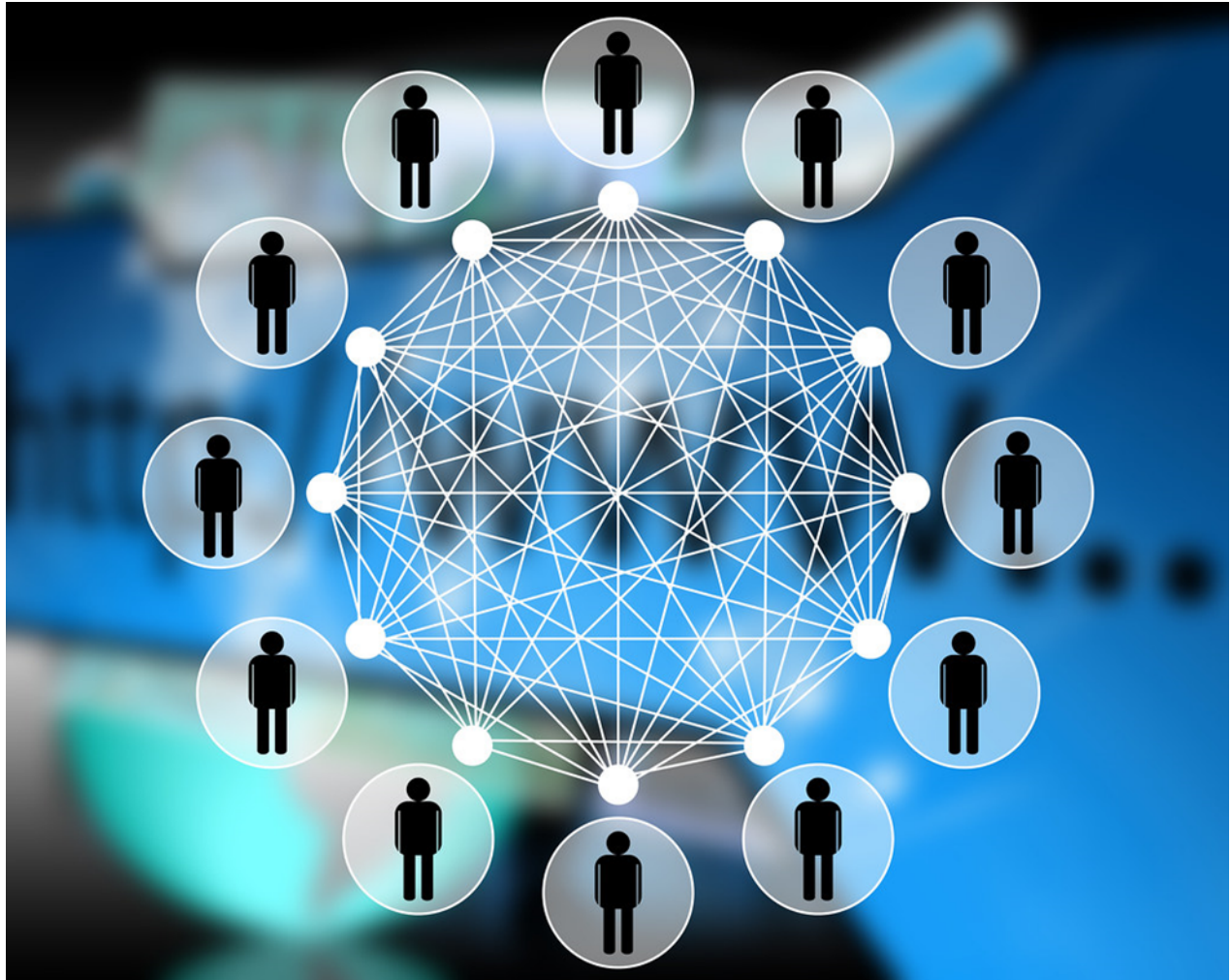




# Marine Industry Advisory Committee

## Marine Industry Advisory Committee



Virtual Zoom Meeting – June 14 & 17, 2021

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Prepared by

Public Services and Procurement Canada  
Marine Commodity Management Office



# Marine Industry Advisory Committee

## Acronyms

ABCMI	Association of British Columbia Marine Industries
BC	British Columbia
CCG	Canadian Coast Guard
CFA	Canadian Ferries Association
DND	Department of National Defence
EPS	Electronic Procurement Solution
GC	Government of Canada
HR	Human Resources
IB	Inflatable boat
ISBWG	Interdepartmental Small Boat Working Group
ISED	Innovation, Science and Economic Development
KPI	Key Performance Indicator
MCMO	Marine Commodity Management Office
NSS	National Shipbuilding Strategy
OPI	Office of Primary Interest
RHIB	Rigid hull inflatable boat
SME	Subject matter expert
SVC	Small Vessel Construction
SWOT	Strengths, Weaknesses, Opportunities and Threats
TBD	To be determined
TOR	Terms of Reference
VPM	Vendor Performance Management



# Marine Industry Advisory Committee

## MIAC MEETING DAY 1

June 14, 2021 13:00-15:00EDT  
MS Teams

