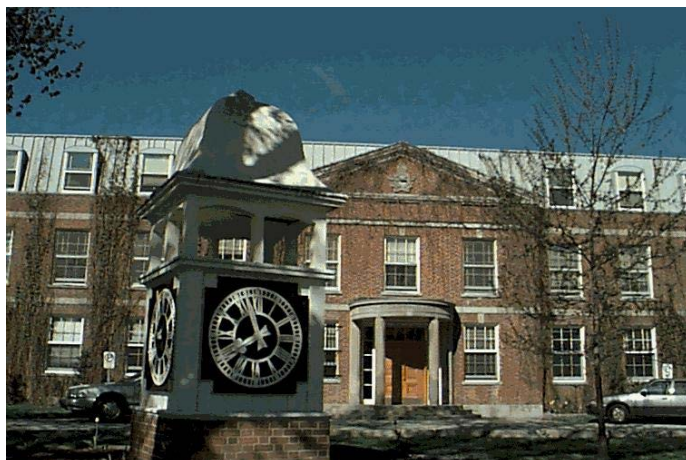


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**CANADA'S DEFENCE PROCUREMENT STRATEGY:
A STEP FORWARD BUT NOT THE ANSWER TO ALL ILLS**

Lieutenant-Commander T. Summers

JCSP 40

Exercise Solo Flight

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CANADA’S DEFENCE PROCUREMENT STRATEGY

A STEP FORWARD BUT NOT THE ANSWER TO ALL ILLS

By Lieutenant-Commander T. Summers
Par le capitaine de corvette T. Summers

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CANADA'S DEFENCE PROCUREMENT STRATEGY

A STEP FORWARD BUT NOT THE ANSWER TO ALL ILLS

“The buck stops right here”

Minister Diane Finley¹

With these words the Minister of Public Works and Government Services Canada (PWGSC) signalled that the Government of Canada (GoC) was about to make a fundamental change in the manner of defence procurement, in essence handing much of the responsibility over from the Department of National Defence (DND) to PWGSC. This however was a far call from the separate defence procurement agency that many advocates such as Alan Williams have called for², an issue that will be explored in this paper. Therefore, while the Defence Procurement Strategy (DPS) and its associated Secretariat holds some promise to improve defence acquisitions, its overall success will be hampered as it does not address key procurement issues that contribute to this wicked problem. Most notably, it fails to address the challenge of inflexible budgets established too early in the acquisition process. Furthermore, the DPS fails to establish a structure to address departmental priorities and accountability. Finally, the DPS and its reliance on third party expertise to support its activities may not be achievable in all in areas requiring specialised knowledge or security requirements.

This paper will endeavour to examine this topic by noting the past Canadian procurement practices to understand in order to understand how the DPS was arrived at and to note any conclusions that may be drawn. Further to this, Canada is far from the only country to have examined its defence procurement system in order to improve its

¹ Canadian Broadcasting Corporation, “Military defeated in war over procurement reform,” last updated 6 February 2014, <http://www.cbc.ca/news/politics/military-defeated-in-war-over-procurement-reform-1.2524296>.

² Alan Williams, *Canadian Defence Procurement – A View From the Inside* (Kingston: Inta D. Erwin, 2006), 104.

ability to acquire and support needed items in an efficient and cost-effective manner. In the past decade both the U.K. and Australia have introduced significant changes to the means by which they procure and support defence equipment. Ultimately, by examining the issue with both an inward and outward gaze it may be possible to determine if the key areas of budgets, governance and third party expertise will pose an undue challenge to the new DPS. To commence the examination of the DPS, this paper will provide some context as to why the Government opted to introduce this change by first providing some background on defence procurement in Canada and how this led to the significant change witnessed in February of 2014. Following this, the issue of how budgets are set for large defence projects are established and why the failure of the DPS to consider this issue may continue to hamper future projects in a similar manner as has recently been experienced. Next, the structure of the new organisation will be examined and compared against that of our allies, noting how Canada's failure to establish a single point of accountability will challenge the ability to deliver on the promise of reform. Finally, the use of third party expertise to validate and support the procurement process will be reviewed. While current practice seems to favour this methodology, it will be shown that it may prove challenging when evaluating military capabilities that often have a specialized and limited expertise or are bound by national security constraints. However, before examining the three issues in-depth, this paper will start with some background information.

