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CRITICAL SUCCESS FACTORS FOR FLEET RENEWAL AND CANADA'S NATIONAL SHIPBUILDING STRATEGY

Lieutenant-Commander Gerald Parsons

JCSP 45

Solo Flight

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Lieutenant-Commander Gerald Parsons

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CRITICAL SUCCESS FACTORS FOR FLEET RENEWAL AND CANADA'S NATIONAL SHIPBUILDING STRATEGY

*"The question isn't whether Canada will successfully build ships. It always has. The question is whether the number and capabilities will be adequate to the rising challenges we see."*¹

Vice-Admiral D.W. Robertson (Ret'd)

INTRODUCTION

Delivering maritime capability is a complex endeavor. But what does it mean to *successfully* build ships in Canada? To the public, this means building the right ships on time and on budget. To the Royal Canadian Navy (RCN) as a bifurcate client of the NSS, building ships successfully means building the right quantity of ships, with the right design, to deliver the right operational requirements.² To the NSS, building ships successfully means building ships efficiently and effectively while making investments sustain Canada's marine sector to promote economic investment and job creation; while enhancing domestic shipbuilding competency, capacity and international competitiveness.

Maintaining a grip on complex project management requires client capability, collaboration, competency, continuity, capacity, competitiveness, communication (the 7 "C's"), and steadfast portfolio management. Further, portfolio management must be informed and executed with well-supported accelerated decision-making authorities matched to appropriate project complexity and risk.³ According to Treasury Board of

¹ Senate of Canada, *Standing Committee on National Security and Defence: Evidence*, Sept 2016, accessed 10 May 2020, <https://sencanada.ca/en/Content/Sen/committee/421/secd/52750-e>

² Government of Canada, *The Readiness of Canada's Naval Forces: Report of the Standing Committee on National Defence (NDDN)*, Report 6, 42nd Parliament, 1st Session -June 2017, 44, accessed 20 May 2020, <https://www.ourcommons.ca/Content/Committee/421/NDDN/Reports/RP9031883/nddnrp06/nddnrp06-e.pdf>

³ Treasury Board of Canada, *Project Complexity and Risk Assessment (PCRA) Framework*, accessed 20 May 2020, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=21261>

Canada's Project Complexity and Risk Assessment (PCRA) matrix, NSS fleet renewal projects are defined as *transformational*.⁴

With respect to maritime capability development and the NSS, the benefits of relational contracting, joint risk management (JRM), policy flexibility and infrastructure investment are becoming more apparent as new ships are delivered to Canada's federal fleets.⁵ In addition, the medium-to long-term focus on stakeholder competency, continuity, capacity, and competitiveness will ensure that the tenets of the strategy will deliver the 'right' maritime capability to meet RCN operational requirements.

Transformational change in defence procurement requires constant review of the decision-making processes, human resource capacity, transparency, collaboration, and exceptional governance. Through a 7 'C' analysis, this paper posits that the NSS is still indeed *fundamentally noble*. It has established a 'battle-rhythm' with industry and is prepared to mitigate identified risks, bridge relational contracting challenges, and generate domestic shipbuilding capacity to meet the demand of RCN fleet recapitalization. This paper also demonstrates that the RCN is poised to leverage benefits of NSS inter-departmental collaboration, aligned personnel competency frameworks, and shipyard performance management. The following paragraphs explore the critical success factors integral to the NSS success and offers recommendations for further review. It is with the 7 'C' s lens that commentators must consider when evaluating Canada's NSS.

⁴ *Ibid.*

⁵ Office of the Parliamentary Budget Officer, *The Cost of Canada's Surface Combatants: 2019 Update*, accessed 15 May 2020, https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Canada-Surface-Combatants-update/CSC_Update_2019_Report_E.pdf

CLIENT CAPABILITY: PARATI VERO PARATI

“I am confident that by remaining committed to *People First, Mission Always*, we will successfully execute this plan, stay true to our vision, and ensure the RCN continues to generate multi-purpose, combat effective naval forces as outlined in Canada’s new Defence Policy.”⁶

The RCN has a clear vision for transformation. The *RCN Strategic Plan 2017-2022* defines the intent, desired impact and critical success factors (CSF) outlining successful change management required during fleet recapitalization.⁷ In contrast to the design and procurement of the Canadian Patrol Frigate (CPF) a quarter century ago; today’s fleet renewal effort falls under the purview of the NSS. Regarding institutional change and reorganization, the RCN has engaged in a timely restructuring, in response to fleet recapitalization to ensure preparations for new ships is underway.