### MIAC Sub-Working Groups

<b>HR Capacity</b>	<p><b>WG Status: Operating</b></p> <p>Responsible OPI – NSS</p> <p>Permanent members: Cdn. Welding Bureau, Heddle Marine, Chantier Naval Forillon, Groupe Ocean, Wartsila Canada, ACADA, ABCMI, CIMarE, NSBA (see presentation in meeting invite for further details)</p> <p>Progress: 2<sup>nd</sup> meeting completed May 19, 3<sup>rd</sup> planned for summer 2021 First draft strategy expected fall 2021</p> <p><b>Action item MCMO: approved TOR to be shared with MIAC members</b> <b>Secretarial note: Action completed June 28, 2021 (see Annex A – Action item register)</b></p>
<b>Innovation &amp; Greening</b>	<p><b>WG Status: Being Established</b></p> <p>Responsible OPI – MCMO to lead core group, provide secretarial support</p> <p><u>Permanent Members:</u></p> <ul style="list-style-type: none"> <li>➤ GC Partner departments</li> <li>➤ Associations</li> <li>➤ Academia</li> </ul> <p>Industry SME ad hoc members according to streams (paint, propulsion etc.)</p> <p>Progress: Draft TOR developed, outreach to potential members</p> <p><b>Action item MCMO: proposed TOR to be shared with MIAC members</b> <b>Secretarial note: Action completed June 28, 2021 (see Annex A – Action item register)</b></p>
<b>Marine Infrastructure</b>	<p><b>Not proceeding at this time</b></p>
<b>Market Expansion</b>	<p><b>WG Status: Being Established</b></p> <p>Responsible OPI – TBD</p> <p>Permanent members: TBD</p> <p>Progress: Draft TOR in development</p> <p><b>Action item: MCMO to determine/identify responsible OPI / members TBD</b></p>



