



Government
of Canada

Gouvernement
du Canada

Strategic Tanker Transport Capability (STTC) Project



Projet d'Avion stratégique de transport et de ravitaillement en vol (ASTRV)



Government
of Canada

Gouvernement
du Canada

October 2022
**Virtual
Industry
Engagement**

**Strategic Tanker
Transport Capability
(STTC) Project –
Long-Term In-
Service Support (ISS)**



AGENDA



- Opening Remarks
 - Virtual Session Logistics
 - Objective
 - Questions
 - Fairness Monitor
- Closing Remarks



OPENING REMARKS

VIRTUAL SESSION LOGISTICS



Event and Conference Management Group

In the event of technical difficulties please contact the Event and Conference Management Group Support at **(613) 223-6420**.



Presentation Slides

The Presentation slides contained in this Virtual Industry Engagement Session:

- Are provided for information purposes only;
- May be subject to change(s);
- Will not necessarily result in a procurement process by the Government of Canada; and
- Will be posted on CanadaBuys Tender Opportunities at a future date.



Questions & Answers

The Questions & Answers provided in this Virtual Industry Engagement Session:

- Will be posted on CanadaBuys Tender Opportunities at a future date.

OBJECTIVES



The purpose of the Virtual Industry Engagement Session is to present the potential opportunities available for the STTC Project – Long-Term ISS.

QUESTIONS



Questions can be submitted at any time during this Virtual Industry Engagement Session by utilizing Slido.

- Web address for Slido is www.slido.com
- The access code to the STTC Industry Engagement – In-Service Support Slido session is: #[3327416](#)

FAIRNESS MONITOR



Jocelyn Décoste, BDO Canada LLP

INTRODUCTION OF PRESENTERS



Brigadier-General Chris McKenna - Director General Air and Space Force
Development
Royal Canadian Air Force (RCAF)

René Bourassa - Project Manager
Department of National Defence (DND)

Sébastien Prévost - Procurement Director
Public Services and Procurement Canada (PSPC)

Alex Bramm - Project Manager
Innovation, Science and Economic Development (ISED) Canada



Government
of Canada

Gouvernement
du Canada

Introduction to the STTC Project

Brigadier-General Chris McKenna

Director General Air and Space Force Development

Royal Canadian Air Force



OVERVIEW



- Strategic Background
- Operational Background
- Capability Requirements



STRATEGIC BACKGROUND



Strong, Secure, Engaged: Canada's Defence Policy

Recapitalize Next Generation Strategic Air-to-Air Tanker-Transport Capability

OPERATIONAL BACKGROUND



- CC150 Acquired in 1993/1994
- Loss of CC137 Air-to-Air Capability in 1997
- Cargo Capability Enhancement
- Executive Suite Modification
- Strategic Air-to-Air Capability
- Aging Fleet



CAPABILITY REQUIREMENTS



- Domestic Air-to-Air
- Expeditionary Air-to-Air
- Airlift Support

CAPABILITY REQUIREMENTS



- Global Responsiveness
- Adaptability
- Tanker Capacity
- Airlift Capacity
- Tanker Interoperability
- Survivability
- Training
- Infrastructure

USED AIRCRAFT UPDATE



- Two used A330-243 aircraft procured June 22
- RCAF designation CC330
- To be operated in strategic pax transport until MRTT mod





Government
of Canada

Gouvernement
du Canada

Strategic Tanker Transport Capability (STTC) Sustainment Enterprise

René Bourassa, Project Manager
Department of National Defence (DND)



OVERVIEW



- Project Scope
- Sustainment Business Case Analysis
- Long-Term ISS: Work Scope
- ISS Construct & Timelines
- Schedule & Key Milestones

PROJECT SCOPE



Replace the existing CC-150 Polaris capability with the following:

- STTC Aircraft;
- Supporting Infrastructure;
- Training Capability; and
- Sustainment Enterprise.

