medium-sized Aboriginal firms across Canada. Along with Aboriginal Community Futures Development Corporations, these organizations are referred to collectively as Aboriginal financial institutions (AFIs). AFIs benefit from the Access to Capital programming created under the federal government's Aboriginal Business Development Initiative, in which Aboriginal Business Canada is a partner.
- Innovative arrangements with external delivery organizations have extended the reach of Aboriginal Business Canada programming, and improved service delivery. Alternate service delivery organizations have also been established, allowing for local delivery and investment decisions.
- ABC also works in collaboration with the private-sector National Aboriginal Economic Development Board, which considers proposals involving large program investments, and advises the Minister of Industry and the Government of Canada more broadly on matters related to Aboriginal economic and business development.

#### **8. Experience with the Program**

ABC and its predecessor, Aboriginal Economic Programs, have been in existence since 1989.

#### **9. General Applicability**

The program is available to individuals of Canadian Indian, Métis, or Inuit heritage, or majority-owned Aboriginal organizations or development corporations.

## 10. Additional Information or Support

Rick LaBrash, Development Officer, Industry Canada, Aboriginal Business Development - Alberta/NWT, Suite 725, 9700 Jasper Ave., Edmonton, AB T5J 4C3

Telephone: (780) 495-2176

Email: [abc.Edmonton@ic.gc.ca](mailto:abc.Edmonton@ic.gc.ca)

Website: [www.abc-eac.ic.gc.ca](http://www.abc-eac.ic.gc.ca) (information and online application feature)

Date Entered or Updated: October 18, 2005

## ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.2	Aboriginal Business Development Centre
<b>Sponsor(s):</b>	<i>Western Economic Diversification and British Columbia's Ministry of Aboriginal Relations and Reconciliation</i>	

### 1. Objective

To assist individual Aboriginal people to gain business experience and skills, through an Aboriginal-led non-profit centre.

### 2. Description

The Aboriginal Business Development Centre is an Aboriginal-led program that provides business counselling and advice to Aboriginal people.

The idea for the centre was generated nine years ago by a group of Aboriginal leaders in the Prince George area of British Columbia. The office was established in July of 1997 and set up as a non-profit organization. It has been funded since then mainly through fee-for-service contracts from government and industry. The office operates on limited resources, with six full-time staff. As of 2005, the centre receives core funding under a WEPA agreement between the provincial Ministry of Aboriginal Relations & Reconciliation and Western Economic Diversification.

The Aboriginal Business Development Centre provides direct service to Aboriginal people through individual business counselling. When a client comes forward with an idea, the counsellor will assist the client to develop a business plan. The approach is to get to know the client first. It takes about 35-40 hours to work with each client through the various stages of the business plan. This service is free to the client, however the client is responsible for doing most of the work to develop the plan. The centre provides only advice and support.

The centre also presents workshops and organizes conferences in Aboriginal business development. The centre has also been working with industry partners to develop a longer-term relationship as a liaison between companies and Aboriginal businesses.

The centre is guided by a board of directors that includes representatives from the local community, Métis association, tribal council and friendship centre. It hires Aboriginals to work for them, as much as possible. The centre focuses on small businesses and projects, and does not get involved in larger projects.

The centre's president has co-authored a manual: *Minding Our Own Businesses: how to create support in First Nations communities for Aboriginal Business*, by John McBride with Ray Gerow.

There has been demand from other areas for similar centres. Two other offices have been

established - one in the Kootneys and one in Fort St. John. The president of the Prince George centre was responsible for managing the process to set up the new offices. The president is now working with various organizations from the Carrier Chilcotin region to establish a similar centre in the Williams Lake area.

There is an opportunity for resource companies to get involved in working with this type of centre. Companies can contract with the centre to provide business counselling services, or to put on workshops for cross-cultural awareness or business development. Companies can also provide direct support to this type of centre, as part of their Aboriginal relations strategies.

### 3. Implementation

Some of the key elements for implementation and management of this program are:

- In establishing a centre, find ways to keep politics out. For example, the centre should be on neutral territory. It is best if it is not on a reserve. If it is on a reserve, it should not be connected to the band office.
- It is best to have the centre serve a reasonably large population, to allow development of diverse business interests and maintain neutrality. It should serve all Aboriginal peoples, not just one band or group.
- It is most important that local Aboriginal people be responsible for establishing and governing the centre. For example, in establishing the Fort St. John office, open community meetings were held inviting all interested people. A steering committee was established to develop the protocol for the board of directors.
- A general recommendation for companies working with the centre or similar organizations is to allow flexibility in supporting different types of ideas that come forward, in different ways. Requiring potential Aboriginal businesses to support any one sector, or implementing programs with a lot of restrictions and criteria, discourages potential businesses.
- Another general recommendation for companies working in the area of Aboriginal relations is to develop long-term, supportive but low-key relationships with the Aboriginal communities. Actions that appear to be taking advantage of Aboriginal communities or using them for publicity, or ones that have hidden agendas, will be regarded negatively by the communities.
- The centre is working with companies and government to explore new ways of supporting Aboriginal employment and overcoming some of the barriers to successful employment. For example:
  - Work with unions so that a certain number of Aboriginal positions on a job site are protected - even if some individuals don't work out, other Aboriginals will still be employed.
  - In setting up a new operation, such as a sawmill, establish Aboriginal training and hiring practices before the operation is underway, so that Aboriginal employees become part of the initial operations.
  - In giving out contracts for services, such as for chip trucks, if no qualified Aboriginal contactor is available, give a contract to a non-Aboriginal on the understanding that an Aboriginal person will be trained to take over the position.