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<b>Additional Notes &amp; Qs</b>	<ul style="list-style-type: none"> <li>• CFA suggested the creation of an additional working group dealing with shipbuilding demand</li> </ul> <p><b>Action item MCMO: MCMO to review and provide a recommendation</b></p>
<h2>KPMG Study Findings – ABCMI</h2>	
<b>KPMG Report Overview</b>	<p><b>Commissioned by ABCMI and conducted in the period January – August 2020</b>  <i>Primary research – anonymous survey to over 700 marine organizations, six subsector focus groups, and subsector-specific discussions sessions with industry representatives; and Secondary research – literature review and analysis</i></p> <p><b>Objectives:</b></p> <ul style="list-style-type: none"> <li>• Validating the size of the BC Industrial Marine Sector; and estimating the economic impact of the sector</li> <li>• Developing an understanding of the key SWOT’s affecting each of the primary subsectors and making findings/recommendations</li> </ul>
<b>Observations</b>	<ul style="list-style-type: none"> <li>○ 1,039 total firms operating within the Sector, directly employing 21,925 workers and sustaining a total of 32,820 jobs in BC</li> <li>○ The BC Industrial Marine Sector has benefits due to its geographic location</li> <li>○ The BC Industrial Marine Sector has an opportunity to engage the public</li> <li>○ Labour shortages will pose a significant challenge to the growth of the Sector</li> <li>○ Canada’s global reputation promotes international business development, but large import tariffs restrict international trade growth</li> </ul>
<b>Key Findings</b>	<p><b>Workforce Talent:</b></p> <ul style="list-style-type: none"> <li>• Demand in all sectors is growing and workforce shortages are projected in all sectors at least over the next 10 years</li> <li>• Challenge recruiting - Niche skills, cost of living, retaining of young staff</li> <li>• Competition – Growth of shipbuilding in Asia and East Europe (Wages 70% lower)</li> </ul> <p><b>Climate Change</b></p> <ul style="list-style-type: none"> <li>• Estimated to be \$3 billion worth of infrastructure upgrades necessary due to sea level rise. Environmental deterioration affects recreational market</li> <li>• Regulations (Large degree of reg. and double taxation)</li> </ul> <p><b>International</b></p> <ul style="list-style-type: none"> <li>• Canadian firms well regarded by international buyers</li> <li>• International tariffs and trade disputes not a significant challenge</li> <li>• Low-cost competitors (China, India) beginning to overtake market</li> <li>• Up to 80% of business sourced internationally yet Canada’s positive reputation does help in international business development for Canadian firms</li> </ul>



# Marine Industry Advisory Committee

<b>Additional Notes and Qs</b>	<ul style="list-style-type: none"> <li>Hydrogen the future of propulsion</li> <li>Partnership with ISED on Surveys has proven very successful and at Federal level.</li> </ul> <p><b>Action item MCMO: share survey link with members</b></p> <p><b>Secretarial note: Action carried out June28, 2021 (see Annex A – Action item register)</b></p>
<h2>Shipbuilding Strategy – Joint activity with BC Government and ABCMI</h2>	
<b>Outline</b>	<ul style="list-style-type: none"> <li>Province of B.C. has a mandate to support increasing the capacity, capability, and competitiveness for B.C.'s shipyards and associated businesses, including the development of a made-in-B.C. shipbuilding industry strategy (to be implemented by June 2022).             <ul style="list-style-type: none"> <li>Included in several Ministers' mandate letters.</li> </ul> </li> <li>Collaborative opportunity to build sector capacity, capability, and competitiveness, with the common objectives of innovation, sustainability, and inclusivity</li> <li>Increase long-term business and productivity improvements, meet the demands of a low carbon economy, support workforce needs to serve B.C. shipyards and coastal communities, and leverage the generational 'National Shipbuilding Strategy' opportunity on the west coast</li> <li>An advisory body will focus on identifying opportunities, identify measures and actions needed to build the capacity, capability, and competitiveness of the sector to increase refit, repair and maintenance in B.C. shipyards. A core committee comprises longstanding sector experts with a deep pool of knowledge and insight that will inform the work of the strategy. A steering committee will provide high level guidance as well as objective feedback to the Core Committee and will advise on engagement and consultation with other industry stakeholders</li> <li>Deliverables: A report with recommendations and opportunities for consideration by government, drawing on collective intelligence, sector analysis and research, as well as relevant consultations conducted to support the strategy</li> </ul>
<h2>Vendor Performance Management</h2>	
<b>Update</b>	<p><b>Objective:</b> Build stronger relationships with vendors and evaluate their performance under contract.</p> <ul style="list-style-type: none"> <li>The pilot will be starting this summer on contracts issued against the RHIB, IB and Aluminum Boat Supply Arrangement.</li> <li>A Request for Information was published on Buy and Sell on March 3, 2021 and closed on May 14, 2021:  <a href="https://buyandsell.gc.ca/procurement-data/tender-notice/PW-21-00950744">https://buyandsell.gc.ca/procurement-data/tender-notice/PW-21-00950744</a></li> <li>Comments and feedback can be provided to the following mailbox:  <a href="mailto:TPSGC.PAGestRendFournisseur-APVendorPerfMgmt.PWGSC@tpsgc-pwgsc.gc.ca">TPSGC.PAGestRendFournisseur-APVendorPerfMgmt.PWGSC@tpsgc-pwgsc.gc.ca</a></li> </ul>



