

Royal Canadian Navy



Marine royale canadienne

National Defence  
Headquarters  
Ottawa, Ontario  
K1A 0K2

Quartier général de  
la Défense nationale  
Ottawa (Ontario)  
K1A 0K2

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Distribution List

## **NAVAL IN-SERVICE SUPPORT - KEY PRINCIPLES**

References: A. Industrial and Technological Benefits Policy: Value Proposition Guide, December 2014, <http://www.ic.gc.ca/eic/site/086.nsf/eng/00006.html>

B. Defence Renewal Charter, October 2013, <http://materiel.mil.ca/en/about-us-strategic-direction/defence-renewal.page>

C. Defence Renewal Plan, October 2013, <http://materiel.mil.ca/en/about-us-strategic-direction/defence-renewal.page>

D. C-03-005-012/AM-001, Naval Materiel Management System Manual

1. The naval materiel management enterprise is undergoing a transformation in response to a number of key environmental drivers and initiatives launched by Government. The Defence Renewal (DR) initiative has mandated a review of existing and future maintenance and materiel support programs with outcomes that optimize weapon system performance and value for money. Specifically, DR 2.3, labelled as Maintenance Program Design, calls for tailored sustainment solutions to be developed through a business case analysis process. Moreover, the Defence Procurement Strategy (DPS) envisions greater opportunity for industry to leverage defence procurement investment to create innovation, growth and long-term sustainment of the defence sector. These strategic drivers provide an opportunity for renewal of the naval materiel management enterprise to improve existing class support programs through increased technical readiness and to prepare for the delivery of the future fleets.

2. Through the Maritime Equipment Program Management (MEPM) Strategic Initiative (MSI), a comprehensive thrust to defining the future naval In-Service Support landscape has been taken. This thrust represents a key enabler of the Naval Materiel Management System (NaMMS), created to optimize capability, within a given resource envelope, while reinforcing the key objectives and principles of DPS and DR. It will deliver the systemic approach to naval maintenance that is required to ensure that ships and systems remain within design intent. Success can only be achieved through the delivery of a comprehensive naval materiel management framework that addresses program management, life-cycle management, technical schedule management, and service delivery. The ultimate outcome of the framework will be the

financially viable sustainment of materiel that is fit for purpose, safe and environmentally compliant. Realization of this outcome will be measured and continuously improved upon to ensure that Naval Materiel Assurance (NMA) and RCN readiness requirements are met.

3. A basic premise of the future naval in-service support framework is that In-Service Support solutions will consider industry's capacity to deliver materiel and services beyond traditional roles, with the largest potential changes being in the realm of Level Two maintenance and materiel management. Implementation of this premise is complex as In-Service Support of the future fleet must also include our Fleet Maintenance Facilities (FMFs) as they represent a key strategic asset that provides a critical and essential support role to Naval Fleets. In addition to the DR 2.3 key sustainment principles of Performance, Flexibility, Socio-Economic Benefits and Value for Money, the naval materiel management enterprise will need to include factors such as capacity constraints, strategic capability requirements and limited space within the Naval Dockyards as we seek to optimize the solutions needed for RCN fleet availability requirements. While some maintenance activities will remain with DND and some exclusively completed by other trusted service providers, DND and industry will need to evolve the integrated approach to equipment maintenance for In-Service Support so as to be genuinely optimized. Under this hybrid arrangement one entity will be identified as the Primary Maintenance Service Provider thus ensuring that maintenance is completed while also ensuring that the Secondary Maintenance Service Provider maintains the critical skill-set and capability. This arrangement will help guarantee that capability is maintained across the naval materiel management enterprise while retaining broad in-house capability as a prudent risk avoidance strategy.

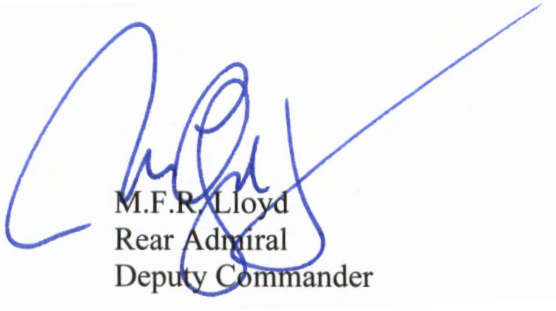
4. This hybrid construct, already incorporated into the AJISS (AOPS JSS In-Service Support) maintenance concept, is based upon the principle of collaboration and limited duplication. To achieve this FMF and Dockyard infrastructure will need to be shared; options of establishing a maintenance zone to enable efficient contractor service delivery within Dockyard and arrangements for equipment sharing within the FMF to avoid costly duplication of tools and infrastructure will need to be explored. Stakeholder planning and coordination (Technical Schedule Management) will increase in complexity and will require a shared management structure, a challenge that will reside with the Formations to lead and execute. Integration of infrastructure and schedule will forge the path to integrated service delivery by multiple service providers.

5. As support solutions are developed, several key guiding principles must be adopted to ensure that performance, flexibility, socio-economic benefits and value for money are incorporated to the greatest extent possible. They are:

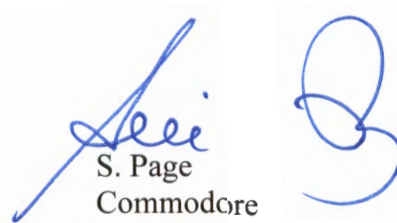
- a. FMF capability and capacity will remain a key strategic element of the naval materiel management enterprise to assure continuity of support and RCN technical insight;
- b. Industry is expected to play a greater role in the delivery of In-Service Support and will be co-located within dockyard. A dedicated maintenance zone with enablers for efficient service delivery and materiel management should be considered in order to optimize maintenance execution and preserve contract performance requirements;
- c. Duplication of support infrastructure and associated tools is undesirable and therefore provisions for contractor use are to be enabled;

- d. Program management of FMF services and coordination of Contractor activities within the Dockyard to deliver technically ready ships/submarines to an agreed schedule will remain the responsibility of the Commanding Officer of each respective FMF as per current practices;
- e. Clear roles, responsibilities and accountabilities must be defined and maintained to preserve the integrity of contract arrangements. Contract project management teams, represented by on-site management teams, can be anticipated as In-Service Support arrangements are established. These teams will be integrated into the FMF Operations Department to enable integrated planning and scheduling; and,
- f. A robust contract governance framework to facilitate sustained coordination, optimization and innovation will be required to ensure the Naval Support Enterprise remains effective.

6. While the milestones associated with the introduction of the new fleets continue to invigorate the RCN, innovative support solutions will be essential in meeting the demands of ongoing defence initiatives. Galvanizing the relationships between industry and government in the context of the Naval Support Enterprise, while maintaining the necessary priorities and levels of security, will be vital in tailoring these innovative solutions to ensure that the supportability needs of the RCN continue to be met.



M.F.R. Lloyd  
Rear Admiral  
Deputy Commander



S. Page  
Commodore  
Senior Naval Engineering Advisor  
Director General  
Maritime Equipment Program Management

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