#### **4. Timeframe for Results**

Working with individual clients can be time-consuming and immediate results are not expected.

#### **5. Measurable Criteria**

For the individual Aboriginal client, the centre's objective is to assist them to increase their business and employment skills, and to establish a business. However, even if the client decides not to go ahead with the project, it is still considered a success. It is better to stop before wasting time and resources on unrealistic projects, and the experience of developing the plan provides valuable skills. It has also been proven that without the assistance provided by the centre, some clients would have gone into business, and in all likelihood would have failed.

#### **6. Budget**

The office operates on limited resources, but still manages to employ six full time staff. The budget is about \$400,000 per year.

#### **7. Partners and Sponsors**

In the past, the centre operated on a multitude of fee-for-service contracts, but now has core funding of \$225,000 a year. Western Economic Diversification and British Columbia's Ministry of Aboriginal Relations and Reconciliation fund approximately two-thirds of the centre's core operating budget.

#### **8. Experience with the Program**

The program has been operating for eight years, and is considered very successful. The centre has received several national and provincial awards for Aboriginal business, as well as becoming the model for similar organizations throughout Canada.

#### **9. General Applicability**

This model could be used to provide support for Aboriginal entrepreneurs and businesses at a regional level.

#### **10. Additional Information or Support**

Ray Gerow, President, Aboriginal Business Development Centre, 3845 - 15th Avenue Prince George, BC V2N

Telephone: (250) 562-6325

Email: [gerow@bcgroup.net](mailto:gerow@bcgroup.net)

Date Entered or Updated: August 4, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.3	Aboriginal Business Services Network (ABSN)
<b>Sponsor(s):</b>	<i>Western Economic Diversification, Industry Canada, Alberta Economic Development</i>	

## 1. Objective

To provide the Aboriginal business community with a wide range of information on government services, programs and regulations that is accurate, relevant, and up-to-date.

The ABSN was established to provide a range of business products and services, using information and Internet technologies where possible. This service is supported through the Canada Business Services Centres which provide free-of-charge access to this information.

## 2. Description

The ABSN was created by the Aboriginal Business Development Initiative launched by the federal government in April 1999 to improve business development opportunities for Aboriginal peoples in Canada.

The ABSN project consists of the development of products and the delivery of training in support of three strategies aimed at increasing the number of Aboriginal businesses participating in the Alberta economy. These strategies are:

- Develop and maintain a database of business service providers to the Aboriginal community
- Increase awareness of business opportunities for Aboriginal entrepreneurs and develop new and enhanced products to support business development and management
- Provide training and resources to business service providers in an effort to improve their effectiveness when dealing with Aboriginal entrepreneurs and businesses

Specific products available through the ABSN website include Aboriginal programs and services; federal, provincial and territorial programs and services; business information guides; Alberta Aboriginal business service providers database; Aboriginal Albertans in Business series; and other information.

## 3. Implementation

ABSN builds on the structure of existing Canada Business Service Centres located across the country which provide free-of-charge access to information on business programs, services and

regulations. Resources are accessible by phone, fax, email, the Web and walk-in sites. The ABSN in Alberta is committed to serving clients throughout Alberta. To provide wider access to Aboriginal-specific resources, six mini ABSN sites have been established in Alberta.

Each mini ABSN site has a display stand that profiles the products and services of Alberta ABSN and specific information for Aboriginal clients. The mini ABSN sites are also equipped with a collection of Aboriginal-specific books and a trained ABSN representative.

The locations for mini ABSN sites were selected based on their geographic coverage, proximity to Aboriginal communities, and their expressed commitment to serve their Aboriginal clients' business needs:

- Calgary Business Information Centre
- Fort McMurray Regional Business Development Centre
- Lac La Biche Regional Community Development Corporation
- Lakeland Community Development Corporation, Bonnyville
- Lesser Slave Lake Community Development Corporation, Slave Lake
- Mackenzie Economic Development Corporation, High Level

#### **4. Timeframe for Results**

Ongoing.

#### **5. Measurable Criteria**

- Number of clients
- Number of referrals
- Client feedback

#### **6. Budget**

Currently under review.

#### **7. Partners and Sponsors**

The ABSN is built upon the Canada Business Service Centres and is managed through federal-provincial cooperative agreements that provide a single, seamless gateway to information for business. In Western Canada, these centres are part of Western Economic Diversification's service delivery network.

Other partners include Alberta Economic Development, Industry Canada and Indian and Northern Affairs Canada.

#### **8. Experience with the Program**

Successful in providing information.

#### **9. General Applicability**

ABSN provides access to information on business programs, services and regulations that may be

useful to Aboriginal businesses and entrepreneurs, and to industry in mentoring, partnering or working with Aboriginal businesses.