# Marine Industry Advisory Committee

## Additional Notes and Qs

- The intent is to include VPM as a criteria during the solicitation period on which contract award can be based.
- KPIs already established based on industry engagement and have been shared on Buy and Sell. Feedback on the KPIs is still welcomed as we continue with Phase 1 which will see the policy piloted on the small boats supply arrangement.
- Suppliers without any prior government contracting relationship will have an initial baseline score established so that they are not at a disadvantage. From that baseline, the overall score can go up or down based on performance.

**Action item MCMO: Share VPM slides with all MIAC members**

**Secretarial note: Action carried out June 28, 2021 (see Annex A – Action item register)**

## MIAC MEETING DAY 2

June 17, 2021 11:00-14:00EDT  
MS Teams

### Business Continuity Discussion

Proposal: Industry is seeking a forecast of departmental needs in Small Vessel Construction (SVC) over the next five years to prepare shipyards to better accommodate roll out timelines and material and HR needs and costs.

Challenges: It is difficult to specify departmental requirements over five years due to changing needs as well as federal budgets, and the electoral cycle.

Discussions & Suggestions:

- CCG has long-term maintenance plans on their large vessels and recognizes that there is no such plan in existence for small vessels.
- Given the changing needs and budgets, a forecast could still be achieved by estimating the amount of small vessels departments have and a broad approximate number of years they see remaining, rather than specific boat and exact year.
- Another way to achieve this proposal would be to generate a life expectancy plan for each boat and vessel in the fleet. This would better prepare both the manufacturer and the budget forecast.

**Action item MCMO: MCMO in collaboration with MPMWG and ISBWG to determine interdepartmental approach to provide information to industry.**





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## In Service / Lifecycle Support Mechanisms for Small Boats

Proposal: Industry would like to establish a long-term maintenance plan tailored to each department.

Challenges: Any potential maintenance plan is dependent on operating and maintenance budgets that fluctuate from year to year. Therefore, unforeseen departmental and operational requirements could limit the usefulness of the plan.

Discussions & Suggestions:

- In a non-obligatory maintenance scenario, the departments seem to wait until a vessel is broken to fix it which leads to emergency repairs by the nearest technicians. These fixes can often lead to further issues as the emergency repair would not necessarily have the manufacturer's parts and technician training at the same level as the ship builders.
- Conducting regularly scheduled maintenance would avoid larger repairs and would reduce the purchasing period of new boats and vessels.
- Suggestion of maintenance crew that would overlook when it needs to be sent for maintenance to the ship builders.
- Busy is bad for a maintenance schedule and can be counterproductive as it increases operating downtime and affects vessel availability.

**Action item MCMO: Explore options through the ISBWG for any commonality on a scheduled/preventive maintenance approach.**

## Small Boat Trade-In Options

Proposal: By introducing a trade-in option, Canada would operate a more current fleet of small boats as well as benefit industry which would be interested in selling traded-in boats to countries constrained budgets for purchasing new equipment.

Challenge: Would interpretations of current policies support a trade-in option and if not can this policy be revised?

Discussions & Suggestions:

- Industry would benefit from opportunity to resell boats earlier rather than to keep them until their end of life, while the Government would benefit from a lower amortization from the trade-in value on the new purchase.
- A leasing option would help industry with production plans as new boats would be ordered on a predictable cyclical basis. GoC would own newer assets with greater resell value.



# Marine Industry Advisory Committee

- This could help ensure that the Federal Departments or Agencies would always own the newest and most technologically advanced equipment.
- RCMP already has a plan like this for their vehicles, could this plan apply to their marine sector?

