

Request for Proposal (“RFP”) Indigenous Investment Commission – Target Market Research

RFP Issue Date

January 13, 2025

Reason for RFP

The First Nations Financial Management Board (“the FMB”) is inviting proposals from qualified consulting firms (“the Proponent”) with expertise to lead and facilitate target market research and a competitive environment scan to advance the creation of the Indigenous Investment Commission (“IIC”).

The concept of the IIC was developed to address the investment services gap faced by Indigenous governments, trusts, and institutions. These Indigenous investors require the same investment tools that non-Indigenous governments have to unlock the full potential of their investments. In the non-Indigenous public sector, institutions such as the Caisse de dépôt et placement du Québec (CDPQ) and the Public Sector Pension Investment Board (PSP) secure high rates of return at low costs for their clients. In contrast, First Nations governments face higher management fees, lower returns, and an investment services gap. The IIC would be the Indigenous-led solution to meet the investing needs of Indigenous governments, trusts, and institutions across Canada and attain the economies of scale required for higher rates of return and lower investing costs.

The research will define a target market and assess demand for the IIC. It will provide an analysis of existing investment options for Indigenous governments and benchmark market averages for management fees and fund performance for Indigenous investments. RBC estimates that there is over \$20B of assets under management in Indigenous trusts. This research will scan the competitive environment to determine if an investment services gap has led to higher-than-average management fees and lower-than-average returns for Indigenous assets under management. The research will support the development and iteration of the IIC value proposition.

Notice of Intent to Bid

Please inform Sharon Stevenson (Sharon_Stevenson@fnfmb.com) and Catherine Irwin-Gibson (Catherine_Gibson@fnfmb.com) if you intend to submit a proposal.

Deadline for RFP Enquiries

All enquiries concerning this RFP should be submitted via email to Sharon_Stevenson@fnfmb.com and Catherine_Gibson@fnfmb.com no later than 5:00 PM PST on January 23, 2025.

Deadline for Submission of Proposal

Proposals must be received by January 24, 2025 no later than 5:00 PM PST. All proposals must be submitted electronically to Sharon Stevenson via email at Sharon_Stevenson@fnfmb.com. Proposals must be in the form of a single document in Portable Document Format (i.e., do not send multiple PDF documents or other attachments). Any text in the email sent to Sharon Stevenson will not be considered part of the proposal. Proposals will be evaluated by an internal FMB committee. All proponents will be notified after the selection process advising on the success of the proposals received.

About the First Nations Financial Management Board

The FMB provides First Nations, on an optional basis, with support for administrative governance and financial management.

The FMB is a not-for-profit, non-governmental organization.

The FMB operates under federal legislative authority contained in the [First Nations Fiscal Management Act](#) (“the FMA”). The FMA provides First Nations with shared institutions and tools to strengthen their communities and build foundations for economic development.

For more information on what the FMB does, please visit www.fnfmb.com

The FMB has four offices across Canada, with the head office located in West Vancouver, and other offices in Winnipeg, Ottawa and Montreal. Additionally, the FMB has remote users working from their home offices across Canada.

Background

Many First Nations communities across Canada are embracing opportunities for self-determination which necessitate capacity development in governance, administration, financial, and investment management all with the objective to achieve economic and social prosperity. By working together, First Nations communities have been able to combine their resources, reduce the cost of governance, create economies of scale, and improve negotiating power. Working alone, many First Nations communities simply would not have the size and scale to manage programs or pursue economic opportunity.

The FMA institutions (i.e., the FMB) support opportunities for greater collaboration among like-minded communities that see the benefit of strength through working together.

FMB has recently published the RoadMap, which outlines practical policy proposals to advance Indigenous economic reconciliation. Chapter 6 of the RoadMap – Strength Through Working Together – proposes the establishment of the Indigenous Investment Commission (IIC). IIC will be an Indigenous-led institution providing investment management services to interested First Nations governments and institutions. For more information about the RoadMap, please visit:

<https://fnfmb.com/en/leadership/roadmap>

In 2023, FMB conducted a scoping study to explore the need for the IIC and options for implementation. The scoping study outlined the project’s key aspects and presented a business case for the IIC.

