INCOSE Canada Chapter is grateful to

COLONEL (RET'D) BOB GUNN

for providing the slides which accompanied his presentation on

PROCUREMENT IN DND

at the INCOSE Canada Chapter's mini-conference

Systems Engineering Principles Transcend all Domains Focusing on the Value of System Engineering in Delivering Large Complex Systems

Saturday Sept.28, 2013 Ottawa, Ontario.

This file available at: http://incosecanada.weebly.com

Procurement in DND

Some Observations by Bob

Working Defence Procurement



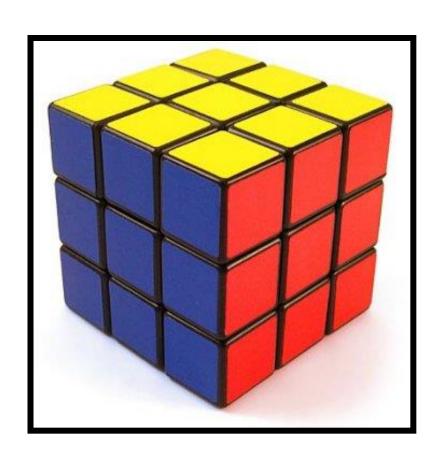
Procurement in DND



Is it a Wicked Problem?

- Requirements volatile
- Constraints ever changing
- Stakeholders resistance
- Target moving
- Time and effort spent with little to show
- Process re-engineering involved
- Solutions have consequences

What Colour is the Cube?



Government Departments and Relationships

Direct Essential Military Requirements

Department of National Defence

- Define the Military Requirements

Public Works and Government Services Canada

 Conduct the solicitation and contracting and ensure Laws of Government Spending are followed!

Ensure appreciation of Canadian Industry is understood and how Canadian Industry is needed to support Canadian military capability!



Ensure Contract includes clauses that tell supplier how to spend the money in Canada and include Canadian Industry!

Industry Canada

-Ensure Canadian Industry (and therefore Canadian population) benefit from Government actions...specifically, DND Spending.

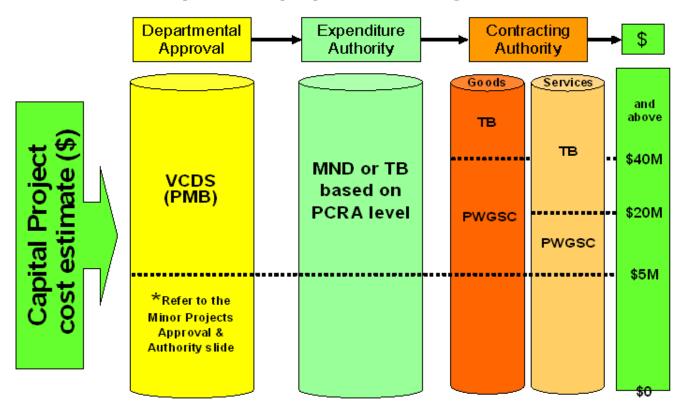
- Tool: Industrial Regional Benefits (IRBs)

Other "Departments" Involved

- Atlantic Canada Opportunities Agency (ACOA)
- Human Resources and Skills Development Canada (HRSDC)
- Social Development (SD)
- Foreign Affairs and International Trade (FAIT),
- Canada Economic Development (CED) for Quebec Regions
- Finance Canada
- Indian and Northern Affairs Canada (INAC)
- Environment Canada (EC)
- National Research Council (NRC)
- Treasury Board of Canada Secretariat (TBS)
- Western Economic Diversification (WD).