**Action item: MCMO to investigate a small boat's life cycle cost and carry out an options analysis comprised of three options: purchasing, leasing, and purchasing with a trade-in option. The options analysis criteria will factor in as a minimum the disposal aspect and explore the various government policies relating to crown asset and disposal and determine a whole of government approach. Pursuant to the results, a pilot project to be considered to determine feasibility. Subsequent engagement with industry to design a framework for the pilot. Should the pilot deemed feasible, the outcome and next steps could then be linked to the Market Expansion sub working group.**

## Innovation & Greening Discussion

### Discussions & Suggestions:

- Electrification for propulsion - recharging vessels poses challenges either at sea (accessibility to charging port) or at bay (time delays).
- Industry would like for the government to share more of the risk of buying new and innovative green technologies
- We need to assess our industry's capabilities to determine where to invest to be able to develop and build innovative solutions to ensure that Canada's marine sector remains competitive with other nations.
- For long term investments to make sense we not only need to adapt low emission or emission free options, we also need to look at how it is being produced and ensure the consequences of its productions aren't harmful.
- RCMP will be releasing an RFI in the Fall of 2021 for low/zero emission propulsion systems with the goal of funding concepts to reduce Greenhouse Gas (GHG) emissions with Government fleets under the Greening Government Fund Initiative. If successful, \$2.2M will be made available from the Greening Government Fund Initiative with an additional \$860K provided as departmental contributions over three years starting in 2022/23.

**Action item MCMO: create a unified forum in order to capture all ideas and latest available technologies (placemat outlining programs, initiatives and funding available to industry)**

**Action item ISED: provide marine industry innovation listing of resources and funding tool**

**Action item DND: share information on program on greening as a requirement in RFPs (reduction of fuel consumption of vessels)**





# Marine Industry Advisory Committee

	<b><u>Action Item Name</u></b>	<b><u>Action Item Description</u></b>	<b><u>Action Item Status</u></b>
1	MIAC HR sub working group	<ul style="list-style-type: none"> <li>• MCMO to share TOR with MIAC members</li> </ul>	Completed
2	MIAC sub working group on Innovation & Greening	<ul style="list-style-type: none"> <li>• MCMO to share TOR with MIAC members</li> </ul>	Completed
3	CADSI survey link	<ul style="list-style-type: none"> <li>• MCMO to share survey link with members</li> </ul>	Completed
4	Vendor Performance Management pilot project	<ul style="list-style-type: none"> <li>• MCMO to share VPM slides with all MIAC members</li> </ul>	Completed
5	Business Continuity Plan – SVC for CCG	<ul style="list-style-type: none"> <li>• CCG to develop plan to report on this information at Outlook</li> </ul>	In progress
6	Business Continuity Plan - interdepartmental approach	<ul style="list-style-type: none"> <li>• MCMO to determine interdepartmental approach through the ISBWG to provide information to industry.</li> </ul>	In progress
7	In Service / Lifecycle Support Mechanisms for Small Vessels	<ul style="list-style-type: none"> <li>• MCMO to explore options through the ISBWG for any commonality on a scheduled maintenance plan.</li> </ul>	In progress
8	Small Vessel Trade-In Options	<ul style="list-style-type: none"> <li>• There is a need to investigate a vessel's life cycle cost versus buying new with a trade-in option. A pilot project to be established to determine feasibility. First step is to explore the various government policies relating to crown asset and disposal and determine a whole of government approach. Subsequent engagement with industry to design a framework for the pilot. Should the pilot deemed feasible, the outcome and next steps could then be linked to the Market Expansion sub working group.</li> </ul>	Not yet started
9	Innovation & Greening	<ul style="list-style-type: none"> <li>• MCMO to create a unified forum in order to capture all ideas and latest available technologies (placemat outlining programs, initiatives and funding available to industry)</li> <li>• ISED provide marine industry innovation listing of resources and funding tool</li> <li>• DND to share information on program on greening as a requirement in RFPs (reduction of fuel consumption of vessels)</li> </ul>	Currently being updated  Not yet received  Completed
10	EPS – Canada Buys	<ul style="list-style-type: none"> <li>• MCMO to share slides on new electronic procurement solution to be rolled out – Canada Buys</li> </ul>	Completed