Scope of Work

The consultant will conduct target market research and a scan of the competitive environment to define market need, preferences, value proposition, and competitive environment for the IIC. The final report (the “final report”) will include the following:

- Define target market: Define characteristics of a target market for the IIC.
- Identify potential clients: Use market segmentation to identify potential clients that fit target market profile. Analyze target market data, conduct interviews, to identify underserved markets or segments with unmet needs.
- Develop IIC steering committee: Create steering committee representative of target market.
- Assess target market preferences: Conduct qualitative research through interviews and the engagement with IIC steering committee. Assess needs, preferences, and pain points of IIC target market. Assess main factors that would impact target market investment decisions. Determine services and features that are the most important to target market, including priorities.
- Competitive environment scan: Use qualitative and quantitative research to assess competitive landscape and identify key competitors. Identify their strengths and weaknesses and how IIC would offer unique value to its target market. Establish benchmarks and determine market averages for competitor management fees and fund performance.
- Define value proposition: Develop IIC value proposition based on target market research and competitive environment scan.
- Test market: Test the IIC value proposition with market through interviews and engagement with IIC steering committee. Iterate value proposition and refine research based on feedback.

The final report must demonstrate level of market support for the IIC value proposition. The research will build on the scoping study and will support FMB next steps to pursue a feasibility study and business plan.

The study will be conducted through a series of progress reports to be delivered to FMB’s CEO and Board of Directors’ Special Initiatives Committee. This process will allow for an ongoing review of the study’s progress and an opportunity for the CEO and Board to provide feedback. In addition to the final report, the following progress reports (the “progress reports”) will also be submitted:

- Steering committee establishment report
- Research report (includes target market research and competitive scan)

The proponent will be responsible for the successful completion of all progress reports and the final report – with the finalized version of the final report being due on March 31, 2025. Table 1 provides a schedule of tasks, deliverables, and completion dates. An FMB staff member will assist the proponent with providing further background information about the IIC concept, and in liaising with FMB’s senior leadership team and Board of Directors.

The proponent will be responsible for making any required updates to the progress reports and/or the final report based on feedback received by the CEO and Board of Directors' Special Initiatives Committee.

Table 1: Schedule of Tasks and Deliverables

Task	Description of Task	Deliverable	Task Completion Date
Progress Update	Use market segmentation to identify potential clients that fit target market profile.	<ol style="list-style-type: none"> 1) Updated - Market segmentation list of potential clients and status of outreach / interviews. 2) Interview Summary Report: insights gathered from interviews, highlighting key findings about underserved markets and unmet needs. 	Weekly
Progress Update Meeting	Hold progress Update Meeting	Progress Update Meeting	Weekly
Identify Additional Potential Clients	Use market segmentation to identify potential clients that fit target market profile. Analyze target market data, conduct interviews, to identify underserved markets or segments with unmet needs	Market Segmentation list of additional potential clients and status of outreach / interviews.	February 7, 2025
Suggest IIC Steering Committee	Suggest steering committee based on representative of target market.	<ol style="list-style-type: none"> 1) Suggest names/bios for Steering Committee members. 2) Terms of Reference. 3) Forward agenda for the Steering Committee. 	February 14, 2025

Task	Description of Task	Deliverable	Task Completion Date
Organize IIC Steering Committee	Create steering committee.	<ol style="list-style-type: none"> 1) Contact individuals to sit on steering committee. 2) Handle logistics for steering committee meeting. 3) Organize and pay honorarium and travel for steering committee. 4) Provide meeting materials one week in advance to Steering Committee. . 	February 21, 2025
Assess target market preferences	Assess needs, preferences, and pain points of IIC target market. Assess main factors that would impact target market investment decisions. Determine services and features that are the most important to target market, including priorities.	<ol style="list-style-type: none"> 1) Draft Report: <ol style="list-style-type: none"> a. Interview Summary (of at least 40 interviews) and Analysis b. Target Market Needs Assessment c. Services and Feature Prioritization 2) Deck Presentation that summarizes the main findings of the draft report 	February 21, 2025
Steering Committee Meeting	Hold steering committee meeting in person or virtual, including an elder (open and close), review Terms of Reference and review draft report.	<ol style="list-style-type: none"> 1) Meeting Facilitation 2) Logistics Coordination 3) Meeting Minutes 	Late February

