To recapitalize the Royal Canadian Navy's surface combatant fleet by replacing and updating the capabilities found in both the recently retired Iroquois-class destroyers and the multi-role Halifax-class frigates and provide the necessary ammunition, training, support and infrastructure. The new Canadian Surface Combatant (CSC) will ensure that Canada can continue to monitor and defend its waters and make significant contributions to international naval operations.

PROCUREMENT STRATEGY

As part of the National Shipbuilding Strategy, the combat vessel work package includes the Canadian Surface Combatant ships. The refined procurement strategy was announced in June 2016, which is to competitively select an existing warship design and design team to design the Canadian warships.

ACHIEVEMENTS

- 18 November 2015: List of companies selected under the pre-qualification process for the Canadian Surface Combatant released.
- January 2016: The Independent Review Panel Defence Acquisitions was briefed on the results of the Initial Reconciliation of Requirements, a cost to capabilities trade-offs assessment to find
- the right balance for the Navy.

 June 2016: A refined procurement strategy was announced.
- 30 August 2016: Re-qualification period closed, yielded the same list of pre-qualified
- 27 October 2016: Canadian Surface Combatant Request for Proposal released.
- 7 June 2017: Canada's new Defence Policy, Strong, Secure, Engaged, was released, citing the procurement of 15 Canadian Surface Combatants with an updated overall project budget.

30 November 2017: Canadian Surface Combatant Request for Proposal closed and bids received.

- 4 December 2017: Bid Evaluation process commenced.
- 19 October 2018: The preferred bidder was identified and the due diligence process commenced
- 7 February 2019: Definition Contract was awarded.
- 5 November 2019: Substantial Completion of Requirements Reconciliation.
- 5 November 2019: Commencement of Preliminary Design.

KEY	MILESTONES		
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Project Approval (Definition Phase 1)	2012-06-19	2012-06-19	
Revised Project Approval (Definition Phase 1)	2014-11-30	2014-12-11	
Request for Proposal Release	2016-10-27	2016-10-27	
Revised Project Approval (Definition Phase 2 - Initial Design Review)	2017	2017-06-08	
Request for Proposal Close	Spring 2017	2017-11-30	
Selection of Warship Design and Design Team	N/A	2019-02-07	
Definition Contract Award	2017	2019-02-07	
Revised Project Approval (Definition Phase 2 - Design & Production Engineering)	Winter 2018	2019-05-30	
Estimated Project Approval (Implementation)	Early 2020s	2022/23	
Estimated Contract Award (Implementation)	Early 2020s	2022/23	
Current Estimate for First Delivery (Pre-Implementation)	Mid 2020s	Early 2030s	

FINANCIALS		VALUE (BY MILLIONS)
Acquisition (including Project Management Co	ts, Infrastructure, Contracts and Contingency)	\$ 56,000 to \$60,000
Major In-Service Support Contract (over 30	years)	
Estimated Life Expectancy (30 years]	

INDUSTRY ENGAGEMENT ACTIVITIES

From 2013 to 2016, a series of industry engagements were held covering a wide range of topics from soliciting industry input on Canada's proposed requirements and procurement strategy to presenting the overall economic leveraging strategy.

A CSC Industry Day, coordinated and executed virtually by Irving Shipbuilding Inc. (ISI) was held 21 April 2021. Over 450 suppliers registered for the event, of which over 350 Canadian suppliers were directly engaged, and all 5 regions of Canada (Atlantic, Ontario, Quebec, West and North) were represented.

The design process will see continued engagement between Canada and the contracted industry partners through the structure of the Integrated Product Teams





SOCIO-ECONOMIC BENEFITS

The Industrial and Technological Benefits Policy is being applied to this procurement. For the Definition contract, both the prime contractor, Irving Shipbuilding Inc. (ISI), and the subcontractor (Lockheed Martin Canada - LMC) are required to provide benefits to Canada equal to their scope of work.

LMC has Value Proposition commitments to support Canadian design, engineering and integration work; to provide opportunities for Canadian systems and equipment to be included in the CSC design, and promote investments in priority areas. Canada is seeking economic benefit commitments from contractors which receive CSC-related funds through the United States Foreign Military Sales (FMS) program.

In addition, the National Shipbuilding Strategy Value Proposition, which focuses on priority areas of human resources, technology, and industrial development, and is 0.5% of the value of the contract, is being applied to ISI.

- Work continues to fully complete the remaining elements under the Requirements Reconciliation task; full task completion now anticipated in early 2021.
- -Significant engagement with the applicable governance committees continues to occur. Every effort is being applied to reduce schedule risk going forward without sacrificing the integrity of the design process.
- -All work related to the project continues to progress on the basis of alternative work arrangements as a response to COVID-19.

		ISSUE/	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			The project schedule is continually reviewed and updated, including
Schedule vs Re-baseline			with consideration of the impacts of COVID-19 on project timelines. Design and build schedule estimates and their underlying
Budget (Definition)			assumptions, are being critically examined for possible reduction as the ship design progresses.
Budget (Implementation)			and only design progresses.
Human Resources			
Procurement			
•			
<u> </u>			
			•
			1

TIMELINE															
Project Approval (Definition				Request for Proposal Release	Request for Proposal Close	Bid Evaluation Complete	Definition Contract Award			Estimated Contract Award (
7	•••	•••	•••	▼.	. ▼.	Y	▼	•••	•••	•••	•••	•••	•••	•••	•••
2012	2013	2014	2015	2016	2017	2018	2019	2020							· ·
•••	•••		•••	•••	A	•••	A A	•••	•••	•••	•••	•••	•••	•••	A
		Revised Project Approval (Definition Phase 1)			Revised Project Approval (Definition Phase 2 - Initial Design Review)		Revised Project Approval (Definition Phase 2 - Design & Production Engineering)		Early 2020s	Early 2020s	Early 2030s				

PROJECT TITLE: Joint Support Ship (JSS)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

To deliver two Joint Support Ships to replace the Canadian Armed Forces' Auxiliary Oiler Replenishment vessels that have reached the end of their service. The capabilities required of the Joint Support Ships are crucial to the Royal Canadian Navy. These new Protecteur-class ships will enable a Naval Task Group to remain at sea for extended periods of time. These vessels will provide core replenishment capabilities, plus added capacity for limited sealift and limited support to operations ashore.

PROCUREMENT STRATEGY

Furnishing the selected design to the National Shipbuilding Strategy designated shipyard (Seaspan's Vancouver Shipyards Co. Ltd.). Canada has selected the military-off-the-shelf BONN (currently in service with the Germany Navy) as the basis for the design.

ACHIEVEMENTS

December 2016: Design and Production Engineering (D&PE) Contract was awarded to the

May 2017: Request for Information was published to industry to acquire raft/pontoon solution to transport material from the Joint Support Ship at sea to the shore.

June 2018: The shipyard was awarded an Early Block Build Contract and began construction

July 2018: The Design and Production Engineering (D&PE) Contract was amended to authorize the full scope of design work that supports the full production and construction of the

February 2019: A decision was rendered to sequence construction of the first JSS ahead of the Offshore Oceanographic Science Vessel (OOSV) at Seaspan Shipyards. March 2020: Critical Design Review (CDR) completed as part of the Design and Production Engineering (D&PE) contract. CDR is the second of three major reviews. June 2020: The shipyard was awarded the Build Contract for the construction of the JSS. May 2021: Currently there are 51 blocks substantially completed and another 71 under construction (out of 123 blocks total).

KEY MILESTONES Project Milestone Re-baseline/Actual Notes/Comments Approved Revised Project Approval (Definition) 6 - New Long Lead Item authorities 2018-04-26 2018-04-26 Project Approval (Pre-Implementation) - Early Block Build authorities 2018-04-26 2018-04-26 Project Approval (Implementation) 2020-02 2020-02-27 Contract Award (Implementation) 2020-04 2020-06-10 First Delivery 2023 2023 2024 2024 Initial Operational Capability Final Delivery (Second Ship) 2025 2025 2026 2026 Full Operational Capability

FINANCIALS	VALUE (BY MILLIONS)	Н
Acquisition (including Project Management Costs, Infrastructure, Contracts and Contingency)	\$ 4,099.2	C
Major In-Service Support Contract (over ₃₂ years)		•
Estimated Life Expectancy (30 years of service per vessel)		• • • •
		• • • •

INDUSTRY ENGAGEMENT ACTIVITIES

The National Shipbuilding Strategy's (NSS) selection of the two shipyards to rebuild the fleets of the Royal Canadian Navy and the Canadian Coast Guard were applied in a comprehensive and innovative way by following principles of extensive industry consultations, along with the establishment of a strong governance structure and the involvement of independent third

Vancouver Shipyard Co. Ltd., as the selected shipyard for the non-combat package of the National Shipbuilding Strategy, is responsible for engagements with industry Through these engagements, the shipyard will establish contracts for the sourcing of services, materials, equipment and systems for use in the design and construction of the Joint Support Ships

August 2019: A competitive contract for the acquisition of Sea to Shore Connector systems was awarded to NAVAMAR Inc. (Montreal, QC).





SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits (IRB) Policy was applied to the Joint Support Ship: Initial Design Review; Long Lead Items; Design and Production Engineering; and Construction contracts. The total IRB obligation for the JSS is currently \$949M, where \$308M is completed to date and \$641M are in progress. Under JSS, Vancouver Shipyards Co. has \$8.5 million in current NSS Value Proposition obligations, and \$9.2 million in approved NSS Value Proposition investments

*Values are updated annually. Last update: August 2020.

POINTS TO NOTE

As the project approaches Final Design Review (FDR) in Summer 2021, greater certainty regarding construction and delivery milestones for the first JSS will be achieved.

ISSUE/RISK ASSESSMENT

Area	Previous	Current	issue/ Risk Summary
Scope			While construction at the Vancouver Shipyard is continuing, the
Schedule vs Re-baseline			impacts related to COVID-19 are being assessed and mitigation strategies are being developed in areas such as the global supply
Budget (Definition)			chain and production. The shipyard has implemented procedures that are compliant with WorkSafe BC directives that allow for the
Budget (Implementation)			continued work and progress of the project.
Human Resources			Notwithstanding the development of mitigation strategies, there are
Other		-	indications that the delivery schedule may experience delays and the
			issues.
*			•

TIMELINE															
Revised Project Approval (I		Revised Project Approval (De	f Revised Project Approval (Def	Revised Project Approval (Def		Revised Project Approval (Def		Project Approval (Implementat			First Delivery	Initial Operational Capability	Final Delivery	Full Operational Capability	
V	•••	Y	V	V	•••	7	•••	▼	•••	•••	•••	•••	•••	•••	•••
2010		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
•••	•••	A	•••	•••	•••	A	•••	A	•••	•••	•••	•••	•••	•••	
Design selection		Initial Design Review Contract Award Revised Project Approval (Definition) 3 - Long Lead Item	Revised Project Approval (Definition) 4 - Contract Design Completion task	Revised Project Approval (Definition) 5 - Design and Production Engineering contract		Project Approval (Pre-Implementation) - Early Block Build authorities Early Block Build Contract Award & Start of construction		Contract Award (Build - full production)						Project Closeout	

PROJECT OBJECTIVE:

PROJECT TITLE: Arctic and Offshore Patrol Ship (AOPS)

To deliver six ice-capable offshore patrol ships that will be used by the Royal Canadian Navy to conduct sovereignty and surveillance operations in Canada's waters, including the Arctic, as well as to conduct a wide variety of operations abroad. The Arctic and Offshore Patrol Ship project is acquiring ships, associated integrated logistics support products, jetty infrastructures in Halifax and Esquimalt as well as a berthing and fueling facility at Nanisivik, Nunavut. Additionally, two Arctic and Offshore Patrol Ships will be delivered in support of the Canadian Coast Guard.