PROJECT SCOPE



Supporting Infrastructure:

- Main Operating Base (MOB) – Location is under review
 - Infrastructure requirements will be further developed
 - Advanced Procurement Notice for supporting Infrastructure
 - Hangar facility (New build or Renovation)
 - Potential upgrades to supporting infrastructure
 - Statement of Requirements for Infrastructure /Business Case Analysis – DND in collaboration with Defence Construction Canada (DCC)



Training Capability:

- Develop a training solution able to support STTC missions.
 - Initial and recurrent training for operator and support personnel (i.e. Aircrew and Cabin Crew)
 - Maximize commonality between training devices and aircraft systems

SUSTAINMENT BUSINESS CASE ANALYSIS (SBCA)



The SBCA will:

- Produce a tailored in-service support solution for STTC; and
- Maximize value for Canada by optimizing the four sustainment principles:
 - ☐ Equipment Performance
 - ☐ Value for money
 - ☐ Flexibility
 - ☐ Economic benefits

LONG-TERM ISS: WORK SCOPE



1. Aircraft OEM Support

2. Continued Airworthiness
Management Organization Services

3. Flight Operations Support

4. Material Support and Material
Management

5. Aircraft Maintenance (MOB/Deployed
Ops)

6. Aircraft Maintenance (Heavy Maintenance)

7. Aerial Refuelling Boom System Maintenance

8. Under Wing Refuelling Pods Maintenance

9. Engine Support

10. Aircrew Training Systems Support

Etc.

ISS CONSTRUCT & TIMELINES



Interim ISS

Used Aircraft (Strategic Airlift Role)

- Acquisition contract signed: 13 June 2022
- Aircraft (x2) delivery: Feb & Apr 2023
- Sustainment: 2+1+1 year



Initial Support Period (ISP)

- Costed option within the Airbus acquisition contract
- Mitigation in the event Long-Term ISS gets delayed.



Long-Term ISS MRTT

- Competed
- Sustainment to be performed in Canada

Contract/Year	2023	2024	2025	2026	2027	2028	2029	2030 +
Interim ISS	★		Option Year 1	Option Year 2				
ISP					Option Year 1	Option Year 2		
Long-Term ISS			★					

SCHEDULE – KEY MILESTONES



Completed Milestones	Actual Date
Project Approval and Expenditure Authority (Definition)	December 2020
Invitation to Qualify: Single Qualified Supplier, Airbus Defence & Space SA with Airbus A330 MRTT	1 April 2021
Develop Aircraft Acquisition Requirements & Contract	April 2021 to July 2022
Early Implementation – Procure two used A330-200 aircraft	June 2022

Upcoming Milestones	Estimated Date
Contract Award – Main Acquisition	Winter 2023
Request for Proposal – Long-Term In-Service Support	Winter 2024
Initial Operational Capability (IOC)	2028/29
Full Operational Capability (FOC)	2030/31
Project Close Out	2030/31



Government
of Canada

Gouvernement
du Canada

Procurement Process Long-Term In-Service Support (ISS)

Sébastien Prévost, Procurement Director
Public Services and Procurement Canada



DEFENCE PROCUREMENT IN CANADA



CAPABILITY



Department of National Defence

Determines Canada's technical requirements and specifications for the platform or service being procured

ECONOMIC BENEFITS



Innovation, Science and Economic Development (ISED)

Determines Canada's requirements for economic benefits to create jobs and economic growth in Canada, through the ***Industrial and Technological Benefits Policy***

CONTRACTING



Public Services and Procurement Canada

Is the contracting authority and is responsible to manage the contract, determines value for money and is accountable for the procurement process

NATIONAL SECURITY AND APPLICABLE POLICIES



- A National Security Exception (NSE) has been invoked.
- The Industrial and Technological Benefits (ITB) Policy including Value Proposition (VP) is applicable to the STTC Project.
- Canada is exploring the inclusion of an Aboriginal Participation Component (APC) as part of the STTC Project.
- The STTC Project may be subject to the Controlled Goods Program (CGP).

PROGRESS UPDATE – MAIN ACQUISITION



- On December 17, 2020, Canada launched an open and transparent competition via a draft Invitation to Qualify.
- On February 12, 2021, an Invitation to Qualify was published.
- The entire evaluation of the responses was completed under the supervision of a Fairness Monitor.
- On April 1, 2021, the result of the Invitation to Qualify was published with Airbus Defence and Space SA of Madrid, Spain as the sole qualified supplier.
- On April 1, 2021, Canada launched a Review and Refine Requirements (RRR) Phase with Airbus Defence and Space SA for the aircraft procurement process.

