



# Corporate Plan Summary

2025–2026  2029–2030

Including the operating and  
capital budgets for 2025–2026

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# EXECUTIVE SUMMARY

The operating environment of Defence Construction Canada (DCC, or the Corporation) is largely shaped by the priorities and planning of its primary Client-Partner, the Department of National Defence (DND), and by the size and focus of DND's infrastructure and environment (IE) program.

By design, DCC's business model ensures value for money, strong service delivery for its Client-Partners and financial sustainability. As a Crown corporation, it has flexibility in its business management, in times of both expansion and restraint. The Corporation remains fully aligned with the government-wide shared goal of sound economic and fiscal stewardship.

DCC is applying its ingenuity and experience to support the Government of Canada's commitment to addressing Canada's housing crisis. Together with Public Services and Procurement Canada (PSPC) and DND, DCC is identifying opportunities to build more housing and to develop innovative housing solutions that could contribute to the federal government's goals.

The Corporation anticipates that contract expenditures will increase slightly to \$1.5 billion in 2025–26, followed by larger increases to about \$2.1 billion in 2026–27 and \$2.5 billion in 2027–28. Then, it expects contract expenditures to level out at \$2.6 billion in 2028–29 and 2029–30. These fluctuations will be due mainly to the Canadian Surface Combatant Project, the Future Fighter Capability Project, and other Defence Capability Infrastructure (DCI) programs and projects. The Corporation also manages two public-private partnership contracts for the Communications Security Establishment and Shared Services Canada.

The value of DCC's current ongoing project portfolio is about \$9.6 billion, and contract expenditures have historically averaged about \$1.1 billion per year. DCC generates an estimated 3,600 to 4,000 full-time jobs in the Canadian infrastructure and environment industry, and it injects money into local communities through its payments to contractors and consultants.

DCC expects services revenue to increase by 8% in 2025–26, reflecting a 3.3% billing rate increase and a 4.7% increase in demand for DCC services. Revenue is anticipated to increase over the planning period due to demand from Client-Partners and a planned billing rate increase.

In accordance with Canada's defence policy, Our North, Strong and Free, DCC will work to ensure seamless delivery of the policy components that relate to its mandate.

DCC supports DND's efforts to reduce greenhouse gas emissions and energy consumption associated with its infrastructure holdings. Support for net-zero carbon planning, energy performance contracts, and the use of innovative materials—such as cross-laminated timber and low-carbon concrete—are a few of the ways DCC will contribute to Canada's climate change and sustainability initiatives during the planning period.

The priorities of the Corporation's sole shareholder, the Government of Canada, also affect DCC's operating environment. In recent years, the federal government has implemented an ambitious agenda that includes supporting Indigenous reconciliation, official languages, accessibility, cybersecurity, diversity and inclusion, workplace wellness and mental health, the digital workplace, and environmental initiatives. The Corporation will continue to move these priorities forward in the planning period.

DCC is deeply committed to building strong partnerships with Indigenous peoples and to creating more opportunities for Indigenous businesses. The Corporation is implementing its Indigenous Relations Policy, based on the three pillars of people, business and community. DCC has established an outreach program in its Pacific Region, which it expanded to the National Capital Region in 2024–25.

In January 2024, DCC achieved the Phase 3 committed level of the Partnership Accreditation in Indigenous Relations certification from the Canadian Council for Indigenous Business. The Corporation plans to apply for bronze certification in April 2025.

DCC met the Government of Canada's deadline to publish its Pay Equity Plan by September 2024. As part of its work to help create an accessible and barrier-free Canada, DCC released its *Progress Report on the Implementation of its Accessibility Plan* in December 2024.

The Corporation works to enhance its ability to recruit and retain top talent, including members of the four employment equity groups and members of the 2SLGBTQI+ community. DCC's Diversity and Inclusion Strategy 2021–2026 includes activities such as developing regional diversity and inclusion plans, anti-racism training, and unconscious bias-awareness training.

Very positive results from a June 2024 Employee Engagement Survey indicate that the Corporation has a highly engaged workforce and remains an employer of choice.

DCC continues investing in business modernization—particularly its digital capability—to improve its efficiency and effectiveness and deliver further value to the Crown. Up-to-date technology with robust capacity makes the modern hybrid workplace viable. Employees, senior managers and external stakeholders expect to conduct business in a well-functioning virtual environment. DCC will sustain its information technology (IT) investments to maintain service capability and the organization's viability. With modern IT infrastructure, solid policies and practices, and a dynamic employee cybersecurity awareness program, DCC is well equipped to combat digital attacks.

The Corporation will maintain key initiatives that reinvest in the future of the organization. These include initiatives to foster an equitable, healthy, diverse and inclusive workplace; develop Client-Partner relationships; improve program delivery and environmentally sustainable defence; enhance technology for service delivery; modernize procurement; improve information management and digital business capabilities; enhance business opportunities for Indigenous peoples; and support the Office of the Auditor General as it carries out its regularly scheduled Special Examination.

To support the Government of Canada's openness and transparency objectives, DCC's website includes all corporate documents that have been tabled in the House of Commons, and all travel and hospitality expenses of senior officials. These documents are also published on the Open Government Portal.

To contribute to the Government of Canada's objective of fiscal restraint, DCC aims to reduce its operating and administrative expenses on a per full-time equivalent basis over the next three fiscal years. The reductions will fluctuate from year to year in relation to Client-Partner program volume. Professional services expenses are expected to increase during the planning period due to legislative requirements and to improvements to DCC's enterprise resource planning system.

Capital adequate to support operations is anticipated to total \$22 million as at March 31, 2025. This balance is within the target range of \$22 million to \$30 million, set in 2024–25. Throughout the planning period, DCC will manage its capital adequacy to fund investments in its business—particularly in capital projects, innovation and IT initiatives.

# OVERVIEW

## Mandate

Defence Construction Canada (DCC, or the Corporation) is a Crown corporation that procures and delivers defence infrastructure projects. Its principal mandate is to meet the infrastructure, real property and environmental needs of the Department of National Defence and the Canadian Armed Forces (DND/CAF) by advising on, collaboratively planning, procuring and managing defence contracts.

DCC has two primary Client-Partners: the infrastructure and environment (IE) community at DND, and the Communications Security Establishment. The Corporation also provides services to Shared Services Canada for its Enterprise Data Centre at Canadian Forces Base (CFB) Borden.

## Government of Canada Priorities and Public Policy Role

DCC contributes to the **security and defence of Canada** by ensuring adherence to the Policy on Government Security. That ensures that security requirements identified by DND are managed during the procurement and management stages of each contract to protect sensitive or classified information and assets. The Corporation also pre-screens contracting and consulting firms' applications for security clearances from the Canadian and International Industrial Security Directorate.

DCC supports the Government of Canada's **commitment to net-zero emissions by 2050** by helping DND meet its climate change and sustainability objectives associated with its infrastructure holdings. In addition to helping Client-Partners achieve sustainability, DCC's Greening and Sustainability Working Group provides advice, knowledge and guidance on greening and sustainability issues, supports the integration of DCC's services to respond to evolving environmental requirements, engages in intergovernmental and industry-related committees, and ensures DCC continues to be a **responsible, resilient and sustainable steward of the environment**.

DCC plays a role in meeting the government's policy objective to create an ethical, fair and secure marketplace by respecting internal and international trade agreements, using sound procurement practices, ensuring competition by providing wide access to government business opportunities, and complying with the *Federal Prompt Payment for Construction Work Act*. The Corporation provides fair, open access to approximately 2,000 contracts annually on behalf of its Client-Partners, thus stimulating **economic growth**.

DCC has systems and practices, such as its Code of Business Conduct and its Procurement Code of Conduct, to ensure all business is carried out with **openness and transparency**, high ethical standards, and integrity. It complies with the *Public Servants Disclosure Protection Act* and the *Conflict of Interest Act*.

## Mission Statement

To provide timely, effective and efficient program management, project delivery and full lifecycle support for infrastructure and environmental assets required for the defence of Canada.

## Vision Statement

To be a knowledgeable, ethical and innovative leader, and employer of choice, valued by the Government of Canada and industry.

## Service Lines

DCC's work covers a broad range of activities, from project needs planning to building decommissioning. The Corporation's service delivery resources are divided among five service lines.

### CONTRACT SERVICES

Planning and procurement for goods and professional, environmental, real property, construction and maintenance services.

### CONTRACT MANAGEMENT SERVICES

Creation, renovation and maintenance of facilities for DND's IE program, and management of complex public-private partnership agreements.

### ENVIRONMENTAL SERVICES

Activities to help DND meet environmental performance targets, comply with regulatory requirements, and manage due diligence and risk.

### PROJECT AND PROGRAM MANAGEMENT SERVICES

Advice on matters such as infrastructure requirements, project and program planning, and schedule and document control.

### REAL PROPERTY MANAGEMENT SERVICES

Efficient maintenance of DND's infrastructure—from needs planning to facility decommissioning.

## Business Model

The Corporation's business model combines the best characteristics of the private and public sectors. DCC's everyday operations are like those of an engineering consultancy firm. However, as a Crown corporation, it is governed by Part X of the *Financial Administration Act* and listed in Schedule III. In the planning period, the Corporation may examine any necessary changes to its mandate and review ways to amend its business model to be as efficient as possible to support Canada's Housing Plan.

DCC and DND have worked together since 1951. During that time, DCC has acquired specialized expertise and accumulated a large knowledge base related to Canada's military construction, and associated infrastructure and environment services, at home and abroad.

The projects DCC manages range from traditional ones to innovative ones, from control towers to dockyards, from hangars to armoured vehicle maintenance facilities, from community centres to accommodation facilities, and from roads to sewer and water systems. Some projects may simply involve maintenance work, while others are more complex construction projects with high security requirements.

DCC has no competitors in the traditional sense, but it has a mandate to provide IE services for all defence operational facilities on bases and wings. DND/CAF has the option to use Public Services and Procurement Canada to contract for minor repair and maintenance services at DND/CAF locations for defence projects valued at \$100,000 or less, as per the memorandum of understanding, or to request support for other projects, as agreed to by DCC.

## Financial Condition

The Corporation earns revenue on a fee-for-service basis and receives no government appropriations. It does not maintain or currently have access to any lines of credit or other sources of borrowings although the Corporation plans to explore available options, including lines of credit and other vehicles. Pursuant to the *Financial Administration Act*, Crown corporations are able to raise funding requirements in capital markets by borrowing and must be compliant with the Minister of Finance's Financial Risk Management Guidelines for Crown Corporations.

DCC manages its office space needs in ways that optimize overall value for the Crown. DCC operates as a lean and efficient organization. The intent is to operate on a slightly better than break-even basis, after adjusting for reserve funds for future capital projects and for innovation and research.

Unexpected changes in program services provided to Client-Partners, as well as DCC's success in achieving its own operating efficiencies, can result in margins and cash balances that vary from initial targets. For more information, see DCC's *Annual Report 2023–2024*.

# OPERATING ENVIRONMENT

DCC's operating environment is largely shaped by the priorities and planning of its primary Client-Partner, the Department of National Defence (DND), by the size and focus of DND's infrastructure and environment (IE) program, and by the business outlook for the architecture, engineering and construction industry.

## External Factors

### DND Infrastructure and Environment Program

The volume of business DCC receives under this program can change significantly from year to year, depending on DND priorities and the amount of Government of Canada funding for defence infrastructure. Typically, DND spends between 9% and 15% of its IE program budget on DCC's service fees.

