

THALES

Building a future we can all trust



AOPS/JSS In Service Support (AJISS)

Presentation to the Naval Association of Canada

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Thales: A Strong Canadian Footprint



Creating Jobs Coast-to-Coast

2,500
people*



8
cities
4
provinces

12
sites

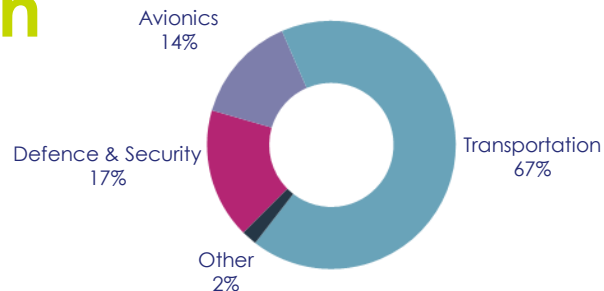


\$40 million
For Canada R&D



2019 Revenues (excludes Gemalto)**

\$800 Million



Business Areas

- Defence
- Ground Transportation Systems
- Aerospace & Space
- Digital Identity & Security



Enablers

- Thales Digital Solutions

* Number is an approximation of total workforce.

** Figure represents total revenues generated from import, export and domestic sales, in CAD.

What shaped AJISS?

Future In Service Support (FISS)

- in-service support of the future fleet(s) **must include FMFs** as a key **strategic asset** that provides a critical and essential support role to Naval Fleets
- in-service support solutions will consider **industry's capacity** to deliver materiel and services **beyond traditional third line** roles
- DND and industry will need to evolve the integrated approach to equipment maintenance for in-service support to be genuinely **optimized**
- To achieve this FMF and Dockyard **infrastructure will need to be shared**
- Stakeholder planning and coordination (Technical Schedule Management) will increase in complexity and will require a **relational governance structure**

AOPS/JSS In Service Support (AJISS) Overview

Up to 35 Years of In Service Support of two new classes of ships valued at up to \$5.2 billion

➤ **Arctic/Offshore Patrol Ship (AOPS) – HDW delivered July 2020**

- Builder: Irving Shipbuilding Inc. – Halifax, NS
- Home Ports; Two in Esquimalt, Four in Halifax

➤ **Joint Support Ship (JSS) – JSS#1 expected in 2023**

- Builder: Vancouver Shipyards Inc. (Seaspan) – Vancouver, BC
- Home Ports: One in Esquimalt (BC), One in Halifax (NS)



Key Contractual Tenets

- **Single Prime for both classes of ships;**
- **Evolving – four main program phases – currently in the ‘Start-up’ phase;**
- **A comprehensive scope that covers the life cycle of both classes;**
- **Relational – an enterprise management approach to engage all stakeholders for the good of the program**
- **Performance-based – begins progressively following the Start-up phase.**
- **On-going - Awarded as initial 8-year contract in 2017 with options to 2052**
- **VP/ITB – 100% Canadian Content Value (CCV)**



Image credits: Royal Canadian Navy

Four AJISS Program Phases

Start-up Phase (current phase)

- **Ramp up Thales and supplier** organizations to a sufficient readiness state to execute ISS activities as required to support Ship delivery schedule.
- From Contract Award to **Preliminary** support readiness for 1 ship on each coast by having completed **at least 2** Short Work Periods per coast.
- Culminates in a deliverable called the Support Readiness Verification Preliminary (SRVP)
- Currently requires Ship #3 to be available on the West coast.

Transition Phase

- From preliminary support readiness to **Final** support readiness – demonstrated by 2 Docking Work Periods (DWP) on each ship class
- Used to establish and to validate baseline services and performance metrics expected throughout the remainder of the contract
- Requires at least one JSS to be in service.