Background

Defence procurement in Canada has always posed many challenges for DND and the other involved government departments. Military equipment is expensive and is often developmental in nature, which leads to further complications due to inability to accurately predict final costs. In addition, major equipment procured for the Canadian military, such as tanks, aircraft and ships, typically have significant life cycles and so there is added pressure to ensure that the equipment will remain relevant in the coming decades. Compounding this is the desire to ensure that, like other government procurements, every dollar spent on defence achieves the right balance of military capability, national industrial benefits, all done in a fair, open and transparent process that

can withstand public scrutiny. Noting all of these factors, it is easy to understand how defence procurement can form a wicked problem for the department and the government of the day. Despite these challenges, there have been instances of successful procurement in the not too distant past. It is interesting to note that during the 1980's and 1990's there were a number of significant success stories. While not without their programmatic challenges, both the Canadian Patrol Frigate (CPF) and CF-18 projects were able to deliver their respective platforms without significant challenge. In fact, the CPF project delivered 12 frigates to the RCN between 1993 and 1997 for \$8,855M, some \$343M below the budgeted amount³. It is then interesting to note how in the coming decades this success would not be repeated, thereby initiating the change to the DPS.

Since the acquisition of the CPF and CF-18, there have been some significant failures in major procurements, namely the Joint Support Ship (JSS) effort of 2008 and the Standard Military Pattern (SMP) Vehicle project in 2012. With regards to the JSS, after issuing of the Request for Proposals (RFP) to Canadian industry the acquisition was put on hold when it was determined that the desired vessel could not be procured for the budget envelope assigned to this. Among the reasons contributing to the funding challenge was an unanticipated increase in the costs of raw materials and a significant increase in labour costs⁴. With respect to the SMP vehicle project, the RFP process was cancelled minutes before its scheduled closing time due to concerns that inadequate funds were available to meet the requirements that had been laid out⁵. In both cases the failure of these projects reflected negatively on the government of the day, and likely contributed to the decision to revisit the acquisition process with an eye on implementing improvements.

³ Department of National Defence, *Canadian Patrol Frigate Project - Project Completion Report*, Ottawa: Government of Canada, 27 July 2005, 38.

⁴ Department of National Defence, *Lessons Learned – PMO JSS Contracted Project Definition Phase*. Ottawa: Government of Canada, 4 May 2010, 31.

⁵ Canadian Broadcasting Corporation. "Military truck purchase cancelled due to cost concerns." Last updated 12 July 2012, <http://www.cbc.ca/news/canada/military-truck-purchase-cancelled-due-to-cost-concerns-1.1273570>.

In light of the failed procurements highlighted above, the Canadian government has opted to shift much of the responsibility for managing projects away from DND to PWGSC. This was first carried out for the National Shipbuilding Procurement Strategy (NSPS) and the National Fighter Procurement Secretariat (NFPS) for two specific efforts. While both efforts are still very much in progress, by and large they have received positive reception from the public and industry. In early 2014 this concept was broadened under the DPS to include all defence procurement. The DPS has three primary objectives, namely:

- a. Delivering the right equipment to the CAF and CCG;
- b. Providing economic benefits to Canada; and
- c. Streamlining the defence procurement process⁶.