Institutionally, the Director General Naval Force Development (DGNFD) is responsible for defining the operational requirements of future maritime capability through the Directorate of Naval Requirements (DNR).^{8,9} Assisting in tandem with this responsibility, is the newly established Director General Future Ship Capability (DGFSC). The DGFSC organization was established to ‘...ensure the RCN is ready in terms of occupations, training systems, infrastructure, doctrine and tactics, and operational policies...’.¹⁰ Further, the DGFSC is comprised of three organizations - Directorate of Naval Major Crown Projects (DNMCP), Directorate of New Capability

⁶ Department of Defence, *Royal Canadian Navy Strategic Plan 2017-2022*, 5, accessed 15 May 2020, https://www.navalassoc.ca/wp-content/uploads/2019/05/rcn_strategicplan_2017-2022_en-s.pdf

⁷ *Ibid.*, 6

⁸ Captain (Navy) J. Armstrong, *The RCN’s Capital Equipment Priorities and Projects: Best Defence Conference November 2017*, accessed 20 May 2020, <https://bestdefenceconference.com/wp-content/uploads/830-am-Nov-2-J-Armstrong-DNR.pdf>

⁹ Department of Defence, *Royal Canadian Navy Strategic Plan 2017-2022*, 5, accessed 15 May 2020, https://www.navalassoc.ca/wp-content/uploads/2019/05/rcn_strategicplan_2017-2022_en-s.pdf

¹⁰ The Maple Leaf, “New Organization prepares RCN for Future Ships”, accessed 18 May 2020, <https://ml-fd.caf-fac.ca/en/2018/06/14885>

(DNCI) and the Maritime Innovation Team (MIT).¹¹ Each organization is designed to facilitate transitional acceptance of new maritime capability with the Canadian Surface Combatant (CSC), Joint Support Ships (JSS) and Arctic Offshore Patrols Ships (AOPS).¹² As new maritime capability is delivered to the RCN, equally important is the ability to prepare for and receive new capability with respect to infrastructure, innovation, personnel recruitment, training and fleet sustainment.¹³ It is assessed that the RCN has taken decisive action to restructure the institution and has established client capability with a clear ‘vision to mission’ to progress institutional change.

COLLABORATION

“Within the marine sector, there is now hope. An interdepartmental marine committee (IMC) of directors-general [DGs] across all government departments now exists, with the stated purpose “to improve its processes, consistency and approaches”¹⁴

The NSS is a Whole-of Government (WOG) federal fleet renewal effort. The NSS is led by Public Services and Procurement Canada (PSPC) via the Assistant Deputy Minister Defence and Marine Procurement, in concert with Department of National Defence’s (DND) RCN and Assistant Deputy Minister of Material (ADM(MAT)), Department of Innovation, Science and Economic Development (ISED), Department of Fisheries and Oceans (Canadian Coast Guard (CCG)) and the Treasury Board Secretariat (TBS). It is Assistant Deputy Minister (Material) (ADM(MAT)) that is officially

¹¹ *Ibid.*

¹² *Ibid.*

¹³ Department of Defence, *Royal Canadian Navy Strategic Plan 2017-2022*, 5, accessed 15 May 2020, https://www.navalassoc.ca/wp-content/uploads/2019/05/rcn_strategicplan_2017-2022_en-s.pdf

¹⁴ Ian Mack, *Another Way to Buy Frigates*, Canadian Global Affairs Institute, November 2019, 11, accessed 20 May 2020, https://www.cgai.ca/another_way_to_buy_frigates

responsible for the procurement on behalf of the Canadian Armed Forces (CAF).¹⁵ This collaboration uniquely empowers DND by exploiting PSPC's contracting negotiation expertise, a multi-departmental governance framework, accelerated decision making and an integrated risk management organization.