PROCUREMENT STRATEGY

The National Shipbuilding Strategy selected Irving Shipbuilding Incorporated to design and build the Arctic and Offshore Patrol Ship. A separate long term In-Service Support contract for the Arctic and Offshore Patrol Ships and the Joint Support Ships was awarded to Thales in 2017. Procurement of two additional Canadian Coast Guard ships as a new variant will be included through a contract amendment to the shipbuilding contract.

ACHIEVEMENTS

January 2015: The government announced the award of the Build contract for the Arctic and Offshore Patrol Ships. September 2015: The lead ship in the class, HMCS Harry DeWolf, entered full production.

August 2016: The second ship, HMCS Margaret Brooke, entered full production. December 2017: The third ship, HMCS Max Bernays, entered full production. September 2018: HMCS Harry DeWolf launched at Halifax Shipyard.

December 2018: Contract amendment signed for the acquisition of a sixth ship and extension

May 2019: The fourth ship, HMCS William Hall, entered full production. The government announced the construction of a seventh and eighth ship for the Canadian Coast Guard. July 2019: Construction of the new NJ Jetty at the CFB Halifax Dockyard was completed. November 2019: HMCS Margaret Brooke was launched at Halifax Shipyard.

February 2020: HMCS Harry DeWolf commenced sea trials, with the remainder expected to complete in July 2020.

PROJECT PHASE: Implementation

July 2020: First of its class, HMCS Harry DeWolf was delivered to Canada.

October 2020: HMCS Harry DeWolf was sailed at sea for the first time under Royal Canadian Navv command.

February 2021: HMCS Harry DeWolf conducted cold weather and ice trials on the south-east coast of Baffin Island, Nunavut.

April 2021: HMCS Harry DeWolf conducted warm weather trials.

May 2021: HMCS Margaret Brooke commenced sea trials.

	KEY MILESTONES		
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Revised Project Approval (Definition)	2011-10-06	2012-12-13	The delivery timelines for the second to sixth
Contract Award	Winter 2012	20.000.	The delivery timelines for the second to sixth ships are currently under review.
Project Approval (Implementation)	2014-12-31	2014-12-11	
Contract Award	2015-01-31	2014-12-23	
Revised Project Approval (Implementation)	Fall 2018	2018-11-02	
Production Start	Fall 2015	2015-09-01	
First Delivery	Summer 2019	2020-07-31	
Initial Operational Capability	2020	2021	
Full Operational Capability	2025	2026	
Project Closeout	2026	2026	

INANCIALS	VALUE (BY MILLIONS)
Acquisition (including Project Management Costs, Infrastructure, Contracts and Contingency)	\$ 4,344.2
Najor In-Service Support Contract (over years)	
Estimated Life Expectancy 25 years of service per vessel)	

INDUSTRY ENGAGEMENT ACTIVITIES

The National Shipbuilding Strategy's selection of the two shipyards to rebuild the fleets of the Royal Canadian Navy and the Canadian Coast Guard were applied in a comprehensive and innovative way by following principles of extensive industry consultations, along with the establishment of a strong governance structure and the involvement of independent third parties.

Irving Shipbuilding Inc., as the selected shipyard for the combat package of the National Shipbuilding Strategy, is responsible for engagements with industry. Through these engagements, the shipyard has established contracts for the sourcing of services, materials. equipment and systems for use in the design and construction of the Arctic and Offshore Patrol Ships.



SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits (IRB) policy is being applied to the Arctic and Offshore Patrol Ship Definition and Implementation contracts. The total IRB obligation is \$3.1 billion, \$1.9 billion has been completed to-date and \$396 million is in

*Values are updated annually. Values as of August 2020.

POINTS TO NOTE

Financial figures do not include Canadian Coast Guard ships

Other

		ISSUE/	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			The COVID-19 pandemic has impacted the project's schedule and
Schedule vs Re-baseline			budget, primarily due to effects on production efficiency. Requirements for self-isolation and travel restrictions have added
Budget (Definition)			challenges for some suppliers as well as project office staff. An evaluation is ongoing and will continue as the situation progresses.
Budget (Implementation)			, , , , , , , , , , , , , , , , , , ,
Human Resources			Additionally, there are other program delays and cost increases for

ships by the planned baseline date. With Ship 6 target delivery date now Jul 2025, representing an overall 16 month delay, the status is moving to yellow. Cost status is also moving to yellow given current forecast for spending, which indicates that a significant portion of contingency funds will be required

TIMELINE															
Project Approval (Definition	Contract Award	Project Approval (Implemer	Production Start					First Delivery	Initial Operational Capabilit		Full Operational Capability	Project Closeout			
5 V	y €	5 V			•••	••	•••	ΒX	•••	•••	•••	•••	•••	•••	•••
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		2026	2026			
•••	•••	X	A	A		A	A	•••			•••	•••	•••	•••	•••
		Contract Award	Cut Steel Ship 1	Cut Steel Ship 2	Cut Steel Ship 3	Revised Project Approval (Implementation)	Cut Steel Ship 4		Cut Steel Ship 5						

PROJECT TITLE: Future Fighter Capability Project (FFCP)

PROJECT PHASE: Definition PROJECT OBJECTIVE:

The successful acquisition and transition into service of 88 advanced fighter aircraft and associated equipment, weapons, infrastructure, information technology, and sustainment, including training and software support. This project will leverage Canadian capabilities and support the growth of Canada's aerospace and defence industries.

PROCUREMENT STRATEGY

The overall procurement strategy was announced by the Government of Canada in November 2016, as an open and transparent competition. The competition was launched on 12 December 2017 with the release of a Suppliers List Invitation and government announcement.

ACHIEVEMENTS

- 22 November 2016: The Government of Canada announced that it would launch, within its current Mandate, an open and transparent competition to replace the legacy fleet of CF-18 fighter aircraft
- 7 June 2017: Strong, Secure, Engaged Defence Policy announced Canada would purchase 88 advanced fighter jets
- 30 November 2017: Project Approval and Expenditure Authority granted to the FFCP for entry
- 12 December 2017: The Government of Canada launched an open and transparent competition to permanently replace Canada's fighter fleet with 88 advanced fighter aircraft. 22 January 2018: FFCP held its first Industry Day followed by one on one meetings with interested industry and government attendees.
- 22 February 2018: Suppliers List released. Only the listed Suppliers will be allowed to submit proposals in the competition for the future fighter capability.
- 26 October 2018: Draft Request For Proposal (RFP) released to Supplier Teams.
- 23 July 2019: RFP released to Supplier Teams.
- 4 October 2019: Preliminary security responses received from the eligible Suppliers.
- 31 January 2020: Canada's feedback on the preliminary security offers was made available to the Suppliers.
- 31 July 2020: Proposals received from the eligible Suppliers.
- 13 August 2020: Contract awarded for infrastructure design-build services for Cold Lake.
- 28 September 2020: Contract awarded for infrastructure design-build services for Bagotville. March 2021: Site preparation work begins in Cold Lake.

Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Project Approval (Definition)	2017-11	2017-11-30	Early funding has been obtained to commence
Supplier Engagement Launch	2017-12	2017-12-12	some aircraft agnostic infrastructure work in order for the necessary facilities to be in place
Request for Proposal Release	Spring 2019	2019-07-23	in time for delivery of the future fighter aircraft.
Additional Expenditure Authority Approval	N/A	2020-04-23	
Bidding Period Close	N/A	2020-07-31	
Bid Evaluation Complete	N/A	2021	
Estimated Project Approval (Implementation)	2022	2022	
Estimated Contract Award (Implementation)	2022	2022	
Current Estimate for First Delivery (Pre-Implementation)	Mid 2020s	Mid 2020s	
Initial Operational Capability	Mid 2020s	Mid 2020s	
Full Operational Capability	Early 2030s	Early 2030s	
Project Closeout	Early 2030s	Early 2030s	

FINANCIALS		VALUE (BY MILLIONS)
	sts, Infrastructure, Contracts and Contingency)	\$15,000-19,000
Major In-Service Support Contract (over	years)	
(Estimated Life Expectancy 30 years)	

INDUSTRY ENGAGEMENT ACTIVITIES

23 April to 1 May 2018: FFCP Regional Forums held in select Canadian cities.

June to September 2018: Second round of meetings and follow-up teleconference calls held with the five Supplier Teams

29 November to 4 December 2018: Suppliers' Visit to Royal Canadian Air Force Bases.

4-15 February 2019: Meeting with Supplier Teams to discuss Draft Request For Proposal feedback.

15 August 2019: Online presentation to representatives

of Canada's aerospace and defence industries. 5-10 December 2019: Supplier Teams visited 3 Wing

Bagotville and 4 Wing Cold Lake. 12 February 2020: Infrastructure briefings to Industry in Montreal.

29 April 2020: Infrastructure briefings to Industry in

Alberta

SOCIO-ECONOMIC BENEFITS

Strong economic outcomes are a priority for this project and Canada is seeking to leverage economic benefits that align with the Value Proposition (VP) strategic objectives.

Canada has implemented a VP that seeks to motivate generational investments in Canada's aerospace and defence industries over the coming decades, and that drive innovation, exports and skills development in Canada's Key Industrial Capabilities including in such areas as In-Service Support, Aerospace Systems and Components and Space Systems.