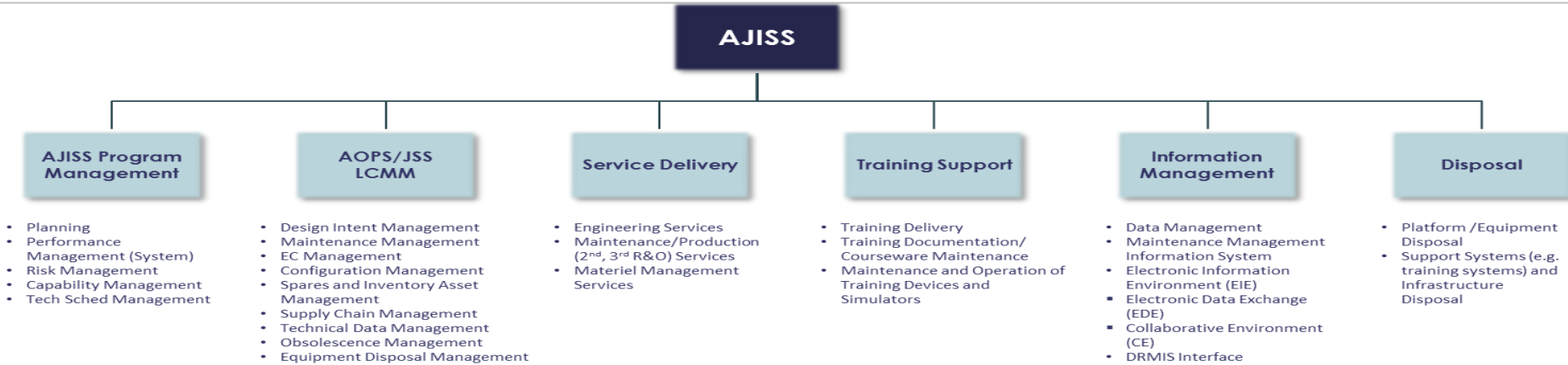
Steady State Phase

- Purpose is to “conduct In-Service Support under a Performance Managed Framework in order to deliver affordable and sustainable in-service support to meet RCN operational requirements”.
- Performance measures and performance payment implemented; Increased number of services to be delivered as Core
- Estimated duration 20+ years

Close-Out Phase

- Starts at ship decommissioning and ends when all ships and all related disposal activities have been completed

AJISS Scope – flexibility is key!



Managing Contractor Model

FMF Cape Scott and Thales parties of the AJISS Work Assignment Agreement following the hybrid model

Technical Support Network (TSN)

Accredited Engineering Organisation (AEO)

Integrated Data Environment

Post Delivery Work Period (PDWP) for Harry Dewolf (HDW)

Short Work Period #1 for HDW

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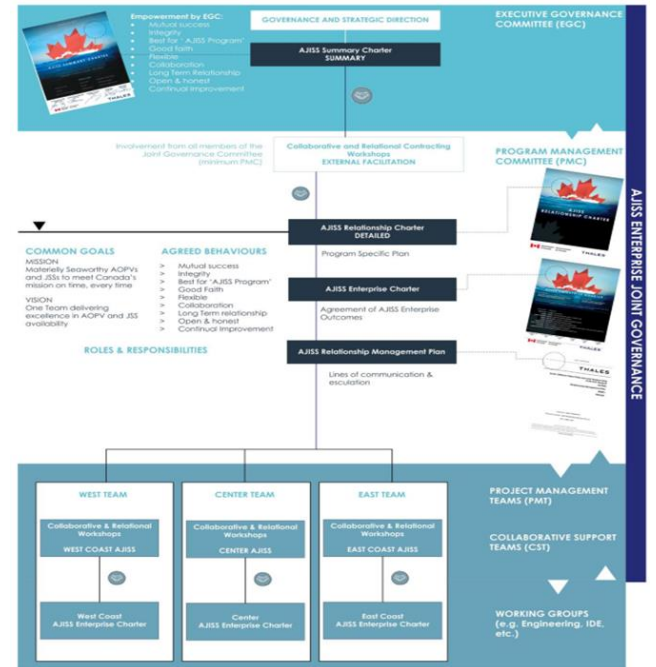
Relational Contracting

Relationship Management documents are companion to the contract, and represent an agreed approach to maintaining an effective relationship with Common goals, Behaviours and Joint governance.

Provides alignment between the individual objectives of both parties and the AJISS objectives – mutual benefit