RCN fleet renewal is prioritized in the *2019-20 Departmental Plan* and was first indicated at the forefront of 2017 *Strong Secured Engaged* (SSE).¹⁶ By design, the NSS provides DND with focused relational contracting and guided investment in Canada's domestic shipbuilding industry. Rebuilding a nation's shipbuilding capacity has always been a cyclic capability development challenge.¹⁷ Canada is experiencing simultaneous naval fleet renewal effort in concert with its commonwealth colleagues, Australia and United Kingdom. With the National Shipbuilding Quadrilateral Conference (NSQ) (commonly referred to as 'Ship Quad'); Canada collaborates with other NATO allies, United States, Australian, United Kingdom defence and industry partners to "share knowledge and experience....and to identify best practices" with respect to national shipbuilding programs.¹⁸ There is incredible potential with respect to experiential learning from collaboration with respect to industry best practices, lessons learned and shipbuilding strategies.¹⁹ The NSS WOG approach ensures greater collaboration is

¹⁵ Department of National Defence, "Assistant Deputy Minister (Material)", accessed 20 May 2020, <https://www.canada.ca/en/department-national-defence/corporate/organizational-structure/assistant-deputy-minister-materiel.html>

¹⁶ Department of National Defence, *Department of National Defence and the Canadian Armed Forces 2019-20 Departmental Plan*, 10, accessed 12 May 2020, <https://www.canada.ca/content/dam/dnd-mdn/documents/departmental-results-report/2019/english/DP%202019-20%20DND%20English.pdf>

¹⁷ Referred to as the 'Boom and Bust' cycle

¹⁸ Canadian Association of Defence and Security Industries (CADSI), "Canada-Australia-UK-U.S. Quadrilateral Conference", access 15 May 2020, <https://www.defenceandsecurity.ca/events/details&evtID=315>

¹⁹ Ian Mack, *Another Way to Buy Frigates*, Canadian Global Affairs Institute, November 2019, 11, accessed 20 May 2020 https://www.cgai.ca/another_way_to_buy_frigates

occurring through direct engagement at the executive level with international partnerships and key stakeholder participation at senior government levels. In addition, the potential international collaboration for the Type 26 Global Ship User Group deserves separate qualitative analysis, but further enforces the importance with respect to the opportunities for future collaboration.²⁰ It is recommended that NSS conduct a formal comparative analysis of commonwealth ship procurement practices.

Canada is seeking to improve the process of defence procurement. The recently proposed creation of Defence Procurement Canada signals that increased collaboration is at the forefront of current government priorities. This point is clearly defined by the Liberal government campaign messaging and Prime Minister's direction to Minister of National Defence:

“... Support the Minister of Public Services and Procurement to bring forward analyses and options for the creation of Defence Procurement Canada, to ensure that Canada's biggest and most complex National Defence and Canadian Coast Guard procurement projects are delivered on time and with greater transparency to Parliament. This priority is to be developed concurrently with ongoing procurement projects and existing timelines.”²¹

With respect to the NSS, inter-departmental collaboration, decision-making and transparency and maritime capability delivery is anticipated to improve with the impending creation of Defence Procurement Canada.

COMPETENCY

“By the end of 2015, all current project managers should have designated PMCD levels and the [Project Manager Competency Development

²⁰ Ibid., 11

²¹ Prime Minister of Canada, *Ministerial Mandate Letter: Minister of National Defence*, accessed 18 May 2020 <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-national-defence-mandate-letter>

Program] initiative will be well underway incorporating the next cadre of managers to steer the Canadian Armed Forces' procurement mission.”²²

Over the last decade, DND has improved its project management competency. In 2009, prior to the inception of the NSS, the Treasury Board of Canada Secretariat (TBS) generated policies focused on developing project management competency.²³ *The Policy of Management of Projects, Standard for Organization Project Management Capacity* and the *Standard for Project Complexity and Risk*.^{24,25} These TBS policies were superseded in April 2019 with the creation of the *Directive on the Management of Project and Programmes*.²⁶ This most recent TBS policy clearly targets improved approval processes, procurement controls and financial authorities to ensure:

“...project and programmes are effectively planned, implemented, monitored and controlled, and closed to enable the realization of the expected benefits and result for Canadians.’ In short, this policy targets improved governance, efficient evidenced based decision making, performance measurement and the development and maintenance of capacity for programme management.”²⁷

In 2016 the Deputy Minister of National Defence (DMND) directed the establishment of the Standard for Project Management Competencies.²⁸ Prior to that, in 2013, the Vice Chief of Defence Staff (VCDS) issued direction for the creation of the

²² Canadian Government Executive (CGE), *Manager development: Matching Competency to Complexity*, May 2014, accessed 15 May 2020 at <https://canadiangovernmentexecutive.ca/manager-development-matching-competency-to-complexity/>

²³ Ibid.