## **10. Additional Information or Support**

Access through the Western Economic Diversification website: [www.wd.gc.ca](http://www.wd.gc.ca) under "Business Tools and Guides", then "Points of Service"

Or access through the Canada Business Service Centres website: [www.cbsc.org/alberta](http://www.cbsc.org/alberta) under "Aboriginal Business Service Network"

Or access through the Alberta Mini ABSN Sites:

Calgary Business Information Centre, Genevieve Casault, 205 Standard Life Building, 639 - Avenue SW, Calgary, AB T2P 0M9

Fort McMurray Regional Business Development Centre, Mr. Rick Fiedosiewich, Manager, #102, 9816 Hardin Street, Fort McMurray, AB T9H 4K3

Lac La Biche Regional Community Development Corp., Mr. Kal Polturak, Manager, P.O. Box 2188, Lac La Biche, AB T0A 2C0

Lakeland Community Development Corp., Ms. Phyllis Maki, Manager, P.O. Box 8114, 5006 - 50 Avenue, Bonnyville, AB T9N 2J4

Lesser Slave Lake Community Development Corporation, Ms. Edie Spagrud, Executive Director, P.O. Box 2100, 105 - 6 Avenue NW, Slave Lake, AB T0G 2A0

Mackenzie Economic Development Corporation, Liz Goodrich, Community Development Coordinator, 10005 - 100<sup>th</sup> Avenue, High Level, AB T0H 1Z0

Date Entered or Updated: **August 8, 2005**

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.4	Access to Financing and Management Support
<b>Sponsor(s):</b>	<i>Business Development Bank of Canada</i>	

## 1. Objective

To assist Aboriginal entrepreneurs and businesses by providing access to capital and management support.

## 2. Description

The Business Development Bank of Canada (BDC) is a financial institution wholly owned by the Government of Canada. BDC's Aboriginal financing can provide support to businesses that have a commercially viable business proposal, an acceptable level of management expertise and have demonstrated a financial commitment.

The Growth Capital for Aboriginal Business loan product is specifically designed for Aboriginal business. It offers flexible debt-to-equity ratios and does not focus on security regarding exit strategies on loans. The Royal Commission on Aboriginal Peoples presented some recommendations that BDC has modeled on such as micro-credit and locally-based advisory services. BDC has peer-lending pilots and a unique lending initiative that combines financing with management training and ongoing mentorship. In addition to product development, BDC regularly reviews policy related to all its business solutions to ensure they are marketed appropriately to Aboriginal entrepreneurs.

## 3. Implementation

BDC offers a number of services that may be of interest to Aboriginal entrepreneurs and businesses:

- **Growth Capital for Aboriginal Business loan product.** BDC's specialized financing increases access to capital for Aboriginal entrepreneurs wanting to expand an existing business or start a new one, on or off a reserve in Canada. Under the Growth Capital for Aboriginal Business loan product, an Aboriginal person can access up to \$100,000 for an existing business and up to \$25,000 for a start-up. Interest rates and security requirements are determined on a project-by-project basis and the payments of principal may be deferred for the first year. In addition, stepped and seasonal payments are available where appropriate. There is also business management support through a special alliance with CESO Aboriginal Services, which includes ongoing mentoring and business management counseling for the first two years following loan approval. The costs for management support can be incorporated into the financing package.

- Security for a loan can include band council resolutions and other letters of support when the business is located on reserve land, realty mortgages, security agreements providing a charge on chattels, and personal or corporate guarantees.
- **Community support funding formula.** BDC has a community support funding formula built into the Growth Capital for Aboriginal Business loan agreement as an added incentive for good loan performance on loan payments. BDC will refund a portion of the interest paid on a loan to a community organization or charity chosen by the borrower. It will be calculated at the rate of 0.5% of the average loan balance with a minimum amount of \$100 and paid annually after the first year of the loan. To qualify, the loan must be operating satisfactorily and be fully current.
  - **Peer lending.** BDC has initiated a pilot project for peer lending in northern Manitoba with seed funding of \$40,000 to provide small high-risk start-up loans to local people through a lending circle of community members. BDC expects to recover its initial investment (principal) at some point, while the lending circle gets to keep the interest earnings from its loans.
  - **ESpirit.** ESpirit, an annual national internet-based Aboriginal youth business plan competition was instituted in 1999 and over 2000 Aboriginal youth across Canada have participated. Teams of young aspiring Aboriginal entrepreneurs create business plans with the aid of seven business education modules online, then produce a video about their business and set up trade booths promoting their business and present their business plans at a gala event organized by the BDC. The program costs \$400,000 - \$500,000 annually. The BDC has had Aboriginal Business Canada (ABC), Atlantic Canada Opportunities Agency (ACOA), Indian and Northern Affairs Canada (INAC), Western Economic Diversification (WED) and Royal Bank of Canada as partners for the annual ESpirit competition. BDC also publishes a quarterly newsletter called SOAR which profiles Aboriginal role models.
  - **Management consulting.** BDC works with Aboriginal businesses, Aboriginal organizations and First Nation communities to assist them in developing strategies for growth, evaluating potential for development through growth readiness assessment and achieving quality standards such as ISO certification. BDC helped the Membertou First Nation in Nova Scotia earn ISO certification. The Membertou First Nation is a very progressive community that has entered into partnership agreements with SNC Lavalin, Lockheed Martin, Sodexo (food service for off-shore drilling) and Clearwater Foods. Membertou is the first First Nation in North America to earn ISO certification.

BDC has recruited over fifty Aboriginal business consultants to work with community members. They focus on the effectiveness of BDC products and services, work with and grow with the client. BDC will provide management training and mentorship in partnership with local Aboriginal agencies, e.g. Aboriginal Capital Corporation, where it is determined that the borrower would benefit from this. It becomes part of the loan agreement. In addition, BDC has appointed an Aboriginal person to its board of directors.