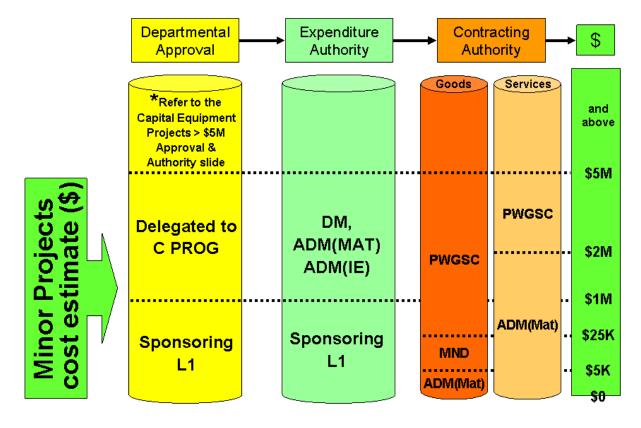
Decision Makers

Approval & Authority Levels Capital Equipment Projects > \$5M



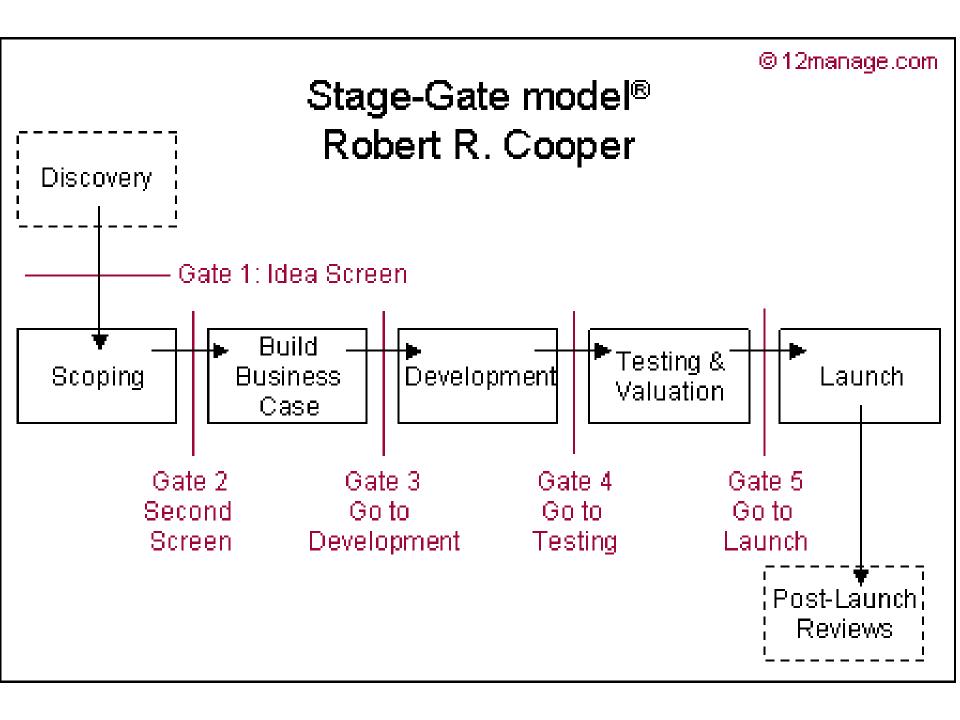
Decision Makers (2)

Approval & Authority Levels Minor Projects (& UORs) < \$5M

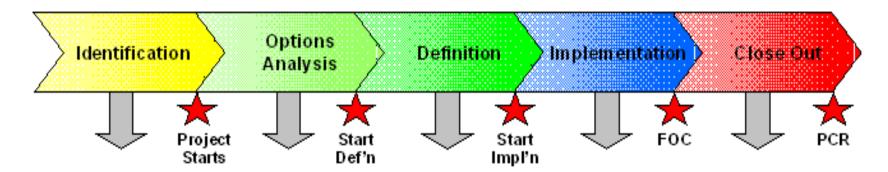


Advisory Bodies Involved

- Senior Review Board (SRB)
- Defence Capabilities Board (DCB)
- Program Management Board (PMB)
- Senior Project Advisory Committee (SPAC)
- Major Crown Project Integrated Oversight Committee (MCP-IOC)
- Treasury Board (TB)
- Cabinet



Standard Project Stages - Activity



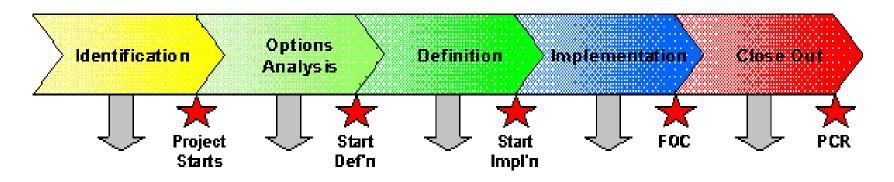
- Identify capability deficiency
- Capability based planning validation
- •Determine the Policy cover
- •Identify the resources
- Highlight the risks