²⁴ Treasury Board Of Canada Secretariat, *Policy on the Management of Projects* (Rescinded Oct 2019), accessed 18 May 2020, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18229>

²⁵ Treasury Board Of Canada Secretariat, *Standard for Project Complexity and Risk* (Rescinded Oct 2019), accessed 18 May 2020, <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=21261>

²⁶ Treasury Board of Canada Secretariat, *Directive on the Management of Project and Programmes*, accessed 18 May 2020 <https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=32594§ion=html>

²⁷ Ibid.

²⁸ Deputy Minister of National Defence, A-PD-002-000/AG-000, *Standard for Project Manager Competencies*, April 2016, 2-1.

Project Management Competency Development Program(PMCDP).^{29,30} Today, this initiative is led by the Director Project Management Support Organization (DPMSO) within the ADM(Mat) organization – conveniently interwoven with the Director General Major Project Delivery(SEA) (DGMPD(S)) and RCNs DNMCP. DPMSO is responsible for project management support, and the implementation and management of the DND PMCDP. The DPMSO PMCDP is an example of enhanced client capability and competency improvement at the DND. In addition, DND has fully endorsed academic programs delivered by the University of Ottawa’s Telfer School of Management through sponsorship of the Certificate of Complex Project and Procurement Leadership (CPPL), Masters of Business in Complex Project Leadership (MBCPL) and also by acquiring tailored training programs direct from industry.^{31,32} The RCN and DND have recognized the importance of understanding emerging concepts in complex project management and competency development.³³ It is assessed that DND has made significant progress to enhance its organizational project management competency.

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

³⁰ Canadian Government Executive(CGE), “Manager development: Matching Competency to Complexity” May 2014 , accessed 15 May 2020 at <https://canadiangovernmentexecutive.ca/manager-development-matching-competency-to-complexity/>

³¹ University of Ottawa, “Telfer School of Management Advances in Complex Project Management Program”, accessed 18 May 2020, <https://telfer.uottawa.ca/en/cpl/blog/advances-in-complex-project-leadership/>

³² Global Knowledge, “Case Study: The Department of National Defence Adopts New Training to Propel Project Management Success”, accessed 16 May 2020, <https://www.globalknowledge.com/ca-en/resources/case-studies/the-department-of-national-defence-adopts-new-training-to-propel-project-management-success/>

³³ *YouTube*, “Telfer Master in Business in Complex Project Leadership Testimonial”, accessed 15 May 2020, https://www.youtube.com/watch?v=FvxEsese_3w

CONTINUITY

“... turnover, both at the political and senior administrative levels, has exacerbated problems at DND. He [Mr. David Perry] also noted that the department places more focus on operational activities and less time and effort in putting the right people in jobs that are important to procurement, as well as providing the necessary training and mentoring. “³⁴

Continuity is critical for any complex project. Human resource succession planning and ensuring the right people are in the right jobs, for the right amount of time, requires constant attention by managers. The previous paragraph mentioned the importance and level of improved competency management occurring across key stakeholders and the DND; however, the real balancing act is ensuring forward momentum is maintained throughout project delivery via focused human resource succession planning. For all stakeholder departments under the NSS umbrella, staff turnover is impossible to avoid. Deployments, secondments, second language training (SLT) absences, postings and retirements are commonplace for government departments or industry. For DND and ADM(Mat) in particular, corporate knowledge and continuity management during major project delivery can be somewhat mitigated or at least minimized by conducting routine horizontal reviews “...to get a handle on its human resources structure, to get people with expertise and leave them in their positions longer.”³⁵ Reporting to the First Interim Standing Committee on Defence Procurement,

³⁴ Senate of Canada, *Interim Report of the Standing Committee on National Finance : First interim Report on Defence Procurement: Summary of Evidence*, June 2019, 26, accessed 10 May 2020, <https://www.defenceandsecurity.ca/UserFiles/Uploads/publications/reports/files/document-25.pdf>

³⁵ *Ibid.*, 26

Ms. Stewart-Belisle indicated “that DND is chronically understaffed on large procurement projects.”³⁶

To address this issue, Ian Mack (Vice Admiral Ret’d) proposes an alternative solution for DND to take advantage of retired experienced personnel for commoditized support.³⁷ While observations of expert witnesses may be hard to contest, one strategy to acquire alternative assistance to staff shortages is to engage experienced retired members that could be retained via the *casual* hiring process to fill capacity gaps in project management as required.^{38,39,40} The importance of continuity and relational contracting cannot be understated. It is widely accepted that complex projects benefit from continuity. It is recommended that maintaining human resource and competency management stability requires review and deliberate monitoring to mitigate continuity loss impacts in major capital projects (MCP).