POINTS TO NOTE

ISSUE/RISK ASSESSMENT

	Area	Previous	Current	Issue/Risk Summary
	Scope			The world-wide COVID-19 crisis has impacted the project with further
	Schedule vs Re-baseline			impacts being possible. COVID challenges resulted in a one month extension to the proposal delivery dates as well as causing some
	Budget (Definition)			delays during the conduct of the evaluation. Potential impacts to the longer term schedule will be better understood at the completion of
_	Budget (Implementation)			the current evaluation phase.
NS)	Human Resources			Schedule: The approved schedule is considered very aggressive.
000	Infrastructure			The project team is managing a number of risks which have the potential to impact schedule.
	• · · · · · · · · · · · · · · · · · · ·			Infrastructure: While the awarding of design-build contracts has
				begun, the schedule remains challenging to have the required infrastructure in place to support aircraft deliveries as early as 2025.
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TIMELINE															
Project Approval (Definition		Request for Proposal	Bidding Period Close	Bid Evaluation Complete	Project Approval (Implementat		į.	First Delivery	Initial Operational Capabilit					Full Operational Capability	Project Closeout
•	•••	V	•	•••	▼.	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••
2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
A	•••	•••	A	•••	A	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••
Supplier Engagement Launch			Additional Expenditure Authority Approval		Contract Award										



PROJECT TITLE: Armoured Combat Support Vehicle (ACSV)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

The Armoured Combat Support Vehicle (ACSV) Project will deliver an armoured combat support capability to provide Command Support, Combat Support and Combat Service Support to forward elements of a Brigade Group. These capabilities include, but are not limited to, command vehicles, ambulances, and mobile repair teams. 360 Armoured Combat Support Vehicles will be procured.

PROCUREMENT STRATEGY

Non-competitive acquisition and in-service support contracts.

ACHIEVEMENTS

- 05 September 2019: Contract awarded to GDLS-C.
- 06-07 November 2019: System Functional Review for ACSV Type 2 variants completed. 29 April 2020: Critical Design Review of Lower Hull for ACSV Type 2 variants completed. 26 May 2020: Second Preliminary Design Review of first three ACSV Type 2 variants (Troop/ Cargo Vehicle, Ambulance and Command Post variants) completed.
- 08 July 2020: Logistics Analysis Review of Troop/ Cargo Vehicle (TCV) variant of ACSV
- completed.

 10 August 2020: Critical Design Review of Troop/ Cargo Vehicle (TCV) variant of ACSV
- completed.
 13 October 2020: System Functional Review for ACSV Type 3 variants completed.
 16 October 2020: Logistics Analysis Review #2 (Ambulance variant) completed.
- 02-16 November 2020: ACSV Type 2 Critical Design Review 2 (Ambulance and Command
- Post) successfully completed.
 03-04 December 2020: ACSV Type 2 Critical Design Review (Protection Kits) completed.
- 18 December 2020: First ACSV Troop/Cargo Vehicle (TCV) variant produced by GDLS-C. 29 April 2021: Preliminary Design Review of fourth variant (Electronic Warfare) completed. 30 April 2021: Total of 14 Type 2 variants have been produced by GDLS-C to date.

INDUSTRY ENGAGEMENT ACTIVITIES

Direct engagement with General Dynamics Land Systems - Canada, the Original Equipment Manufacturer of the Light Armoured Vehicle 6.0.



SOCIO-ECONOMIC BENEFITS

The Industrial and Technological Benefits (ITB) Policy was applied to the ACSV Implementation Contract. Total ITB obligation is \$1,775(M).

*Values are updated annually.

	KEY MILESTONES		_
Project Milestone	Approved	Re-baseline/Actua	
Project Approval (Implementation)	2019-08-06	2019-08-06	
Contract Award (Implementation)	2019-09-05	2019-09-05	First Delivery to the Canadian Army upon completion of all validation activities for eac variant (Type).
First Production Vehicle Acceptance	2020-12-31	2020-12-18	variant (Type).
Estimated Final Design Work Completed Type II variants	2022		
Estimated First Delivery Type II variants	2022		
Initial Operational Capability	2023		
Estimated Final Design Work Completed Type III variants	2024		
Estimated First Delivery Type III variants	2024		
Full Operational Capability	2024		
Project Closeout	2025		
	••••••		

Project Approval (Implementation)	2019-08-06	2019-08-06	First Delivery to the Canadian Army upon				
Contract Award (Implementation)	2019-09-05	2019-09-05	completion of all validation activities for each variant (Type).			P	DINTS TO NOTE
First Production Vehicle Acceptance	2020-12-31	2020-12-18	variant (1 ype).				
Estimated Final Design Work Completed Type II variants	2022						
Estimated First Delivery Type II variants	2022						
Initial Operational Capability	2023						
Estimated Final Design Work Completed Type III variants	2024					ISSUE/	RISK ASSESSMENT
Estimated First Delivery Type III variants	2024			Area	Previous	Current	Issue/Risk
Full Operational Capability	2024			Scope			While COVID-19 impacts and assoc
Project Closeout	2025			Schedule vs Re-baseline			While COVID-19 impacts and assoc resulted in challenges, with mitigatio immediate project impacts are fores
				Budget (Definition)			
				Budget (Implementation)			
FINANCIALS			VALUE (BY MILLIONS)	Human Resources			
Acquisition (including Project Management Costs Infrastructu	ero Contracts and Contingons	٨	00.504.4	Other			

FINANCIALS		VALUE (BY MILLIONS)	
Acquisition (including Project Management Co	osts, Infrastructure, Contracts and Contingency)	\$2,524.4	
Major In-Service Support Contract (over	years)		•
Estimated Life Expectancy (25 Years)		•
		•	•

		ISSUE/	RISK ASSESSMENT					
Area	Previous	Current	Issue/Risk Summary					
Scope			While COVID-19 impacts and associated work restrictions have					
Schedule vs Re-baseline			resulted in challenges, with mitigation measures now in place no immediate project impacts are foreseen.					
Budget (Definition)			gouddo project impacto are rotesteri.					
Budget (Implementation)								
Human Resources								
Other								
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			•					

	TIMELINE															
Project Approva	l (Implementat			First Delivery Type II	Initial Operational Capability	First Delivery Type III	Full Operational Capability	Project Closeout					ļ			
	▼	•••	•••	· V	V	V	7		•••	•••	•••	•••	•••	••	•••	
201	19	2020	2021	2022	2023	2024	2024	2025								
	A	•••	•••	•••	•••	•••	•••	•••	•••		•••	•••	•••	•••	•••	•••
Contract Award																

PROJECT TITLE: Fixed-Wing Search and Rescue Aircraft Replacement Project (FWSAR)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

The Government of Canada is buying 16 CC295 aircraft equipped with advanced technology systems to support Canada's search and rescue operations, replacing the current Buffalo and Hercules aircraft performing this function. The aircraft will be based where search and rescue squadrons are currently located, in Comox, British Columbia; Winnipeg, Manitoba; Trenton, Ontario: and Greenwood, Nova Scotia.

PROCUREMENT STRATEGY

Competitive Request for Proposal using a best value procurement strategy.

ACHIEVEMENTS

December 2011: The FWSAR Project Management Office was re-established. March 2012: Expenditure Authority was provided for the FWSAR project Definition phase to prepare a Request for Proposal.

March 2015: The release of the Request for Proposal was approved and additional Expenditure Authority to continue the Definition phase of the project was obtained.

- 01 December 2016: Project Implementation approved and contract awarded to Airbus Defence and Space. One contract was awarded for the acquisition and the in-service support.
- 25 January 2018: The Comox Training Center Ground Breaking ceremony was conducted. 08 March 2019: First aircraft rolled off the production line and commenced contractor ground testing in Spain in late March
- 04 July 2019: The first aircraft took its first flight in Seville, Spain, and began contractor-led flight testing.
- 02 September 2019: Commenced training of air and ground crew

Contract Award (Implementation)

Full Operational Capability

First Delivery Initial Operational Capability

Project Closeout

09-10 December 2019: Acceptance flight tests were conducted for the first aircraft. 18 December 2019: First aircraft accepted in Spain.

- 04 February 2020: The aircraft maintenance trainer arrived in Comox, British Columbia, from
- 31 July 2020: Two additional aircraft were accepted in Spain (for a total of three).
- 17 September 2020: First aircraft arrival in Comox, British Columbia

2016-12-01

2019-12-18

Summer 2022

Summer 2024

Summer 2025

- 26 October 2020: Maintainer initial cadre training started in Comox, British Columbia.
- 29 October 2020: Aircrew interim training started in Comox, British Columbia.
- 09 December 2020: One additional aircraft was accepted in Spain (for a total of four). 11 February 2021: One additional aircraft was accepted in Spain (for a total of five).
- 07 May 2021: One additional aircraft was accepted in Spain (for a total of six).

KEY MILESTONES Project Milestone Re-baseline/Actual Notes/Comments Approved Expenditure Authority Approval (Definition) 2012-03 2012-03-29 Due to the workload associated with the Project Approval & Amended Expenditure Authority (Definition) design changes necessary to meet Canada's 2015-03 2015-03-26 requirements, the overall project complexity, Request for Proposal Release 2015-03 2015-03-31 and recent COVID-19 impacts. Initial Operational Capability and Full Operational Request for Proposal Close N/A 2016-01-11 Capability have been delayed from the original N/A project baseline. Bid Evaluation Complete 2016-06-01 2016-12 2016-12-01 Project Approval (Implementation)

2016-12

2019-12

2020-12

2022-12

2023-12

FINANCIALS			VALUE (BY MILLIONS)
Acquisition (including Project M	anagement Costs	, Infrastructure, Contracts and Contingency) (Vote 5 excl tax)	\$ 2,227.3
Major In-Service Support Contra	ct (over	years)	-
(Estimated Life Expectancy	30 years)	

INDUSTRY ENGAGEMENT ACTIVITIES

To reduce risks to both the Government of Canada and to Bidders, the following industry engagement activities occurred between December 2011 and March 2015 before the release of the final Request for Proposal (RFP): conducted two industry days with over 200 participants each, seven multi-day one-on-one meetings with each industry team, and eight telephone/video conferences; all RFP documents were released to industry for review and comment via 30 Letters of Interest and 176 formal responses were received; conducted site visits of the four existing Main Operating Bases and a tour of a Joint Rescue Coordination Centre and produced and distributed a video showing a day in the life of a search and rescue technician to ensure industry fully understood requirements.



SOCIO-ECONOMIC BENEFITS

The Industrial and Technological Benefits (ITB) policy was applied to the Acquisition and In-Service Support contracts. The total ITB obligation for FWSAR Acquisition is \$1.9B, \$1.64B in progress, and \$284.7M completed. Total ITB obligation for FWSAR In-Service Support is \$578M, \$443M in progress, and \$135.6M completed.

*Values are updated annually. Values as of August 2020.

POINTS TO NOTE

The original acquisition contract was for 6 years of acquisition (16 aircraft, a training center, and in-service support items) and the first 5 years of in-service support. The original contract also included the opportunity for the company to earn contract extensions for in-service support in increments of 1-3 years, up to an additional 15 years. This could potentially extend until the end of 2042, for a total value of \$4.7B.