The federal Budget 2024 saw increased funding to support the defence policy Our North Strong and Free: A Renewed Vision for Canada's Defence. The Government of Canada is also exploring the redevelopment of some DND properties in Halifax, Toronto and Victoria for both military and civilian uses. Activities DCC is currently supporting or may support in the future include divesting of or demolishing underused or obsolete buildings; improving facilities on bases and wings, such as housing for military personnel; building new infrastructure for major Canadian Armed Forces (CAF) programs; and exploring innovative procurement and construction approaches so that government partners can help build more homes faster for Canadians.

Similarly, DCC helps DND implement its Defence Energy and Environment Strategy by, for example, improving energy efficiency and building sustainable real property at installations across Canada.

Finally, DCC regularly responds to requests from DND to work in Canada's Far North and to deploy staff overseas, including to current operational locations in Latvia and Kuwait.

### External Economic and Business Environment

According to Build Force Canada, construction employment opportunities continue to outpace labour force growth, and this industry labour market pressure is expected to continue through the planning period. This is due to a general increase in infrastructure investment, increased demand in the residential construction sector, outdated procurement methods, immigration policies that do not support the selection of individuals with construction experience, challenges accessing the Temporary Foreign Workers Program to supplement domestic workforce requirements and the aging of the workforce. Recruitment in the construction trades is increasingly challenging, as there is increased competition for skilled workers from other industries and youth are increasingly less interested in construction careers.

The Canadian construction industry, of which DCC is a member, is becoming more complex, with fewer firms, more foreign ownership, more service-integrated firms, quicker adoption of technology and greater third-party involvement in activities traditionally done by construction business owners, such as quality control.

Mergers and acquisitions among small and medium-sized enterprises are decreasing the pool of independently owned businesses eligible and able to bid on DCC contracts. In addition, federal, provincial and municipal governments are all coping with aging infrastructure, which challenges the capacity of industry to respond.

For these reasons, DCC must always work to be a preferred business partner, since it relies on contractors and consultants to perform the work under the contracts it manages. DCC must also keep current with industry innovations, including e-procurement, new approaches to project delivery (such as public-private partnerships), integrated project delivery and LEAN methodologies.

## Government of Canada Requirements

The [Strategic Plan Overview](#) chart on page 11 illustrates how DCC's mission, vision, values, strategic objectives and outcomes, initiatives, and key performance indicators flow from Government of Canada priorities.

## Internal Factors

Expectations for workplaces of the future continue to evolve. In fall 2021, DCC's Flexible Workplace Policy came into effect. It provides for arrangements that can help employees meet personal needs while continuing to deliver key services to external and internal clients. By fall 2022, DCC had implemented this policy and employees had returned to the workplace under it.

In recent years, the Government of Canada has implemented an ambitious agenda that includes priorities for Indigenous reconciliation, official languages, accessibility, cybersecurity, diversity, equity and inclusion, workplace wellness and mental health, future leadership development, the digital workplace, and greening and sustainability initiatives. DCC has worked very hard to support all these priorities and has achieved positive results over the past nine years.

The resources required to move these priorities forward has transformed the profile and make-up of DCC's internal business administration. The Corporation is moving away from people, processes and systems that simply support technical service delivery toward enhanced business management structures, tools, teams and practices that continue to manage the business while developing a modernized workplace and contributing to societal change.

Information technology (IT) systems are evolving rapidly to meet the demands of remote working. Employees, senior managers and external stakeholders alike expect to have a well-functioning, reliable and secure virtual environment.

To protect the Government of Canada cybersecurity posture, DCC has a robust five-year cybersecurity Roadmap. It includes a governance structure for policies and standards, an IT risk management program, and a cybersecurity awareness program. The awareness program is based on the approach that, just like workplace health and safety, cybersecurity is everyone's responsibility. This awareness program has been in place for two years. People's ability to identify cyber threats and knowledge of ways to prevent and manage those threats have increased.

In alignment with Government of Canada cybersecurity actions, DCC has banned the use of TikTok, WeChat and the Kaspersky suite of applications on all DCC-owned mobile devices, due to unacceptable risks to privacy and security.

Like many other Canadian organizations, DCC faces ongoing challenges in recruiting and retaining top talent to ensure it can continue to meet Client-Partner needs, while dealing with generational turnover and varying expectations of employees of different ages. Since DCC largely hires from outside government, it will be affected by the anticipated demographic crunch in the construction industry, with over one-fifth of workers on track to retire in 10 years but fewer people entering the workforce. Moreover, many large construction projects are carried out in remote areas, where young people are less likely to relocate.

Nonetheless, DCC must continue to be able to adapt the size, location and makeup of its workforce, so it can quickly respond to changes in Client-Partner service delivery requirements and priorities. DCC's status as a non-unionized Crown corporation gives it the flexibility to do this.

DCC's compensation structure differs from that of unionized government organizations. Employees participate in the Public Service Pension Plan and have access to fully integrated health and dental plans, and short-term and long-term disability plans. However, salary increases are based on economic conditions and individual merit-based performance, with no negotiated or stepped increases. To ensure employee compensation continues to be comparable to industry standards, reflect best practices and provide value to the Crown, DCC regularly conducts a benchmarking study of compensation and benefit practices. The most recent study, in 2019–20, confirmed that DCC's job classification and compensation structure complies with pay equity regulations. In 2025–26, DCC plans to conduct another compensation and benefits study. If needed, it may also do focused studies of specific business areas, to ensure DCC remains an employer of choice in the current competitive job market.

# BUSINESS STRATEGY

DCC has a clear and consistent approach to its business, being always ready to provide timely, knowledgeable, effective and efficient service to its Client-Partners. The needs of DCC's defence and security Client-Partners have the greatest influence on the Corporation's business strategy, and it is DCC's mission to deploy its services tactically to meet those needs.

Each fall, DCC holds a strategic planning session that includes a strengths, weaknesses, opportunities and threats analysis. DCC considers this operating environmental analysis, together with the Corporate Risk Register, to ensure that all risks are addressed. The Board of Directors, the Senior Management Group, Client-Partners and industry representatives provide input to this review, based on consultations with their stakeholders.

DCC has built its business strategy on four planning themes: People, Service Delivery, Business Management, and Leadership and Governance. DCC's strategic objectives under those themes are to engage the workforce, meet Client-Partner requirements, have robust business management tools and demonstrate strong leadership. DCC provides a service and support function to its Client-Partners, focused on maintaining and improving the Corporation's service delivery capability.

DCC ensures performance through a results-based approach to monitoring its business. Specific, measurable, achievable, relevant, and timely strategic objectives and outcomes provide focus for each theme, aligned with DCC's mission. DCC does not expect these objectives to change during the 2025–26 to 2029–30 planning period. With qualitative and quantitative key performance indicators in place for each of them, DCC can gauge the health of any aspect of its business. Rigorous and regular data collection, monitoring and reporting, and continuous improvement are part of daily work at DCC. The most recent key performance indicator results can be found in DCC's *Annual Report 2023–24*.

Although DCC's business strategy has remained consistent over the decades, the changing operating environment influences the specific supporting activities DCC pursues each year. Nonetheless, DCC's initiatives typically relate to service delivery, or to the management of its human, capital or financial resources, in areas such as employee engagement, information technology infrastructure and reduction of business costs. Details on the specific objectives of each initiative for the current fiscal year are noted in the following discussion section under the corresponding planning theme.

# STRATEGIC PLAN OVERVIEW, 2025–2026 TO 2029–2030

Government of Canada Key Priorities Supported by DCC				
Security and Defence	Environment	Economic Growth	Openness And Transparency	
<ul style="list-style-type: none"> <li>Defence Policy: Our North, Strong and Free</li> <li>Support for Canada's defence infrastructure across Canada, in the Far North and abroad</li> <li>Support for Canada's cybersecurity posture</li> </ul>	<ul style="list-style-type: none"> <li>Support for Canada's Greening Government Strategy</li> <li>Support for DND/CAF in meeting its climate change and sustainability objectives</li> </ul>	<ul style="list-style-type: none"> <li>Investment in infrastructure</li> <li>Opportunities for Canadians</li> <li>Contribution to reconciliation efforts with Indigenous peoples</li> <li>Efforts to stimulate innovation</li> <li>Support for action to address Canada's housing crisis</li> </ul>	<ul style="list-style-type: none"> <li>Ethical and fair procurement process</li> <li>Sound fiscal stewardship</li> <li>Commitment to social and cultural diversity and inclusion</li> <li>Support for the creation of a barrier-free Canada</li> </ul>	
Mission			Vision	
To provide timely, effective and efficient program management, project delivery and full lifecycle support for infrastructure and environmental assets required for the defence of Canada			To be a knowledgeable, ethical and innovative leader, and employer of choice, valued by the Government of Canada and industry	
Values				
<p><b>Dedication:</b> DCC is dedicated to supporting defence infrastructure and environmental requirements. Since 1951, DCC employees have dependably and diligently carried out that mission for Client-Partners.</p>	<p><b>Collaboration:</b> DCC is committed to developing collaborative relationships with Client-Partners, industry, employees and other stakeholders. Together, we leverage our shared expertise toward our common goals.</p>	<p><b>Competence:</b> DCC offers a dynamic and inclusive working environment in which the experience, expertise and diversity of employees enable the development of innovative solutions for Client-Partner needs.</p>	<p><b>Fairness:</b> DCC engages with everyone in a fair and ethical manner, embraces equity and inclusion, and advocates for mutual respect and professionalism throughout its business.</p>	
Strategic Objectives and Outcomes				
Planning Theme	People	Service Delivery	Business Management	Leadership and Governance
<b>Strategic Objective</b>	To build and sustain a competent, engaged and diverse workforce	To deliver innovative, value-added services that meet Client-Partner requirements	To maintain a strong and responsive business management capability	To provide agile leadership and be responsive to Government of Canada objectives
<b>Strategic Outcomes</b>	<ul style="list-style-type: none"> <li>A diverse, productive and results-oriented workforce</li> <li>A healthy, inclusive, accessible and respectful workplace</li> <li>A culture of innovation</li> <li>Positive employee engagement</li> <li>Sustainable succession management</li> </ul>	<ul style="list-style-type: none"> <li>Delivery of effective and efficient quality services</li> <li>Collaborative relationships sustained through mutually aligned objectives and information-sharing</li> <li>Leveraging of industry capability, capacity and innovation</li> </ul>	<ul style="list-style-type: none"> <li>Business infrastructure, strategies and corporate frameworks that ensure effective and efficient service delivery and strong resource management</li> <li>Sound internal control systems and practices, and management oversight and audit, that safeguard corporate assets</li> </ul>	<ul style="list-style-type: none"> <li>A risk-based decision-making culture</li> <li>High ethical standards, openness and transparency in the management of DCC</li> <li>Demonstration of value, integrity and innovation</li> <li>Respect for government policies and practices</li> </ul>
<b>2025–26 Corporate Plan Initiatives</b>	<ul style="list-style-type: none"> <li>Deliver a multi-year Human Resources Strategic Plan, which includes initiatives for diversity and inclusion, workplace wellness and mental health, and talent acquisition and retention</li> </ul>	<ul style="list-style-type: none"> <li>Enhance DCC's capabilities to support DND in its program delivery and IE strategic portfolio management</li> <li>Support DND's greening, environmental sustainability and climate resiliency initiatives</li> <li>Implement innovative project delivery options</li> <li>Leverage technology to enhance service delivery</li> </ul>	<ul style="list-style-type: none"> <li>Implement the Information Technology Strategic Plan, including the Information Management Policy and the Cybersecurity Awareness Strategy</li> <li>Carry out the Digital Business Capabilities Project</li> </ul>	<ul style="list-style-type: none"> <li>Strengthen collaborative relationships with Client-Partners</li> <li>Contribute to the economic betterment of Indigenous peoples</li> <li>Support the Office of the Auditor General's Special Examination</li> </ul>
<b>Key Performance Indicators</b>	<ul style="list-style-type: none"> <li>Employment diversity results</li> <li>Employee retention rate</li> <li>Innovation results</li> <li>Investment in training and development</li> </ul>	<ul style="list-style-type: none"> <li>Service delivery rating</li> <li>Procurement results</li> <li>Contract management results</li> <li>Contractor performance evaluations</li> </ul>	<ul style="list-style-type: none"> <li>Financial results consistent with DCC's Corporate Plan</li> <li>Cost of services</li> <li>Utilization rate</li> </ul>	<ul style="list-style-type: none"> <li>Corporate reporting results, including timeliness of submissions</li> <li>DCC Code of Business Conduct results</li> <li>DCC Procurement Code of Conduct results</li> <li>Environmental, health and safety, and security results</li> </ul>

# OBJECTIVES, OUTCOMES, INITIATIVES AND PERFORMANCE INDICATORS

## Planning Theme: People

### OBJECTIVE

To build and sustain a competent, engaged and diverse workforce.