Task	Description of Task	Deliverable	Task Completion Date
Organize 2 nd IIC Steering Committee	Based on FMB input create steering committee.	<ol style="list-style-type: none"> 1) Handle logistics for steering committee meeting. 2) Organize and pay travel for steering committee members. 3) Provide meeting materials at least one week in advance. 	Late February
Assess target market preferences	Assess needs, preferences, and pain points of IIC target market. Assess main factors that would impact target market investment decisions. Determine services and features that are the most important to target market, including priorities.	<ol style="list-style-type: none"> 1) Draft Report: <ol style="list-style-type: none"> a. Interview Summary and Analysis b. Target Market Needs Assessment c. Services and Feature Prioritization 2) Deck Presentation that summarizes the main findings of the draft report 	Mid-March
Hold 2 nd Steering Committee Meeting	Hold steering committee meeting in person or zoom and review draft report.	<ol style="list-style-type: none"> 1) Meeting Facilitation 2) Logistics Coordination 3) Meeting Minutes 	Late March
Final Report	Submit final report	Final Report	March 21, 2025
Re-submitting the final report	With any required updates	Re-Submit Final Report	March 31, 2025

Approach on Work

The approach undertaken by the proponent to complete the study, including the progress reports and final report, will be conducted in a professional manner. The proponent will follow proper planning,

scheduling of work activities that involves FMB staff and Board of Directors to ensure their availability. The Proponent will provide advance notice (usually 2 to 3 weeks) to secure the availability of the required FMB staff and Board of Directors.

The Proponent will update FMB weekly on the progress of work.

Support by FMB Staff

An FMB staff member will be assigned as the key liaison between the proponent and FMB's staff, senior leadership team and Board of Directors. FMB's CEO and Board of Directors' Special Initiatives Committee will provide feedback for each of the three progress reports and the final report. The assigned FMB staff member will:

- provide requested documents (if available)
- support the work of the proponent and respond to queries
- other reasonable assistance as required by the proponent

Evaluation

Proposals meeting the mandatory requirements will be assessed against the evaluation criteria indicated below. The FMB is aware of the benefits that come from working with a qualified consulting firm. Accordingly, attributes concerning the quality of the firm, its team, and the proposed project strategy, are emphasized below. The following criteria must be specifically addressed in the proposal submission. Failure to address all factors will impair the proposal and the FMB will not be obliged to seek clarification or inclusion of vague or incomplete information in making its selection. The lowest proposal in terms of all inclusive maximum cost will not necessarily be accepted.

Evaluation Matrix

- Relevant Experience and expertise in engagement and report writing (30%)
- Proposed approach/methods (20%)
- Quality and relevance of previous work samples (20%)
- Proposed timeline and cost (20%)
- References and client testimonials (10%)

Pricing & Payment

Costs must include an amount for each of the Proponent's proposed services as well as a breakdown of number of hours by project phase and team members. The project costs shall include all costs including sub-consultants, travel and administration expenses, and any other costs. Costs that shall not be exceeded without the advanced written permission of the FMB.

Payments shall be made based on detailed invoicing submitted upon agreement between the Proponent and the FMB on achievement of key milestones as related to the project. Final payment will be provided upon acceptance and approval by the FMB of the final report.

A payment schedule satisfactory to FMB shall form part of the Agreement. FMB proposes the following milestone payment schedule:



- i) 20% of the cost after Identifying Additional Potential Clients, Suggested IIC Steering Committee and first Progress Update.
- ii) 20% of the total cost after successful completion of 2nd steering committee meeting.
- iii) 20% of the total cost after successful completion of first draft report for steering committee;
- iv) 20% of the total cost after successful completion of second draft of report;
- v) 20% of the total cost after successful completion of resubmitting the final report (with any required updates) and receiving final approval from the CEO and Board of Directors' Special Initiatives Committee.

“Successful completion” means meeting the requirements with respect to the deliverables and getting the approval to invoice the FMB.

Form of Agreement

The Proponent agrees that should a contract be awarded by FMB as a result of this RFP, certain sections of this RFP such as the Scope of Work, Approach on Work, Key Study Dates, Pricing and Payment shall be negotiated to form part of the contract.

Please provide a sample copy of contract which the successful proponent will be expected to enter into should a contract be awarded as a result of this RFP.

References

The Proponent's references will be contacted during the FMB's evaluation process.

Disclaimer

FMB will not necessarily accept the lowest or any proposal received, and it reserves the right to accept or reject any or all proposals submitted. FMB reserves the right to amend, withdraw or extend this tender at its sole and absolute discretion at any time without Notice. Actual contract pricing will be subject to reaching agreeable terms and conditions with the successful proponent. For greater certainty, reaching agreeable terms and conditions is the executing of a written service agreement and/or contract. It is the proponent's responsibility to check with FMB if any changes have been made to this RFP. FMB is not responsible for any expenses associated with the proponent's application development and associated expenses before reaching agreeable terms and conditions.