

Canadian
Forces
College

Collège
des
Forces
Canadiennes



SUPPORTING STRONG, SECURE, ENGAGED: ARMY'S ROLE IN ENABLING PROCUREMENT CREDIBILITY AND TRANSPARENCY

Maj Trevor Bourgeois

JCSP 44

PCEMI 44

SERVICE PAPER

ÉTUDE MILITAIRE

Disclaimer

Opinions expressed remain those of the author and do not represent Department of National Defence or Canadian Forces policy. This paper may not be used without written permission.

© Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, 2018.

Avertissement

Les opinions exprimées n'engagent que leurs auteurs et ne reflètent aucunement des politiques du Ministère de la Défense nationale ou des Forces canadiennes. Ce papier ne peut être reproduit sans autorisation écrite.

© Sa Majesté la Reine du Chef du Canada, représentée par le ministre de la Défense nationale, 2018.

SERVICE PAPER - ÉTUDE MILITAIRE

**SUPPORTING STRONG, SECURE, ENGAGED:
ARMY'S ROLE IN ENABLING
PROCUREMENT CREDIBILITY AND TRANSPARENCY**

Maj Trevor Bourgeois

“This paper was written by a student attending the Canadian Forces College in fulfilment of one of the requirements of the Course of Studies. The paper is a scholastic document, and thus contains facts and opinions, which the author alone considered appropriate and correct for the subject. It does not necessarily reflect the policy or the opinion of any agency, including the Government of Canada and the Canadian Department of National Defence. This paper may not be released, quoted or copied, except with the express permission of the Canadian Department of National Defence.”

Word Count: 2366

“La présente étude a été rédigée par un stagiaire du Collège des Forces canadiennes pour satisfaire à l'une des exigences du cours. L'étude est un document qui se rapporte au cours et contient donc des faits et des opinions que seul l'auteur considère appropriés et convenables au sujet. Elle ne reflète pas nécessairement la politique ou l'opinion d'un organisme quelconque, y compris le gouvernement du Canada et le ministère de la Défense nationale du Canada. Il est défendu de diffuser, de citer ou de reproduire cette étude sans la permission expresse du ministère de la Défense nationale.”

Compte de mots: 2366

SUPPORTING STRONG, SECURE, ENGAGED ARMY'S ROLE IN ENABLING PROCUREMENT CREDIBILITY AND TRANSPARENCY

AIM

1. The aim of this service paper is to identify initiatives that can be taken immediately within the Army to support the current defense policy objectives with regards to procurement of military equipment. Although the Army is the focus of this paper, further review should be taken to compare how project management is trained and succession planned within the Air Force and Navy. In the Army context, a number of changes should be taken immediately which could apply to these other elemental trades. Additionally, there could be training efficiencies found as project management is a task for each of these services.

INTRODUCTION

2. Procurement has been an increasing challenge for governments around the world and Canada is no exception. Until recently, there has not been a unified effort to address these challenges. In the early 2010s, the Harper government made it part of their platform and federal budget to work through the problems, they initiated a number of independent studies to improve defense procurement in Canada and in February 2014, the Defense Procurement Strategy was unveiled with a view to reform the procurement process.

3. Although the key objectives of this plan were to deliver the right equipment, in a timely manner while creating jobs and economic growth¹, in 2018 procurement remains in the media

¹Public Services and Procurement Canada, "Defense procurement strategy," Last modified 23 September 2016, <https://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/samd-dps/index-eng.html>, para 8.2

and political sphere. Procurement delays of costly and polarizing equipment including the CF-18 replacement project and the National Shipbuilding Strategy continue to frustrate politicians and the public. To address these issues, the current government released the defense policy in Strong, Secure, Engaged (SSE). On 26 Oct 2017 the Deputy Minister of National Defense Jody Thomas stated that the new defense policy is a 20 year plan.² On procurement, there has been work completed, but there are initiatives that can be taken immediately to support SSE and procurement gaps.