### OUTCOMES

DCC's culture promotes a diverse, productive and results-oriented workforce.

- DCC's workplace offers opportunities for results-oriented people who want to take ownership of their work. They can grow through professional development opportunities, collaboration and leadership initiatives, knowledge retention and transfer activities, and career development exercises.

DCC provides a healthy, inclusive, accessible and respectful workplace.

- Hallmarks of DCC's workplace include a commitment to diversity and inclusion, workplace wellness, accessibility, fair compensation and benefits, pay equity, and corporate social responsibility.

DCC encourages and fosters a culture of innovation.

- DCC employees across the country develop more efficient ways of working—the essence of innovation. Innovation in day-to-day operations leads to resource savings, more efficient service delivery and greater value for the Crown.

DCC achieves positive employee engagement.

- The unique DCC culture is a combination of team awareness, collegiality, ingenuity and patriotism, and it attracts people who have these attributes, who are results oriented, and who are personally aligned with the corporate values of dedication, collaboration, competence and fairness. DCC strives to keep employee engagement high through initiatives that appeal to the hearts and minds of its employees.

DCC prepares the next generation of leaders.

- DCC invests in its people through a robust leadership development program that prepares high-potential talent for future leadership opportunities using formal and informal learning opportunities.

### INITIATIVES

Starting in the first quarter of 2025–26, DCC will start implementing its recently refreshed Human Resources Strategic Plan 2025–2026 to 2029–2030. It includes meaningful activities related to diversity and inclusion, workplace wellness and mental health, and talent acquisition and retention that span the planning period—most notably, the development and rollout of regional implementation plans.

This strategic plan was informed by the results of a national employee engagement survey conducted in the first half of 2024–25. DCC garnered a 94% participation rate and achieved an overall engagement score of 86%. This surpassed the 2017 survey results of an 88% participation rate and an overall engagement score of 82%. This latest participation rate exceeds the industry benchmark of 70%.

DCC strives to have an employee population that reflects the diversity of the communities where it operates. It will aim for diversity within a target range falling between the labour market availability mix of the construction, architecture and engineering sectors and the labour market availability mix of other federally regulated employers, as per the Workplace Equity Information Management System (WEIMS).

DCC published its Pay Equity Plan and updated its Pay Equity Policy in the first half of 2024–25. As a federal Crown corporation, DCC is subject to the *Pay Equity Act*, which came into force on August 31, 2021. Federal government organizations were required to submit their final plans by September 3, 2024, and DCC met that deadline.

## **PEOPLE: Key Performance Indicators**

### *Employment Diversity Results*

Under the *Employment Equity Act*, federally regulated employers such as DCC analyze their workforce to determine the degree of representation of designated groups in each occupational group. Each employer reports annually on its progress in achieving a workforce that is representative of the designated groups. DCC's target is to have no deficiencies in three of the four categories. In the first half of 2024–25, DCC achieved that target. The Government of Canada recognized DCC's success in encouraging a diverse and inclusive workplace in five categories in the 2023 Employment Equity Achievement Awards—an indicator of the Corporation's positive results in the recent planning period.

### *Employee Retention Rate*

DCC regularly reviews the percentage of employees who voluntarily leave the Corporation for other career opportunities. Monitoring this percentage allows senior managers to analyze the Corporation's performance in the context of relevant labour market trends. DCC strives to retain a minimum of 90% of its employees each year, and the average results over the past five years remain consistently above that target, in the range of 95%.

### *Innovation Results*

The innoviCulture program is DCC's means of encouraging and tracking innovation in the workplace. A key tool is an online intranet module called the inCubator. This system tracks ideas submitted by employees as they move through the evaluation process and into implementation. The target is to have 10% of all employees participate in innoviCulture. In the first half of 2024–25, this program saw a 23% participation rate. By fiscal year end, the trend of the average employee participation rate was about 40%.

### *Investment in Training and Development*

DCC's ability to serve DND is heavily dependent on the skills of its employees. DCC believes that by providing training to its employees, it not only equips them to deliver and invests in their career development; it also makes the entire Corporation stronger.

The target for spending on professional development as a percentage of base salary costs is 4.5%. This target includes spending on both internal and external costs related to training and development. The amount spent on training and development fluctuates from quarter to quarter, and year to year. It depends on the effort required to develop and maintain internal courses, and the timing of and delivery method used for professional development activities in regions and nationally. In 2023–24, the actual percentage was 4.2%. At the end of the first half of 2024–25, the result was 3.7%.

# Planning Theme: Service Delivery

## OBJECTIVE

To deliver innovative, value-added services that meet Client-Partner requirements.

## OUTCOMES

Service lines deliver efficient and effective quality services throughout the asset lifecycle.

- A matrix organization, a principles-based operating model, a risk-based decision-making approach and a results-oriented culture give DCC the flexibility that its Client-Partners need to run their organizations and to build, manage and maintain their assets.

DCC sustains collaborative relationships through mutually aligned objectives and information-sharing.

- To fulfill its mission, DCC needs high-quality relationships with its defence and security Client-Partners. Planning jointly, sharing information, developing new support services and exchanging lessons learned are examples of activities DCC undertakes to sustain mutually beneficial relationships.

DCC leverages industry capacity and innovation.

- Since 1951, DCC has been engaged with industry associations and has been collaborating on many initiatives. DCC strives to be a bridge between industry and Client-Partners to help them achieve mutual goals and to foster innovative practices.

## INITIATIVES

DCC will carry forward four service delivery initiatives in 2025–26: support DND in its program delivery and IE strategic portfolio management; support DND's greening, environmental sustainability and climate resiliency initiatives; implement innovative project delivery options; and leverage technology to enhance service delivery.

DCC is helping DND modernize its infrastructure in two ways. First, the Corporation supports the development of real property program and procurement plans, and their associated tracking tools, to help the Client-Partner acquire and lease sites and carry out other transactions. This includes support and collaboration with DND on housing opportunities. Second, DCC works with DND to make requirements for facilities maintenance more consistent, as well as to reform joint procurement methods so that they encourage innovation.

When collaborating with the Client-Partner in its procurement planning, DCC considers ways to create a positive social impact through purchasing. The planning period will see DCC implement its Indigenous Relations Policy to support DND's efforts to engage Indigenous businesses. In each region, DCC will work to build its stakeholder engagement capacity and commit to building trust with Indigenous communities. This policy aims to help stimulate economic growth, create career opportunities and contribute to the Indigenous communities.

A clear indicator of DCC's success in supporting DND's greening, and sustainability initiatives is the fact that DCC has put 11 energy performance contracts in place since 2018. Ten more are in the procurement stage, three are in the planning stage and a further eight will undergo an opportunity assessment during the planning period.

DCC continues to seek ways to better support its service delivery in the areas of mobile applications, new work practices and methods, and industry-specific software, such as that used for business information modelling and digital analytics. Employees expect to be able to use mobile applications; Client-Partners want real-time, accessible data and reports; and industry partners want easy and efficient ways to do business with DCC.

## SERVICE DELIVERY: Key Performance Indicators

### *Service Delivery Rating*

DCC wants to maintain high-quality service delivery. Consequently, it seeks continuous improvement through a service delivery rating and feedback system.

DCC administers its work through service-level arrangements (SLAs). Each SLA may comprise many projects, and there is one primary Client-Partner representative for each SLA. Each representative is interviewed annually and can comment on the service DCC provided on all projects in which they were involved.

The representatives rate DCC's performance on a scale from one to five, with a score of three indicating that DCC "met expectations" and a score of four or five indicating that the Corporation "surpassed expectations." Scores are weighted according to the value of each SLA. DCC defines satisfied clients as those who provide an overall rating of three or higher. The performance target is 95% and DCC consistently meets or exceeds that target.

### *Procurement Results*

**Procurement award success:** DCC wants Client-Partners to have a timely procurement experience and does not want to waste industry's time with false starts, as this reduces competition. DCC works with Client-Partners to make each procurement as viable as possible. The goal is that a minimum of 95% of all procurements result in a contract. In the first half of 2024–25, DCC achieved a result of 98%, consistent with the trend of the past several years.

**Procurement competition:** DCC wants industry to view it as a knowledgeable and fair company to work with, so that as many bidders as possible compete for work. This helps ensure the Corporation gets the best value possible. The Corporation tracks the number of bidders per procurement, one indication of its reputation among contractors and consultants. The goal is to have an average of four bidders per procurement. In the first half of 2024–25, DCC achieved an average of five bidders per procurement.

**Public access to business opportunities:** DCC wants to encourage competition and ensure that all enterprises have an equal opportunity to bid on contracts. The goal is to award a minimum of 98% of DCC contracts through public opportunities. DCC conducts procurement in an industry known for incidents of fraud. All successful bidders are verified against DCC's Procurement Code of Conduct before contract award. This reduces the risk of working with non-compliant companies. In the first half of 2024–25, DCC achieved a result of 99.6%.

### *Contract Management Results*

DCC's Contract Management service line measures its on-time completion rate for construction contracts.

The business performance target is to have 85% of all contracts completed by the date scheduled for occupancy and readiness for intended use. In the first half of 2024–25, DCC achieved a result of 94%.

### *Contractor Performance Evaluations*

To satisfy its Client-Partners, DCC wants to have the job done right. To satisfy the industry, DCC wants to provide useful and fair performance feedback to the contractors and consultants that perform the work. For two decades, DCC has used its contractor performance evaluation report form to ensure delivery of quality work and to achieve value for the Crown. This vendor management tool holds contractors accountable for poor performance or unacceptable behaviour. The goal is to evaluate 95% of all contractors that have completed their contracts with DCC. In the first half of 2024–25, DCC achieved a result of 99%.

# Planning Theme: Business Management

## OBJECTIVE

To maintain a strong and responsive business management capability.

## OUTCOMES

Business infrastructure, strategies and corporate frameworks ensure effective and efficient service delivery and strong resource management.

- Business infrastructure relates to business planning, operations policy and procedures, human resources, corporate security, administrative services, finance, IT, and communications. Resource management includes management of staff, materials, money and assets.
- Corporate assets are safeguarded by sound internal control systems and practices, and by management oversight.

## INITIATIVES

The two initiatives in this planning theme both relate to DCC's digital capability and the effort to modernize DCC's internal business systems. They have been carried forward from last year and will continue into the planning period.

DCC's IT Strategic Plan includes a cybersecurity awareness program and the Information Management Policy. These support the Government of Canada's cybersecurity posture and are aligned with the guiding principles of the Policy on Service and Digital. The digital business capability resource project includes improvements to DCC's enterprise resource planning (ERP) system. DCC expects to replace its current ERP system within the planning period at a total cost of approximately \$28.5 million, including contingencies, split between capital expenditures and operating expenditures.