		ISSUE/	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			There are schedule risks given the uncertainty of the global
Schedule vs Re-baseline			COVID-19 pandemic situation, and the volume and complexity of the work remaining. The residual risks are being actively managed and
Budget (Definition)			mitigation measures coordinated with key stakeholders including the
Budget (Implementation)			RCAF and the contractor.
Human Resources			
Technical			

TIMELINE	IMELINE														
			-	Project Approval (Implementat			First Delivery			Initial Operational Capability		Full Operational Capability	Project Closeout		
•••	•••	•••	▼.	V	•••	•••	V	•••	•••	Y	•••	y	7	•••	•••
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
A .			A		•••			•••	A	-▲	•••	•••	•••	•••	•••
Expenditure Authority Approval (Definition)			Project Approval (Definition)	Contract Award (Implementation)					Today	Final Aircraft Delivery					
				,											



PROJECT TITLE: REMOTELY PILOTED AIRCRAFT SYSTEM (RPAS)

PROJECT OBJECTIVE: PROJECT PHASE: Definition

The successful acquisition and entry into service of a medium altitude and armed Remotely Piloted Aircraft System (as highlighted in Strong, Secure, Engaged (SSE) initiatives 50 and 91) along with the associated equipment, weapons, infrastructure and in-service sustainment capability that will support up to three concurrent lines of operation, domestic or international.

PROCUREMENT STRATEGY

An Invitation to Qualify (ITQ) was used as a pre-qualification process to confirm that a competitive environment exists. The Qualified Suppliers will be invited to compete via a Request For Proposal. The details of the procurement approach will be further developed as the project completes Definition Phase activities. The procurement will acquire the RPAS fleet and associated in-service sustainment in a manner that provides best value to Canada.

ACHIEVEMENTS

- 07 June 2017: Strong, Secure, Engaged Defence Policy announced Canada would acquire remotely piloted aircraft systems.
- 27 October 2017: The Business Case Analysis (BCA) was endorsed by the Defence Capability
- 01 March 2018: The Independent Review Panel for Defence Acquisition was successfully held.
- 04 April 2019: Project Approval (Definition) was received.
- 02 May 2019: Invitation to Qualify (ITQ) was posted on buyandsell.gc.ca
- 30 May 2019: Qualified Suppliers List posted on buyandsell.gc.ca 25 May 2020: The draft Security Acceptability Assessment was released to Qualified Suppliers. 16 Nov 2020: Draft Request For Proposic (IFP) was issued to Qualified Suppliers.

INDUSTRY ENGAGEMENT ACTIVITIES

22 June 2020: Virtual info session held with Canadian industry on RPAS procurement process, technical and Value Proposition approach.

9 and 12 Nov 2020: Virtual Qualified Suppliers info session held on Industrial and Technological Benefits and Value Proposition

25 and 29 Jan 2021: Virtual Qualified Suppliers info sessions held on training requirements and Airworthiness Certification.

9 and 10 Feb 2021: Virtual Qualified Suppliers info sessions held on Life Cycle Cost Evaluation.

12 Feb to 4 Mar 2021: Virtual Qualified Suppliers info sessions held on Canada's Industrial and Technological benefits, Value Proposition framework, and Terms and Conditions.

9 and 12 April: Virtual Qualified Suppliers info sessions held on Draft Request for Proposal (RFP) requirements.

SOCIO-ECONOMIC BENEFITS

Canada's Industrial and Technological Benefits (ITB) Policy applies to the acquisition and sustainment of the Remotely Piloted Aircraft System. This will require that industry make investments in Canada equal to the value of the acquisition and in-service support contracts/agreements. Canada will seek, through a competitive process, contractual commitments from industry that align with the Value Proposition (VP) strategic objectives.

Canada will continue to engage with stakeholders on advancing industrial and technological benefits for companies in Canada, and promoting innovation, ensuring best value and supporting Canada's defence priorities.

		ISSUE/	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			The COVID-19 pandemic has impacted the project with further
Schedule vs Re-baseline			impacts possible. COVID challenges to date have included impact on engagements with qualified suppliers, impact on qualified suppliers'
Budget (Definition)			ability to engage Canadian industry, and impact on the coordination required to produce the Request For Proposal.
Budget (Implementation)			
Human Resources			 Schedule: Supplier engagement on the draft RFP is taking longer tha anticipated and may delay the publication of the final RFP.
Technical			
•			
•			

KEY MILESTONES								
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments					
Project Approval (Definition)	2019-04-04	2019-04-04						
Supplier Engagement Launch (Invitation to Qualify)	2019/2020	2019-04-05						
Request for Proposal Issued	2020/2021	Spring 2021						
Bid Evaluation Complete	2021/2022							
Estimated Project Approval (Implementation)	2022/2023							
Estimated Contract Award (Implementation)	2022/2023							
Current Estimate for First Delivery (Pre-Implementation)	2024/2025							
Initial Operational Capability	2025/2026							
Full Operational Capability	2030							
Project Closeout	2030/2031							
- (add text)								
- (add text)								

- (ddd toxt)		1
FINANCIALS		VALUE (BY MILLIONS)
Acquisition (including Project Management Costs,	\$1,000-\$4,999	
Major In-Service Support Contract (over	years)	
(Estimated Life Expectancy)	

	TIMELINE															
****			Project Approval (Definition)	Draft Request for Proposal	Request for Proposal	Bid Evaluation Complete	Project Approval (Implementat		First Delivery	Initial Operational Capability				Full Operational Capability	Project Closeout	
	•••	•••	V	▼	V	Y	V	•••	V	V	••	•••	•••	▼	▼	
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
	•••	•••	A	•••	•••	•••	A	•••	•••	•••	•••	•••	•••	•••	•••	•••
			Engagement - Draft ITQ				Contract Award									

PROJECT OBJECTIVE:

PROJECT PHASE: Definition

The objective of this project is to replace the existing CC-150 Polaris fleet capability, including Air-to-Air Refuelling (AAR), strategic airlift, aeromedical evacuations and strategic Government of Canada transport. The STTC platform will provide ARR for both domestic and expeditionary occalition operations, while complementing the strategic airlift capabilities of the Royal Canadian Air Force Air Mobility fleet. STTC is mandated to accomplish three Lines of Tasking, two to fulfill the ARR role and one to fulfill the transport role.

PROCUREMENT STRATEGY

The project initiated a competitive procurement process through an open Invitation To Qualify (ITQ) process. This process resulted in a single Qualified Supplier. The project has now entered into the Review and Refine Requirements phase of the process and will engage with the Qualified Supplier to develop a request for proposal

ACHIEVEMENTS

- 07 June 2017: Strong, Secure, Engaged Defence Policy announced Canada would replace the existing CC-150 Polaris fleet with a Strategic Tanker Transport Capability.
- 28 November 2019: The Business Case Analysis (BCA) was endorsed by the Defence
- Capability Board.
 Winter 2020: The Independent Review Panel for Defence Acquisition was engaged.
 April 2020: SRB endorsed, and PMB granted Departmental Approval to seek Project Approval & Expenditure Authority (Definition) from the Government Authority.

- O3 December 2020: Project Approval and Expenditure Authority (Definition) granted.
 17 December 2020: Draft Invitation to Qualify (ITQ) published on buyandsell.gc.ca.
 12 February 2021: Final ITQ published on buyandsell.gc.ca, and closed on 5 March 2021.
 1 April 2021: Qualified Supplier list published on buyandsell.gc.ca.

	KET WILLESTONES		
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Project Approval (Definition)	2020-12-03	2020-12-03	
Request for Proposal released to Industry	2021/2022		
Estimated Project Approval (Implementation)	2022/2023		
Estimated Contract Award (Implementation)	2022/2023		
Initial Operational Capability	2028/2029		
Full Operational Capability	2030/2031		
Project Closeout	2030/2031		
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KEY MILESTONES

	VALUE (BY MILLIONS)
icture, Contracts and Contingency)	\$ 1,000.0 - \$4,999.0
)	
	ucture, Contracts and Contingency)

INDUSTRY ENGAGEMENT ACTIVITIES

Winter 2021 - Initiated Industry engagement through the release of an Invitation to Qualify. April 2021 - Initiated discussions with Qualified Supplier. June 2021 - Canada hosting virtual Industry Engagement event.

SOCIO-ECONOMIC BENEFITS

The Industrial and Technological Benefits (ITB) Policy, including Value Proposition will apply to the STTC project. Through industry engagement, Innovation, Science and Economic Development Canada (ISED) will investigate potential leveraging approaches to advance Canada's Key Industrial Capabilities (KICs), which may include aerospace systems and components; defence systems integration; in-service support; and, training and simulation.

The Aboriginal Participation Component (APC) is a mechanism designed to facilitate the Government of Canada's commitments of advancing aboriginal socio-economic development through federal contracting opportunities, and will be introduced to Suppliers through the ITQ process. The APC is a portion of the value of a contract that is set-aside for aboriginal participation, which can be direct or indirect (or both).

		ISSUE/	RISK ASSESSMENT					
Area	Previous	Current	Issue/Risk Summary					
Scope			The COVID-19 pandemic may have an effect on the project.					
Schedule vs Re-baseline			Schedule: There is a risk that infrastructure may lag delivery of					
Budget (Definition)			aircraft.					
Budget (Implementation)								
Human Resources								
Other								
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*·····								
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TIMELINE	IMELINE														
Project Approval (Definition)	Request for Proposal	Estimated Project Approval	Estimated Contract Award			First Delivery		Initial Operational Capability		Full Operational Capability	Project Closeout				
. ▼	•	•	V	•••	•••	▼	•••	V	•••	▼	▼	•••	•••	•••	•••
2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031				
•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••

PROJECT TITLE: Logistics Vehicle Modernization Project (LVM)

PROJECT OBJECTIVE: PROJECT PHASE: Definition

The Logistics Vehicle Modernization project will acquire new fleets of light and heavy logistics vehicles, trailers, vehicle modules, armour protection kits, initial in-service and logistics support and fund associated permanent infrastructure upgrade and construction requirements. The project is linked to Strong, Secure, Engaged Initiative #40.

PROCUREMENT STRATEGY

Competitive Request For Proposal (RFP) (Best Overall Value).

ACHIEVEMENTS

07 February 2019: Project Approval (Definition) was received.

Major In-Service Support Contract (over (Estimated Life Expectancy 20 years

29 April 2019: Invitation to Qualify was posted on buyandsell.gc.ca

08 July 2019: Qualified Suppliers list (7) posted on buyandsell.gc.ca.

05 August 2020: Contract awarded to the Nevada Automotive Test Centre (NATC) to conduct the bid evaluation Technical Compliance Program.

Acquisition (including Project Management Costs, Infrastructure, Contracts and Contingency)

July to September 2020 - Release of first portion of draft Request for Proposal (RFP) documentation to Qualified Suppliers.

18 December 2020 to Present: Subsequent releases of second portion of draft Request for Proposal (RFP) documentation to Qualified Suppliers.

	KEY MILESTONES		
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Project Approval (Definition)	2019-02-07	2019-02-07	
Request for Proposal Released	2021	Summer 2021	
Bid Evaluation Complete	2021/2022		
Estimated Project Approval (Implementation)	2022/2023		
Estimated Contract Award (Implementation)	2022/2023		
Current Estimate for First Delivery (Pre-Implementation)	2025/2026		
Initial Operational Capability	2026/2027		
Full Operational Capability	2029/2030		
Project Closeout	2029/2030		
•			

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INDUSTRY ENGAGEMENT ACTIVITIES

- October 2020 Obtained written feedback from Qualified Suppliers on previously released draft Request for Proposal (RFP) documentation.
- November 2020 One-on-one engagements with Qualified Suppliers to review their written feedback.
- December 2020 Initial release of second portion of
- draft Request for Proposal (RFP) documentation to Qualified Suppliers.
- March to April 2021 Subsequent release of second

portion of draft Request for Proposal (RFP) documentation to Qualified Suppliers.