#### **4. Measurable Criteria**

BDC's loan portfolio and consulting activity in the Aboriginal market has grown to around \$12 million in loans approved annually for Aboriginal businesses across Canada.

#### **5. Budget**

The BDC Aboriginal banking unit's annual operating budget is \$1 million.

#### **6. Partners and Sponsors**

BDC is committed to partnership in serving the Aboriginal market as reflected in the Aboriginal banking unit's motto, "Partnership - The Key To Success". BDC has signed agreements with Apeetogosan Métis Development Inc. in Alberta, Wakenagun Community Futures Development Corporation serving Aboriginal communities along James Bay, and Pwi-Di-Goo-Zing Ne-Yaa-Zhing Advisory Services in north-western Ontario to deliver a unique micro-credit lending approach under the Aboriginal Business Development Fund to Aboriginal clients. The Aboriginal Business Development Fund combines lending with management training and ongoing mentorship. It is administered by a community-based financial institution.

Agreements have been signed with North Central Community Futures in Northern Manitoba, the Prince George Native Friendship Centre and Na-Me-Res in Toronto to deliver peer-lending pilot initiatives. In addition, BDC has partnered with ABC, ACOA, INAC and Royal Bank of Canada in the BDC-sponsored ESpirit Aboriginal youth business plan competition. The BDC has entered into other partnerships including one with the Fort Whyte Centre in Winnipeg to promote entrepreneurship for Aboriginal youth.

#### **7. Experience with the Program**

Strategic partnerships have been a key to success. Community-owned enterprises such as development corporations have proven to be good partners with which to identify new approaches and creative ideas to respond to the needs of the Aboriginal market in a responsible commercial manner. Customer satisfaction levels are just over 90%, which is exceptional for the industry. BDC currently has \$50 million committed and outstanding in loans to over 170 Aboriginal businesses across Canada.

#### **8. General Applicability**

This may be of interest to companies wanting to encourage the growth of Aboriginal entrepreneurs and businesses as part of a business development strategy.

#### **9. Additional Information or Support**

James Richardson, National Director Aboriginal Banking, Business Development Bank of Canada, 155 Carlton Street, Suite 220, Winnipeg, MB R3C 3H8

Telephone: (204) 983-0799

Email: [james.richardson@bdc.ca](mailto:james.richardson@bdc.ca)

Website: [www.bdc.ca](http://www.bdc.ca)

Date Entered or Updated: August 30, 2005

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.5	First Nations Economic Partnerships Initiative (FNEPI)
<b>Sponsor(s):</b>	<i>Alberta Aboriginal Affairs and Northern Development, Alberta Human Resources and Employment, and Alberta Economic Development</i>	

## 1. Objective

To increase First Nation participation in the economy by: supporting the development of effective partnerships between First Nations, industry, government and other stakeholders; strengthening First Nations economic capacity; and assisting in the development of a viable First Nations private sector.

## 2. Description

FNEPI has several related programs (templates 3.3.5.1-7) each led by one of the following Government of Alberta ministries:

### Aboriginal Affairs and Northern Development

- **Regional Partnership Development (RPD) Program**, which will engage regional economic partnerships coordinators at the regional or tribal council level to facilitate and support First Nations and industry partnerships.
- **Strategic Economic Initiatives (SEI) Program**, designed to encourage strategic economic initiatives and sustainable economic projects with industry and First Nations at the regional and community levels.
- **Economic Capacity Building (ECB) Program**, intended to increase the capacity of First Nations and their associated organizations to identify, plan, and implement economic development initiatives.

### Human Resources and Employment

- **First Nations Labour Force Planning Program**, designed to increase the employment of First Nations people at regional and community levels.

### Economic Development

- **First Nations Business Management**, designed to strengthen the management of First Nations businesses through increased access to business information and advisory services.

- **Regional Economic Development Alliances and Initiatives**, intended to strengthen First Nations economic participation.
- **Business Sector Advisory Services**, designed to extend services provided to other Alberta businesses to First nations and First Nations businesses (to be implemented in 2006-2007).

These are five-year programs with funding allocated for the first three years. Year 1 is a pilot; program adjustments will be made in Years 2 and 3 as required. Funding for Years 4 and 5 is subject to program review.

<b>Template:</b>	3.3.5	<b>First Nations Economic Partnerships Initiative (FNEPI)</b>
	3.3.5.1	<b>Regional Partnership Development (RPD) Program - AAND</b>

### 1. Objective

To increase the capacity of First Nations at the regional and community levels to develop effective economic partnerships with industry, government and other stakeholders.

### 2. Description

Under the RPD program, a network of 10 regional economic partnership coordinators (REPCs) will be established throughout the province. REPCs will provide advice and assistance to First Nations, industry, and governments regarding the development of effective economic partnerships.

### 3. Implementation

Some of the key elements for implementation and management of this program are:

- Eligibility includes tribal councils and unaffiliated First Nations.
- The REPC will:
  - Provide access to pertinent information related to regional economic development, including sector information and government programs and services
  - Provide expertise on industry-government-First Nations relations
  - Expand the scope of strategic economic multi-stakeholder partnerships
  - Build economic capacity at the community and regional levels through the identification and sharing of best practices, training coaching and mentoring

### 4. Timeframe for Results

This is a five-year program with funding allocated for the first three years. Year 1 is a pilot; program adjustments will be made in Years 2 and 3 as required. Funding for Years 4 and 5 is subject to program review.