The Executive Management Group monitors the progress of the five-year IT Strategic Plan and receives reports on it regularly during DCC's IT Steering Committee monthly meetings.

This plan to modernize DCC's IT infrastructure will ensure that the Corporation keeps pace with its industry and government partners in its use of technology to provide infrastructure and environment services, as well as to meet employee expectations for a hybrid, virtual work environment.

## **BUSINESS MANAGEMENT: Key Performance Indicators**

### *Financial Results Consistent with DCC's Corporate Plan*

DCC expects to achieve financial results each year that are consistent with its Corporate Plan and Financial Management Policy. Unexpected changes in program services provided to Client-Partners, as well as DCC's success in achieving its own operating efficiencies, can result in margins and cash balances that vary from initial targets. The objective is to generate and maintain sufficient cash to meet the Corporation's anticipated operating and capital requirements, to settle financial obligations as they become due, and to meet contingencies that may arise. Based on various considerations, including DCC's increasing liability for long-term employee benefits, DCC's capital management approach will be to maintain its cash and investments level to fund operations at \$24 million to \$34 million during the planning period. More information on DCC's approach to capital management can be found in the [Financial Overview on page 21](#).

### *Cost of Services*

The indicator of overall cost of services to DND reflects how much of DND's IE major and minor capital program budget is spent on DCC's services—or, in other words, how much DCC's contracting, contract management, and project and program management services cost DND's IE community. Typically, DCC expects these costs to fall in the range of 9% to 15% of the budget. In the first half of 2024–25, the figure was 12%, in range with past years of the planning period.

DCC operates as a lean and efficient organization, and its billing rates are significantly lower than those of comparable North American private sector engineering firms, according to Deltek's 45th Annual Clarity Architecture and Engineering Industry study.

### *Utilization Rate*

DCC manages its business soundly by maintaining low internal overhead costs, keeping costs to DND low and meeting the terms of its own Financial Management Policy. As DCC is a service organization, its largest overhead cost is employee salaries. The Corporation sets a target utilization rate of 70% to cover these costs. In the first half of 2024–25, DCC achieved a result of 72%.

# Planning Theme: Leadership and Governance

## OBJECTIVE

To provide agile leadership and be responsive to Government of Canada requirements.

## OUTCOMES

DCC maintains a risk-based decision-making culture.

- To be efficient, comply with Government of Canada requirements and meet urgent needs, DCC uses a risk-based decision-making process. This allows the Corporation to carry out the complex and specialized defence construction projects that Client-Partners require.

DCC demonstrates high ethical standards, openness and transparency in the management of its business affairs.

- DCC operates in an ethical, transparent and responsible manner, and ensures appropriate oversight of its daily operations.

DCC demonstrates value, integrity and innovation to stakeholders and Client-Partners.

- DCC maintains a credible reputation.

DCC respects government policies and practices.

- DCC abides by Government of Canada regulatory and policy requirements, including policies related to diversity and inclusion; official languages; environmental stewardship; health and safety; security; access to information; and financial administration and reporting.

## INITIATIVES

DCC is carrying forward three strategic initiatives from 2024–25 under the theme of leadership and governance: strengthening collaborative relationships with the Client-Partner leadership; contributing to the economic betterment of Indigenous peoples; and supporting the work of the Office of the Auditor General in carrying out its regularly scheduled Special Examination.

DCC's stable, long-term relationship with DND allows the Corporation to maintain a corporate memory related to DND's infrastructure and environment needs. This helps in cases where DND has staff changes in key positions. DCC must regularly promote its mandate to new DND staff, so that DND can leverage DCC's expertise fully. DCC's senior management will continue to be very active in engaging the Client-Partner leadership as staffing changes occur. DCC follows a stakeholder engagement matrix to ensure regular communications with DND, to keep knowledge of DCC's mandate top of mind among Client-Partner representatives.

To contribute to the economic betterment of Indigenous peoples and to support the Government of Canada's reconciliation efforts, DCC has an Indigenous Relations Policy based on the pillars of people, business and community. The Corporation has an outreach program in its Pacific Region and, is planning to expand this program to the National Capital Region. DCC will review the applicability of this model to community engagement across all regions throughout the planning period.

The Special Examination began in October 2024 and the Corporation stands ready to fully support the Office of the Auditor General during the audit process.

## LEADERSHIP AND GOVERNANCE: Key Performance Indicators

### *Corporate Reporting Results*

Reports that the Corporation produces to meet legislative requirements include the *Annual Report*, the *Corporate Plan Summary*, quarterly financial reports, and annual reports on the administration of the *Access to Information Act* and the *Privacy Act*. DCC also provides reports to other government entities, such as Employment and Social Development Canada. The Corporation's success in meeting these reporting requirements—including timeliness of submissions, as well as the results contained in these reports—reflects DCC's success in meeting the objectives of the leadership and governance theme.

Separate from its corporate reporting requirements, DCC receives inquiries from its government stakeholders each year. These include order paper questions, constituent inquiries and ministerial questions. DCC responds to all requests in a timely manner. The volume of these requests fluctuates, depending on the current business environment. The target is to respond to 100% of all requests on time. In 2023–24, DCC met this target.

### *DCC's Code of Business Conduct Results*

DCC's Code of Business Conduct (the Code) supports DCC's strategic objectives of integrity and ethical business conduct. DCC employees are to perform their duties and arrange their private affairs so that public confidence and trust in the integrity, objectivity, and impartiality of DCC are preserved and enhanced. The Corporation requires all employees to review the Code each fall. This indicator is tracked closely. At the end of 2023–24, 100% of employees had responded to this annual requirement.

### *DCC's Procurement Code of Conduct Results*

DCC's Procurement Code of Conduct ensures that DCC's contractors and consultants meet the expected integrity requirements for doing business with the Government of Canada.

DCC aims to verify all firms before awarding contracts, to ensure that all contractors and consultants comply with the Procurement Code of Conduct. In 2023–24, DCC verified 1,473 firms—100% of the firms that required verification.

### *Environmental Results*

DCC tracks environmental incidents resulting from DCC personnel actions and reports them to its Board of Directors. Incidents that involve third-party contracted activities are also recorded. DCC strives to have zero incidents related to the actions of DCC personnel. In both 2023–24 and the first half of 2024–25, DCC had zero incidents.

### *Health and Safety Results*

Under its Corporate Health and Safety Program, DCC tracks, reports on and follows up on hazardous occurrences, accidents and safety incidents involving its employees that result in lost work time. Annually, DCC reports the number, severity and outcome of these events to Employment and Social Development Canada. DCC strives to have no safety accidents or incidents that result in lost time. In 2023–24, there were six minor lost-time incidents totalling 21 days, meaning lost-time hours totalled 0.006% of total employee hours. In the first half of 2024–25, there were zero lost-time hours.

## *Security Results*

In its Corporate Security Policy, DCC refers to industrial security requirements and corporate security requirements. “Industrial security requirements” are the security requirements that a Client-Partner has for all its projects. Client-Partners communicate these requirements to DCC during the procurement phase of a project. DCC ensures that these requirements are met and managed appropriately. The Corporation tracks all instances of non-compliance.

When there is an incident of non-compliance, DCC ensures that corrective actions are implemented. DCC coordinates all efforts with applicable stakeholders, such as the deputy security officer, the Canadian and International Industrial Security Directorate, and/or other local security authorities, as appropriate.

“Corporate security requirements” are DCC’s internal security requirements for its corporate information, assets and employees. DCC reviews and manages all incidents and takes required corrective measures with respect to its own assets and employees.

DCC strives to have no compromises of either corporate or industrial security requirements. In 2023–24, there were 20 industrial security incidents with no compromises and 13 corporate security incidents with one compromise. In the first half of 2024–25, there were zero incidents.

# FINANCIAL OVERVIEW

The Corporation operates on a fee-for-service basis and receives no government appropriations. Its financial management approach is based on the fundamental assumption that the Corporation is a going concern and that its stated mandate will continue in the future. This Corporate Plan contains information based on the most current assumptions as of November 15, 2024. Such information involves known and unknown risks that may cause actual results to differ materially from planned results. DCC senior management believes it has identified any material risk factors that could affect actual results at this time.

## Financial Highlights

DCC's financial position remains strong due to projected increased demand for services from its Client-Partner, as DCC provides support to the Future Fighter Capability Project and oversees construction of infrastructure for Canadian Surface Combatant ships, among other work. The Financial Plan reflects an increase in billing rates in order to meet DCC's operational and future capital requirements. Throughout the planning period, DCC will accumulate cash in reserve accounts to fund investments in its business—particularly in capital projects, innovation and research, information technology (IT) initiatives and other government priorities.

### 2025–2026 Planning Year

DCC expects services revenue to increase by 8% in 2025–26, reflecting a 3.3% billing rate increase and a 4.7% increase in demand for DCC services. In the Corporate Plan 2024–2025, the billing rate increase was reduced by 0.2 percentage points to help DCC's Client-Partner reduce its spending in the current year and over the next two years.

Salaries and employee benefits are expected to increase by 10% in 2025–26, with 5 percentage points of the increase due to an increase in Client-Partner demand for services and a change in salary mix, and 5 percentage points due to combined economic and merit-based salary increases. DCC will leverage any efficiencies gained in salary mix to fund innovation and research, IT initiatives and capital reserves.

Operating and administrative expenses are expected to rise for several reasons: expanded efforts to modernize IT infrastructure and business applications; a rising number of initiatives to respond to new Government of Canada priorities; and planned workforce increases to support the projected rise in demand for services from Client-Partners.

Total comprehensive income at the end of 2025–26 is projected to be \$3.5 million. It will be used to fund future capital projects, innovation and research, IT initiatives, and other government priorities.

Capital to support operations is anticipated to total \$24 million at March 31, 2026. The goal is to maintain sufficient reserves to cover short-term salary costs. Over the planning period, the Corporation will increase its target for capital to support operations to \$34 million. It plans to make that increase for two reasons: increasing liabilities for employee future benefits, which the Corporation must self-fund; and ongoing workforce expansion to meet growing demand for DCC services.

## 2026–2027 to 2029–2030 Planning Years

Revenue is anticipated to increase over the planning period. The billing rate is projected to increase by 3.3% annually until 2026–27, after which the billing rate will increase by 3.5% annually. The planned billing rate increases, the projected increase in demand for DCC services and a consistent regional utilization rate of 77% to 79% will generate surpluses that DCC will hold in reserves.

DCC operations expenses—primarily compensation—will also affect billing rate increases. If inflation exceeds the Bank of Canada's 2% target beyond the planning period, it will affect future billing rates. The Corporation is also looking at modernizing systems and processes, and at creating and adopting new technologies. DCC assesses these factors annually when finalizing billing rates for the coming year. Here are some assumptions DCC has used in developing the forecasted billing rates above.

- Compensation economic increases will gradually decline each year after 2025–26, as inflation is expected to normalize over time.
- DCC plans to use comprehensive income to accumulate funds for future capital projects. These include the new enterprise resource planning (ERP) system project, which DCC expects to carry out within the next five years, with design and implementation starting in 2026–27 and ending in 2028–29.
- During the planning period, capital held for operations will be in the \$24-million to \$34-million range. Capital accumulated for future capital purchases will range from \$42 million to \$57 million, which is higher than the target range of \$28 million to \$45 million set in 2024–25, to account for the new ERP system project and to fund future capital projects. Total accumulated capital may increase to \$79 million by the end of the planning period, due to an increase in workforce size, rising compensation requirements driven by inflation, and the ERP system project. DCC will spend \$28.5 million of the reserve on the new ERP system between 2025–26 and 2029–30. The reserve will be replenished in 2029–30 for future capital projects, investments in innovation and research, investments in IT initiatives, and other government priorities.