**Appendix A – Action item register**



# Marine Industry Advisory Committee

## Appendix B – meeting attendees

### MIAC Attendees day 1 – June 14, 2021

#### Industry Associations:

- Association of British Columbia Marine Industries (ABCMI) - **Alex Rueben** - Executive Director
- Atlantic Canada Aerospace and Defence Association (ACADA) - **Lisa Clory** - interim CEO
- Canadian Association of Defence and Security Industries (CADSI) - **Nicolas Todd** - VP Government Relations and Communications
- Canadian Association of Defence and Security Industries (CADSI) – **Mindy Pearce** – Policy Advisor
- Nova Scotia Boatbuilders Association (NSBA) - **Jan Fullerton** - Executive Director
- Canadian Ferries Association (CFA) – **Serge Buy** - CEO

#### Marine industry market segment representatives:

- In-service support (2);
  - ✓ Secunda Canada - **Darrell Sheppard** - President and CEO
  - ✓ SNC-Lavalin Operations and Maintenance Inc. - **Mike Pratt** - Vice-President and General Manager
- Repair, refit and maintenance (2);
  - ✓ NEWDOCK, St. John's Dockyard Limited - **Richard Eddy** - Operations Manager
- Small vessel construction (2);
  - ✓ Chantier Naval Forillon Inc - **Jean-David Samuel** - Président-directeur général
  - ✓ Rosborough Boats Ltd – **Heaton Rosborough** - President
  - ✓ Rosborough Boats Ltd - **Robert Gascoigne** - Director Business Development
- Naval architecture/engineering (1); and
  - ✓ Genoa Design International Ltd. - **Leonard Pecore** - Founder & Chair of the Board
- Supply chain (1)
  - ✓ Wartsila Canada - **Pieter Groot** - Contract Manager
  - ✓ Wartsila Canada - **Yasemin Mensah** - Managing Director

#### Government department representatives:

- Public Services and Procurement Canada (PSPC) - **Charles McColgan**, Director General Marine Services and Small Vessels Sector
- Department of National Defence (DND) - **Commodore Luciano Carosielli**, Director General, Maritime Equipment Program Management
- Department of National Defence (DND) - **Kevin Fitzpatrick**, Director, Major Marine Construction Sector
- Department of National Defence (DND) – **Commander Frédéric Pierre**, Class Program Manager, Minor War Vessels and Auxiliary Vessels
- Department of National Defence (DND) - **Memphis Don**, Sustainment Initiative, Maritime Team Lead Technical
- Canadian Coast Guard (CCG) - **Sam Ryan**, Director General Integrated Technical Services
- Canadian Coast Guard (CCG) – **Adam Wettges**, Regional Director ITS
- Royal Canadian Mounted Police (RCMP) – **Christine Lamarche**, Director General, Procurement, Materiel and Asset Management
- Royal Canadian Mounted Police (RCMP) - **Darren Mierau**, National Manager, Marine Fleet



# Marine Industry Advisory Committee

- Transport Canada (TC) – **Mike Freeman**, Regional Manager Technical Services
- Innovation, Science and Economic Development (ISED) – **Stephanie Tanton**, Director General, Aerospace, Defence and Marine Branch
- Innovation, Science and Economic Development (ISED) - **Denis Bourque**, A/Director Space and Marine Directorate
- Innovation, Science and Economic Development (ISED) –**Michele Rae**, Deputy Director, Policy Aerospace, Defence and Marine Branch
- Public Services and Procurement Canada (PSPC) – **Cindy Soyland**, Director Refit, Logistics and Small Vessel Construction
- Public Services and Procurement Canada (PSPC) – **Suzanne Wilkinson**, Manager Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Crystal Allan**, Manager Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Erin Chénier-Fox**, Supply Manager, Marine Navigation and Remediation
- Public Services and Procurement Canada (PSPC) – **Dianne Tinkess**, Supply Team Leader, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Saeed Nemati**, Program Manager, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Chukwudi Chinye**, Supply Specialist, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Erin Dufour**, Administrative Office, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Martin Bisson-Dubois**, Administrative Officer, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Julia McDonald**, Project Officer, Marine Commodity Management Office