-April 30, 2021- Received feedback from Qualified

Suppliers on milestone payments, technical specifications, in-service support specifications and value proposition.

-May to June 2021 - Virtual engagement sessions are to take place with Qualified Suppliers to review their feedback on the latest draft RFP documents.

SOCIO-ECONOMIC BENEFITS

The Industrial and Technological Benefits (ITB) Policy will apply to the LVM Project. The ITB obligation will be equal to the value of the contract. Economic impact assessment may apply.

- July to September 2020: Release of first portion of draft Request for Proposal (RFP) documentation
 11 September 2020: Daimler Truck AG withdraws as a Qualified Supplier.
 December 2020 to April 2021: Release of second portion of draft Request for Proposal (RFP) documentation

			ISSUE/I	RISK ASSESSMENT					
	Area	Previous	Current	Issue/Risk Summary					
	Scope		impacts possible. COVID challenges	The COVID-19 pandemic has impacted the project with further					
	Schedule vs Re-baseline			impacts possible. COVID challenges to date have included impact on engagements with qualified suppliers, impact on qualified suppliers'					
	Budget (Definition)			ability to engage Canadian industry, and impact on the coordination					
	Budget (Implementation)			required to produce the Request For Proposal.					
(BY MILLIONS)	Human Resources								
\$1,000-\$4,999	Other		,						
	*								
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TIMELINE	MELINE														
****	Project Approval (Definition)		Request for Proposal	Project Approval (Implementat	Contract Award		First Delivery	Initial Operational Capability			Full Operational Capability	Project Closeout	ļ		
	Y	•	•	▼	▼	•••	▼	•	•••	•••	▼	▼		•••	•••
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030			
•••	•••	•••	A	•••	•••	•••	•••	•••	•••		•••	•••	•••		•••
***************************************			TODAY												



PROJECT TITLE: Hornet Extension Project (HEP)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

The Hornet Extension Project (HEP) will help to ensure that the Royal Canadian Air Forces (RCAF) Hornet fighter fleet is able to meet operational commitments, including to the North American Aerospace Defence Command (NORAD) and the North Atlantic Treaty Organization (NATO), until 2032 when the permanent replacement fleet is expected to be fully operational.

PROCUREMENT STRATEGY

The Procurement Strategy has been confirmed to be a combination of competitive, non-competitive (Original Equipment Manufacturers, Foreign Military Sales) contracts and Standing Offers. The Project will purchase Military Off-The-Self (MOTS) and Commercial Off-The-Self (COTS) equipment that is currently in use by Canada or its Allies, to minimize risks, costs, and schedule.

ACHIEVEMENTS

20 June 2019: Independent Review Panel Defence Acquisition (IRPDA) for Phase 2

27 September 2019: Defence Procurement Strategy Governance Board Gate #1 for Phase 2 16-17 October 2019: Integration meeting with the United States Navy/Air Force to finalize

Phase 2 activities, delivery scheduled and costing completed. 29 November 2019: Defence Procurement Strategy Governance Board Gate #2 and #3

completed for specific Phase 2 systems.

15 May 2020: Treasury Board Approval (Definition) Phase 2 and (Implementation) with Expenditure Authority and Contracting Authority received.

6 June 2019: Treasury Board Project Approval (Definition) with Expenditure Authority received. 26 February 2021: All nine Letters of Offer and Acceptance (LOA's) from the United States Government have been accepted for acquisitions under the Foreign Military Sales (FMS)

KE	Y MILESTONES		
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Strategic Concept Document - Approved (highest level)	2015-09-22	2015-09-22	There have been some impacts from
Options Analysis - SOR - Approved	2019-01-28	2019-01-28	There have been some impacts from COVID-19 on the project schedule, but this delay is not anticipated to impact Initial or Full
Options Analysis - Project Charter - Sign-Off	2019-03-29	2019-03-29	Operational Capability (IOC/FOC) timelines of
Project Approval (Definition) Phase 1	2019-06-06	2019-06-06	the project.
Project Approval (Definition) Phase 2	2020-04	2020-05-15	
Project Approval (Implementation)	2020-04	2020-05-15	
Estimated Contract Award (Implementation)	2021-12		
Estimated Project Approval (Implementation) for remaining systems in Definition	early 2021		
Initial Operational Capability	2023-12		
Full Operational Capability	2025-06		
Project Closeout	2025-09		

FINANCIALS		VALUE (BY MILLIONS)
Acquisition (including Project Management C	\$ 1,326.0	
Major In-Service Support Contract (over	years)	
Estimated Life Expectancy (2032)	

INDUSTRY ENGAGEMENT ACTIVITIES

The project Implementation phase has resulted in multiple engagements with US Government and industry suppliers in Canada and the United States to establish FMS cases through Letter of Request (LOR) as well as Direct Commercial Sale contracts through Request For Information (RFI) and Request For Proposal (RFP).



SOCIO-ECONOMIC BENEFITS

Industrial Technological Benefits will be considered for all acquisitions in excess of \$20M.

		ISSUE/I	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			Schedule: Canada has been advised by the US Government that th
Schedule vs Re-baseline			manufacturer's delivery date for the Joint Standoff Weapon (JSOW) now scheduled in 2026 which would result in up to 9 months delay to
Budget (Definition)			the Project Closeout date.
Budget (Implementation)			Human resources: Multiple projects simultaneously requiring human resources causing challenges to filling the Project Management Off
Human Resources			with all the required personnel. Active human resources manageme
Technical			based on priorities and risk is being pursued.
······································			

TIMELINE	IMELINE														
Project Approval (Definition)	Project Approval (Implementat			Initial Operational Capability		Full Operational Capability									
•	•	•••	•••	•	•••	7	•••	•••		•••	•••	•••	•••	•••	•••
2019	2020	2021	2022	2023	2024	2025									
•••	A	•••	•••	•••	•••	A	•••			•••	•••	•••	•••	•••	
Phase 1	Project Approval (Definition) Phase 2					Project Closeout									

completed.

DATE: 2021-05-11

PROJECT TITLE: Cormorant Mid-Life Upgrade (CMLU)

PROJECT OBJECTIVE: PROJECT PHASE: Definition

This project will extend the estimated life expectancy of the CH149 Cormorant to at least 2042, address obsolescence issues, ensure compliance with emerging regulations, and address a search and rescue capability deficiency at the Trenton Main Operating Base. These objectives will be achieved by way of updates and upgrades to the existing CH149 Cormorant fleet, augmentation of the fleet, and improvements to maintenance regimes and training.

PROCUREMENT STRATEGY

As detailed in a Letter of Notification released to Industry (24 May 2018), Canada intends to execute this project through a non-competitive (sole source) process with the Original Equipment Manufacturer of the CH149, Leonardo's Helicopter Division (formerly AgustaWestland).

ACHIEVEMENTS

July 2012: CMLU Project initiated by Comd RCAF.

September 2013: Defence Cabailities Board (DCB) approved the start of the Options Analysis January 2018: Associate Deputy Minister Committee endorsed AW101 only solution and

Procurement Strategy. May 2018: Canada released a Letter of Notification indicating the Government's intention to

sole source the Project with Leonardo. 26 July 2018: DCB approved Project Option #3 - Upgrade CH149 and augment by converting

and activating VH71 assets. 25 September 2018: Project briefing to Independent Review Panel Defence Acquisition (#2) 25 October 2019: Contracting Strategy for Training Aids/Infrastructure endorsed at ADMC (Defence Procurement Strategy (DPS) #2) and Release of Request for Proposal (RFP) (DPS #3) were endorsed by ADMC.

16 October 2020: An update brief was provided to the Assistant Deputy Minister Committee on the unaffordability of the Leonardo proposal.

27 November 2020: Program Review Board (PMB) was informed of the CMLU affordability challenges and that the Project will be investigating alternative options to ensure the viability of Rotary Wing Search and Rescue services.

4 February 2021: Annual Senior Review Board (SRB) held. SRB approved the release of Project contingency funds to support an extended Definition phase while the Project is investigating alternate solutions

KEY MILESTONES											
Project Milestone	Approved	Re-baseline/Actua									
Project Approval (Definition)	2019-02	2019-02-07	Re-baseline/Actual milestone dates for First								
Estimated Project Approval (Implementation)	Fall 2020	2022-06	Delivery, IOC, Final Delivery, FOC and EPC will be confirmed upon contract award.								
Estimated Contract Award (Implementation)	Fall 2020	2022-07									
Current Estimate for First Delivery (Pre-Implementation)	2022										
Initial Operational Capability	2024										
Final Delivery	2027										
Full Operational Capability	2028										
Effective Project Closeout	2028										

FINANCIALS		VALUE (BY MILLIONS)	H
Acquisition (including Project Management Costs, Infrastructure, Co	= **	\$1,026.5	
Major In-Service Support Contract (over years)			• • • •
Estimated Life Expectancy (2042 and beyond)		• • • •

INDUSTRY ENGAGEMENT ACTIVITIES

July 2018; Leonardo, with ISED present, held an industry day during Farnborough airshow.

31 January 2020: The RFP was released to Leonardo. 30 April 2020: Leonardo submitted their Technical Proposal.

13 May 2020: Leonardo submitted their Commercial Proposal.

10 November 2020: ADM(Mat) letter to Leonardo advising that in light of unaffordability of their proposal, the Project team will focus on developing an alternative 25 January 2021: Project re-engaged with Leonardo and IMP to advise and initiate collaboration to investigate feasibility of upgrading existing 14 CH149s for obsolescence and regulatory requirements only. 26 March 2021: Proposal received from Leonardo for a 13 helicopters solution



SOCIO-ECONOMIC BENEFITS

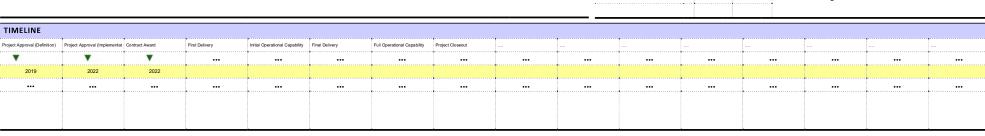
The Industrial and Technological Benefits Policy, including Value Proposition, applies to this acquisition. The industrial analysis conducted to date reveals that this project is related to a number of areas of strategic interest to Canada, including rotary wing maintenance, repair and overhaul, systems upgrade, and training and simulation. The potential to leverage economic benefits will be a consideration in finalizing the procurement strategy. Draft Industrial and Technological Benefits requirements for the CMLU project transmitted to Leonardo in July 2019.