DISCUSSION

4. Within the Department of National Defense, the Assistant Deputy Minister (Materiel) (ADM(Mat)) under the Vice Chief of Defense Staff (VCDS) is the central department for National Support and procurement to the Canadian Armed Forces (CAF). Employees consist of the public service, contractors and military. Military remains a component of this organization for a number of reasons, one of which is to maintain the connection between the bureaucracy in Ottawa and the field force. This service paper assumes that this existing approach will remain in place for each of the CAF elements; within the Army the RCEME Corps is tasked with equipment management from cradle-to-grave³ including acquisition and project management. The RCEME Corps is one Military Occupational Structure Identification (MOSID) which is dedicated to “keep equipment in top condition and work in every equipment life-cycle phase, from design, evaluation and acquisition through in-service support to eventual disposal.”⁴

²“Public Record CGAI – 5th Annual Defense Procurement Conference – Panel 1,” Video, 1:05:30, posted by “CPAC,” 3 February 2018. <http://www.cpac.ca/en/programs/public-record/episodes/54489447%20>.

³Government of Canada, “Electrical and Mechanical Engineering Officer,” Last accessed 3 February 2018, <https://www.canada.ca/en/department-national-defence/services/caf-jobs/career-options/fields-work/engineers/electrical-and-mechanical-engineering-officer.html>.

⁴*Ibid.*

5. The centre of gravity in procuring of new equipment for the CAF and government is to remain credible and transparent when it comes to procurement. Without these two themes, trust will not be built internal or external to government.

6. *CREDIBILITY*. By definition, credibility is the quality of being trusted and believed in⁵ but in practice, being credible is doing what was said would be done, when it was to be done, in line with how it is to be done. To do this, we need an organization that establishes the training requirements, enables development of expertise and creates and creates a supporting system to ensure the right people, get the right training at the right time to match the tasks to be accomplished.

7. SSE identifies that DND will “grow and professionalize the defense procurement workforce in order to strengthen the capacity to manage the acquisition and support of today’s complex military capabilities.”⁶ The Project Manager (PM) is the leader of the acquisition project and a well trained and experienced PM is the first step in ensuring a project is successfully managed. To understand the scope of responsibility, PM is in charge of a number of personnel with a variety of skill sets including procurement, systems engineering, finance, logistics support and technicians. Attached to this team is a member from Public Services and Procurement Canada (PSPC) which supports the project but is directly responsible to PSPC.

⁵Oxford Dictionaries, “Definition: Credibility,” Last accessed 3 February 2018, <https://en.oxforddictionaries.com/definition/credibility>.

⁶Department of National Defense, *Strong, Secure, Engaged* (Ottawa: Canada Communications Group, 2017), 75.

8. Within the Army, the lead military trade that manages projects is the Royal Canadian Electrical and Mechanical Engineering (RCEME) Corps. Upon review, the RCEME Corps must increase the focus on project management by taking a number of immediate steps.

9. The first step is related to recruiting. Although not an immediate gain in credibility to the CAF this can have a lasting effect for minimal effort. To demonstrate the lack of focus the Corps provides to Project Management and Procurement, one only needs to look towards the RCEME recruiting page where members gain “specialized skills through formal courses and on-the-job training, including Ammunition technical Officer, Nuclear Engineering and Guided Weapons System[s]”⁷ of which Project Management is not listed. Although these specializations are important, in reality they only consist of a small portion of specialists; there are only 3 x Ammunition positions, 2 x Nuclear Engineering positions and no Guided Weapon System positions by title within DND.⁸ Conversely, Project and Program Management positions consist of 20 positions, or 20% of RCEME Corps positions in the National Capital Region. From these statistics, the RCEME Corps has the justification to emphasize Project Management when recruiting to ensure DND increases its opportunity to gain a future talent pool. Combined with this visibility, Project Management certifications and degrees must be listed on the recruiting page opposed to only those in engineering related fields⁹ and recruit scoring must be updated to capture PM training for recruitment board selection. The collection of these small initiatives will increase the likelihood of gaining this specialized talent at minimal cost to DND.

⁷Government of Canada, “Electrical and Mechanical Engineering Officer...”

