



Defence Procurement Strategy

Improving Defence Procurement

The Defence Procurement Strategy (DPS) has three key objectives:

- delivering the right equipment to the Canadian Armed Forces (CAF) and the Canadian Coast Guard in a timely manner;
- leveraging our purchases of defence equipment to create jobs and economic growth in Canada; and
- streamlining defence procurement processes.

Components of the Defence Procurement Strategy (DPS) that will support these objectives include:

Delivering the right equipment to the Canadian Armed Forces and the Canadian Coast Guard in a timely manner

- Ensuring early and continuous industry and client engagement in the procurement process;
- Starting in June 2014, publishing an annual Defence Acquisition Guide (DAG) that outlines National Defence (DND) procurement priorities; and
- Establishing within DND an independent, third-party challenge function for military requirements.

Leveraging our purchases of defence equipment to create jobs and economic growth in Canada

- Using a weighted and rated Value Proposition, to assess bids for defence and major Canadian Coast Guard procurements;
- Implementing an Export Strategy to support international sales opportunities and participation in global value chains;
- Identifying and applying Key Industrial Capabilities (KICs) to inform potential economic benefits of individual procurements so that they meet the CAF's needs and increase the competitiveness of Canadian firms in the global marketplace; and
- Establishing an independent, third-party Defence Analytics Institute which will provide expert analysis to support the objectives of the Defence Procurement Strategy (DPS) and its evaluation.



Streamlining Defence Procurement Processes

- Adopting a new regime to ensure streamlined and coordinated decision-making for defence and major Canadian Coast Guard procurements;
- Establishing a Defence Procurement Secretariat within PWGSC; and
- Reviewing the current National Defence delegated authority to purchase goods with a view to increasing the level from the current \$25,000 to achieve more efficient procurement practices.

Substantive industry engagement and recommendations from independent advisors, namely the Canada First: Leveraging Defence Procurement Through Key Industrial Capabilities report by Tom Jenkins and the Aerospace Review report by David Emerson, have provided important input and helped inform the Government's approach to developing the Defence Procurement Strategy (DPS) and improving defence procurement outcomes.

The Defence Procurement Strategy (DPS) fulfils the Government's commitment to better ensure that purchases of defence equipment create economic opportunities for Canadians and that defence procurement outcomes improve.

The Defence Procurement Strategy (DPS) will be implemented based on a whole-of-government approach to defence procurement and the application of early and continuous engagement, use of independent advice, and timely and effective decision-making to guide and co-ordinate defence and major Canadian Coast Guard procurements. The Defence Procurement Strategy (DPS) represents a fundamental change in the approach to defence procurement.