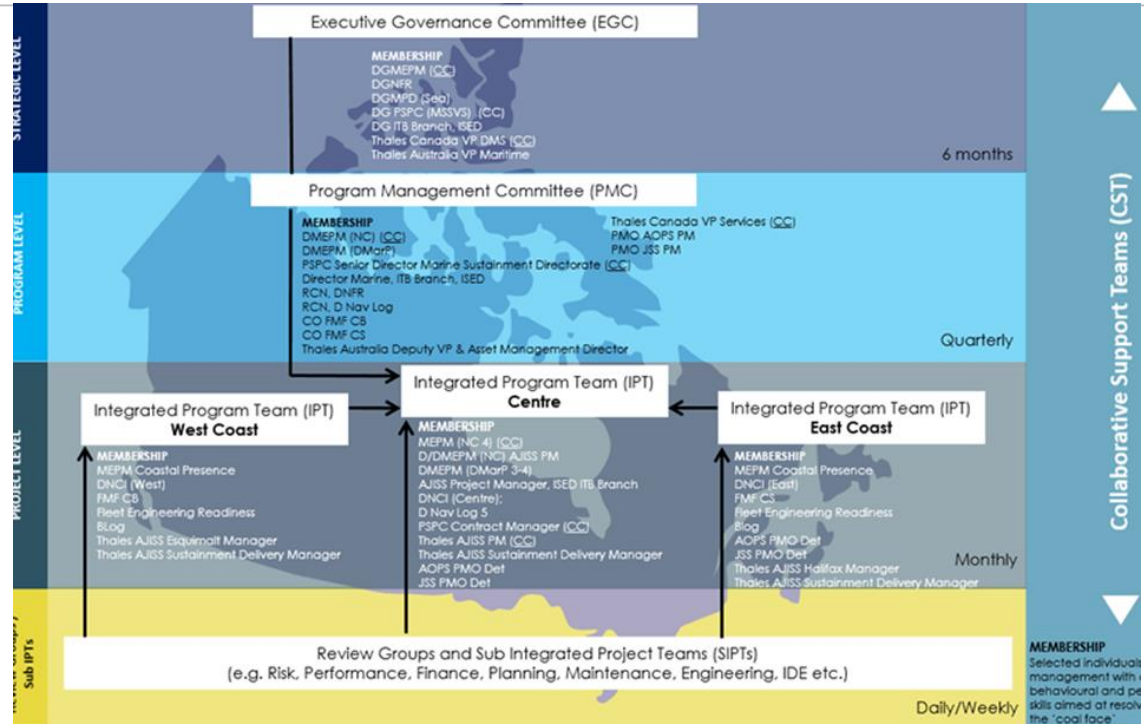
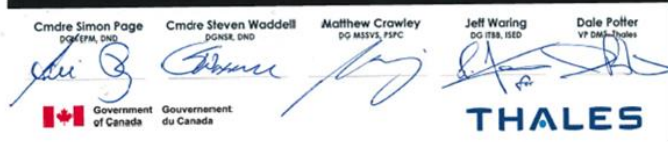
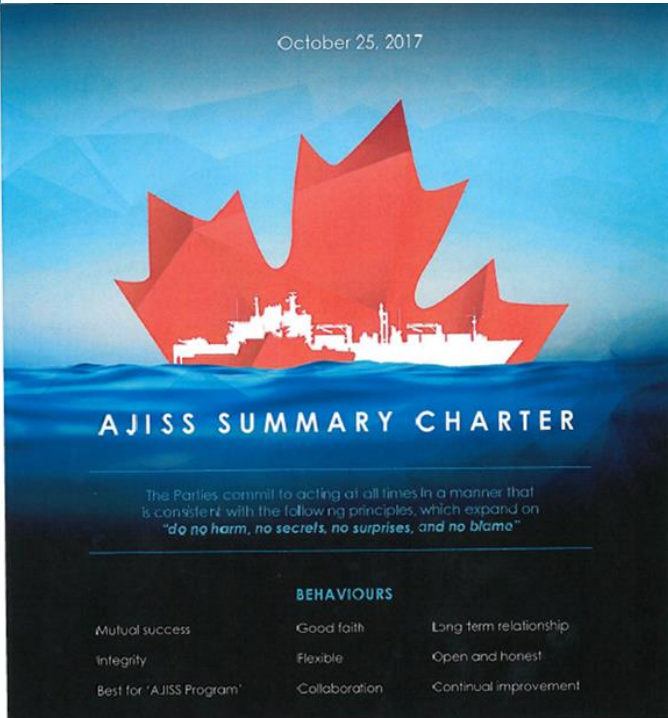
Drives a culture of change with respect to Canadian Naval support by

- Ensuring members are **outcome focused** to support AOPV and JSS capabilities to RCN is able to meet its obligations
- **Empowering** all members of the AJISS Enterprise to
 - **Reduce** transactions
 - **Improve** communications
 - Focus on achieving **mutual outcomes**
 - Operate under the same **Performance Management Framework**



AJISS Relationship Charter

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Performance Metrics

Performance Measures	Objective
Strategic Performance Measures	Annually assessed, typically used to reflect the long term behaviour against performance requirements and are qualitative in nature.
Key Performance Indicators	Periodically assessed and typically used to measure the Contractor capability and capacity
System Health Indicators	Periodically assessed and typically used to provide Canada with greater insight and confidence on the Contractor capability and capacity in specific PM, LCMM, TSM or SD areas

Challenges to date

Transition – no connection between the Build and ISS contracts

- Early engagement of the ISS contractor is missing
- TDP tied to ship delivery
- However, relational nature of the AJISS enterprise has allowed some collaboration

Knowledge transfer

- Technical Assistance Agreements (TAA) have taken much longer to put in place than expected

Understanding the AJISS model – the reality is that this is new and different

- Personnel turnover is tough on the relationship elements – always starting over