⁸RCEME Position Search, Last accessed 2 Feb 2018.

⁹Government of Canada, “Electrical and Mechanical Engineering Officer...”

10. The second step and more direct link with credibility is generating effective PM skills within the existing RCEME Corps. The VCDS formalized the Project Management Competency Development (PMCD) program within DND on 29 July 2013¹⁰ with the goal to “significantly raise the level of professionalism of the DND project management community engaged in procuring goods and services by better preparing staff to respond to their evolving and future roles as project managers.”¹¹ Established to create commonality within DND the PMCD qualification was not mandatory to be appointed to, hired or posted into a project manager position but “should normally be able to obtain the commensurate ... qualification within 18 months of taking on the post.”¹² Although remedial measures is noted should a project manager not complete the program, often times PMs are too busy to complete the requisite PMCD certification and doesn’t get completed. The result is a cadre of experienced personnel that may not have the competence prescribed by the PMCD. The collection of these points ultimately establishes a framework itself that is inherently not credible. Immediate action should be taken to ensure compliance of PMs with the PMCD framework by the VCDS updating and formalizing this position in writing within DND.

11. The third step is updating and focusing RCEME Corps on project management. As part of the VCDS direction on PMCD, Chief of Military Personnel (CMP) was tasked to integrate the PM qualification into the military course management system and to work with career managers to facilitate the application of applicable occupation training.¹³ The step taken by the RCEME

¹⁰A.B., Donaldson, VAdm. *VCDS Direction - Project Manager Competency Development Programme* (National Defense Headquarters Ottawa: file 1950-1 (DCOS(Mat)), 29 July 2013, 1.

¹¹*Ibid.*, 3.

¹²A.B., Donaldson, VAdm. *VCDS Direction - Project Manager Competency Development Programme* (National Defense Headquarters Ottawa: file 1950-1 (DCOS(Mat)), 29 July 2013, 6.

¹³*Ibid.*, 7.

Corps at the time was limited; it added the PMCD to the existing one-point Professional Certification among PEng and PMP for Majors.¹⁴ This evolved to the Selection Board Scoring Guide effective September 2017 where there remains zero points for RCEME Captains and only one point for PMCD Level 2 at the rank of Major. The current approach to selecting competent PMs within the Corps is indirect in that it views collective attributes for tasks of a RCEME Officer therefore making the trade a generalist vs a specialist; however, to increase the competency within RCEME the Corps and the Army must take a deliberate and focused effort to ensure this credibility.

12. To do this, the Corps must first establish Project Management as an Occupation Specification Qualification (OSQ) similar to that of the Ammunition Officer which is a year long program. The decision to take this OSQ is typically at the rank of Captain which is similar to specialties within the Logistics Branch for specializations in Transport, Supply, Movements, Food Services and Postal; however, for the Logistics Branch specializations, candidates must complete the OSQ at a central location - the Canadian Forces Logistics training Centre (CFLTC) in Borden, ON. There is an argument that the four week RCEME Advanced Course held at the Canadian Forces RCEME School fills the training requirements to be a PM but it does not. This course is a generalist course that only has one of seven performance objectives (PO) related to project management, PO 205 - Apply project management concepts.¹⁵ This course also does not provide any level of PMCD certification. As a result, a deliberate PM training framework must be established within the Corps. Ideally this would be centralized at the RCEME School for

¹⁴McKenzie, J.P.S., Col. Director *RCEME Communique No 07/2017 - Updates to the RCEME Scoring Criteria*, National Defense Headquarters Ottawa: file 2184-1000-1 (SO RCEME), 1 September 2017, Annex A-2.

¹⁵Department of National Defense, A-P1-002-ADX/PC-001, *Occupation Standard Electrical Mechanical Engineering Officer - Advanced Competency Code ADAX*. (Ottawa: DND Canada, Last modified 11 August 2015), i.

deliberate and focused training; however, with an existing PMCD program in the National Capital Region (NCR) and the close proximity to current projects in all elements of the CAF, a decentralized location could be more efficient. Ultimately the main goal of the program should be deliberate, focused and required for those in a RCEME PM career path.