## 5. Program Criteria

Tribal councils and unaffiliated First Nations must demonstrate a commitment to:

- Promote strategic partnership initiatives and projects with First Nations, industry, government or other stakeholders
- Contribute to a legacy of good governance, business sense, and sustainable business skills at the community and regional levels

## 6. Budget

Each eligible partner will receive up to \$100,000 per fiscal year to hire a REPC. Funding allocations will recognize start-up costs and differing regional costs associated with travel, accommodations, etc.

2005-2006	2006-2007	2007-2008	Total
\$1,000,000	\$1,750,000	\$2,150,000	\$4,900,000

## 7. Partners and Sponsors

Tribal councils and unaffiliated First Nations, industry, Alberta Aboriginal Affairs and Northern Development (AAND), and other stakeholders.

## 8. Experience with the Program

This is a new program introduced August 31, 2005.

## 9. General Applicability

This model may be of interest to organizations wanting to develop effective economic partnerships with industry, government and other stakeholders and to increase the business capacity of First Nations at the regional and community.

## 10. Additional Information or Support

Janene Blackhorn, Manager, Regional Partnership Development, First Nations Economic Partnerships Initiative, 10035 - 108 Street, Edmonton, AB T5J 3E1

Telephone: (780) 422-8979

Email: [janene.blenkhorn@gov.ab.ca](mailto:janene.blenkhorn@gov.ab.ca)

Website: <http://www.aand.gov.ab.ca>

<b>Template:</b>	3.3.5	First Nations Economic Partnerships Initiative (FNEPI)
	3.3.5.2	Strategic Economic Initiatives (SEI) Program - AAND

## 1. Objective

To support sustainable First Nations economic partnerships projects that have significant strategic value.

## 2. Description

Proposals will focus on First Nations and industry priorities, for example to:

- Negotiate partnerships with industry
- Create a strategic/regional community economic development plan
- Identify economic and business development opportunities
- Address human resources and organizational development, such as agreements with industry for hiring and training First Nations people

## 3. Implementation

Some of the key elements for implementation and management of this program are:

- Eligible groups include tribal councils, First Nations, First Nations companies and organizations, or non-government organizations that directly promote the economic capacity building of First Nations.
- Applications will be considered from an industry partner, where there is First Nations support.
- Applicants receiving prior Aboriginal Affairs and Northern Development (AAND) funding must be in good standing and have fulfilled their reporting commitments.

## 4. Timeframe for Results

This is a five-year program with funding allocated for the first three years. Year 1 is a pilot; program adjustments will be made in Years 2 and 3 as required. Funding for Years 4 and 5 is subject to program review.

## 5. Program Criteria

Program applications will be evaluated according to the following criteria:

- Contributing to significant, sustainable economic development and the creation of future employment opportunities for First Nations people
- Commitment to capacity building and/or economic development partnerships and demonstrated financial contributions from other partners, including industry and government
- A quality work plan and a comprehensive evaluation plan with measurable, targeted results

## 6. Budget

- Eligible projects can access up to a maximum of \$100,000 per fiscal year and will be funded for a maximum of 50% of project costs. No project will be funded more than once in a fiscal year.
- Multi-year funding will be considered; each subsequent year is conditional on a successful annual review.
- Eligible applicants can apply at any time in the first fiscal year of the program (2005/2006). Subsequent application deadlines are June 30, 2006, and January 21, 2007.
- AAND will assist applicants to complete grant applications and will process applications within 60 calendar days of the application date.

Funding allocation plan :

2005-2006	2006-2007	2007-2008	Total
\$1,000,000	\$1,500,000	\$1,500,000	\$4,000,000

## 7. Partners and Sponsors

Under the SEI Program, AAND will support and financially contribute to economic partnership projects and initiatives involving First Nations and other partners, such as industry, governments and other stakeholders.

## 8. Experience with the Program

This is a new program introduced August 31, 2005.

## 9. General Applicability

This model may be of interest to organizations wanting to support sustainable First Nations economic partnerships with industry and other stakeholders.

## 10. Additional Information or Support

Karen MacKenzie, Director, First Nations Relations, First Nations Economic Partnerships Initiative, 10035 - 108 Street, Edmonton, AB T5J 3E1

Telephone: (780) 4427-0363

Email: [Karen.E.MacKenzie@gov.ab.ca](mailto:Karen.E.MacKenzie@gov.ab.ca)

Website: [www.aand.gov.ab.ca](http://www.aand.gov.ab.ca)

<b>Template:</b>	3.3.5	First Nations Economic Partnerships Initiative (FNEPI)
	3.3.5.3	Economic Capacity Building Program (ECB) - AAND

## 1. Objective

To increase the capacity of Alberta's First Nations and their associated organizations to identify, plan, and implement economic development initiatives and thereby expand First Nations participation in the economy.