In terms of oversight, there are currently two senior groups that will oversee this effort. The highest level is composed of the Ministers of PWGSC, National Defence, Industry and Fisheries and Oceans and is charged with providing overall accountability and guidance. Directly under the Ministers will be a Deputy Minister's Governance Committee (DMGC), whose role is to support their Ministers and to provide coordination and guidance to their respective departments in carrying out the goals of the DPS. In addition to these two groups, a Defence Procurement Secretariat will also be established within PWGSC to implement the process. While the details have yet to emerge, the author would expect that the model that will be followed is along the lines of those used for the NSPS and NFPS efforts, that is a PWGSC led organisation with representative members from other appropriate departments such as DND, CCG and IC. The tasks assigned to the secretariat include coordinating the efforts between the various departments involved in defence acquisition, ensuring that the senior governance is fully informed as to the options available for any given project, and ensuring to the integrity of the procurement process through the use of independent advice. While not yet detailed, a review of the secretariat's tasks provides an indication that day-to-day project

⁶ Government of Canada, "Defence Procurement Strategy," last accessed 8 May 2013, <http://www.tpsgc-pwgsc.gc.ca/app-acq/stamgp-lamsmp/sskt-eng.html>

management for defence procurement will rest with the relevant department, namely DND and DFO.

It is interesting to note that Canada has chosen to embed the DPS within PWGSC, and share accountability among the four Ministers principally involved. This action runs counter to those of some allies, as both Australia and the United Kingdom have established separate agencies to procure military equipment. In the case of the U.K., after some institutional changes that merged the Defence Procurement Agency and Defence Logistics Organisation, the Defence Equipment and Support (DE&S) organisation was stood up in 2007. Operated as a semi-autonomous organisation within the Ministry of Defence, it is managed by a senior military officer who reports to a junior Minister of Defence. In Australia, the Defence Management Organisation (DMO) was formed in 2000 with the merger of separate acquisition and support organisations. Similar to the U.K. model, Australia continues to operate the DMO as a part of the Australian Defence Force (ADF), although under reforms carried out in 2005 it has a degree of financial independence from the ADF while still reporting to the Defence Minister.

Having so far examined some of the forces that led to the introduction of the DPS, its basic structure as well comparable agencies in the U.K. and Australia, this paper will now start to examine some of the specific issues, starting with the challenge of budgeting for the unpredictable nature of defence projects.

Project Budgets

Project budgets form one of the most significant resources that challenges that face project offices, one that is often beyond their control. Certainly when reviewing past procurement failures it is highly likely that there was a financial aspect that facilitated the project's undoing. As previously noted, both the 2008 JSS and 2012 SMP vehicle projects were delayed due to the inability of contractors to meet the RFP within the identified funding envelope. In the case of the JSS cancellation of 2008, the initial budget

had been established in 2004 along with accepted inflationary increases and other contingency funding. However in between that time and the closing of the RFP in 2008 there was a significant increase in the price of steel and copper as well as increased labour costs due to increased demand from the Alberta oil patch⁷. The compounded effect of both of these unexpected increases introduced an increase that the available contingency funding was unable to cover. Faced with the choice between the increased costs or a reduction in the number of vessels that could be built, the Government opted to cancel the program. As for the SMP vehicle project, minutes prior to the closing of the RFP the bidders were advised that the project was being cancelled. While not stated by the government, it has been reported that the \$800 million set aside was deemed inadequate⁸. Both of these cases highlight the importance of establishing a realistic budgetary framework early on in the acquisition process or for there to be a means to address unanticipated increases in costs. Further, the issue of budgetary restraint is not limited to projects in the RFP process. In the case of the Arctic Offshore Patrol Ship (AOPS), the projected fleet of 6 – 8 vessels is now likely to be limited to 6 with a reduction in the top speed from 20 to 17 knots⁹, all due to a desire to meet the project's funding envelope. While the possibility exists for departments to approach Government for additional funding, in practice this is not done and projects are either cancelled or have their scope reduced. The purpose of these three examples highlight the challenges that the projects face with regards to costs and the inflexibility of the Canadian system to consider additional funds, even when the increase is due to issues beyond the control of the project office. While some might consider adding to contingency funding that is not always a suitable response as contingency funding that is not realized is generally returned to the Crown, a fact that can receive negative attention in the press¹⁰. The

⁷ Department of National Defence, *Lessons Learned – PMO JSS Contracted Project Definition Phase*. Ottawa: Government of Canada, 4 May 2010, 31.