- •Formulate Options
- Assess costs & benefits
- Examine risk
- Select option
- Identify the best business deal for DND

- Detailed review, risk assessment & costing
- •Im plementation planning
- Implementation management & monitoring
- Procurement strategies
- Status reports

- Capture lessons learned
- Close-out activities

Standard Project Stages Documentation



Investment Plan Change Proposal -IPCP

 Project Opportunity and Risk

Assessment-PORA

Project Brief (PB)

Project Charter

-SOR

-PORA

•Update PCRA/IPCP

•Business Case

Cost Validation

-Memo to Cabinet

-PB

•Finalize SOR

•Update — Project Charter, PB, PCRA/

PORA, Cost Validation

Definition Study

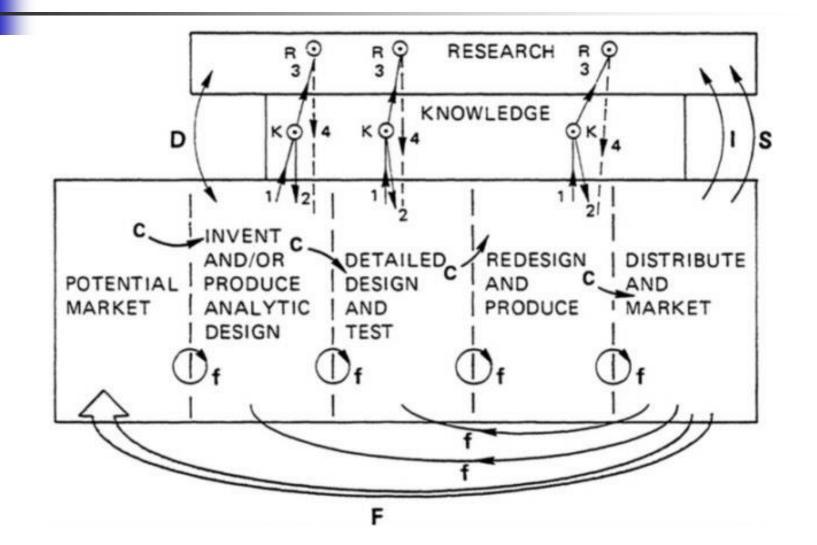
ProjectManagement

Plan •PB •IOC and FOC Certificates

Project Completion
 Report -PCR

Project Closeout
 Checklist - PCOC

Kline and Rosenberg Chain Linked Method



[EPA]) to SRB, PMB and TB

Army Training Authority (ATA)

Army Training and Professional Dev Board

modifications as necessary

COS Land Ops / COS Land Res

Army Management Board

SRB. PMB and TB

COS Land Strat - Army Research Board

Army Capability Development Board

Sheet (Identification) (SS[ID])

Asst CLS

Army Program Board

CLS

RGp / Army Council

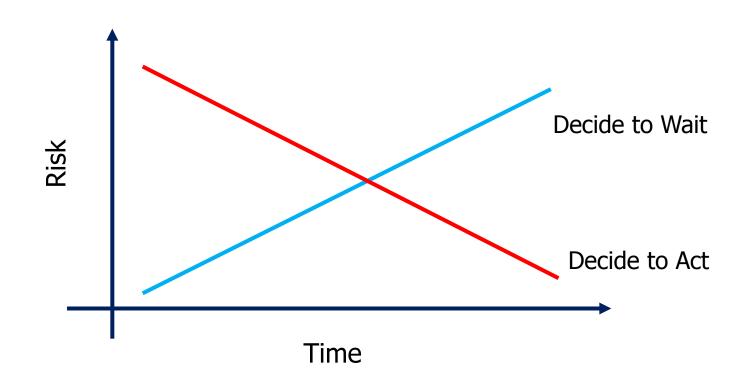


Difficulties in Procurement

- One size does not fit all
- Bandwidth of the control system
- Experience of the practitioners
- Competing aims
- Understanding of RISK



Risk of a Wrong Decission





Is it a Wicked Problem?

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Discussion