³⁶ *Ibid.*, 26

³⁷ David Perry, “Defence Deconstructed Podcast: Complex Project Delivery Capability Matters”, Canadian Global Affairs Institute, accessed 15 May 2020, <https://open.spotify.com/episode/5gLuku99Zvt9DHPSaRfRbX>, min 26 :00

³⁸ *Ibid.*, min 26 :00

³⁹ *Ibid.*, min 25 :00

⁴⁰ Treasury Board of Canada Secretariat, “Casual Worker”, accessed 17 May 2020, <https://www.canada.ca/en/treasury-board-secretariat/services/staffing/public-service-workforce/casual-worker.html>

CAPACITY

“For the marine sector, and more specifically shipbuilding, there is a risk of insufficient human resource capacity needed to manage and execute complex, specialized shipbuilding projects.”⁴¹

NSS is expanding capacity and demonstrating policy flexibility to meet increased demands of federal fleet renewal.⁴² At the onset of the NSS, only two shipyards were required to meet federal fleet renewal.⁴³ At the time, 5 shipyards responded to the NSS Request for Proposals (RfP). The person-hours required to deliver the ships in 2009 was initially estimated to be 100 million person-hours.⁴⁴ In May 2019, the Prime Minister announced expansion of the NSS, to add a third shipyard to respond to the increased demand for 6 new Program Icebreakers (PIB) and fifteen new Multi-Purpose Vessels (MPVs) for the Canadian Coast Guard (CCG).⁴⁵ In addition to this announcement, 2 more AOPs CCG variants were added to the Director General Large Combat Ship (DGLCS) portfolio, adding to the existing 6 AOPs Class vessels destined for the RCN.

The NSS value proposition (VP) contracts have had enormous impact on developing skilled trades in Canada’s marine sector. The VP contract clauses spurred shipyard contractors to partner with education and create internal apprenticeship

⁴¹ Public Service Procurement Canada, *National Shipbuilding Strategy Annual Report 2018*, 13-14, accessed 16 May 2020, <https://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/documents/rapport-report-2018C-eng.pdf>

⁴² Public Service Procurement Canada, “Canada Announces Next Step Toward Adding third Strategic Partner Under National Shipbuilding Strategy”, December 2019, accessed 12 May 2020 <https://www.canada.ca/en/public-services-procurement/news/2019/12/canada-announces-next-step-toward-adding-third-strategic-partner-under-national-shipbuilding-strategy.html>

⁴³ Public Service Procurement Canada, *National Shipbuilding Strategy*, last modified 13 November 2019, accessed 20 May 2020, <https://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/mer-sea/sncn-nss/index-eng.html>

⁴⁴ Office of the Auditor General of Canada, *Fall Report of the Auditor General of Canada*, Chapter 3, Fall 2013, accessed 20 May 2020, https://www.oag-bvg.gc.ca/internet/English/parl_oag_201311_03_e_38797.html#hd3c

⁴⁵ Canadian Defence Review, “Canada Announces CCG Fleet Renewal Including 2 New AOPS”, May 2019, accessed 16 May 2020, <http://www.canadiandefencereview.com/news?news/2673>

programs to develop partnerships to enhance Canada's shipbuilding skilled trade capacity. The partnerships between industry and educators have improved the capacity of Canada's shipbuilding workforce, evident by a "2.5 times higher share of employment in science, technology, engineering, and mathematics (STEM) fields."⁴⁶ Shipbuilding skilled labor capacity is a critical variable for the timely delivery of maritime capability to the RCN. It is recommended that all NSS stakeholders continue to monitor personnel capacity for skilled trades as an identified risk.