13. The fourth step is to build the competency and experience required for those who select, or are selected, to follow the PM stream, the current approach to career management must be changed to retain PMs within ADM(Mat). This should be initiated at the rank of Captain with the expectation that these members will typically only be offered command and leadership positions within a procurement and PM based positions vs. those in the field force. These individuals should also be retained in positions for a longer period of time than the typical one, two or three year rotation currently in place. This approach is in line with VCDS direction and the PMCD program by deliberately ensuring the Corps has the succession planning in place to fill the role as PM of increasingly complex projects.

14. The fifth step to improving credibility is to increase capacity. SSE identifies that capacity will be strengthened with the addition of over 60 procurement specialists¹⁶ but isn't enough. Historically, DND consistently does not meet its expected spending forecasts largely due to the inability to spend. This inability to spend is due to the lack of procurement specialists, either within DND or PSPC. David Perry of Canadian Global Affairs Institute (CGAI) identifies that there is a significant gap in staff to complete procurement tasks beyond the 60 personnel SSE identifies; in 2003, 2,600 ADM(Mat) staff were in place to manage \$1 Billion of

¹⁶Department of National Defense, *Strong, Secure, Engaged* (Ottawa: Canada Communications Group, 2017), 75.

procurement funds, where in 2009 that number dropped to 1,800 staff to \$1 Billion.¹⁷

Additionally, the continued optics of government not meeting its spending targets within a given year for needed equipment dissolves credibility. The sum of these points warrants further review of personnel requirements to match funding and project expectations and places greater emphasis on the Project Manager in their ability to understand and communicate deficiencies in their teams.

15. *TRANSPARENCY*. Although transparency supports credibility and trust, transparency is a separate theme significant enough to cover separately. In fact, openness and transparency are essential elements of the Liberal government¹⁸ highlighting its importance. One such area to be improved is regarding the Defense Acquisition Guide (DAG) which the Army is a component for its current and future procurements.

16. The DAG reintroduced by government for annual issue was “designed to provide industry with the information they need to make informed research and development investment decisions based on potential requirements”¹⁹ and was seen by the Canadian Defense Association as playing “a critical role in allowing the CAF to quickly integrate industry input, with the end goal being the creation of a collaborative series of documents meant to allow the defense industry to better anticipate the needs of the CAF.”²⁰ There were high hopes for this product, but

¹⁷David Perry, “2015 Status Report on Major Defense Equipment Procurements,” Canadian Global Affairs Institute, December 2015, 7.

¹⁸Liberal Party of Canada, “Openness. Transparency. Fairness.” Last accessed 4 February 2018, <https://www.liberal.ca/openness-and-transparency/>.

¹⁹ Canada, Public Works and Government Services Canada, “About the Defense Procurement Strategy” archived website at <http://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/samd-dps/ssamd-adps-eng.html>.

²⁰CDA Institute, “Summary - Defense Acquisition Guide,” Last modified 17 June 2014, <https://cdainstitute.ca/summary-defence-acquisition-guide/>.

its first reissue in May 2014 was met with mixed reviews.²¹ The issues for 2015 and 2016 were met with less criticism; however, the DAG was not issued in 2017 contrary to expectations. As a result, the product needs to be issued to industry or DND needs to be clear and transparent what steps are being taken on it's production, why it hasn't been issued, and if/when a new issue will be produced. From the Army's perspective, it must push for updates and clarity on this document, be consistent in its priorities and realistic in its ambitions and timeline.

17. Similarly, this lack of transparency is linked with communication. The government's position on transparency has been highlighted, but further to this SSE identifies under goal 99 that DND will "Provide Canadians with regular updates on major project and programs to increase transparency, communicate challenges and measure performance."²² Government, DND, and the Army need to do a better job of communicating the complex status of procurements while doing so in a manner that manages expectations of existing and not becoming a political spectacle with overly ambitious expectations.²³ This confusion creates negative image of the DND and undermines the transparency and credibility priorities²⁴ originally outlined.