⁸ Canadian Broadcasting Corporation. "Military truck purchase cancelled due to cost concerns." Last updated 12 July 2012, <http://www.cbc.ca/news/canada/military-truck-purchase-cancelled-due-to-cost-concerns-1.1273570>.

⁹ Eric Lehre, *The National Shipbuilding Procurement Strategy: An Update*, Ottawa: CDFAI, February 2013, 5.

¹⁰ Global News, "National Defence unable to spend billions in what critic says is stealth deficit cutting", Last updated 11 July 2013, <http://globalnews.ca/news/711657/national-defence-unable-to-spend-billions-in-what-critic-says-is-stealth-deficit-cutting/>.

overall result is that money is set aside for DND that could have been used for other capital projects or Government efforts. Further, a project that requests a large amount of contingency might face increased scrutiny and be challenged to receive government approval due to the shock of the ‘sticker price’ when submitted.

As Canada’s Defence Procurement Strategy stands up it is interesting to note that very little has been stated about its relationship with project budgets, including how they are established and then amended if needed. This indicates that this effort is likely to remain at the department level and in line with current practices, and still subject to the same challenges described above. The DPS website does describe possible activity in response to cost overruns, such as trade-offs in cost and capabilities¹¹, however this is only likely to result in reduced capabilities as exemplified above with the AOPS project vessel and speed reduction. Finally, this does little to address the issue before the fact, when project budgets are being established. With this in mind, let us examine how budgets are managed internationally.

The issue of project budgetary challenges is hardly a Canadian one. However the U.K. model offers a different approach to funding than that of the DPS. One distinct difference is that the DE&S has been empowered by its government with the financial responsibility for the projects that it manages. This offers some degree of flexibility while still maintaining a high degree of accountability. Contributing to this as part of the U.K. Smart Acquisition model is the Integrated Project Team (IPT), a group tasked with managing programs that has the ability to make cost trade-offs when dealing with program challenges¹². While not eliminating cost overruns in defence programs, such a structure would provide some degree of flexibility to minimize their effect, as noted in 2003, when the U.K. boasted a cost overrun figure of 6.4% for major defence projects against 14.3% for the U.S.¹³

¹¹ Public Works and Government Services Canada. “Defence Procurement Strategy.” Last accessed 28 April, 2004. <http://www.tpsgc-pwgsc.gc.ca/app-acq/stamgp-lamsp/sskt-eng.html>.

¹² Ministry of Defence, *The Acquisition Handbook*, London: Her Majesty’s Stationary Office, 2005, 22.

¹³ Christine Coker, “Defence Procurement and Smart Acquisition”, *Military Technology*, September 2005, 40.

It might be argued that the stated DPS goal of engaging industry at earlier stages of the equipment acquisition cycle¹⁴, an approach used by France's Directeur General pour l'Armement (DGA)¹⁵, as well as a new streamlined process will allow for better predictions in program costs and therefore address the budgetary issues raised in the previous paragraphs. However, as was observed from the stock market crash of 2008, predicting future trends can be tenuous at best. Unless a more flexible budgetary system is put in place for defence procurement Canada faces the risk of repeating events such as the failed JSS and SMP vehicle procurements or faces the requirement to increase project contingency, a move that could affect other programs. Alternately, another possible solution could involve empowering the DPS with a contingency fund that could be applied across all defence procurement activities as the need arises. The Ministerial level of the DPS could be used to provide the necessary oversight to ensure that any requests to free additional funding to assist a project received the required level of review that could stand up to any outside scrutiny.

Thus, it has been shown that the failure to incorporate a flexible budgeting system within the DPS has the possibility of creating situations where projects are required to face cancellation or sacrifice capabilities in order to meet a budget that was established early on in the procurement process. Having reviewed one critical project resource, let us now examine another, namely the guidance of project personnel through the structure of the DPS's governance.