## 2. Description

The ECB Program will promote the development of First Nations economic capacity through four strategies:

- Facilitation of First Nations professional/learning networks
- Identification, promotion and dissemination of best practices and current research
- Identification and/or design of economic development/capacity building tools, products, and training modules and the transfer of related knowledge and skills through vehicles such as workshops, digital media, publications, coaching and mentoring
- Strategic integration of identified best practices in a series of pilot projects undertaken in First Nations communities

## 3. Implementation

Projects will arise from the implementation of the Regional Partnership Development (template 3.3.5.1) and the Strategic Economic Initiatives (template 3.3.5.2) programs.

## 4. Timeframe for Results

This is a five-year program with funding allocated for the first three years. Year 1 is a pilot; program adjustments will be made in Years 2 and 3 as required. Funding for Years 4 and 5 is subject to program review.

## 5. Program Criteria

Regional economic partnership coordinators (REPCs) will identify priority strategies in consultation with First Nations, industry and other stakeholders. Program initiatives must:

- Meet the identified needs of First Nations
- Facilitate systemic change by First Nations at the community and regional levels
- Contribute to sustainable capacity building by First Nations
- Identify targeted results that are measurable and verifiable (e.g. training materials produced, number of people trained)

## 6. Budget

Project funds will be distributed through contracts or grants. Approval will follow Aboriginal Affairs and Northern Development's established contract/grant approval processes.

Funding allocation plan:

2005-2006	2006-2007	2007-2008	Total
\$250,000	\$370,000	\$470,000	\$1,090,000

## 7. Partners and Sponsors

First Nations, industry, Alberta Aboriginal Affairs and Northern Development and other stakeholders.

## 8. Experience with the Program

New program introduced August 31, 2005.

## 9. General Applicability

This model may be of interest to organizations wanting to increase the capacity of First Nations and their associated organizations in identifying, planning, and implementing economic development initiatives.

## 10. Additional Information or Support

Marnie Robb, Manager, Economic Capacity Building, First Nations Economic Partnerships Initiative, 10035 - 108 Street, Edmonton, AB T5J 3E1

Telephone: (780) 4427-5071

Email: [marnie.robb@gov.ab.ca](mailto:marnie.robb@gov.ab.ca)

Website: <http://www.aand.gov.ab.ca>

<b>Template:</b>	3.3.5	First Nations Economic Partnerships Initiative (FNEPI)
	3.3.5.4	First Nations Labour Force Planning (FNLFP) - HRE

### 1. Objective

To increase First Nations employment through the development of labour force planning activities and strategies at the regional and local level.

### 2. Description

The program is led by Alberta Human Resources and Employment (AHRE). Labour force planning activities could include, but are not limited to:

- Creating an inventory of community skills
- Identifying/developing labour force planning tools

- Implementing strategic plans based on the inventory of community skills

### 3. Implementation

Some of the key elements for implementation and management of this program are:

- During the first two years, several pilot projects will be implemented throughout the province to test a variety of labour force planning approaches.
- A provincial strategy will be drafted for discussion/consultation with full implementation anticipated in 2007/2008.

### 4. Timeframe for Results

This is a five-year program with funding allocated for the first three years. Year 1 is a pilot; program adjustments will be made in Years 2 and 3 as required. Funding for Years 4 and 5 is subject to program review.

### 5. Program Criteria

Projects must lead to a realistic, sustainable labour force plan that allows First Nations to further develop partnerships and build the capacity to fully participate in the economy of Alberta.

### 6. Budget

- Support for individual projects is dependant upon contributions from First Nations or other sources.
- AHRE will help applicants to complete grant applications and will process applications within 60 calendar days of the application date.

Funding allocation plan:

2005-2006	2006-2007	2007-2008	Total
\$250,000	\$350,000	\$500,000	\$1,100,000

### 7. Partners and Sponsors

First Nations, industry, Alberta Human Resources and Employment, and other stakeholders.

### 8. Experience with the Program

This is a new program, introduced August 31, 2005.

### 9. General Applicability

The program may be of interest to organizations wanting to participate in labour force planning activities and strategy development at the regional and local levels to increase First Nations employment.

### 10. Additional Information or Support

Don Gardener, Manager, Labour Force Partnerships, First Nations Economic Partnerships Initiative, 10035 - 108 Street, Edmonton, AB T5J 3E1

Telephone: (780) 4427-0012  
Email: [don.gardener@gov.ab.ca](mailto:don.gardener@gov.ab.ca)  
Website: <http://www.aand.gov.ab.ca>

**Template:** 3.3.5 First Nations Economic Partnerships Initiative (FNEPI)  
3.3.5.5 First Nations Business Management - led by Alberta Economic Development

**1. Objective**

To strengthen the management of First Nations businesses through increased access to business information and advisory services.

**Template:** 3.3.5 First Nations Economic Partnerships Initiative (FNEPI)  
3.3.5.6 Regional Economic Development Alliances and Initiatives - led by Alberta Economic Development

**1. Objective**

To strengthen First Nations economic participation.

**Template:** 3.3.5 First Nations Economic Partnerships Initiative (FNEPI)  
3.3.5.7 Business Sector Advisory Services - led by Alberta Economic Development

**1. Objective**

To extend services provided to other Alberta businesses to First Nations and First nations businesses (to be implemented in 2006 - 2007).

## ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.6	INAC Economic Development Programs
<b>Sponsor(s):</b>	<i>Indian and Northern Affairs Canada (INAC)</i>	

### Objective

To assist First Nations communities and individuals to strengthen their business capabilities and employment skills.