# Key Assumptions

The following tables summarize the key assumptions in this Corporate Plan, compared to those in the prior year's Corporate Plan.

## Revenue Assumptions

*Revenue assumptions in the 2025–2026 to 2029–2030 Corporate Plan*

	Estimated	Planned				
	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Volume change	10.4%	4.7%	14.8%	6.6%	1.4%	0.0%
Billing rate change	3.3%	3.3%	3.3%	3.5%	3.5%	3.5%
<b>Total anticipated increase</b>	<b>13.7%</b>	<b>8.0%</b>	<b>18.1%</b>	<b>10.1%</b>	<b>4.9%</b>	<b>3.5%</b>

*Revenue assumptions in the 2024–2025 to 2028–2029 Corporate Plan*

	Estimated	Planned				
	March 31/24	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29
Volume change	14.1%	2.7%	13.7%	2.0%	6.7%	-2.2%
Billing rate change	3.5%	3.3%	3.3%	3.3%	3.5%	3.5%
<b>Total anticipated increase</b>	<b>17.6%</b>	<b>6.0%</b>	<b>17.0%</b>	<b>5.3%</b>	<b>10.2%</b>	<b>1.3%</b>

## Compensation Assumptions

*Compensation assumptions in the 2025–2026 to 2029–2030 Corporate Plan*

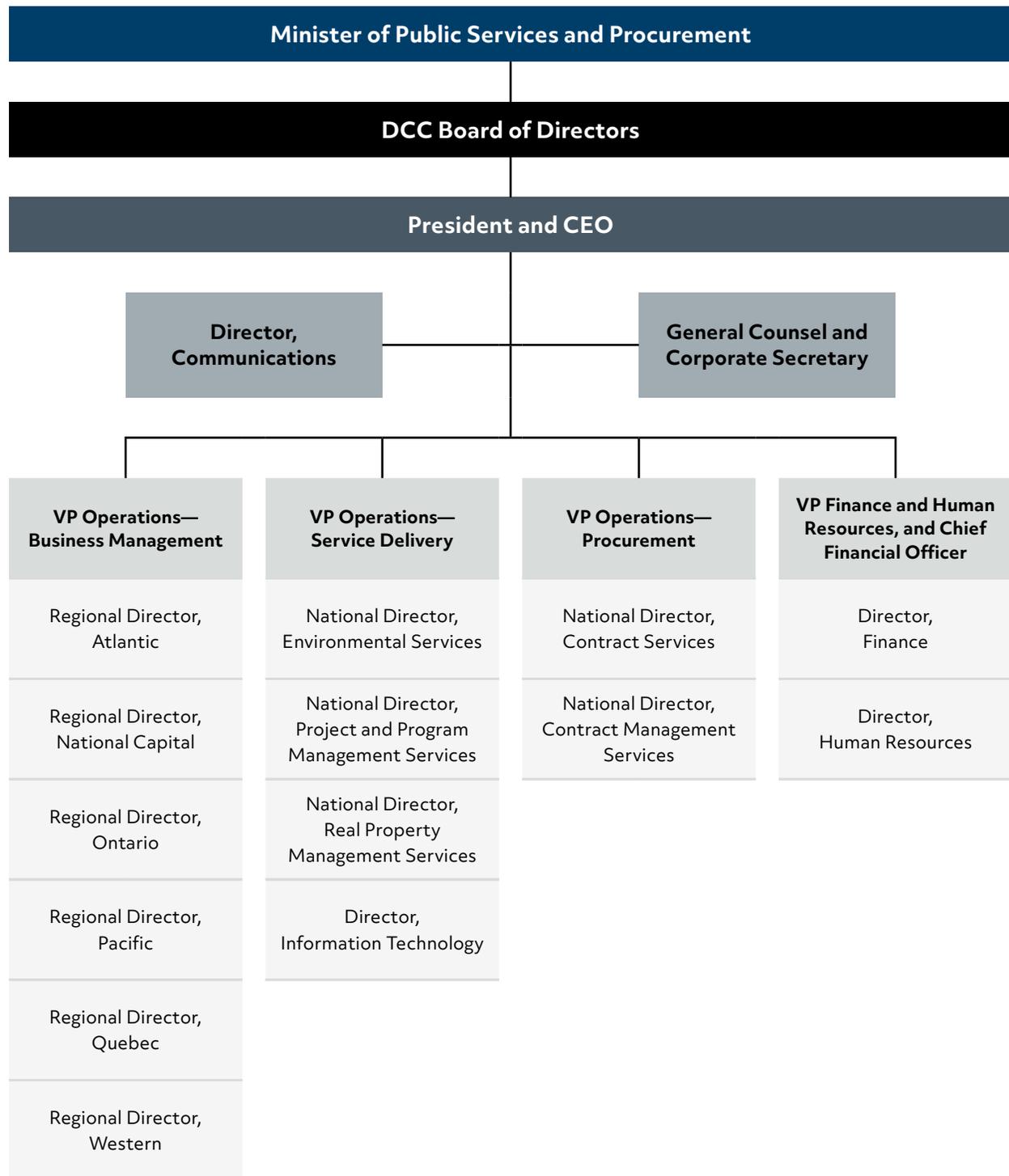
	Estimated	Planned				
	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Economic increase	3.0%	2.5%	2.3%	2.0%	1.8%	1.5%
Merit-based salary increases	1.9%	2.5%	2.5%	2.5%	2.5%	2.5%
Increased workforce and changes due to salary mix, efficiency and other	4.1%	5.0%	13.3%	5.8%	1.3%	0.0%
<b>Total salaries and employee benefits increase</b>	<b>9.0%</b>	<b>10.0%</b>	<b>18.0%</b>	<b>10.3%</b>	<b>5.5%</b>	<b>4.0%</b>

*Compensation assumptions in the 2024–2025 to 2028–2029 Corporate Plan*

	Estimated	Planned				
	March 31/24	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29
Economic increase	2.5%	2.5%	2.3%	2.0%	1.8%	1.5%
Merit-based salary increases	2.3%	2.5%	2.5%	2.5%	2.5%	2.5%
Increased (decreased) workforce and changes due to salary mix, efficiency and other	7.8%	3.6%	11.7%	1.9%	6.1%	-2.1%
<b>Total salaries and employee benefits increase</b>	<b>12.6%</b>	<b>8.6%</b>	<b>16.5%</b>	<b>6.4%</b>	<b>10.4%</b>	<b>1.9%</b>

# APPENDIX I

## CORPORATE GOVERNANCE AND STRUCTURE



## Board of Directors

DCC's Corporate Governance Framework summarizes the corporate governance structure, principles and practices for DCC and its Board of Directors. It defines board accountabilities and responsibilities, identifies key roles, and provides guidance.

DCC is ultimately accountable, through the Minister of Public Services and Procurement, to Parliament for the conduct of its affairs. The Board participates, as required, in the Government of Canada's Governor in Council appointments process, which ensures open, transparent and merit-based appointments to commissions, boards, Crown corporations, agencies and tribunals.

The Chair of the Board of Directors, and the President and Chief Executive Officer (CEO), are appointed by the Governor in Council, upon the recommendation of the Minister of Public Services and Procurement. All other members of the Board of Directors are appointed by the Minister of Public Services and Procurement with the approval of the Governor in Council. Members of DCC's Board hold office during pleasure of the Governor in Council and are eligible for reappointment. The allowable number of members on DCC's Board is seven, including the Chair.

The Chair of the Board is a separate position from that of the President and CEO, and the Board conducts its business independently of DCC management. The Chair is responsible for the effective functioning of the Board. The Board is responsible for the management of the businesses, activities and other affairs of the Corporation, pursuant to the *Financial Administration Act*. The Board provides oversight on matters such as strategic planning, corporate risk management and internal controls. The Board Charter outlines how board members are expected to oversee the Corporation. The Board meets quarterly.

## Committee Structure

To help it fulfill its oversight functions, the Board relies on two committees: the Audit Committee, and the Governance and Human Resources Committee, each of which has its own charter.

The Audit Committee oversees DCC management's maintenance of appropriate financial and management controls, ensures that DCC's assets are safeguarded, and ensures that DCC's transactions comply with the appropriate legislation and policies. The Committee also oversees matters related to financial reporting, and the Office of the Auditor General's annual financial audits and special examinations, as well as DCC's internal audits. Pursuant to the *Financial Administration Act*, all members of the Audit Committee are independent of DCC management, in that no corporate officers or employees of DCC are members of the Committee.

The Governance and Human Resources Committee develops DCC's approach to corporate governance; evaluates DCC's corporate governance practices, including its Code of Business Conduct for employees, to ensure they reflect current best practices; and assesses the Board's effectiveness. The Committee ensures that DCC's human resources policies are appropriate for the Corporation and that related processes are in place. It also oversees the performance management process for DCC's President and CEO, pursuant to the Privy Council Office's Performance Management Program, and ensures that DCC has an appropriate succession plan for its corporate officers.

## Executive Management Structure

The President and CEO is accountable to the Board of Directors for the overall management and performance of the Corporation. DCC's President reports to the Chair of the Board. The Executive Team—made up of the President and CEO and four vice-presidents—is located primarily at DCC's Head Office in Ottawa. In addition to their day-to-day interactions, members meet regularly as the Executive Management Group, supported by the Corporate Secretary, to review strategic, operational, financial and human resources matters for the Corporation.

Three vice-presidents, operations, are responsible for DCC service delivery, business management and procurement activities. The Vice-President, Operations—Business Management is responsible for business management in all regions. The Vice-President, Operations—Service Delivery is responsible for service delivery for three of DCC's five service lines, plus oversight of the Information Technology Department, and acts as the Corporate Security Officer. The Vice-President, Operations—Procurement is accountable for the leadership and oversight of the Contract Services and the Contract Management Services service lines.

The Vice-President, Finance and Human Resources, and Chief Financial Officer, is responsible for the financial affairs of the Corporation and the executive leadership of DCC's finance and human resources function.

Members of the Senior Management Group include regional directors; the national directors for Contract Management Services, Contract Services, Environmental Services, Real Property Management Services, and Project and Program Management Services; and corporate services directors. Regional directors manage activities in the Pacific, Western, Ontario, National Capital, Quebec and Atlantic regions through regional offices located in Victoria, Edmonton, Kingston, Ottawa, Montréal and Halifax, respectively.

The national directors ensure all service line activities meet corporate objectives, and they are accountable for the efficiency and quality of service delivery at the national level. Directors of communications, finance, human resources and information technology, along with a General Counsel, are accountable for the corporate leadership and management of their respective function and group.

The Corporate Secretary is responsible for governance-related matters; oversees DCC's compliance with relevant legislation, regulations and government policies; supports the Board of Directors; and communicates with the Corporation's stakeholders.

## Annual Public Meeting

Members of the public are invited to participate in DCC's annual public meetings so that they can communicate with and find out about DCC. DCC holds the Annual Public Meeting virtually, and one was held in July 2024.

# APPENDIX II

## FINANCIAL STATEMENTS AND BUDGET

### Capital Management and Financial Statements

#### Capital Management Approach

DCC's Financial Management Policy is to ensure that DCC is appropriately capitalized to generate and maintain sufficient funds to meet the Corporation's anticipated operating and capital requirements, to settle its financial obligations as they become due, and to meet contingencies that may arise. To that end, the Corporation holds operating accounts to fund normal operations, future capital projects, investments in innovation and research, investments in information technology (IT) initiatives, and activities related to various government priorities.