¹⁴ Public Works and Government Services Canada. "Defence Procurement Strategy." Last accessed 28 April, 2004. <http://www.tpsgc-pwgsc.gc.ca/app-acq/stamgp-lamsp/sskt-eng.html>.

¹⁵ Ethan Kapstein, *Smart Defense Acquisition: Learning from French Procurement Reform*, Washington, Center for a New American Security, December 2009, 3.

Governance

While careful management of a project's financial resources is a vital element of any project, so too is the effective guidance provided to project personnel, something that is typically established through the organisation's governance structure. This is a continual challenge in government projects, as there is a constant "pull" in all directions from the departments involved as they look to fulfill their mandates. In the author's experience, DND's focus is on procuring equipment that meets the operational requirements at the right price. In contrast, PWGSC's drive derives from ensuring that the process used to acquire the equipment is done so in such a manner as to minimize the chance that the procurement will be challenged or draw negative attention from Canadians. Adding to this, Industry Canada is concerned for ensuring that there is as much direct and indirect benefit to Canadian Industry as can be leveraged against the program. While these are the primary departments involved in defence procurement, there are a litany of others, including Aboriginal Affairs and Northern Development Canada (AANDC), Regional Development Agencies (RDAs), Treasury Board Secretariat, and the Department of Finance, each of whom has different areas of concern when assisting with defence procurement. The challenge of balancing these demands is neither unique to Canada nor unexpected in light of amount of funds being spent, however at times this has left Canadian industry feeling that there is "no obvious champion for Canada's defence industry at the federal level"¹⁶.

The calls for a more central approach to defence procurement have been ever increasing in the past decade^{17 18} as a replacement to the current effort that often results in the competing efforts of DND, PWGSC, IC and other departments, which has been

¹⁶ Canadian Association of Defence and Security Industries, "Canada's Defence Industry: A Vital Partner Supporting Canada's Economic and National Interests", Ottawa: December 2009, 14.

¹⁷ Ugurhan Berkok, "Canadian defence procurement" in *Defence Procurement and Industrial Policy – A small country perspective*, edited by Stefan Markowski, Peter Hall and Robert Wylie, 209 – 227, New York: Routledge, 2010, 212.

¹⁸ Alan Williams, *Canadian Defence Procurement – A View From the Inside* (Kingston: Inta D. Erwin, 2006), 104.

assessed by some as “complicated and unusual by international standards”¹⁹. The DPS calls for a secretariat approach to be adopted for defence procurement. If the NSPS and NFPS efforts are used as a template, this is likely to mean an organisation made up of representatives from across the departments involved embedded within PWGSC. In turn, the DPS is likely to form another branch of PWGSC or be included as part of the Acquisition branch, alongside other groups such as Real Property and the Regional Directors. The likely result is that the DPS will be competing for resources and senior guidance with every other section within PWGSC. Further to this, the personnel that make up the secretariat are likely to remain part of and be responsive to their parent organisation, and be subject to guidance and movement based on the needs of their department and not of the DPS. Finally, no indication has been provided as to where the project management responsibility will reside, which likely means that this task will continue to operate from whatever department the project support, i.e. DND for military projects and DFO for Coast Guard projects. This leads to the continued challenge of synchronizing projects in between departments, a situation that currently exists. The overall effect of these issues is likely to challenge the actual effectiveness of the DPS

When comparing the new DPS to the DE&S in the U.K. and the DMO in Australia it is interesting to note that Canada has opted to adopt a secretariat style of approach instead of the single organisation approach in practice with these nations. Both of these foreign agencies take a more comprehensive approach by placing all of the associated acquisition personnel within the same organisation. While still being responsive to needs such as capability development and industrial benefits, these organisations are better able to adapt to changing situations than the much smaller and departmentally spread comparable elements in the Canadian system. Furthermore, by creating a single organisation they are better able to establish and develop a procurement culture and expertise to deal with complex equipment required by modern militaries²⁰.