## MIAC Attendees day 2 – June 17, 2021

### Industry Associations:

- Association of British Columbia Marine Industries (ABCMI) - **Alex Rueben** - Executive Director
- Association of British Columbia Marine Industries (ABCMI) - **Leann Collins** - Director of Projects and Stakeholder Relations
- Canadian Association of Defence and Security Industries (CADSI) – **Mindy Pearce** – Policy Advisor
- Canadian Ferries Association (CFA) – **Serge Buy** – CEO
- Canadian Institute of Marine Engineering (CIMarE) - **Bud Streeter**, Honorary President
- Nova Scotia Boatbuilders Association (NSBA) - **Jan Fullerton** - Executive Director

### Marine industry market segment representatives:

- In-service support (2);
  - ✓ Secunda Canada - **Darrell Sheppard** - President and CEO
  - ✓ SNC-Lavalin Operations and Maintenance Inc. - **Mike Pratt** - Vice-President and General Manager



# Marine Industry Advisory Committee

- Repair, refit and maintenance (2);
  - ✓ NEWDOCK, St. John's Dockyard Limited - **Richard Eddy** - Operations Manager
- Small vessel construction (2);
  - ✓ Chantier Naval Forillon Inc - **Jean-David Samuel** - Président-directeur général
  - ✓ Rosborough Boats Ltd – **Heaton Rosborough** - President
  - ✓ Rosborough Boats Ltd - **Robert Gascoigne** - Director Business Development
- Supply chain (1)
  - ✓ Wartsila Canada - **Pieter Groot** - Contract Manager
  - ✓ Wartsila Canada - **Yasemin Mensah** - Managing Director

## Government department representatives:

- Public Services and Procurement Canada (PSPC) - **Charles McColgan**, Director General Marine Services and Small Vessels Sector
- Department of National Defence (DND) - **Kevin Fitzpatrick**, Director, Major Marine Construction Sector
- Department of National Defence (DND) – **Commander Frédéric Pierre**, Class Program Manager, Minor War Vessels and Auxiliary Vessels
- Department of National Defence (DND) - **Memphis Don**, Sustainment Initiative, Maritime Team Lead Technical
- Department of National Defence (DND) – **Nadine Khaddaj**
- Canadian Coast Guard (CCG) - **Sam Ryan**, Director General Integrated Technical Services
- Royal Canadian Mounted Police (RCMP) - **Darren Mierau**, National Manager, Marine Fleet
- Transport Canada (TC) – **Mike Freeman**, Regional Manager Technical Services
- Innovation, Science and Economic Development (ISED) - **Denis Bourque**, A/Director Space and Marine Directorate
- Innovation, Science and Economic Development (ISED) – **Michele Rae**, Deputy Director, Policy Aerospace, Defence and Marine Branch
- Public Services and Procurement Canada (PSPC) – **Cindy Soyland**, Director Refit, Logistics and Small Vessel Construction
- Public Services and Procurement Canada (PSPC) – **Suzanne Wilkinson**, Manager Marine Commodity Management Office
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- Public Services and Procurement Canada (PSPC) – **Saeed Nemati**, Program Manager, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Chukwudi Chinye**, Supply Specialist, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Erin Dufour**, Administrative Office, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Martin Bisson-Dubois**, Administrative Officer, Marine Commodity Management Office
- Public Services and Procurement Canada (PSPC) – **Julia McDonald**, Project Officer, Marine Commodity Management Office