PROGRESS UPDATE – EARLY IMPLEMENTATION ACQUISITION



- Aircraft

On June 13, 2022, Canada finalized a contract for the procurement of two Airbus A330-200 aircraft, manufactured in 2015, with delivery anticipated in 2023.

- Sustainment

The Government of Canada is in negotiation with the current ISS provider of the CC-150 fleet for provision of interim ISS services of the used A330-200 aircraft.



Long-Term ISS

- STTC Sustainment Enterprise
 - Competitive
 - Request for Proposal – Winter 2024
 - Estimated Requirement – Various work groups that cover training, operation, maintenance and repairs
 - Estimated Period – Potentially as early as 2025



Government
of Canada

Gouvernement
du Canada

Introduction to the Industrial and Technological Benefits (ITB) Policy

Alex Bramm, Project Manager

Innovation, Science and Economic Development (ISED)

Canada



OBJECTIVES



- The Government of Canada is consulting with industry to obtain information on economic leveraging opportunities for the STTC In-Service Support (ISS) project.
- Input provided during industry engagement will be used to develop a Value Proposition framework for the STTC ISS.

THE INDUSTRIAL AND TECHNOLOGICAL BENEFITS (ITB) POLICY



Requires companies awarded defence procurement contracts to undertake business activity in Canada equal to the value of the contract

General aspects of the Policy include:

- **Market driven; Work in target industrial areas** identified through analysis and industry engagement
- Includes plans for regional distribution of **work across Canada**
- Investments in **small and medium-sized businesses** from across Canada
- Recognizes **incremental** business activity

WHEN DOES IT APPLY?

- The ITB Policy applies on all eligible defence and Canadian Coast Guard procurements over \$100 million or to procurements to which the National Security Exception is invoked
- Eligible defence procurements valued between \$20-100 million are reviewed for the possible application of the ITB Policy

VALUE PROPOSITION DESIGN



The Value Proposition is a bidder's economic proposal to Canada



Rated & Weighted

The VP proposal is an evaluated, scored, and weighted element of contractor selection along with technical and cost elements



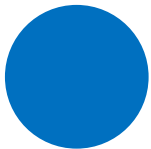
Tailored

VP framework are designed on a procurement-by-procurement basis, through market analysis, industry engagement and third party consultation.



Flexible

The VP is inherently flexible allowing for varying criteria, weights, evaluation criteria, mandatory requirements and rating grids



Binding

Commitments from the VP proposal will be included in the final contract of the winning bidder. Achievements are subject to annual reporting and monitoring

VALUE PROPOSITION OBJECTIVE



WORK IN THE CANADIAN DEFENCE INDUSTRY

Support long-term sustainability and growth of Canada's aerospace and defence sectors



CANADIAN SUPPLIER DEVELOPMENT

Support the growth of prime contractors and suppliers in Canada including small and medium business (SMBs)



RESEARCH AND DEVELOPMENT

Enhance innovation through Canadian R&D



EXPORTS

Increase the export potential and international competitiveness of Canadian-based firms



SKILLS DEVELOPMENT AND TRAINING

Fill skills and training gaps within the Canadian economy to support a more innovative Canada

KEY INDUSTRIAL CAPABILITIES (KICs)



WHAT ARE KICs?

April 2018, Government of Canada announced 16 Key Industrial Capabilities

Developed through consultation with over 300 industry and academic stakeholders

Introduction of KICs will ensure that defence procurements can better drive **innovation, exports and the growth of firms** through the ITB Policy

EMERGING TECHNOLOGIES

- Advanced Materials
- Artificial Intelligence
- Cyber Resilience
- Space Systems
- Remotely-piloted Systems and Autonomous Technologies
- Clean Technologies