The Corporation operates on a fee-for-service basis and receives no government appropriations. Thus, the Corporation's capital is generated from fees collected from its Client-Partners for services provided. DCC continues to consider options—such as lines of credit, structures, or other vehicles—to support a variety of requirements, such as short-term fluctuations due to, for example, the timing of receivables, or to support the Government of Canada's Housing Plan and other priorities as they arise.

The intent of the Corporation is to operate on a slightly better than break-even basis after setting aside funds for future capital projects, innovation and research, and IT initiatives. The Corporation sets billing rates based on expected program and operating costs, including a reasonable inflation factor. However, unexpected changes in program services provided to Client-Partners, as well as DCC's success in achieving its own operating efficiencies, can result in margins and cash balances that vary from initial targets. DCC assesses its capital adequacy by comparing the supply of capital to the demand for capital. DCC strives to ensure that its risk and capital management policies are aligned with industry standards and are appropriate for DCC's risk profile and business operations. The Corporation's capital position is regularly identified, measured, managed and reported on to DCC's Board of Directors.

In preparing its operating plans, the Corporation prudently manages its capital to ensure that it can continue to fulfill its mandate and serve its Client-Partners in an effective and timely manner. The objective of the capital management approach is to keep sufficient funds available—recognizing the potential for short-term interruptions in collections of receivables—to meet DCC's obligations.

#### Capital Requirements and Uses

The amount of the capital reserves the Corporation sets aside to maintain DCC's operations may change over time as DCC's financial position evolves. These changes will depend on a variety of factors, as outlined in this section.

By the end of the planning period, the estimated capital reserves for operating purposes should be between \$24 million and \$34 million. The total reserve levels reflect the increase in long-term unfunded liabilities for employee future benefits and increased compensation costs.

During the planning period, capital reserves to fund long-term capital projects, the advancement of innovation and research, and IT initiatives should be between \$42 million and \$57 million, with \$28.5 million of that balance expected to be spent over the next five years to acquire the new enterprise resource planning (ERP) system.

DCC management deems that the Corporation will need total capital reserves of up to \$82 million between 2025–26 and 2029–30. The following factors help DCC determine adequate capital reserves.

- Payables: DCC typically has \$23 million to \$31 million in trade payables, increasing each year due to inflation and increases in compensation, which it manages on a timely basis.
- Payroll: The Corporation's monthly payroll costs will reach \$22.5 million by the end of the planning period. The capital reserves should be sufficient to cover at least 1.5 months to three months of payroll. This is seen as an appropriate amount for a viable business to have on hand.
- Receivables collection risk: Although DCC has a secure client base from which it regularly collects receivables, several things can affect the timing of those collections. These include delays in Client-Partner approvals and processing of invoices, and changes in Government of Canada payment terms.
- Greater risks occur in the situations below, which DCC manages through capital management planning.
  - Election periods: During a writ period, Client-Partners rely on special funding mechanisms (warrants), which allow payments to continue in a 45-day cycle. There can be uncertainty about the timing of these mechanisms. The Client-Partners' ability to pay receivables could easily be affected for a single cycle, which is equivalent to approximately a 45-day payroll coverage period.
  - Forecast uncertainty: DCC has not received a firm forecast of expected infrastructure program expenditures for 2025–26 and beyond. This uncertainty increases the risk of material fluctuations in demand for DCC services, which could require unanticipated investments to add or reduce resources. Such costs might include recruiting, relocation and training expenses—or, conversely, severance and other termination costs. DCC self-funds such costs and must keep sufficient reserves on hand.
  - Long-term obligations: In 2024–25, DCC must self-fund \$43 million in employee future benefits, including retirement, health and sick leave benefits. Due to an expected workforce increase during the planning period, these obligations are expected to grow to \$63 million over the next five years. The Corporation must also fulfill other commitments, such as lease obligations. DCC cannot predict with certainty when it may be required to pay for its long-term liabilities and must ensure that sufficient reserves are available for these purposes when needed.
  - Capital expenditures: DCC must self-fund all capital expenditures, such as the costs of modernizing its information management systems and ERP system. DCC plans to replace its ERP system at an estimated cost of \$28.5 million, so the Corporation is accumulating contingencies during the planning period to fund this future requirement.

It is unlikely that all these financial contingencies would occur at the same time. If they did, the Corporation's current reserves would be grossly inadequate. To mitigate this financial risk, DCC conducts prudent forward planning of its resource levels and ongoing active business operations. It also reviews its capital management strategy and options, including lines of credit and other vehicles, on an ongoing basis.

There are no external restrictions on the use of the Corporation's funds, and no legal or statutory obligations to segregate funds for any current or future liabilities, including employee future benefits. DCC invests capital in excess of short-term operational and capital requirements in accordance with the Investment Policy approved by the Board of Directors.

DCC has adopted a forward-thinking strategy to better manage its fee arrangements and control capital moving forward. Each fiscal year, the company sets up numerous service level agreements (SLAs) with its Client-Partners, using two main types of fee structures: fixed fee and time based. Fixed-fee arrangements offer flexibility, allowing DCC to quickly adjust net income by changing the payroll gross-up factor, minimizing both disruption and administrative costs for itself and its Client-Partners. In contrast, time-based arrangements maintain steady billing rates throughout the year, preventing the complexities and costs of frequent adjustments. When setting these rates annually, DCC takes into account the previous year's results, the current year's forecast, and the net income required to meet its operational and capital needs. The company will continue to review its financial performance—such as cash flow and net income results—to guide its decisions and ensure it meets its capital and operating targets.

## Financial Statements, Budgets and Notes

This financial projection reflects the Corporation's sustainable financial position in 2025–26. As a result, DCC plans to increase billing rates by 3.3% for the next two years, and 3.5% thereafter to 2029–30. However, the following factors could affect the projected billing rates:

- significant variances in program spending or demand for services from the Client-Partners;
- changes in the inflation rate, which would directly affect compensation and operating costs; and
- DCC's investments in process and system improvements, capital expenditures, and research and innovation to meet operational requirements.

Operating expenses include investments planned from 2025–26 to 2029–30 to continue modernizing DCC's operational IT infrastructure and network security. These investments will be required to respond to an ever-changing security environment, as well as to the expiry of DCC's current ERP system in 2038.

These projections reflect the current most-likely scenario for demand from Client-Partners, based on information available as of November 2024, and related spending requirements to meet operational needs. The Corporation has projected surpluses for the entire planning period. In line with the capital management approach, after adjusting for funds needed for future capital projects, innovative research and IT initiatives, the Corporation expects to achieve break-even operations.

## Statement of Financial Position

For the years ending March 31, 2024, to March 31, 2030

	Actual	Corporate Plan	Estimated	Planned				
(in thousands of dollars)	March 31/24	March 31/25	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
<b>ASSETS</b>								
Cash and cash equivalents	\$ 26,169	\$ 21,527	\$ 21,865	\$ 23,619	\$ 27,860	\$ 30,743	\$ 32,418	\$ 33,703
Investments	5,740	7,500	7,500	8,000	8,000	8,000	8,000	8,000
Trade receivables	35,194	39,945	39,743	42,909	50,686	55,813	58,539	60,587
Prepaid and other assets	1,300	1,459	1,491	1,536	1,578	1,618	1,654	1,687
Other receivables	1,887	1,777	2,037	1,982	1,932	1,885	1,841	1,800
<b>Current assets</b>	<b>70,290</b>	<b>72,208</b>	<b>72,636</b>	<b>78,046</b>	<b>90,056</b>	<b>98,059</b>	<b>102,452</b>	<b>105,777</b>
Investments	37,634	37,661	46,218	49,337	46,203	35,706	33,585	37,535
Property, plant and equipment	2,620	3,756	2,141	2,130	3,336	2,670	2,051	1,620
Intangible assets	161	999	97	31	2,966	18,389	24,517	23,167
Right-of-use assets	6,494	5,947	5,886	7,791	7,453	6,410	5,964	4,923
<b>Non-current assets</b>	<b>46,909</b>	<b>48,363</b>	<b>54,342</b>	<b>59,289</b>	<b>59,958</b>	<b>63,175</b>	<b>66,117</b>	<b>67,245</b>
<b>Total assets</b>	<b>\$ 117,199</b>	<b>\$ 120,571</b>	<b>\$ 126,978</b>	<b>\$ 137,355</b>	<b>\$ 150,014</b>	<b>\$ 161,234</b>	<b>\$ 168,569</b>	<b>\$ 173,022</b>
<b>LIABILITIES</b>								
Trade and other payables	\$ 22,907	\$ 20,345	\$ 23,339	\$ 24,718	\$ 26,883	\$ 28,566	\$ 29,755	\$ 30,791
Deferred revenue	920	–	400	–	–	–	–	–
Employee benefits	781	2,551	858	884	908	931	952	971
Lease obligations	973	964	1,190	496	557	1,089	1,299	1,382
<b>Current liabilities</b>	<b>25,581</b>	<b>23,860</b>	<b>25,787</b>	<b>26,098</b>	<b>28,348</b>	<b>30,586</b>	<b>32,006</b>	<b>33,144</b>
Employee benefits	38,085	38,481	41,765	45,609	49,561	53,613	57,759	61,990
Lease obligations	6,268	5,625	5,821	8,528	8,718	7,632	6,918	5,525
<b>Non-current liabilities</b>	<b>44,353</b>	<b>44,106</b>	<b>47,586</b>	<b>54,137</b>	<b>58,279</b>	<b>61,245</b>	<b>64,677</b>	<b>67,515</b>
<b>Total liabilities</b>	<b>69,934</b>	<b>67,966</b>	<b>73,373</b>	<b>80,235</b>	<b>86,627</b>	<b>91,831</b>	<b>96,683</b>	<b>100,659</b>
<b>EQUITY</b>								
Retained earnings	47,265	52,605	53,605	57,100	63,387	69,403	71,886	72,363
<b>Total equity</b>	<b>47,265</b>	<b>52,605</b>	<b>53,605</b>	<b>57,100</b>	<b>63,387</b>	<b>69,403</b>	<b>71,886</b>	<b>72,363</b>
<b>Total liabilities and equity</b>	<b>\$ 117,119</b>	<b>\$ 120,571</b>	<b>\$ 126,978</b>	<b>\$ 137,335</b>	<b>\$ 150,014</b>	<b>\$ 161,234</b>	<b>\$ 168,569</b>	<b>\$ 173,022</b>

