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# Replacing Canada's CF-18 Fighter Aircraft

Summer 2016 Industry Consultation with Fighter Aircraft  
Manufacturers in Partner and Allied Countries

## Webex Presentation

### July 7, 2016



Public Works and  
Government Services  
Canada

Travaux publics et  
Services gouvernementaux  
Canada

Canada

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# Context

- The Government of Canada remains committed to building a more agile, better-equipped military, while ensuring best value for Canadians.
- Canada requires a fighter aircraft to contribute to the safety and security of Canadians and protect the sovereignty of one of the largest expanses of airspace in the world.
- In today's complex global environment, Canada requires a first-class, modern military that is flexible, agile, and capable of responding to a variety of unforeseen situations.
- Recent events demonstrate that the Canadian Armed Forces have to be ready and capable to respond to threats to Canada and North America, and to protect Canadian values and interests abroad.
- Through skilled and prudent management Canada is currently risk managing the ability to simultaneously meet NORAD and NATO commitments given the number of aircraft available at any given time. This also leaves us limited flexibility for unforeseen events in an unpredictable world.
- New aircraft must be acquired as soon as possible so Canada can remain a credible and dependable ally.



# Context Con't

- The CF-18s have been in service since the early 1980s. At the time, the Government bought 138 fighters with a plan to fly them for 20 years. Today, as they enter their fourth decade, the fleet is now down to 77 aircraft.
- A two-phase modernization program was undertaken on Canada's CF-18 fleet. Further upgrades are being planned to extend the fleet to 2025.
- Consultations with other governments and industry will provide Canada with the information necessary to assess risks and analyze options for the replacement of Canada's fleet of CF-18s.
- The Defence Policy Review is currently underway and is expected to complete by early 2017.
- We are reviewing all aspects of this procurement, including the requirements, to ensure the Government has as many options available as possible moving forward.



# Purpose

- This presentation deals specifically with the Government of Canada's plans for industry consultation during the Summer of 2016.
- Over the summer, government officials will be consulting with governments and industry in allied and partner countries with aircraft currently, or scheduled to be, in production.
- Consultations will serve to gather the most current and accurate information on the various aircraft options that are available to meet Canada's defence needs.
- The Government will be seeking information on issues such as costs, delivery times, interoperability with NORAD, readiness, and potential benefits for the Canadian economy.
- Meetings with governments in allied and partner countries will also be held to better understand their experiences and lessons learned through recent replacement processes and/or decisions.
- Following an analysis of the up-to-date information obtained as a result of the consultation process, the Government of Canada will assess the available options for the replacement of the CF-18s as soon as possible.



# Consultation Process

- Canada already conducted a market analysis on several fighter aircraft (Seven Point Plan 2012-2014) to obtain capability, production and supportability information for a risk-based Evaluation of Options. Information on pricing and economic benefits was also sought under the Market Analysis.
- Consultations will be conducted in a number of ways such as video/teleconferences, one-on-one meetings and questionnaires.
- Specific information being sought includes up-to-date information on capabilities, readiness, availability, infrastructure compatibility, acquisition costs, sustainment/maintenance, life-cycle costs, methods of procurement, terms and conditions and economic benefits to Canadian industry that create jobs and support innovation in Canada.
- Canada's focus is on consulting with prime fighter aircraft manufacturers. Prime manufacturers are encouraged to engage with their supply chain and their respective partner governments as appropriate in order to provide a fulsome response to questions.
- No procurement decision has been made and all options are being considered at this time.



# Consultation Process

- On July 6, 2016, Canada posted information on its website to inform the public that consultations with governments and industry in partner and allied countries will now begin, including meetings at the Farnborough Airshow the week of July 11, 2016.
- Canada has identified five (5) prime companies in allied and partner nations with fighter aircraft currently in production or scheduled to be in production: Boeing, Dassault, Eurofighter, Lockheed Martin, and Saab. These five companies will be provided with a copy of the 2016 Industry Consultation Questionnaire.
- On **July 8, 2016**, these fighter aircraft manufacturers will be invited to respond to a questionnaire addressing issues such as sustainment (in-service support), acquisition costs, infrastructure, capability, interoperability, purchase methods and potential economic benefits. *Erratum: the Questionnaire was sent on July 7, 2016.*
- Responses are due to Canada on **July 29, 2016**. Companies may engage their supply chain and their respective partner governments to help them respond to the questionnaire.
- All information submitted during the summer of 2016 will be used to assess risks and analyze options.
- Departmental officials will respond to requests for clarification from industry on the questionnaire as appropriate.



# Consultation Process, con't

- Officials from the Department of National Defence (DND), Public Services and Procurement Canada (PSPC), and Innovation, Science and Economic Development Canada (ISED) will be available at the Farnborough International Air Show (July 12 - 14, 2016) to meet with prime fighter aircraft manufacturers.
- One-on-one meetings and/or video/teleconferences between individual manufacturers and Canada may also take place to allow industry and Canada to exchange information and ask follow up questions.
- Information received will be used by Canada to assess risks and analyze options for the replacement of Canada's fleet of CF-18s.
- No summary or final report will be issued following the collection of information from industry.
- The Questionnaire is neither a Call for Tenders nor a Request for Proposal.
- The issuance of the Questionnaire is not to be considered in any way a commitment by the Government of Canada or as authority to undertake any work which could be charged to Canada. Respondents will not be reimbursed for any cost incurred to provide a response to the 2016 Industry Consultation Questionnaire.



# Key Milestones

The expedited timeline for this procurement requires that this round of consultations will be significantly streamlined:

- **July 8 2016:** Questionnaire Sent to Industry *Erratum: the Questionnaire was sent on July 7, 2016.*
- **July 11-14, 2016** Farnborough International Air Show
  - **Departmental officials will be available July 12 (pm) to July 14 (am)**
- **July 29, 2016:** Responses Received from Industry
- **July – August 2016:** One-on-One Meetings and Discussions with Governments in Partner and Allied Nations
- **September 2016:** Final Analysis of Responses Completed
- The Government of Canada will provide an update on progress to replace Canada's CF-18s in the coming months, including next steps.
- We recognize that timelines are tight and appreciate the best efforts companies are making to assist Canada in this important initiative.



# Supplementary Information on Government of Canada's Defence Procurement Process

- DND Website: <http://www.forces.gc.ca/>
- PSPC Website: <http://www.tpsgc-pwgsc.gc.ca/comm/index-eng.html>
- PSPC Defence Procurement Webpage: <http://www.tpsgc-pwgsc.gc.ca/app-acq/amd-dp/index-eng.html>
- Defence Acquisition Guide 2016: <http://www.forces.gc.ca/en/business-defence-acquisition-guide-2016/index.page>
- Industrial and Technological Benefits: [www.ic.gc.ca/itb](http://www.ic.gc.ca/itb)



# Departmental Leads

- Paula Folkes-Dallaire, Senior Director, Public Services and Procurement Canada
- James Gaerke, Project Manager, Department of National Defence;
- Col. Sean Boyle, Director, Fighter Capability Requirements (DFCR) & Project Director - Future Fighter Capability Project (PD FFCP), Royal Canadian Air Force / Canadian Armed Forces
- John MacInnis, Deputy Director, Innovation, Science and Economic Development



# Questions?