POINTS TO NOTE

The current in-service support contract has contracting authority to 2025. Competition for the future sustainment of augmented fleet will be determined as part of the ongoing Sustainment Business Case Analysis.

Project is proceeding under a Procure to Budget approach and intends to use assigned cost contingency to maximize the capability delivered if and when risks are retired. ICCUE / DICK ACCECCATENT

			133UE/1	KISK ASSESSIVIEN I									
	Area	Previous	Current	Issue/Risk Summary									
	Scope			Scope - Negotiations with the contractor were put on pause due to the									
	Schedule vs Re-baseline			proposals being unaffordable. The project office and the RCAF are investigating alternate solutions to address emerging obsolescence									
	Budget (Definition)			with approved budget. Project solutions may not meet all the currer High Level Mandatory Requirements.									
	Budget (Implementation)			- Schedule - The investigation of alternate solutions may delay PA(Imp)									
)	Human Resources			past current milestone of June 2022. Key milestones such as First									
5	Other			* Aircraft delivery, IOC, FOC, etc., which are dependent on Contract Award (CA), will need to be adjusted once CA date has been confirmed.									
				Budget (Definition) - Project will need additional PA(Def) funds should the Definition phase extend past June 2022, which is possible given									
	·····			the need to investigate alternate solutions.									





PROJECT TITLE: Maritime Helicopter Project (MHP)

PROJECT PHASE: Implementation PROJECT OBJECTIVE:

The Maritime Helicopter Project involves the delivery of 28 state-of-the-art, combat-capable CH-148 Cyclone helicopters, associated logistical and in-service support, spare parts, as well as modifications to the Halifax-class ships and construction of a new training facility equipped with a full training suite of flight, mission and maintenance simulators.

PROCUREMENT STRATEGY

Competitive Solicitation of Interest and Qualification followed by a Request for Proposal.

ACHIEVEMENTS

- November 2008: CH148 first flight.
- June 2015: Six Block 1 aircraft delivered.
- 24 August 2017: The CH148 Cyclone Release To Service was issued by the Commander of
- January 2018: The 15th and last aircraft in the Block 1 configuration was delivered to
- April to June 2018: Six Block 2 helicopters were accepted.
 07 June 2018: Initial Operational Capability achieved.

- 08 August 2018: Patricia Bay commenced flight operations.
 February 2019: Two east and west coast based Cyclones embarked on RCN ships for a 6-month concurrent deployments.
- September 2020: Last qualification flight for the Capability Release (CR) 2.1 configuration marks the end of the Cyclone joint Sikorsky-Canada developmental flight test program under the capital acquisition project.
- November 2020: First CR 2.1 helicopter, which is the final configuration, was accepted. • December 2020: The nineteenth Block 2 helicopter was accepted. The total number of
- Canadian owned Cyclone helicopters is 23 (including the aircraft lost in April 2020). • February 2021: The second CR 2.1 helicopter was accepted.
- March 2021: First CR 2.1 Modification Kit delivered to Canada.

KEY MILESTONES										
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments							
Project Approval (Definition)	2000-08-17	2003-06-18	As a result of the COVID-19 crisis, mileston							
Request for Proposal Release	Summer 2003	2003-12-17	dates may shift.							
Project Approval (Implementation)	Spring 2004	2004-11-22								
Contract Award	Spring 2004	2004-11-23								
Schedule / Contract Rebaseline	N/A	2014-06-18								
First Delivery Block 1	2015-06	2015-06-19								
First Delivery Block 2	2018-03	2018-04-03								
Initial Operational Capability	N/A	2018-06-07								
Final Delivery Block 2	N/A	Fall 2021								
Full Operational Capability	N/A	2022								
Effective Project Closeout	2022	2022								

FINANCIALS		VALUE (BY MILLIONS)
Acquisition (including Project Management Costs, I	nfrastructure, Contracts and Contingency)	\$ 3,174.0
Major In-Service Support Contract (over 25	years)	
Estimated Life Expectancy (25 years)	
		-

INDUSTRY ENGAGEMENT ACTIVITIES

Industry engagement was conducted prior to the Request For Proposal being published in December 2003.



SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits (IRB) Policy was applied to the Acquisition and In-Service Support contracts. Total IRB obligation for Acquisition is \$2.04B, \$2.04B completed to date.

Total IRB In-Service Support is \$2.7B, \$1.84B completed to date and \$729M in progress.

* Values are updated annually. DND received last update: August 2019.

		ISSUE/I	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope	▼		Block 2 delivery remains on track. The project is facing financial
Schedule vs Re-baseline			challenges, increased procurement costs, and some financial adjustments. The project will ask to release the remaining
Budget (Definition)			contingency funds and will eventually ask additional funding to meet the approved scope.
Budget (Implementation)			and approved scope.
Human Resources			
Other			
	Ī		

TIMELINE															
Project Approval (Definition)	Project Approval (Implementat				Contract Amendment	1st Delivery Block 1			Initial Operational Capability			Final Delivery	Full Operational Capability		
▼.	. ▼	•••	•••	•••	7	7	•••	•••		•••	•••	▼	•••	•••	•••
2003	2004		2008		2014	2015	2016	2017	2018	2019	2020	2021	2022		
•••	A	•••	A	•••	•••	•••	•••	A	A	A .	•••	•••	•••	•••	•••
	Contract award		Revised Project Approval (Implementation)					15th Delivery Block 1	1st Delivery Block 2	1st Delivery CR 2.1 kit			Effective Project Closeout		

PROJECT TITLE: Interim Fighter Capability Project (IFCP)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

The Interim Fighter Capability Project will acquire 18 Australian F/A-18A/B aircraft, associated spares and equipment to supplement the CF-18 fleet to help address the fighter capability gap. A secondary objective includes relocation of the Aerospace Engineering Test Establishment from Cold Lake to the Ottawa Airport, including hangar renovations in Ottawa and the relocation of current occupants

PROCUREMENT STRATEGY

The acquisition of Australian F/A-18A/B aircraft is being conducted through a government-to-government Purchase Arrangement between Canada and Australia.

The acquisition of Naval Aircrew Common Ejection Seats, modification kits, including associated parts is being pursued through United States Foreign Military Sales

The transport of assets from Australia to Canada, and the preparation/modification of DND facilities shall be through competitive commercial contracts where DND assets cannot be used.

ACHIEVEMENTS

- 22 November 2016: Government of Canada announced the Interim Fighter Capability Project.
- 12 December 2017: The Government of Canada announced its intention to pursue the
- purchase of Australian F/A-18 Hornets. Project Definition approval amended.
- 09 November 2018: Government-to-government Purchasing Arrangement signed by Australian and Canadian representatives.
- 07 February 2019: NACES Ejection Seat FMS Case approved.
- 21 February 2019: First two aircraft were transferred from the Government of Australia to the Government of Canada
- 22 May 2019: First RCAF flight with a supplemental aircraft.

Sign Government to Government Purchase Agreement

- 28 June 2019: Initial Operational Capability declared with supplemental aircraft.
 01 August 2019: Stand-up of RCAF Detachment at RAAF Base Williamtown, NSW, Australia.
- 17 November 2019: third aircraft arrived in Canada.
- 13 February 2020: fourth aircraft arrived in Canada.

Project Milestone

Project Approval (Definition)

Project Approval (Definition) Amended

First Aircraft made available to Canada

Project Approval (Implementation)

Initial Operational Capability

Full Operational Capability

Effective Project Closure

Final Aircraft Delivery

- 30 May 2020: fifth aircraft arrived in Canada.
- 27 June 2020: sixth aircraft arrived in Canada
- 25 August 2020: Commercial Airlift Contract Awarded
- 06 September 2020: seventh aircraft arrived in Canada.
- 22 October 2020: Senior Review Board
- 18 & 26 November 2020: eighth, ninth, tenth and eleventh aircraft arrived in Canada by commercial carrier.
- 02 February 2021: PSPC exercised options for two additional airlifts with Momentum
- 12 March 2021: Twelveth and thirteenth aircraft arrived in Canada by commercial carrier. 18 March 2021: Fourteenth and fifteenth aircraft arrived in Canada by commercial carrier.
- 21 & 29 April 2021: sixteenth, seventeenth, eighteenth and nineteenth aircraft arrived in
- Canada by commercial carrier.

7 May 2021: Fourth aircraft completed acceptance testing, aircraft five to 11 are undergoing inspections and modifications at L3 Harris in Mirabel.

INDUSTRY ENGAGEMENT ACTIVITIES

The acquisition of Australian aircraft will continue to benefit Canada's aerospace sector as maintenance and modification work for these aircraft shall be supported by Canadian industry.



SOCIO-ECONOMIC BENEFITS

The in-service support of the Australian F/A-18A/Bs will be conducted through existing contracts with Canadian industry and FMS cases. This will result in additional opportunities for Canadian industry that supports the CF-18 fleet.

KEY MILESTONES Approved Re-baseline/Actual Notes/Comments 2017-02 2017-02-23 Receipt of Australian First Letter of Cost Proposal for 18 F-18 Fighter Aircraft 2017-12-01 2017-12 2017-12 2017-12-12 First Letter of Proposal Acceptance to Australia for 18 F-18 Fighter Aircraft 2017-12 2017-12-13 2018-10 2018-11-01 2018-11 2018-11-09 2019-02 2019-02-21 2019-06-28 Summer 2019 Winter 2021 Winter 2022 Winter 2023

FINANCIALS		VALUE (BY MILLIONS)
Acquisition (including Project Management Costs, Infrastro	ucture, Contracts and Contingency)	\$ 339.3
Major In-Service Support Contract (over years)		
Estimated Life Expectancy (2032)	

POINTS TO NOTE

Aircraft, spare parts and equipment will be maintained in the same manner as the CF-18 fleet, through existing in-service support contracts

Project scope includes the renovation of Hangar 14 at the Ottawa International Airport to support the relocation of the Aerospace Engineering Test Establishment from Cold Lake to Ottawa. To permit these renovations, current occupants need to be relocated.

			ISSUE/I	RISK ASSESSMENT					
	Area	Previous	Current	Issue/Risk Summary					
	Scope			•					
	Schedule vs Re-baseline			Schedule delays in finding suitable accommodations for current					
	Budget (Definition)			occupants of Hangar 14 at the Ottawa International Airport have impacted hangar renovation timeline by 12 months, impacting the					
_	Budget (Implementation)		1	effective project closure.					
5)	Human Resources			Cost pressures associated with infrastructure activities continue to					
3	Infrastrcuture			increase due to renovation requirements and elevated construction costs in the Ottawa area.					
•••									

TIMELINE	MELINE														
Project Approval (Definition)	Project Approval (Implementat	First Delivery		Final Delivery	Full Operational Capability										
▼	▼.	V	•••	▼			•••	•••	•••		•••	•••	•••		•••
2017	2018	2019	2020	2021	2022	2023	2024								
•••	•••	A	•••		•••	A	•••	•••	•••		•••	•••	•••		•••
		Initial Operational Capability				Effective Project Closeout									

PROJECT TITLE: Aurora Incremental Modernization Project (AIMP) and Aurora Structural Life Extension Project (ASLEP)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

AIMP: To acquire, integrate and install new mission systems and sensors onto 14 CP-140 Aurora aircraft to provide the Canadian Armed Forces with a world-class intelligence, surveillance and reconnaissance capability, enabling it to effectively conduct its domestic and international roles to the 2030 time frame.