¹⁹ Ugurhan Berkok, “Canadian defence procurement” in *Defence Procurement and Industrial Policy – A small country perspective*, edited by Stefan Markowski, Peter Hall and Robert Wylie, 209 – 227, New York: Routledge, 2010, 211.

²⁰ Ministry of Defence, *The Acquisition Handbook*, London: Her Majesty’s Stationary Office, 2005, 3.

While it can be argued that the creation of the senior governance structure that consists of both Ministers and Deputy Ministers will provide the high level guidance that defence projects need to progress, it is questionable as to how effective such an organisation will be in the absence of a clear line of accountability. Members, from the secretariat up through to the Ministers are likely to maintain strong ties to the needs of their specific departments, which runs counter to the effort to bring together these diverse groups within one organisation to focus them on the business of defence procurement. This disconnect is likely to be further amplified continued separation of the project management offices from the DPS.

Ultimately, while the DPS offers the opportunity for senior guidance through its Ministerial working group and DMGC, the continued lack of a centralised controlling agency is likely to continue to challenge its ability to effectively progress the challenging and demanding projects it is likely to face. Having reviewed the financial resources as well as the governance structure, both aspects of defence acquisition usually managed from within the organisation, we will now examine the DPS's desire for outside validation through the increased use of third party expertise.

Third Party Expertise

As part of the effort to re-design defence procurement in Canada, much is being stated about the use of third party experts, with the DPS website noting that it will use "independent advice to strengthen the integrity of the procurement process"²¹. This is further emphasised by becoming requiring a mandatory review of requirements for projects that exceed \$100M as well as for any other projects where a need is determined. The effectiveness of third party review was certainly demonstrated during the NSPS process when First Marine International (FMI), a U.K. based company was used to

²¹ Public Works and Government Services Canada. "Defence Procurement Strategy." Last accessed 28 April, 2004. <http://www.tpsgc-pwgsc.gc.ca/app-acq/stamgp-lamsp/sskt-eng.html>.

evaluate the prospective shipyards and assist in the evaluation of the submitted proposals. The Auditor General of Canada noted that FMI, along with the efforts of two other organisations, KPMG and PricewaterhouseCoopers (PwC), “provided valuable advice and added credibility to the selection process based on their experience and expertise”²². While this highlights the advantage that employing the expertise of a third party can bring to a process, there are also challenges with an over reliance on these groups, firstly with an expectation that there is the necessary unbiased expertise available.

It is certainly not the position of this paper that the use of outside expertise should not be considered, especially when the relevant expertise is not held within government. As demonstrated by the NSPS case, third party expertise can prove invaluable when it is available as it can lend credence to the selection process. In that particular situation, FMI provided the expertise in shipyard construction that was required to fairly assess the competitors in a manner that was acceptable to all of the shipyards involved in the bidding process. However, an over reliance on third party expertise can create challenges when a particular expertise is not readily available to assess specific military areas. For example, as Canada looks to establish the requirements for the Canadian Surface Combatant, the Combat Management System (CMS) will form a central part of the ship’s capabilities. This system will integrate the ship’s sensors and weapons and hence forms the central hub of what makes the vessel a warship. However, while there is much expertise internationally on the design and capabilities of these systems, it is generally resident in either defence contractors who manufacture them or within government. The challenge with seeking the assistance of defence contractors is that they are also likely to be the companies that would bid on any such contracts, creating the risk of a conflict of interest. Further complicating this matter is the requirement by companies to safeguard their intellectual property, which can be challenging when the information is to be shared with a potential competitor instead of a government official. A similar situation arose during the RFP evaluation for the HCM/FELEX project, when the proposed CMS was evaluated by members of the CF Maritime Warfare Center. Ultimately this means that if

²² Office of the Auditor General, 2013 Fall Report of the Auditor General of Canada, last updated 26 November 2013. http://www.oag-bvg.gc.ca/internet/English/parl_oag_201311_03_e_38797.html

the DPS plans to seek similar expertise to assist in the evaluation of a bid, it will need to seek out a company that would need to intentionally remove itself from the bid and then establish the necessary non-disclosure agreements to protect the information that is to be shared. This is not outside of the possible; however it complicates the process and would need to be factored into the use of third party experts. All of this is not stated to discourage the use of appropriate third party expertise, but rather to highlight one of its limitations.