## Statement of Profit and Other Comprehensive Income

For the years ending March 31, 2024, to March 31, 2030

	Actual	Corporate Plan	Estimated	Planned				
(in thousands of dollars)	March 31/24	March 31/25	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Services revenue	\$ 179,952	\$ 194,152	\$ 195,098	\$ 210,642	\$ 248,818	\$ 273,983	\$ 287,365	\$ 297,423
Travel and disbursement revenue	3,934	3,145	3,068	3,109	3,109	3,109	3,109	3,109
Investment revenue	2,678	2,688	2,983	2,949	2,841	2,358	2,056	2,125
<b>Total revenue</b>	<b>186,564</b>	<b>199,985</b>	<b>201,149</b>	<b>216,700</b>	<b>254,768</b>	<b>279,450</b>	<b>292,530</b>	<b>302,657</b>
Salaries and employee benefits	157,473	172,214	171,723	188,948	222,880	245,940	259,344	269,625
Operating and administrative expenses	14,277	17,858	17,970	18,997	20,348	22,255	25,238	25,849
Travel and disbursement expenses	3,934	3,145	3,068	3,109	3,109	3,109	3,109	3,109
Depreciation of right-of-use assets	1,247	1,253	1,193	1,309	1,085	1,043	1,042	1,041
Depreciation of property, plant and equipment	489	1,130	529	491	647	666	619	431
Amortization of intangible assets	28	10	64	66	65	77	372	1,850
Finance costs	247	252	262	285	347	344	323	275
<b>Total expenses</b>	<b>177,695</b>	<b>195,862</b>	<b>194,809</b>	<b>213,205</b>	<b>248,481</b>	<b>273,434</b>	<b>290,047</b>	<b>302,180</b>
<b>Net income</b>	<b>8,869</b>	<b>4,123</b>	<b>6,340</b>	<b>3,495</b>	<b>6,287</b>	<b>6,016</b>	<b>2,483</b>	<b>477</b>
<b>OTHER COMPREHENSIVE INCOME</b>								
Actuarial loss on employee benefit obligation	(1,707)	-	-	-	-	-	-	-
<b>Total comprehensive income</b>	<b>\$ 7,162</b>	<b>\$ 4,123</b>	<b>\$ 6,340</b>	<b>\$ 3,495</b>	<b>\$ 6,287</b>	<b>\$ 6,016</b>	<b>\$ 2,483</b>	<b>\$ 477</b>

## Statement of Cash Flows

For the years ending March 31, 2024, to March 31, 2030

	Actual	Corporate Plan	Estimated	Planned				
(in thousands of dollars)	March 31/24	March 31/25	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
<b>CASH FLOW PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Net income	\$ 8,869	\$ 4,123	\$ 6,340	\$ 3,495	\$ 6,287	\$ 6,016	\$ 2,483	\$ 477
<b>ADJUSTMENTS TO RECONCILE NET INCOME TO CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Employee benefits expensed	3,978	4,125	4,465	4,599	4,725	4,843	4,952	5,051
Employee benefits paid	(741)	(513)	(708)	(729)	(749)	(768)	(785)	(801)
Depreciation of right-of-use assets	1,247	1,253	1,193	1,309	1,085	1,043	1,042	1,041
Depreciation of property, plant and equipment	489	1,130	529	491	647	666	619	431
Amortization of intangible assets	28	10	64	66	65	77	372	1,850
Accretion of investment premiums	(210)	(200)	(266)	(270)	(185)	(160)	(150)	(145)
Amortization of investment premiums	53	65	50	60	65	60	55	50
<b>Increase (decrease) in non-working capital balances related to operating activities</b>	2,025	(1,367)	(4,978)	(2,177)	(5,604)	(3,437)	(1,529)	(1,004)
<b>Net cash flows provided by operating activities</b>	15,738	8,626	6,689	6,844	6,336	8,340	7,059	6,950
<b>CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>								
Redemption (acquisition) of investments	(3,844)	(3,891)	(10,128)	(3,409)	3,254	10,597	2,216	(3,855)
Acquisition of property, plant and equipment	(1,225)	(1,115)	(50)	(480)	(1,853)	-	-	-
Acquisition of intangible assets	(162)	(1,000)	-	-	(3,000)	(15,500)	(6,500)	(500)
<b>Net cash flows used in investing activities</b>	(5,231)	(6,006)	(10,178)	(3,889)	(1,599)	(4,903)	(4,284)	(4,355)
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>								
Repayment of lease obligations	(901)	(1,016)	(815)	(1,201)	(496)	(554)	(1,100)	(1,310)
<b>Net cash flows used in financing activities</b>	(901)	(1,016)	(815)	(1,201)	(496)	(554)	(1,100)	(1,310)
Increase (decrease) in cash and cash equivalents during the year	9,606	1,604	(4,304)	1,754	4,241	2,883	1,675	1,285
Cash and cash equivalents at the beginning of the year	16,563	19,923	26,169	21,865	23,619	27,860	30,743	32,418
<b>Cash and cash equivalents at the end of the year</b>	<b>\$ 26,169</b>	<b>\$ 21,527</b>	<b>\$ 21,865</b>	<b>\$ 23,619</b>	<b>\$ 27,860</b>	<b>\$ 30,743</b>	<b>\$ 32,418</b>	<b>\$ 33,703</b>

## Statement of Changes in Equity

For the years ending March 31, 2024, to March 31, 2030

	Actual	Corporate Plan	Estimated	Planned				
<i>(in thousands of dollars)</i>	March 31/24	March 31/25	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Opening retained earnings	\$ 40,103	\$ 48,482	\$ 47,265	\$ 53,605	\$ 57,100	\$ 63,387	\$ 69,403	\$ 71,886
Net income	8,869	4,123	6,340	3,495	6,287	6,016	2,483	477
Actuarial loss on employee benefit obligation	(1,707)	-	-	-	-	-	-	-
<b>Closing retained earnings</b>	<b>47,265</b>	<b>52,605</b>	<b>53,605</b>	<b>57,100</b>	<b>63,387</b>	<b>69,403</b>	<b>71,866</b>	<b>72,363</b>
<b>Total equity</b>	<b>\$ 47,265</b>	<b>\$ 52,605</b>	<b>\$ 53,605</b>	<b>\$ 57,100</b>	<b>\$ 63,387</b>	<b>\$ 69,403</b>	<b>\$ 71,866</b>	<b>\$ 72,363</b>

# 2024–25 Corporate Plan Versus 2024–25 Estimated Results

## Statement of Financial Position

When one compares the estimated results for the year ending March 31, 2025, in the Statement of Financial Position to the 2024–25 Corporate Plan (the Plan) forecast for the year ending March 31, 2025, the variances are primarily due to higher-than-anticipated demand from the Client-Partners. That, in turn, is expected to result in a higher net income than planned and increased returns on cash and investments, due to high interest rates. In addition, the Corporation anticipates lower salary and employee benefits costs, due to a slightly smaller workforce than planned. Property, plant and equipment, and intangible assets, are expected to be lower than planned. DCC estimates that cash and cash equivalents will be slightly higher than planned. The Corporation is on track to exceed the remaining Plan forecasts, assuming it collects trade receivables as anticipated and pays trade payables at the appropriate time, as is normal.

## Statement of Profit and Other Comprehensive Income

Services revenue for 2024–25 is estimated to be \$195 million, compared to the Plan amount of \$194 million, an increase of \$1 million or 0.5% from Plan. The increase is due to higher-than-anticipated demand for services from the Client-Partners.

Salaries and benefits are expected to be the same as Plan at a total of \$172 million.

Operating and administrative expenses for the period ending March 31, 2025, are estimated to be the same as Plan at \$18 million. DCC estimates higher computer hardware costs for device purchases that were previously planned as capital expenditures, as well as increased equipment rental costs. These increases will be partially offset by lower professional services costs, as some initiatives will be delayed until next fiscal year; lower furniture and equipment costs, as renovations will be delayed until the next fiscal year; lower staff relocation costs; and decreased leased location operating costs.

Depreciation and amortization are expected to be lower than expected, due to lower-than-anticipated capital expenditures.

The Corporation is estimating a total comprehensive income of \$6 million, compared to the Plan total comprehensive income of \$4 million. The higher estimated income is mainly due to higher revenue resulting from increased demand from Client-Partners.

## Capital Budget

For the year ending March 31, 2025

<i>(in thousands of dollars)</i>	Estimated	Planned	Variance
Computer equipment	\$ –	\$ 1,000	\$ (1,000)
Intangible assets	–	1,000	(1,000)
Furniture and equipment	25	65	(40)
Leasehold improvements	25	50	(25)
Right-of-use assets	585	638	(53)
	<b>\$ 635</b>	<b>\$ 2,753</b>	<b>\$ (2,118)</b>

Overall, capital expenditures for 2024–25 are estimated to be 77% below Plan. The decrease is due mainly to the facts that DCC reclassified \$1 million for computer equipment as operating expenses and pushed out \$1 million in intangible assets relating to the ERP project to future fiscal years.

# 2025–26 to 2029–30 Planning Periods

## Services Revenue

For the period ending March 31, 2025, services revenue is estimated to total \$195 million, representing an increase of approximately \$15 million or 8% over the previous fiscal year. The increase in services revenue from 2023–24 to 2024–25 is due to a higher-than-expected increase in demand for services from the Client-Partners, coupled with the planned increase in billing rates.

For 2025–26, the Corporation forecasts that demand for DCC's services will be higher than it was in 2024–25. This increase, combined with the anticipated billing rate increase, will lead to a rise in services revenue of \$16 million or 8% above the estimate for 2024–25, to \$211 million.

The Corporation is anticipating an increase in billing rates of 3.3% in 2025–26. This is in line with the Corporation's Financial Management Policy, under which DCC aims to maintain a sustainable financial position while operating on a slightly better than break-even position basis, after adjusting for reserve funds for future capital projects, innovation and research, and IT initiatives.

The planned billing rate increases reflect anticipated demand from the Client-Partners, anticipated inflation, and requirements to invest in operations, training, capital projects, innovation and research, and IT initiatives. DCC evaluates billing rates annually and may raise or lower them, based on these factors. DCC's Client-Partner representatives are aware of the planned billing rate increases and will incorporate them into their annual project budgets.

The following table illustrates the impact of billing rates on comprehensive income (loss), equity, cash and cash equivalents, and investments from 2019–20 to 2029–30.

**Billing Rate, Comprehensive Income (Loss), Retained Earnings and Cash History, Compared to Plan**  
For the years ending March 31, 2020, to March 31, 2030

(in thousands of dollars)	Actual					Estimated	Planned				
	2019–20	2020–21	2021–22	2022–23	2023–24	2024–25	2025–26	2026–27	2027–28	2028–29	2029–30
Billing rate increase	3.5%	7.5%	4.5%	3.0%	3.5%	3.3%	3.3%	3.3%	3.5%	3.5%	3.5%
Comprehensive income (loss)	\$ (2,566)	\$ 3,136	\$ 17,506	\$ 10,143	\$ 7,162	\$ 6,340	\$ 3,495	\$ 6,287	\$ 6,016	\$ 2,483	\$ 477
Retained earnings	9,318	12,454	29,960	40,103	47,265	53,605	57,100	63,387	69,403	71,886	72,363
Cash and cash equivalents and investments	\$ 25,340	\$ 45,936	\$ 57,518	\$ 55,936	\$ 69,543	\$ 75,583	\$ 80,956	\$ 82,063	\$ 74,449	\$ 74,003	\$ 79,238

The Corporation is forecasting an increase in volume in the first four years of the planning period and stabilization in the last year of the planning period. The billing rate increase will remain at 3.3% for the next two years to help the Client-Partners reduce budgets while still delivering on planned programs. The billing rate increase will rise to 3.5% starting in 2027–28 and will be held steady throughout the remaining planning years, as shown in the following table.

## Revenue Assumptions

Revenue assumptions in the 2025–26 to 2029–30 Corporate Plan

	Estimated	Planned				
	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Volume change	10.4%	4.7%	14.8%	6.6%	1.4%	0.0%
Billing rate change	3.3%	3.3%	3.3%	3.5%	3.5%	3.5%
<b>Total anticipated increase</b>	<b>13.7%</b>	<b>8.0%</b>	<b>18.1%</b>	<b>10.1%</b>	<b>4.9%</b>	<b>3.5%</b>

## Salaries and Employee Benefits

For the period ending March 31, 2025, salaries and employee benefits are estimated to total \$172 million, representing an increase of approximately \$14 million or 9% over the previous fiscal year. The increase from 2023–24 to 2024–25 is due to two factors: 5 percentage points of the increase is due to combined economic and merit-based salary increases; and 4 percentage points of the increase is due to an increase in Client-Partner demand for services and a change in salary mix.