COMPETITIVENESS

The NSS was created to revive Canadian marine industry and ensure continuous shipyard productivity improvement and international competitiveness. The qualifying requirement at the onset of the NSS in 2010 was the initial Request for Proposal (RFP) criteria for Canadian shipyards to have the potential to achieve a top quartile international standard of productivity; referred to as the achievement of 'Target State'.⁴⁷ The NSS has developed a performance management and continuous improvement framework to monitor shipyard productivity. The assessment of shipbuilding capacity is supported by a globally renowned shipbuilding expert First Marine International (FMI). FMI advises the NSS and focuses on assisting Canadian shipyards establish international best practices by conducting shipbuilding benchmarking and capability assessments.⁴⁸ Consulting with

⁴⁶ *Ibid.*, 11

⁴⁷ First Marine International, *First Marine international Finding for the Global Shipbuilding Industrial Base benchmarking Study: Part 2 Mid-Tier Shipyards – Final Redacted Report*, February 2007, 55-61, accessed 10 May 2020, https://www.nsrp.org/wp-content/uploads/2015/08/FMI-Global_Industrial_Benchmarking-mid-tier_yards.pdf

⁴⁸ Public Service and Procurement Services, *Third Party Advice and Reviews for the National Shipbuilding Strategy: Shipyard Assessment and Performance Benchmarking*, Last modified November 2019, accessed 15 May 2020, <https://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/mer-sea/sncn-nss/experttiersncn-thirdpartyexpertnss-eng.html>

global experts such as FMI allows Canada to measure the shipbuilding ‘pulse’ and make informed policy decisions regarding contract negotiation, incentives, shipyard capacity, and productivity improvement. From a collaborative perspective, assessing shipyards through an impartial third-party could be viewed as a win-win situation for both Canada and shipyards. One of the strengths of the NSS relationship with FMI is its arms-length impartiality. This commoditized support is designed to enhance global competitiveness through the development of leaner agile project management practices and management operating systems, to increase shipyard productivity and schedule performance.⁴⁹ Having FMI as a third-party advisor to Canada since NSS inception, offers a level of recognized credibility, competency, consistency and continuity to the NSS.

In comparison, to ensure Britain’s national shipbuilding capacity remains competitive upon leaving the European Union, the UK Minister of Defence (MoD) appointed Mr. Ben Wallace as the country’s *Shipbuilding Tsar*.⁵⁰ As evidenced by Sir John Parker’s 2016 review of the implementation of Britain National Shipbuilding Strategy (NSbS), several recommendations were made to the MoD to improve the NSbS.⁵¹ It is the author’s opinion that Canada’s NSS would benefit from a review of the recommendations made in Sir John Parker’s report to Britain’s MoD. This idea is further

⁴⁹ First Marine International, *First Marine international Finding for the Global Shipbuilding Industrial Base benchmarking Study: Part 2 Mid-Tier Shipyards – Final Redacted Report*, February 2007, 55-61, accessed 10 May 2020, https://www.nsrp.org/wp-content/uploads/2015/08/FMI-Global_Industrial_Benchmarking-mid-tier_yards.pdf

⁵⁰ Government of the United Kingdom, “Press Release: Prime Minister Pledges to Bring Shipbuilding Back to the U.K.”, September 2019, accessed 20 May 2020, <https://www.gov.uk/government/news/prime-minister-pledges-to-bring-shipbuilding-back-to-the-uk>

⁵¹ Sir John Parker, GBE FREng, *Independent Review of the National Shipbuilding Strategy (Redacted)*, 2017 accessed 20 May 2020, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844073/Sir_John_Parker_s_Independent_Review_of_the_National_Shipbuilding_Strategy_2019.pdf

supported indirectly by Ian Mack (Rear Admiral Ret'd) of the Canadian Global Affairs

Institute:

“... one useful place to start is by comprehensively exploring other nations’ approaches to identify gems we might adopt and trial before we need to buy warships again.”⁵²

COMMUNICATION

“To mitigate the risk of ineffective internal communications, the Government of Canada has co-located project teams from implicated departments and implemented ongoing and robust governance that includes representation from the two main shipyards. This helps ensure ongoing, consistent communications with government departments and key strategic partners”⁵³

The NSS governance enables communication across key stakeholders.⁵⁴ This framework maintains battle-rhythm with shipyard executives and produces relational contracting, joint risk management, and constant communication. The DND *Defence Investment Plan 2018*, *Defence Capabilities Blueprint* and *Defence Results Framework* (DRF) are further indications that defence procurement policies are under continuous scrutiny and progressing toward improved communications and reporting.^{55,56,57} With respect to the NSS, annual reporting has occurred since 2016, in response to a critical