LEADING COMPETENCIES & CRITICAL INDUSTRIAL SERVICES

- Aerospace Systems & Components
- Electro Optical / Infrared Systems
- Defence Systems Integration
- Ground Vehicle Solutions
- Armour
- **In-Service Support**
- Marine Ship-Borne Mission and Platform Systems
- Munitions
- Training & Simulation
- Sonar & Acoustic Systems
- Shipbuilding, Design and Engineering Services

CANADA'S AEROSPACE INDUSTRY



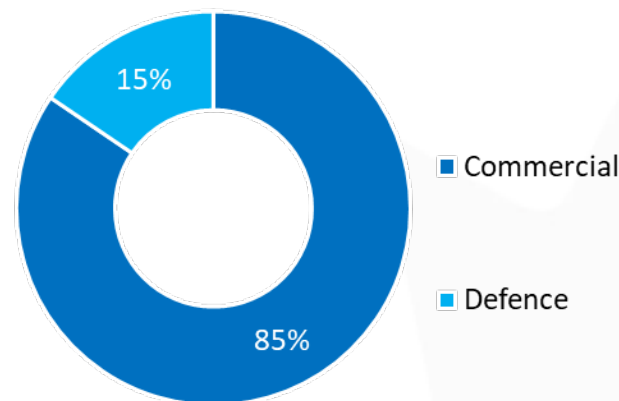
On an annual basis, Canada's Aerospace and Defence industries **create or maintain 200,000 and 78,000 jobs, respectively**, spanning the five Canadian regions

Of all Defence work in Canada, work undertaken within the Air domain contributes 36% of all sales, 39% of all employment, 41% of all R&D, and 46% of all exports.

In 2021, the Canadian aerospace industry contributed over \$24 Billion in GDP

Annual R&D investment partnerships contribute nearly \$710 Million towards post secondary institutions, SMBs, Government entities, and other Canadian companies

Canadian Aerospace Segments



MRO RESEARCH ANALYSIS



The **Maintenance, Repair and Overhaul (MRO) aerospace sector** is a significant part of the overall aerospace and defence market in Canada.

Of the over \$24 Billion GDP contribution of Canada's Aerospace industry, **Aerospace MRO** contributed roughly \$7.6 Billion. This includes both MRO industry economic impact as well as indirect and induced economic impact.

In 2021, the **Canadian MRO Sector** comprised roughly 68,000 jobs across Canada.

Canada has about **1,000 MRO Shops** and **participation** within the aerospace MRO sector is national, spanning the four regions of Western Canada, Ontario, Quebec, and Atlantic Canada.

STTC: ITB APPROACH



Ensure a **Canadian in-country solution** for sustainment activities.

Stimulate innovation and research and development in areas such as Aerospace Systems and Components, Defence Systems Integration and other KIC's.

Encourage supplier development by seeking commitments with Canadian suppliers and a mandatory level of work with small and medium sized business (SMB), while **generating export opportunities**.

Motivate development of a skilled workforce critical to meeting the needs of related KIC industries in Canada.

POTENTIAL KEY INDUSTRIAL CAPABILITIES

- Aerospace Systems and Components
- Defence Systems Integration
- In-Service Support
- Training and Simulation
- Clean Technologies
- *Additional KICs to be explored through engagement

NEXT STEPS



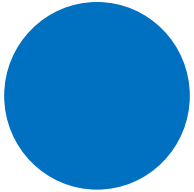
Canada will **develop the Value Proposition approach** through further analysis and **industry engagement**.

We encourage you to complete our **Industry Engagement Feedback Form** to assist in developing our VP approach.

Going forward, Canada will present industry with a proposed VP evaluation framework and seek additional input/feedback.

HOW TO GET INVOLVED

ITB POLICY TIPS



Know the VP and where you fit

This is the road-map for potential opportunities for Canadian industry and stakeholders. **Go to the ITB Website to understand the policy and process**

www.Canada.ca/itb



Talk to your Regional Development Agency (RDA) representative and engage with **Global Affairs Canada's Trade Commissioner Service**



Connect with Potential Suppliers & Research Organizations

Gather additional intelligence and make contacts through trade associations, industry days, conferences and trade shows, including through CADSI and AIAC

<https://www.defenceandsecurity.ca/>
<http://aiac.ca/>



BREAK



Q & A



CLOSING REMARKS