### Description

INAC has a number of programs focused on developing business capacity among First Nations including:

- Community Economic Opportunities Program (template 3.3.6.1)
- Aboriginal Contract Guarantee Instrument (template 3.3.6.2)
- Aboriginal Workforce Participation Initiative (template 2.4.6)
- First Nations Forestry Program (template 3.3.7)

The programs are delivered to First Nations communities through 550 community economic development organizations (CEDOs). In Alberta, there are 36 CEDOs, including four tribal or regional councils that act as CEDOs and 32 First Nations that act as CEDOs. The regional office of INAC in Edmonton provides funds to CEDOs and coordinates their activities.

Communities can use CEDOs to develop community economic plans, provide advisory services, plan business or resource development projects, provide contributions or loans to community members for training, business or resource development projects; hold equity positions in private or community enterprises, provide job-related training and employment programs, and manage financial and technical services.

### Implementation

The delivery of the INAC programs is as follows:

- Community Economic Opportunities Program is delivered through the CEDOs and coordinated by the INAC regional office in Edmonton
- Aboriginal Contract Guarantee Instrument is delivered through the National Aboriginal Capital Corporation Association
- Aboriginal Workforce Participation Initiative is delivered by INAC through the regional office in

Edmonton

- First Nations Forestry Program is delivered by Natural Resources Canada (NRCAN)

These programs are available to First Nation governments and organizations. Partnerships of community organizations with governments and the private sector are encouraged, and will receive favourable consideration.

There is a formal process with INAC for reviewing, evaluating and approving proposals, based on the size of financial contribution. Proposals must be consistent with CEAA (Canadian Environmental Assessment Act) standards. Evaluation of proposals may take four to six months or longer for complex projects prior to a funding decision being made.

### **Timeframe for Results**

Projects range from short- to long-term.

### **Measurable Criteria**

Each project establishes objectives and deliverables. Meeting those targets is the main criteria for success.

### **Budget**

Individual programs have overall budgets, as well as project limits.

### **Partners and Sponsors**

INAC encourages partnerships with other government organizations, business and communities. Other organizations that work with off-reserve include Aboriginal Business Canada (ABC), Aboriginal Business Service Network (ABSN) of the Business Link, Community Futures Development Corporations (CFDC) funded by Western Diversification and the Alberta Indian Investment Corporation.

### **Experience with the Program**

INAC has long-standing experience with Aboriginal programs.

### **General Applicability**

INAC funding is provided only to First Nation governments and organizations. From an industry perspective, INAC support can be used to strengthen the capacity of a First Nation organization to participate in business ventures.

### **Additional Information or Support**

Gord Sawatzky, A/Manager, Community Economic Development, Indian and Northern Affairs Canada (INAC) - Alberta Region, 630 Canada Place, 9700 Jasper Avenue, Edmonton, AB T5J 4G2  
Telephone: (780) 495-2058  
Email: [sawatzkyg@inac.gc.ca](mailto:sawatzkyg@inac.gc.ca)  
Website: [www.inac.gc.ca](http://www.inac.gc.ca)

Date Entered or Updated: **August 1, 2005**

**Template:****Community Economic Opportunities Program (CEOP)**

CEOP provides project-based support to those First Nation and Inuit communities that have the best opportunities for public services in economic development. Eligible projects will address the following:

- Employment of community members
- Business development
- Development of land and resources under community control
- Access to opportunities originating with land and resources beyond community control
- Promoting the community as a place to invest
- Research and advocacy

Priority will be given to projects that conform to priorities in regional program management strategies, generate higher levels of community benefits, have regional or community economic impact, generate a wide, range of benefits and lever the greatest funding from federal and provincial/territorial governments and/or private sector funding.

INAC funding will not exceed \$3,000,000 per project. INAC funding will be limited to the need for funding that has been demonstrated by the eligible recipient.

Total federal funding cannot exceed 80 per cent of the total cost of eligible activities, with the exception of economic infrastructure projects (66 2/3%).

**Template:****Aboriginal Contract Guarantee Instrument (ACGI)**

The ACGI is designed to provide qualified Aboriginal contractors and service providers with an equivalent to mainstream surety bonding products and services. This instrument is intended to help level the playing field for Aboriginal businesses to increase their capacity to take advantage of opportunities such as those created through the federal government procurement strategy as well as compete in the mainstream marketplace where surety bonds and guarantees are required.

The ACGI covers three forms of contract guarantees:

- **Bid guarantees** provide financial assurance that the bid has been submitted in good faith, and the contractor intends to enter into the contract at the price bid and provide the required performance and payment guarantees.
- **Performance guarantees** protect the project owner from financial loss should the contractor fail to perform the contract in accordance with the terms and conditions of the contract documents.
- **Payment guarantees** guarantee the contractor will pay certain subcontractor, labour and material bills associated with the project.

This instrument will be delivered nationally through Silu' Corporation, a subsidiary of the National Aboriginal Capital Corporation Association (NACCA), and in partnership with the surety industry. In the regions, the NACCA member Aboriginal financial institutions (AFIs) will play a major role in the delivery of this initiative with respect to the pre-qualification, monitoring and the processing of claims.

