



## Management Response and Action Plan

### **A - For inclusion in the report**

The findings and recommendations of the Evaluation of the Industrial and Technological Benefits (ITB) Policy were provided to the ITB Branch of the Industry Sector at Innovation Science and Economic Development Canada (ISED). Management has been consulted and agrees with the findings included in this report and will take action to address all applicable recommendations by March 2021.

### **B - For follow-up purposes - Detailed actions to address the recommendations in the report**

Recommendation	Planned Action on the Recommendation	Responsible Official (Position)	Target Completion Date
ISED should continue to work with contractors to ensure that the Value Proposition approach on a procurement-by-procurement basis is as flexible as possible for prime contractors to fulfill requirements, while continuing to meet the policy objectives.	<p>ISED agrees with this recommendation.</p> <p>ISED is committed to the objectives of the Defense Procurement Strategy, a key practice of which is early and continuous engagement with industry to ensure the timely procurement of the right equipment and services for Canada’s military and Coast Guard, strong economic outcomes for Canada, and a streamlined procurement process.</p> <p>Through industry engagement, in-house defence analytics, and expert third-party advice, ISED will continue to seek, on a procurement-by-procurement basis, the evidence-base for the development of attainable and market-oriented Value Proposition frameworks, under the ITB Policy, while ensuring that federal objectives related to economic growth are met. Specifically, ISED will continue to seek industry’s perspective on market capacity and capabilities, and opportunities to leverage procurements to support Key Industrial Capabilities.</p> <p>In addition, to ensure consistency ISED has developed an ITB Guidebook to support officers in the application of the ITB Policy. ISED will review and revise (where required) this Guidebook to ensure ITB officers consider the importance of ensuring</p>	Stephanie Tanton (Director General, ITB Branch)	March 31, 2021

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	<p>prime contractors have flexibility in how they fulfill Value Proposition requirements, while continuing to meet the objectives of the ITB Policy.</p>		
<p>ISED should enhance internal guidance related to the application of crediting guidelines for contractor expenses to improve the consistency of the crediting process.</p>	<p>ISED agrees with this recommendation.</p> <p>ITB Policy officers are responsible for undertaking due diligence through annual verifications to ensure that all contractor business activities are in compliance with the contract. Verification of business activities is guided by a detailed process that includes risk management, verification plans and reports, and the use of a branch information management system (PRISM). Credits are issued for business activities only after ITB officers have completed their due diligence, have verified claims, and have received Director approval.</p> <p>To ensure consistency, ISED has a number of resources in place to support its verification and crediting process including an internal ITB Guidebook and verification templates. The ITB Branch also holds monthly Operational Management Meetings to monitor projects, crediting activities, and service standards. These meetings help ensure consistency in project management practices across the Branch and are used as a forum to raise any issues or challenges for discussion.</p> <p>Moving forward, ISED commits to producing a new verification guidelines document that will be annexed to the ITB Guidebook, which clearly identifies in one place the tasks, timing, and resources associated with verification, in order to ensure consistency of the crediting process across teams.</p>	<p>Stephanie Tanton (Director General, ITB Branch)</p>	<p>March 31, 2021</p>
<p>ISED should continue industry outreach and engagement activities to enhance stakeholder understanding of the ITB Policy, particularly the Value Propositions.</p>	<p>ISED agrees with this recommendation.</p> <p>ISED will conduct engagement and outreach activities across Canada to ensure industry understanding of the ITB Policy. Engagement will include participation and presentations at trade shows and conferences; one-on-one meetings with industry representatives, as requested; participation in industry engagement days on specific procurements; and other types of information sessions (e.g., webinars) as required.</p>	<p>Stephanie Tanton (Director General, ITB Branch)</p>	<p>March 31, 2021</p>

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	ISED will also continue to work closely with Regional Development Agencies to enhance industry's understanding of the ITB Policy and its Value Proposition.		