CONCLUSION

18. Procurement of equipment for DND is a visible topic that must consider Canadians, government goals and CAF elements. The Army is no exception as a stakeholder of procurement

²¹David Pugliese, "Federal defense acquisition guide under fire," Last modified 18 June 2014, <http://ottawacitizen.com/news/national/federal-defence-acquisition-guide-under-fire>.

²²Department of National Defense, *Strong, Secure, Engaged* (Ottawa: Canada Communications Group, 2017), 75.

²³David Perry, "Fixing Procurement," *Canadian Global Affairs Institute*, July 2016, 3.

²⁴*Ibid.*

to ensure it obtains the necessary equipment to conduct current and future operations. Although SSE is a 20 year plan, there are several initiatives within the Army that can be initiated now to ensure success earlier in that timeframe. The RCEME Corps, as the equipment managers of the Army, must adopt an increased focus Project Management through trade progression and training requirement to ensure competency and credibility in an increasingly complex procurement environment. These points, combined with enforcing transparency and open communication within the Army, DND, government and the public will be major steps to improving the transparency and improved credibility of the procurement team and its system.

RECOMMENDATION

19. The Army must take a number of immediate steps to support SSE regarding procurement:
 - a. Update the recruiting page and recruit scoring for RCEME Officers to include Project Management;
 - b. Apply an increased requirement on PMCD level certification for project managers;
 - c. focus on PM training within the RCEME Corps by establishing a PM specialty and stream for dedicated succession planning;
 - d. Seek additional procurement staff beyond the current expectations within SSE;
 - e. Push for increased transparency of the DAG;
 - f. Improve communications and be realistic on existing and future Army projects and acquisitions.

Bibliography

Public Services and Procurement Canada. “Defence procurement strategy.” Last modified 23 September 2016. <https://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/samd-dps/index-eng.html>.

“Public Record CGAI – 5th Annual Defence Procurement Conference – Panel 1.” Video, 1:05:30, posted by “CPAC,” 3 February 2018. <http://www.cpac.ca/en/programs/public-record/episodes/54489447%20>.

Government of Canada. “Electrical and Mechanical Engineering Officer.” Last accessed 3 February 2018. <https://www.canada.ca/en/department-national-defence/services/caf-jobs/career-options/fields-work/engineers/electrical-and-mechanical-engineering-officer.html>.

RCEME Position Search, Last accessed 2 Feb 2018.

McKenzie, J.P.S., Col. *Director RCEME Communique No 07/2017 - Updates to the RCEME Scoring Criteria*. National Defense Headquarters Ottawa: file 2184-1000-1 (SO RCEME), 1 September 2017.

Oxford Dictionaries. “Definition: Credibility.” Last accessed 3 February 2018. <https://en.oxforddictionaries.com/definition/credibility>.

Canada. Department of National Defense. *Strong, Secure, Engaged*. Ottawa: Canada Communications Group, 2017.

Donaldson, A.B., VAdm. *VCDS Direction - Project Manager Competency Development Programme*. National Defense Headquarters Ottawa: file 1950-1 (DCOS(Mat)), 29 July 2013.

Perry, David. “2015 Status Report on Major Defence Equipment Procurements.” *Canadian Global Affairs Institute*. December 2015.

Perry, David. “Fixing Procurement.” *Canadian Global Affairs Institute*. July 2016.

Liberal Party of Canada. “Openness. Transparency. Fairness.” Last accessed 4 February 2018. <https://www.liberal.ca/openness-and-transparency/>.

CDA Institute. “Summary - Defense Acquisition Guide.” Last modified 17 June 2014. <https://cdainstitute.ca/summary-defence-acquisition-guide/>.

Pugliese, David. "Federal defense acquisition guide under fire." Last modified 18 June 2014.
<http://ottawacitizen.com/news/national/federal-defence-acquisition-guide-under-fire>.

Canada. Department of National Defense. A-P1-002-ADX/PC-001, *Occupation Standard Electrical Mechanical Engineering Officer - Advanced Competency Code ADAX*. Ottawa: DND Canada, Last modified 11 August 2015.