⁵² Ian Mack, *Another Way to Buy Frigates*, Canadian Global Affairs Institute, November 2019, 11, accessed 20 May 2020 https://www.cgai.ca/another_way_to_buy_frigates

⁵³ Public Service Procurement Canada, *National Shipbuilding Strategy Annual Report 2018*, 13, accessed 16 May 2020, <https://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/documents/rapport-report-2018C-eng.pdf>

⁵⁴ The NSS governance framework includes Deputy Ministers (DMGC), Assistant Deputy Ministers (ADMC), Executive Governance Committee (EGC), and the Director General level (DGGC) in addition to the Portfolio Management Committee (PMC) for each pillar of the NSS. The ADMC, EGC, DGGC and PMC governance framework maintain a monthly schedule.

⁵⁵ Department of National Defence, *Defence Investment Plan 2018: Annual Update 2019*, accessed 20 May 2020, <https://www.canada.ca/en/department-national-defence/corporate/reports-publications/defence-investment-plan-2018.html>

⁵⁶ Department of National Defence, *Defence Capabilities Blueprint*, May 2019, accessed 20 May 2020, <http://dgpaapp.forces.gc.ca/en/defence-capabilities-blueprint/index.asp>

⁵⁷ Prime Minister of Canada, *Ministerial Mandate Letter: Minister of National Defence*, accessed 18 May 2020 <https://pm.gc.ca/en/mandate-letters/2019/12/13/minister-national-defence-mandate-letter>

recommendation from the Fall 2013 Office of the Auditor General Report.⁵⁸ The NSS annual reports offer transparency and candor regarding the progress of fleet renewal, offering full disclosure and identification of ‘top risks’ and areas for development. Upon review of the frequency of NSS annual reporting since the strategy’s inception, it is the author’s opinion that communication efforts have improved substantially since inception. Defence procurement analyst David Perry of the Canadian Global Affairs Institute generally supports this notion:

“People working on procurement, while acknowledging some challenges, generally believe that the system works far better than those outside it perceive, and there is a widespread sentiment that the years since the launch of *Strong, Secure, Engaged* have been particularly productive.”⁵⁹

⁵⁸ Office of the Auditor General of Canada, *Fall Report of the Auditor General of Canada*, Chapter 3, Fall 2013, accessed 20 May 2020, https://www.oag-bvg.gc.ca/internet/English/parl_oag_201311_03_e_38797.html#hd3c

⁵⁹ David Perry, *Defence Procurement Outlook for Canada’s 43rd Parliament*, Canadian Global Affairs Institute December 2019, accessed 20 May 2020 https://d3n8a8pro7vhm.cloudfront.net/cdfai/pages/4322/attachments/original/1575328810/The_Defence_Procurement_Outlook_for_Canadas_43rd_Parliament.pdf?1575328810

CONCLUSION

Delivering maritime capability is a complex endeavor. In the case of maritime capability development and the NSS; the benefits regarding relational contracting, policy flexibility and infrastructure investment are evident as new ships are launched and delivered to federal fleets.⁶⁰ It is the medium-and long-term focus on client capability, collaboration, competency, continuity, capacity, and competitiveness that will ensure the tenets of the NSS will *successfully* build ships that deliver capability to meet the RCN operational requirements. This paper demonstrated that the RCN is poised at the institution level, to leverage specific benefits from NSS inter-departmental collaboration, personnel competency frameworks, and shipyard competitiveness. This paper recommends careful human resource management within all stakeholders with respect to continuity, capacity, and competency. This paper also recommends a strategic level review be conducted to determine if collaborative efficiencies could be gained by conducting comparative analysis of commonwealth shipbuilding practices and procurement processes. It is with the 7 'C' lens that commentators must consider when evaluating the NSS on its long-term sustainable approach to deliver maritime capability to the RCN. Above all, it is communication that will always be key.

⁶⁰ Office of the Parliamentary Budget Officer, *The Cost of Canada's Surface Combatants: 2019 Update*, accessed 15 May 2020, https://www.pbo-dpb.gc.ca/web/default/files/Documents/Reports/2019/Canada-Surface-Combatants-update/CSC_Update_2019_Report_E.pdf

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