ASLEP: To extend the life of 14 CP-140 Aurora aircraft and ensure that they can safely operate to the 2030 time frame by replacing critical structural components.

PROCUREMENT STRATEGY

AIMP is an amalgamation of 23 projects, each contracted through a competitive bidding process or procured through Foreign Military Sales. ASLEP kit Contract was contracted sole-source to Lockheed-Martin, following the posting of an Advanced Contract Award Notice.

ACHIEVEMENTS

Block III

31 January 2014: Initial Operational Capability - four modified Block III CP-140s operationally capable for domestic and deployed operations.

Combined Block III/ASLEP Production

21 February 2018: Started ASLEP modification of CP140114 (the last ASLEP aircraft).
26 June 2019: Delivery of aircraft CP140110 (14th (and last) Block III aircraft, of which 13 have been life-extended).

24 April 2020: Delivery of aircraft CP140114 (14th (and last) ASLEP aircraft).

Block IV provides three new operational capabilities (Beyond Line of Sight satellite communication system, LINK 16 datalink and Self Defence) that will ensure that the CP-140 aircraft remain operationally effective until 2030.

Block IV

16 October 2015: General Dynamics Mission Systems - Canada Contract amended to include

21 February 2020: Block IV Prototype Aircraft completed its Initial Assessment Flight, landing at 14 Wing Greenwood. Aircraft will remain at 14 Wing for on-ground testing, development, and training use until completion of formal Block IV flight testing in Fall 2020.

21 July 2020: CP140111, the Block IV Proof Fit aircraft, completed its first test flight from the IMP facility at Halifax International Airport.

06 October 2020: Started modification of Production Aircraft #3.
16 December 2020: CP140111 ferried to 14 Wing Greenwood to start Proof of Compliance flight testing

INDUSTRY ENGAGEMENT ACTIVITIES

For AIMP, extensive industry engagement was carried out to advertise the requirements and to ensure potential solutions were available prior to the release of the request for proposal, whenever competition was a possibility. For ASLEP, industry was notified through an Advance Contract Award Notice that the Original Equipment Manufacturer was being selected to conduct the work due to Intellectual Property rights.



SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits (IRB) Policy was applied to the AIMP Block III, Imaging Radar System (IRS), ASLEP, System Support Avionics and Airframe Maintenance projects.

Total IRB obligations and status: IRS \$344M, \$344M completed; ASLEP \$266M, \$253M completed, \$13M in progress; Avionics \$350M, \$335M completed, \$15M in progress; Airframe Maintenance \$618M, \$618M completed.

Industrial and Technological Benefits (ITB) apply to Block IV. Total ITB obligation Block IV is \$285M, \$285M completed.

* Values are updated annually. Last update: 20 June 2020.

POINTS TO NOTE

The PMO continues to work with General Dynamics Mission Systems - Canada and IMP Aerospace to more accurately define the cost and schedule for Block IV production based on results of the Prototype aircraft modification.

		ISSUE/I	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			There has been some impact from COVID-19 on the project schedule,
Schedule vs Re-baseline			and the full appreciation of this impact is still being assessed.
Budget (Definition)	•		Scope: Contractor advises that they will be unable to meet all DND requirements within current budget and/or schedule. This end state is
Budget (Implementation)			to be assessed to determine operational acceptability. Schedule: Block IV is behind schedule due to unforecasted design
Human Resources			complexity and contractor delays in prototype aircraft modification.
Other			Full Operational Capability is now four years behind initial Baseline. Budget (Implementation): Financial liability remains for pending rate
			adjustments post Fiscal Year 19/20 for IMP, and post calendar year 2017 for GDMS-C. Funding required could exceed Expenditure
			Authority, including approved contingency.
			Human Resources: Active human resources management based on priorities and risk is being pursued.
•		•	

	KEY MILESTONES		
Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
ASLEP Initial Operational Capability	N/A	2012-04-11	As a result of the COVID-19 crisis, milestone
Block III Initial Operational Capability	N/A	2014-01-31	dates may shift.
Block III Full Operational Capability	2019-04	2019-12-18	18 December 2019: Block III Full Operational
ASLEP Full Operational Capability	2018-09-30	2020-04-24	Capability certificate signed by Commander Royal Canadian Air Force.
Block IV Project Approval (Definition)	2013-10-31	2013-10-24	
Block IV Project Approval (Implementation)	2015-04	2015-06-16	24 April 2020: ASLEP Full Operational Capability achieved; the certificate is in
Block IV Contract Award	2015-07	2015-10-16	sign-off process.
Block IV Initial Operational Capability	2018-12	Spring 2022	14 July 2020: Block III Full Operational
Block IV Full Operational Capability	2020-06	Spring 2024	Capability certificate signed by Commander Royal Canadian Air Force.
Project Closeout	2020-12	Winter 2024	Ť
			22 January 2021: Senior Review Board approved new IOC, FOC and Project Closeo
			dates for Block IV.

FINANCIALS		VALUE (BY MILLIONS)	Н
Acquisition (including Project Management Co	sts, Infrastructure, Contracts and Contingency)	\$ 1,983.1	0
Major In-Service Support Contract (over	years)		• • • •
(Estimated Life Expectancy 2030)		• • • • •

TIMELINE	TIMELINE														
		Block III Full Operational C:		TODAY			Block IV Initial Operational Ca								
•••	•••	▼.	▼	Y	•••	•••	V	•••	•••	•••	•••	•••	•••	•••	•••
2017	2018	2019	2020	2021	2022	2023	2024	2025							
•••	•••	A		•••	A	•••	A	•••			•••			•••	•••
•••••		Block IV Prototype Delivery			Block IV Initial Operational Capability		Project Closeout								



PROJECT TITLE: Light Armoured Vehicle Reconnaissance Surveillance System (LRSS)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

The Light Armoured Vehicle Reconnaissance Surveillance System (LRSS) project will replace 141 of the Coyote fleet with 66 state-of-the-art surveillance systems, integrated into 66 light armoured vehicles (LAV) 6.0 chassis. The surveillance system will include a surveillance suite and radar, mounted on a 10m telescoping carbon fibre mast, tripods with 200m cable for remote operations, and a high definition operator control station.

PROCUREMENT STRATEGY

Non-competitive procurement process. There are two sole-source contracts awarded to General Dynamics Land Systems Canada (GDLS-C): (1) LAVUP contract option for 66 chassis and turrets; and (2) LRSS Implementation Contract to integrate and deliver specific components and systems to produce a compliant 66 LAV 6.0 RECCE.

ACHIEVEMENTS

2015: Preliminary Design Reviews of the Chassis - complete

2016: Critical Design Review of Surveillance System - complete

2017: Completed an over-weight endurance trial to determine the safety and operational impact of delivering the LAV6.0 RECCE vehicle with a higher gross vehicle weight. Critical Design Review of Silent Watch Battery Pack - complete Critical Design Review of Laser Range Finder - complete

2019: Completed the LAV 6.0 RECCE Critical Design Review

As of December 2019, engineering test units continue are being tested against the contracted performance specifications – project staff continue to provide support.

October 2020: Stability Mobility Testing, and the Blast Test, two key activities before the start of vehicle production, were completed

November 2020: Production of LRSS vehicles has started

April 2021: Deliveries of Silent Watch Battery Pack has started.

KEY MILESTONES											
Project Milestone	Approved	Re-baseline/Actual	Notes/Comment								
Project Approval (Definition)	2012-03-09	2012-12-06									
Project Approval (Implementation)	2014-12-15	2014-11-07									
Contract Award (Implementation)	2015-01-01	2015-02-01									
First Delivery	2017-01-01	2021-10-01									
Initial Operational Capability (IOC)	June 2017	2021-12-31									
Full Operational Capability (FOC)	December 2018	2023-02-25									
Project Closeout	December 2019	2023-05-25									

FINANCIALS		VALUE (BY MILLIONS)
Acquisition (including Project Management Cos	sts, Infrastructure, Contracts and Contingency)	\$ 623.4
Major In-Service Support Contract (over	years)	
(Estimated Life Expectancy 20 years)	

INDUSTRY ENGAGEMENT ACTIVITIES

- General Dynamics Land Systems (GDLS-C) Canada. the Original Equipment Manufacturer of the LAV 6.0 and owner of the platform intellectual property. Direct engagement in the design and delivery of the new RECCE capabilities on the LAV 6.0 vehicle.
 - Leonardo DRS - USA, the Original Equipment Manufacturer and/or integrator for the new surveillance system. Engagement to design and deliver the new surveillance system through GDLS-C sub-contract. - Galvion (formerly RM)- Canada, the Original Equipment Manufacturer for the new silent watch battery pack. Engagement to design and deliver the new silent watch lithium based battery through GDLS-C sub-contract. - Elbit - Israel, the Original Equipment Manufacturer for the laser range finder. Engagement to design and delivery new turret day sights - laser range finders through GDLS-C sub-contract.
- Armatec Canada, the Original Equipment Manufacturer for the new energy attenuating seats. Engagement to test and deliver the two new energy attenuating seats through GDLS-C sub-contract.



Issue/Risk Summary

SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits Policy was applied to the LRSS Implementation Contract. Total IRB obligation is \$306,721,241 and \$306,721,241 has been completed to date. *Values are updated annually.

POINTS TO NOTE

ISSUE/RISK ASSESSMENT

Previous Current

	7.1.00	FIEVIOUS	Current	issue, misk summar y
	Scope			COVID-19: The vendor is assessing and mitigating the impact of
	Schedule vs Re-baseline			COVID but, regardless, there is an increased risk of slippage of IOC and FOC by 3 weeks. No impact on cost.
	Budget (Definition)			SCHEDULE: Technical risks may further impact the delivery schedule.
	Budget (Implementation)			BUDGET: Released contingency surpasses 50 percent of total.
NS)	Human Resources			TECHNICAL: Complex state-of-the-art solution with many challenging interdependencies (Light Armoured Vehicle III Upgrade, Intelligence
23.4	Technical			Surveillance Target Acquisition Reconnaissance System, and Land - Command Support System Life Extension), Issues remain with
				software design, mast production, and qualification testing of components. The potential technical risks were anticipated and are
	4			being closely monitored via monthly governance meetings.
· · · · · •				

TIMELINE	TIMELINE														
									First Delivery		Full Operational Capability				
•••	•••	•••	•••	•••	•••	•••	•••	•••	V	•••	▼	•••	•••	•••	••
2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023				
A	•••	A	A .	•••	•••	•••	•••	•••		•••	A	•••	•••	•••	•••
Project Approval (Definition)		Project Approval (Implementation)	Contract Award						Initial Operational Capability		Project Closeout				

PROJECT TITLE: Victoria-Class Modernization (VCM)

PROJECT OBJECTIVE: PROJECT PHASE: Definition

Victoria-Class Modernization (VCM) will provide modernized and increased capability that will maintain the Victoria-Class Submarines' (VCS) operational relevance through the mid-2030s by focusing on: a) improving the habitability and deployment conditions on board the VCS for Royal Canadian Navy (RCN) submariners; b) positioning the VCS to contribute meaningfully to Canadian Armed Forces (CAF) Joint Operations ashore; and c) ensuring the survivability of the VCS against current and evolving threats in an increasingly complex and changing battle space.

