

PSPC DETAILED ACTION PLAN
Response to the recommendation from the OAG Audit of the National Shipbuilding Strategy
(Auditor General of Canada, Spring Report 2021)

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
Para. 36	<p><u>Recommendation 1</u></p> <p>The Canadian Coast Guard, National Defence, and Public Services and Procurement Canada should implement mechanisms to:</p> <ul style="list-style-type: none"> - obtain complete, current, and reliable schedules to support shipbuilding projects - ensure that progress toward forecast targets and delivery timelines is monitored to enable timely decision making 	<p>Agreed.</p> <p>Fisheries and Oceans Canada (the Canadian Coast Guard), National Defence, and Public Services and Procurement Canada agree that having complete, current, and reliable schedules is essential for decision making and management of the shipbuilding projects. Departments will continue to work together and with shipyards to improve delivery and accuracy of schedules and ensure more disciplined reporting of progress toward targets. Current tools, such as the shipyard-produced integrated project schedules, and approaches, including earned value management, will be further matured to ensure that cost and schedule are properly managed and to support oversight by governance committees at all levels.</p>	<p>Receipt of evidence-based shipbuilding project schedules that are complete, current and reliable.</p>	<p>Q4 2021/22 [for currently existing contracts]</p>	<p>Key interim milestone A:</p> <p>Enhanced Project Performance Through Detailed Schedule Analysis. Continue to leverage the world-class Earned Value Management (EVM) project management methodology that integrates schedule, costs, and scope to measure project performance. This will enable schedule and cost forecasting, identification of windows of opportunities to address potential issues, and adjustment of project parameters in a timely and effective manner. Work with client departments to confirm capability to perform detailed EVM analysis, or contract on their behalf to obtain third-party expert support to do so. Use the EVM analysis to evaluate windows of opportunities within the project/program schedules. Link integrated EVM data to Risk Management discussions (see Recommendation #2).</p> <p>Date of Completion:</p> <ul style="list-style-type: none"> - EVM Clauses in Key Build Contracts: Completed - Implementation across all Governance: 50% now, 100% by Q1 2022 <p>Key interim milestone B:</p> <p>Comprehensive Review and Adjustment of Contracts. Review existing contracts for EVM and</p>	<p>Simon Page</p> <p>Assistant Deputy Minister, Defence and Marine Procurement Branch</p> <p>873-455-3834</p>	

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
					<p>schedule-related obligations and deliverables Assess the adequacy/acceptability and completeness of these obligations and deliverables and re-enforce and/or adjust specific clauses as required. Leverage the established NSS governance to consider proposed contract amendments aimed at ensuring use of EVM schedules, other shipyard-related schedule obligations, and deliverables are included as part of shipbuilding contracts. Lessons learned from the review of existing contracts will be applied to new contracts.</p> <p><i>(Note: There have been no new contracts issued since the release of the audit report but some are expected in 2021 and 2022).</i></p> <p>Date of completion: Q3 2021/2022 For new contracts: as required</p> <p>Key interim milestone C:</p> <p>Focused Governance Reviews and Decision-Making. Establish a dedicated, recurring agenda item for the review of integrated schedule information (including EVM data and long-term project and programme schedules) at ADM and DM-level governance committees. This recurring agenda item will have direct linkages to the Risk Management information and be reviewed in a consolidated and timely manner so that project and program schedules can be comprehensively discussed and decision-making can be effectively enabled.</p> <p>Date of completion: - Focused Governance: Completed</p>		

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
					- Decision Making with Risk Management Tool: Q3 2021/2022		
Para. 46	<p><u>Recommendation 2</u></p> <p>Public Services and Procurement Canada should improve risk management tools at the National Shipbuilding Strategy's management level to enable:</p> <ul style="list-style-type: none"> - thorough risk analysis - specific, time-bound, and measurable risk mitigation action plans - better monitoring of the implementation of risk mitigation measures 	<p>Agreed.</p> <p>Public Services and Procurement Canada will improve risk management tools used to support the management of risks. These risk management tools will ensure that all relevant information is available to decision makers and ensure clarity and transparency.</p>	<p>Through increased levels of dedicated resources, and the introduction of required software, enhance the overall capability and efficacy of the NSS risk management process. To ensure continued improvement engage third party expertise to enable process reviews and to integrate recommendations.</p>	Q4 2021/2022	<p>Key interim milestone A:</p> <p>Resources and Tools. Engagement of a fully dedicated team and acquisition of supporting software/tools to increase risk management capacity. The software will allow for a coherent and integrated approach to the evaluation of risks across all programmes including identification and reduction of systemic risks, the measurement of these risks, and recurring problems analysis.</p> <p>Date of completion: Q3 2021/2022</p> <p>Key interim milestone B:</p> <p>Comprehensive Mitigation Strategies. To ensure clarity and transparency, ensure completeness of mitigation strategies for all NSS risks and implement approaches to track and report on progress. The degree of control on each of the mitigation strategies will also be analyzed. Integrate risk mitigation strategies into the ADM and DM-level governance meetings and ensure linkages with key project/program parameters such as cost and schedules (EVM) are established and monitored.</p> <p>Date of completion: 40% now, completion by Q4 2021/2022</p>	<p>Simon Page</p> <p>Assistant Deputy Minister, Defence and Marine Procurement Branch</p> <p>873-455-3834</p>	
Para. 49	<p><u>Recommendation 3</u></p>	<p>Agreed.</p>	<p>From the experience related to timing of Target</p>	Q4 2021/2022	<p>Key interim milestone A</p>	<p>Simon Page</p>	

Report Ref. No.	OAG Recommendation	Departmental Response	Description of Final Expected Outcome/Result	Expected Final Completion Date	Key Interim Milestones (Description/Dates)	Responsible Organization/ Point of Contact (Name, Position, Tel #)	Indicator of Achievement (For Committee Use Only)
	Public Services and Procurement Canada should consider the experience of the first 2 shipyards in determining a schedule to achieve target state for the third shipyard.	The target state requirement is an important facet of the National Shipbuilding Strategy. Public Services and Procurement Canada is applying to the third shipyard the lessons learned from the first 2 strategy shipyards in terms of the timing of assessments within the target state process.	State assessments for the initial NSS shipyards, develop an approach that leverages these lessons learned to support a timing for assessments for the 3 rd NSS shipyard.		<p>Target State Evaluation Approach. Review current approaches with regards to timing and expected results of Target State assessments. Show specific linkages between Target State and shipyards' ability to build the ships within their programme of work. Extract best practices and develop alternative methodology for the NSS 3rd shipyard Target State assessment process. Continue to focus on a milestone based approach to assessment thereby allowing full demonstrability of elements; use of interim assessment efforts to provide supportive direction in advance of final assessments; provision of a comprehensive guide regarding target state assessment process inclusive of roles and responsibilities and associated timelines</p> <p>Date of completion: Q2 2021/2022</p> <p>Key interim milestone B</p> <p>Target State Lessons Learned.</p> <p>Based on lessons learned from initial NSS Umbrella Agreements, integrate into the 3rd NSS shipyard's Umbrella Agreement timing for Target State assessments</p> <p>Date of completion: Q4 2021/2022</p>	Assistant Deputy Minister, Defence and Marine Procurement Branch 873-455-3834	