Another challenge that arises with the use of third party expertise is the classified nature of much of the detailed information that is required to make an informed decision regarding military systems. This is only further complicated when the information originates from another nation which may have binding agreements with Canada regarding its care and protection, an example of which are the International Traffic in Arms Regulations (ITAR) that bind much of the information of U.S. origin. This leads to two significant challenges when employing organisations from outside of the government, namely ensuring that third party personnel are cleared appropriately and that they are able to adequately safeguard the information. The failure to ensure that information is adequately safeguarded can lead to security breaches and depending on the source of the information, repercussions from the nation of origin. An example of this risk occurred in December of 2013 when Qing Quentin Huang was arrested for plotting to send information to a foreign nation. This information was related to the Arctic Offshore Patrol Ship and had been sent to Mr Huang's employer for certification²³. While in this particular situation no information was released, it highlights a potential threat for future use of third parties. A further complication can arise based on the third party experts themselves; as if they are based in the U.S. they may find the results of their efforts bound by the ITAR export restrictions, which may limit Canada's future use of that information. All of these issues highlight the added challenges that the DPS will face as it looks to use third party expertise in the procurement process

²³ Murray Brewster, "Outside Contractors with Inside Knowledge Need Security Scrutiny: Defence Expert," *The Canadian Press*, 1 December 2013.

While it can be argued that third party experts bring skills and knowledge that may be outside of government and their use in past efforts have demonstrated their usefulness to the procurement process, the DPS should not come to rely on them solely, as they can be limited based on both the needs for specific expertise as well as the need to meet stringent security requirements that typically form part of defence contracts.

In this paper the Government of Canada's new Defence Procurement Strategy has been examined to understand how it has emerged as the Government's preferred method to procure equipment for the Canadian military and Coast Guard. This was done by examining some of the past success and more recent failures that pushed the government to this action. To provide a basis for comparison, the defence procurement agencies from both the U.K. and Australia were examined, as they are comparable nations to Canada and both opted for a single agency approach. Following this, specific challenges regarding the budgeting of Canadian defence projects, the lack of a central and the reliance on third parties were examined in turn to note how the new procurement structure may not be adequately be prepared to deal with se could provide challenges that might hinder the goal of improving defence procurement. The first major conclusion that can be drawn from this examination is that the establishment of budgets is a fundamental challenge that needs to be addressed in Canadian defence procurement projects. Current practices that are likely to continue with the DPS fail to adequately that address problems that have arisen in recent failed acquisitions. If new procurement efforts continue to set their funding envelopes early in the process they will continue to encounter situations that may be beyond their control, and if there continues to be no will to seek additional funding then either projects will be cancelled or their numbers and capabilities will be reduced to meet the budget. Another challenge facing the DPS is its organisational structure, which, while it ensures a wide range of departmental representation, fails to ensure the single level of accountability that is beneficial when trying to bring together divergent groups required for major government procurement. Finally, while the DPS stated position of ever greater reliance on third party expertise to assist on the acquisition process may bring some advantages in terms of expertise, however it also brings challenges, most notably with regards to ensuring to the safeguarding of the classified information frequently associated with defence procurement. Ultimately, the analysis has shown that while the new DPS will offer the opportunity to address some of the challenges that have plagued Canadian Defence procurement, it still contains some of the fundamental flaws that have negatively impacted on previous acquisition efforts. And so, while the buck may now be ultimately stopping at the desk of the Minister of PWGSC,

without addressing some of hindrances highlighted above the buck may stay on the desk and not be spent, leading to further embarrassment for the government of the day and a failure to deliver equipment to the Canadian Armed Forces and Coast Guard.

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