PROCUREMENT STRATEGY

As the modernization is comprised of 20 individual projects, various procurement strategies will be utilized. While open and transparent competitions will be used in the majority of projects, a small number of projects will use sole source contracting as a result of existing Intellectual Property constraints or requirements to integrate with existing systems.

ACHIEVEMENTS

07 June 2017: Strong, Secure Engaged: Canada's Defence Policy announced Canada would operate and modernize the Victoria-Class Submarines.

27 October 2017: Strategic Context Document endorsed by Defence Capabilities Board. Project entered Options Analysis

13 December 2017: First engagement with the Independent Review Panel for Defence Acquisitions (IRPDA)

O7 May 2020: Final engagement with IRPDA on Phase 1 projects and VCM Program overall. 20 November 2020: Submissions for Phase 1 (Minor Obsolescence and Maintenance Initiatives) and Phase 2 (Capability Modernization Projects (Bundle 1)) approved by MND

KEY MILESTONES										
Project Milestone	Approved	Re-baseline/Actua	Notes/Comments							
Project Approval (Definition) MND Phase 1 (Obsolescence and Maintenance Initiative) and Ph	27 October 2020	20 November 2020	Phase 3 and Phase 4 Project Approval							
Project Approval (Definition) MND Phase 3	June 2021	March 2022	Phase 3 and Phase 4 Project Approval (Definition) dates have shifted from November 2021 to March 2022 due to capacity limits an							
Project Approval (Definition) TB Phase 4	June 2021	March 2022	2021 to March 2022 due to capacity limits an prioritization activities within DND.							
Estimated Project Approval (Implementation) Obsolescence and Maintenance Mitigation Initia	September 2021	September 2021								
Estimated Project Approval (Implementation) Periscope Modernization	November 2022	November 2022								
Estimated Contract Award (Implementation)	April 2023	April 2023								
Current Estmiate for First Delivery (Pre-Implementation)	2026	2026								
Initial Operational Capability	2028	2028								
Full Operational Capability	2033	2033								
Project Closeout	2034	2034								
	••									
***************************************	••									

FINANCIALS	VALUE (BY MILLIONS)
Acquisition (including Project Management Costs, Infrastructure, Contracts and Contingency)	
Major In-Service Support Contract (over years)	
(Estimated Life Expectancy March 2040)	

INDUSTRY ENGAGEMENT ACTIVITIES

Two RFIs have been released to Industry to gain insight into costs and availability for two of the larger projects that make up the VCM program (Periscopes and Flank

Industry engagement plans for the Flank Array Modernization Project and Periscopes Modernization Project were approved by the Director General Governance Committee on 09 March 2021.



SOCIO-ECONOMIC BENEFITS

Industrial Technological Benefits will be considered for all acquisitions in excess of \$20M.

Canada will continue to engage with stakeholders on advancing industrial and technological benefits for companies in Canada, and promoting innovation, ensuring best value and supporting Canada's defence priorities.

POINTS TO NOTE

As VCM represents a significant endeavour to maintain the operational relevance of the Victoria-Class Submarines, with projects lasting well over a decade due to fixed and limited installation opportunities, the schedule will require constant monitoring.

		ISSUE/I	RISK ASSESSMENT
Area	Previous	Current	Issue/Risk Summary
Scope			The world-wide COVID-19 crisis is having a modest effect on VCM
Schedule vs Re-baseline			projects but is not seen to be delaying as yet. Project coordination and administration are nearly fully virtualized.
Budget (Definition)			
Budget (Implementation)			Staffing challenges remain as efforts continue to fill multiple Project Management Personnel Resource positions.
Human Resources			
Technical			
•			
•			
	· 	·····	†

TIMELINE	IMELINE														
Project Approval (Definition)	TODAY	Project Approval (Implemer	Project Approval (Definition	Project Approval (Implementat	Ī		First Delivery		Initial Operational Capability		Full Operational Capability	Project Closeout			
. ▼	V	▼	▼	▼.	V	•••	••	•••	•••	•••	•••	•••	•••	•••	
2020	2021	2021	2022	2022	2023		2026		2028		2033	2034			
•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••
Obsolescence and Maintenance Mitigation Initiative - MND Three modernization projects - MND		Obsolescence and Maintenance Mitigation Initiative	One new capability (Data Fusion Capability) - TB Three modemization projects (Torpedo Countermeasure Launcher, Air Monitoring System, Proceller and Hull Form) -	Periscope Modernization	Periscope Modernization										

PROJECT TITLE: Medium Support Vehicle System Project (MSVS)

PROJECT OBJECTIVE:

PROJECT PHASE: Implementation

The Medium Support Vehicle System is a multi-phased project with the objective of replacing and modernizing the aging medium sized logistics vehicle capability for the Canadian Armed Forces. This new fleet will be used by the Regular Forces and the Reserves in a wide range of roles - from support during domestic emergencies, to deployed operations. They will replace the current medium logistics trucks, which have been in use since the 1980s and have reached the end of their service life.

PROCUREMENT STRATEGY

Competitive Request For Proposal (RFP) (Best Overall Value).

ACHIEVEMENTS

January 2009: Contract awarded to Navistar International for Militarized Commercial-Off-The-Shelf (MilCOTS) trucks for Phase I.

July 2009: Contract awarded to DEW Engineering for Baseline Shelters for Phase II. March 2011: Final delivery of the 1300 MilCOTS trucks.

December 2012: Contract awarded to DEW Engineering for Kitting of the Baseline Shelters for Phase III.

February 2015: Final delivery of 994 Baseline Shelters for Phase II

June 2015: Contract awarded to Mack Defense for 1537 Standard Military Pattern (SMP) trucks, 157 Armoured Protection System (APS) cabs and 300 trailers for Phase IV.

November 2016: Final delivery of Kitting of Baseline Shelters for Phase III. June 2017: Contract option exercised with Medium to Heavy Lift Helicopter (MHLH) project

adds 36 trucks, 4 APS, and 14 trailers. December 2017: Contract option exercised to support the Medium Logistic Vehicle (MLV) project, part of the Air Force Expeditionary Capability (AFEC) Program, adding 14 trucks, and 4 trailers.

April 2018: First Standard Military Pattern (SMP) trucks and trailers delivered to CFB

Edmonton for Phase IV. November 2018: First Armoured Protection Systems (APS) delivered to Montreal.

October 2019: Phase IV Initial Operating Capability (IOC) achieved.

December 2019: First SMP trucks deployed to Op Reassurance in Latvia April 2020: All 1587 trucks and 322 trailers received.

June 2020: 5 year in-service support contract extension was awarded.

July 2020: Day to day support responsibility transferred from the Project to the in-service support organization.

September 2020: All 161 APS received.

18 February 2021: Full Operational Capability (FOC) achieved.

KEY MILESTONES

Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Project Approval (Definition)	N/A	2006-02-22	
Revised Project Approval (Definition) - Phase II: Shelters	2009-03	2009-06-19	
Revised Project Approval (Definition) - Phase III: Kitting	2012-11	2012-11-29	
Contract Award (CA) - Phase III: Kitting	2012-11	2012-12-21	
First Delivery - Phase III: Kitting	2013-12	2014-01-16	
Final Delivery - Phase III: Kitting	Spring 2016	2016-11-11	
Project Approval (Implementation) - Phase IV: SMP	Fall 2014	2015-05-28	
Contract Award - Phase IV: SMP	2015-06	2015-06-11	
Final Delivery - Phase IV: SMP	Fall 2018	2020-09-16	
Effective Project Closure	Spring 2021	Spring 2021	
Project Approval (Implementation) - Phase V: Infrastructure	Winter 2014	2015-05-28	
Project Closeout	2020	Fall 2022	

FINANCIALS	VALUE (BY MILLIONS)	Н
Acquisition (including Project Management Costs, Infrastructure, Contracts and Contingency)	\$ 1,513.0	
Major In-Service Support Contract (over 5 years)		•
(Estimated Life Expectancy Phase I: 12 years Phase IV: 20 years)		

INDUSTRY ENGAGEMENT ACTIVITIES

Industry consultations occurred every year for this project from Definition onward, and prior to and during procurement instrument development. Most notably: 2006: Project industry day; 2007: Industry day for Phase I, and industry briefings for Phase IV; 2008: Industry day for Phase II, and industry information session for Phase IV; 2009 and 2010: Meetings with potential Phase IV bidders; 2011: Meetings with potential Phase III and IV bidders; 2012: Bidders' conference for Phase IV; 2013: One-on-one meetings with industry and bidders conference for Phase IV.



SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits (IRB) Policy was applied to this project. Total IRB Obligation for MilCOTS was \$270M (completed); Baseline Shelters obligation was \$164M (completed)**. Standard Military Pattern acquisition obligation is \$707.2M, \$410.5M completed to date and \$296.7M in progress; Standard Military Pattern In-Service Support obligation is \$43M, \$12.2M completed to date and \$21.3M in progress.
*Values are updated annually. Values are as of May 2019.

**Baseline Shelters contract closed August 2019.

POINTS TO NOTE

As of Summer 2020, all equipment has been delivered to DND.

The final support related elements such as spare parts and specialized tooling are progressively being delivered. Preparations are on-going to move the project into Effective Project Closure status in Spring 2021. Project close-out extended to Fall 2022 to complete a remaining engineering change with long lead-time delivery and to

complete closeout activities.

ISSUE/RISK ASSESSMENT									
Area	Previous	Current	Issue/Risk Summary						
Scope			Given the project is near completion, the world-wide COVID-19 crisis						
Schedule vs Re-baseline			has had a relatively minor impact on the project. The project is working with the manufacturer on expedited shipping of parts.						
Budget (Definition)			Residual impact is negligible provided borders remain open for						
Budget (Implementation)			- material transportation.						
Human Resources									
Other									
•									

									•			•			
		First Delivery	TODAY	Final Delivery	Project Closeout										
•••	•••	▼	. ▼	V	V	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••
2016	2017	2018	2020	2020	2021										
A	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••	•••
*Final Delivery for Phase 3		*Apr - Initial Delivery for Phase 4 SMP trucks / trailers		*Final Delivery for Phase 4 SMP											