Contact: (780) 413-0993

# ACR Aboriginal Programs Project Program Template

<b>Program Area:</b>	3.0	Business Development
<b>Sub Program:</b>	3.3	Programs Sponsored by Government and Non-Profit Agencies
<b>Template:</b>	3.3.7	NRCan, Canadian Forest Service Programs
<b>Sponsor(s):</b>	<i>Natural Resources Canada (NRCan)</i>	

## 1. Objective

To assist status First Nations bands, tribal councils, organizations and any other First Nation group or company seeking to strengthen their economic conditions, business capabilities and employment skills while applying sustainable forest management practices.

## 2. Description

The First Nations Forestry Program (FNFP) is a joint initiative between Natural Resources Canada (NRCan) and Indian and Northern Affairs Canada (INAC). The program builds on the Government of Canada's commitment to ensure a clean, healthy environment and to create opportunities to build strong communities through working with First Nations. NRCan delivers the program nationally, on behalf of the Government of Canada.

The forest offers a foundation for First Nation communities to develop an economic base while maintaining their traditional connections with the land. Partnerships among First Nations, the Government of Canada and industry have created opportunities for many First Nations people to improve their skills and apply sustainable forest management practices.

The purpose of the program is to improve economic conditions in status First Nation communities with full consideration of the principles of sustainable forest management.

The program's purpose includes four objectives toward which federal funding is directed. They are:

- To enhance the capacity of First Nations to sustainably manage their forest lands
- To enhance the capacity of First Nations to operate and participate in forest-based development opportunities and their benefits
- To advance the knowledge of First Nations in sustainable forest management and forest-based development, and
- To enhance the institutional capacity of First nations at the provincial and territorial level to support their participation in the forest-based economy

### **3. Implementation**

The FNFP was developed to improve economic conditions in status First Nations communities and to assist First Nations with capacity building for sustainable forest resources management. Financial and technical assistance is provided to bands, tribal councils and other First Nations groups, enterprises, or companies involved in forestry-related activities throughout the province (both on- and off-reserve).

The Canadian Forest Service, a sector within NRCan, is responsible for implementing the program on a national and regional basis. In Alberta, the CFS regional office is located at the Northern Forestry Centre in Edmonton.

The Alberta FNFP management committee is responsible for the overall direction of the program in the province, setting policy and reviewing and approving project proposals. This committee is currently composed of eight members:

- Three First Nations representatives
- Two members representing the Canadian Forest Service
- One member for Indian and Northern Affairs Canada
- One member from Alberta Aboriginal Affairs and Northern Development
- One member from the forest industry

Treaty 6, Treaty 7 and Treaty 8 organizations in Alberta are represented by the three First Nations members. The management committee is the final authority concerning project funding and approval and program direction within Alberta.

### **4. Timeframe for Results**

Project duration is 12 months or less; results range from short- to long-term. The current initiative will continue on an annual basis until March, 2008.

### **5. Measurable Criteria/Funding Guidelines:**

- A project's total cost is normally shared between the FNFP, the applicant, and other partners.
- The First Nation must contribute 20 per cent of the total project cost.
- The share from the proponent or other partner(s) may be in the form of a direct (cash) or indirect (in-kind) contribution.
- Indirect contributions must be real and measurable, having a cash equivalency based on fair market values. Examples of in-kind contributions include provision of labour, equipment, supplies, rentals, office space, office materials and resources, and management services.
- Total government funding - including requested FNFP funds and those from other federal, provincial, and municipal departments - shall not exceed 80 per cent of the total project cost.
- FNFP funds shall not be used to purchase capital items, however the First Nation may

purchase capital items as part of their contribution toward the project.

- A maximum of 15 per cent of project costs can be applied towards administration costs for implementation and delivery.

Proposals that incorporate third-party funding, particularly from the corporate sector, will generally be viewed more favorably than those that do not. All contributions must be clearly identified in the proposal, and supported with appropriate documentation.

Under normal circumstances, only one project shall be funded for each First Nation. In cases where only one proposal is submitted with multiple components or unrelated activities, one component of the proposal may be isolated and funded at the discretion of the Committee.

Any projects funded under this program will be assessed for environmental impact as per the requirements of the Canadian Environmental Assessment Act, and, where appropriate, harmonized with provincial/territorial environmental assessment legislation and practices prior to approval.

## **6. Budget**

The FNFP has a budget of approximately \$400,000 annually in Alberta. This is supplemented with First Nations contributions, and other industry and government support, as noted above.

## **7. Partners and Sponsors**

The FNFP encourages partnerships with other levels of government, industry organizations, business and communities to conduct projects either on or off-reserve

## **8. Experience with the Program**

This innovative and highly successful program involves First Nations in program management at the national and provincial levels, and is considered a model of cooperation, creating a new relationship between First Nations, government and industry. The FNFP has been in existence since 1996, and has funded approximately 1,700 forestry-related projects across Canada.

## **9. General Applicability**

FNFP funding is provided to status First Nation governments, organizations and businesses. From an industry perspective, FNFP support can be used to strengthen the capacity of a First Nation organization to participate in business ventures.

## **10. Additional Information or Support**

Lorne West, Forestry Liaison Manager, Canadian Forest Service, Natural Resources Canada, Northern Forestry Centre, 5320 - 122nd Street, Edmonton, AB T6H 3S5

Telephone: (780) 435-7279

Email: [lwest@nrca.gc.ca](mailto:lwest@nrca.gc.ca)

Website: [www.fnfp.gc.ca](http://www.fnfp.gc.ca)

Date Entered or Updated: August 16, 2005