



National Defence

Défense nationale

Assistant Deputy Minister  
(Policy)

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**NOV 28 2023**

Mr. John Williamson  
Chair, Standing Committee on Public Accounts  
House of Commons  
Ottawa, Ontario  
K1A 0A6

Dear Mr. Williamson,

As agreed upon in the Government Response to the 4<sup>th</sup> Report of the Standing Committee on Public Accounts entitled *Report 3, Supplying the Canadian Armed Forces – National Defence, of the 2020 Spring Reports of the Auditor General of Canada*, National Defence submits its update on Recommendation 2.

Sincerely,

Bill Matthews

Enclosures: 1

**Response to the Standing Committee on Public Accounts'  
Report 4, Supplying the Canadian Armed Forces, of the Spring 2020 Reports of the  
Auditor General of Canada**

**Recommendation 2**

*That, by 31 December of each of the years 2021 to 2028, National Defence provide the House of Commons Standing Committee on Public Accounts with progress reports regarding the development of the next generation of Materiel Planning and Positioning tools and their integration with the next generation Enterprise Resource Planning System.*

**Background**

In the spring 2020 report *Supplying the Canadian Armed Forces – National Defence*, the Auditor General recommended that National Defence review its materiel forecasting and positioning to ensure that sufficient stocks are maintained at the right locations, and that National Defence review its materiel availability measures at the warehouse and national levels and use these measures to monitor whether stock levels are met.

National Defence agreed with the Recommendation. In its 2020 Management Action Plan National Defence identified specific actions and initiatives to deliver on foundational aspects of a modern and effective Defence Supply Chain. National Defence has provided an annual update to the Committee since 2021. An update on work over the last year follows.

**Update on the next generation of Materiel Planning and Positioning tools and integration with the Enterprise Resource Planning System**

The Materiel Planning and Positioning replacement project continues to move forward. Since its last update to PACP in December 2022, National Defence has completed the planning and scoping process. National Defence is working with the contracting authority, Public Services and Procurement Canada, and the project is in contractual negotiations with the selected vendor.

This proposal will improve National Defence's ability to forecast materiel requirements, identify excess stock, incorporate procurement lead-times, and pre-position materiel appropriately to better serve the Canadian Armed Forces. Over the next 12 months, National Defence anticipates entering into contract with the selected vendor and beginning work on the development of a multi-phased delivery for the next generation of Materiel Planning and Positioning tools, set to begin 12 months after contract award.

The phased delivery has the benefit of onboarding initial next generation forecasting and planning capabilities sooner. Delivery of a fully integrated solution in fiscal year 2028-2029 remains aligned with the rollout of National Defence's next generation Enterprise Resource Planning System.

**Future updates to the Committee**

National Defence will next provide an update to the Committee by December 31, 2024.