DCC calculates billing rates based on the maximum amount for each of its job profile salary ranges. Often, employees take advantage of internal or external opportunities and transition to new positions. The total salary amount is affected by the fluctuating mix of individual salary amounts within each range, due to new hires or employee movement between ranges.

In 2025–26, salaries and employee benefits are anticipated to increase by \$17 million or 10%. Of that increase, 5 percentage points is due to an increase in Client-Partner demand for services and a change in salary mix; and 5 percentage points is due to combined economic and merit-based salary increases. The increase in salaries and benefits of 10% is higher than the anticipated increase in services revenue of 8%, due to changes in demand from the Client-Partners and to the lower billing rate increase. DCC will generate enough revenue to cover operating and administrative expenses and maintain the net income required for future capital projects, innovation and research, IT initiatives, and other government priorities.

## Salaries and Employee Benefits Assumptions

Compensation assumptions in the 2025–26 to 2029–30 Corporate Plan

	Estimated	Planned				
	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Economic increase	3.0%	2.5%	2.3%	2.0%	1.8%	1.5%
Merit-based salary increases	1.9%	2.5%	2.5%	2.5%	2.5%	2.5%
Changes due to increased (decreased) workforce, salary mix, efficiency and other	4.1%	5.0%	13.3%	5.8%	1.3%	0.0%
<b>Total salaries and employee benefits increase</b>	<b>9.0%</b>	<b>10.0%</b>	<b>18.0%</b>	<b>10.3%</b>	<b>5.5%</b>	<b>4.0%</b>

For the remainder of the planning period, the Corporation has assumed that the annual economic increase, based on an estimate by Statistics Canada of the change in the consumer price index (CPI) year over year, will be between 1.5% and 2.3%. A difference in the actual CPI change will affect this assumption. Merit-based salary increases are forecasted to remain constant at 2.5% from 2026–27 to 2029–30, based on historical and current market trends.

## Operating and Administrative Expenses

For the year ending March 31, 2025, operating and administrative expenses are estimated to total \$18 million, representing an increase of approximately \$4 million or 26% over the previous fiscal year. This increase is due mainly to the following factors:

- an increase in professional services costs of \$894,000 due to IT consultant costs to support service line capability enhancements, requirements-gathering for the future enterprise resource planning (ERP) system, and cybersecurity and human resources initiatives to support DCC's employees and align with Government of Canada priorities;
- an increase in employee training and development costs and related travel of \$678,000, due to an increase in DCC's workforce needed to meet Client-Partner demand;
- an increase in cloud computing services of \$532,000, due to an increase in DCC's workforce needed to meet Client-Partner demand; and
- an increase in computer hardware of \$412,000, due to the planned purchase rather than lease of laptops.

For 2025–26, the Corporation has forecasted operating and administrative expenses of \$19 million, an increase of 6% over the estimate for 2024–25. The increase is partly due to professional services costs, most notably related to the ERP project; continued investments in employee training and development and in IT application user licences, as DCC expands its workforce to meet Client-Partner demand; and further enhances IT infrastructure and business applications.

For the remainder of the planning period, the Corporation has assumed an annual inflation related increase of between 2% and 3%, based on an estimate of the change in the CPI year over year and on the Bank of Canada's mandate to maintain Canada at a 2% target inflation rate. The Corporation's operating and administrative expenses are also forecasted to increase due to workforce increases, mainly in the areas of cloud computing services, employee training and development, professional services, software maintenance, and computer hardware. Cloud computing services expenses are expected to increase in 2028–29 for annual user licences related to the new ERP system. In 2029–30, operating and administrative expenses will increase by 2% as inflation continues.

## Depreciation and Amortization

Depreciation and amortization—including amortization of intangible assets, depreciation of right-of-use assets, and depreciation of property, plant and equipment—are estimated to total \$1.8 million in the year ending March 31, 2025, which is consistent with the previous fiscal year.

For the year ending March 31, 2026, depreciation and amortization are expected to total \$1.9 million, representing an increase of \$80,000 or 4% from the current fiscal year estimate. This increase is mainly due to the depreciation of right-of-use assets and leasehold improvements.

Future annual projections of capital expenditures, highlighted in the Property, Plant and Equipment, Intangible Assets, and Right-Of-Use Assets section, will also affect the fluctuations in depreciation and amortization over the remaining years of the Plan.

## Net Income and Total Comprehensive Income

A net income of \$6 million or 3% of services revenue is estimated for the year ending March 31, 2025, compared with a net income of \$9 million or 5% of services revenue in the previous fiscal year. Total comprehensive income of \$6 million or 3% of services revenue is estimated for the current fiscal year, compared with total comprehensive income of \$7 million or 4% of services revenue in the previous fiscal year. In 2024–25, increases related to higher demand for DCC’s services and to the planned increase in billing rates are partially offset by an increase in salary costs related to workforce increases; higher professional fees for IT and human resources initiatives; and higher training and development costs related to workforce increases.

For the year ending March 31, 2026, total comprehensive income of \$3.5 million is projected, which represents a decrease of about 45% from total comprehensive income estimated for the current fiscal year. Net income is planned for each year from 2025–26 to 2029–30.

## Cash and Investments

In 2021–22, the Corporation started accumulating capital to fund future long-term capital projects and the advancement of innovation and research. The amounts of these capital reserves will change over the planning period, as DCC’s financial position changes. Over the planning period, capital reserves to fund long-term capital projects, the advancement of research and innovation, and IT initiatives should total between \$42 million to \$57 million. Cash held for operations should be in the range of \$24 million to \$34 million. During the planning period, total accumulated cash and investments may rise to \$82 million.

Currently, the Corporation’s liquidity and capital resources position, represented by its capital adequacy balances, is strong. These balances normally allow DCC to meet its operating and future capital needs, although the balances vary widely, based on the timing of receipt of trade receivables. Cash and investments are estimated to be \$76 million at March 31, 2025. This balance represents \$22 million for operations and \$54 million for future capital purchases.

DCC expects its total capital reserves to be between \$74 million and \$82 million annually throughout the planning period. Cash and investments will continue to increase over the years of the Plan, as the Corporation increases its capital reserves to take into account the large unfunded liability for employee future benefits, as well as funding for future capital projects (to be spent mainly between 2026–27 and 2029–30), innovation and research, and IT initiatives.

## Property, Plant and Equipment, Intangible Assets, and Right-Of-Use Assets

The amount for property, plant and equipment represents the net book value of purchased computer equipment, office furniture and equipment, and leasehold improvements. The amount for intangible assets represents the net book value of purchased software licences for computers and for the planned purchase of the ERP system and the enterprise content management system. The amount for right-of-use assets represents office space and IT facilities (data warehouses).

### Capital Budget

For the years ending March 31, 2024, to March 31, 2030

(in thousands of dollars)	Actual	Corporate Plan	Estimated	Planned				
	March 31/24	March 31/25	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Computer equipment	\$ 51	\$ 1,000	\$ –	\$ –	\$ 500	\$ –	\$ –	\$ –
Intangible assets	162	1,000	–	–	3,000	15,500	6,500	500
Furniture and equipment	251	65	25	–	261	–	–	–
Leasehold improvements	882	50	25	480	1,092	–	–	–
Right-of-use assets	1,017	638	585	3,214	747	–	596	–
	<b>\$ 2,363</b>	<b>\$ 2,753</b>	<b>\$ 635</b>	<b>\$ 3,694</b>	<b>\$ 5,600</b>	<b>\$ 15,500</b>	<b>\$ 7,096</b>	<b>\$ 500</b>

The Corporation is expecting capital expenditures for the fiscal year ending March 31, 2025, to be \$635,000, a decrease of \$2 million or 73% from the previous fiscal year. The decrease is mainly due to the facts that DCC leased the new Pacific Regional Office lease in the previous fiscal year and delayed initial capital expenditures for the ERP project.

In the 2025–26 planning period and beyond, the Corporation will also incur leasehold improvement and new lease costs for the National Capital and Quebec regional offices, and lease renewal costs for existing regional offices. In 2026–27, DCC will incur costs to upgrade its IBM servers and engage a system integrator to start designing and implementing the new ERP system. This project will continue over the remaining planning period, with estimated costs peaking with \$12.5 million in 2027–28. These costs will be funded through the capital reserves accumulated over the planning period. In 2027–28, DCC expects to begin replacing its current enterprise content management system.

The remaining fluctuations in property, plant and equipment, and intangible assets, are due to the depreciation of existing assets and planned acquisitions over the economic life of the assets based on the Corporation's depreciation and amortization policies, as described in the Corporation's *Annual Report*.

DCC does not plan to enter into any leases in 2024–25 or 2025–26 that will require ministerial approval.

## Employee Future Benefits

The figure for employee future benefits represents the Corporation's liability for the estimated costs of severance for its employees and health care benefits for its retirees. This amount is actuarially determined and fluctuates from year to year based on a number of factors, including staff changes and the actuarial assumptions used.

Employee future benefits, including the current portion, are expected to total \$43 million at March 31, 2025, representing an increase of approximately 10% over the figure in the previous fiscal year, due to the increase in workforce size and related accrual of sick leave and other benefits. At March 31, 2026, employee future benefits are expected to be \$46 million. For the remaining years of the planning period, the amount is expected to increase by between 7% to 9% annually. Although the actuary projects a current payout amount for each year, the exact timing of payouts is not determinable. The Corporation is under no obligation to segregate funds for this liability and does not do so.

However, the Corporation's Financial Management Policy and planning ensure that sufficient funds are available to meet future benefits payments for employees as they become due. The assumptions the actuary uses to calculate these benefits are summarized in the Corporation's *Annual Report*.

## Staff Strength

### Staff Strength

For the years ending March 31, 2024, to March 31, 2030

	Actual	Estimated	Planned				
	March 31/24	March 31/25	March 31/26	March 31/27	March 31/28	March 31/29	March 31/30
Employees based on full-time equivalents	1,247	1,326	1,407	1,606	1,712	1,735	1,735

Staff strength, presented on a full-time equivalent (FTE) basis, is estimated to be 1,326 for the year ending March 31, 2025. For the year ending March 31, 2026, it is forecasted to be 1,407. This figure represents an increase of approximately 6% from the previous fiscal year, to support increased demand for DCC services from the Client-Partners.

FTE staff strength for the remaining planning years is expected to fluctuate in relation to expected demand from the Client-Partners.

# APPENDIX III

## COMPLIANCE WITH LEGISLATIVE AND POLICY REQUIREMENTS

DCC was created as an agent Crown corporation under a clause of the *Defence Production Act* to provide infrastructure and environmental services for the defence of Canada. It fulfills this mandate through the daily operation of its five service lines: Contract Services, Contract Management Services, Environmental Services, Project and Program Management Services, and Real Property Management Services.

DCC is governed by the provisions of Part X of the *Financial Administration Act*. DCC's Board of Directors adheres to the governance, planning, reporting and audit practices established in that legislation.

In compliance with the *Access to Information Act* and the *Privacy Act*, DCC responds to access to information and privacy requests. Similarly, DCC adheres to the requirements of the *Privacy Act* in the way it collects, uses and discloses employees' personal information. DCC submits its *Access to Information Act Annual Report* and *Privacy Act Annual Report* on time each year. DCC posts its publications to the Open Government Portal and on the DCC website. DCC's internal Access to Information and Privacy (ATIP) Office follows a proactive publication standard operating procedure and uses a proactive publication tracker to ensure compliance with Government of Canada ATIP proactive disclosure requirements issued in June 2023.

DCC's employees are aware of the expectations placed on them in such areas as ethics, conflict of interest, disclosure of wrongdoing, and compliance with legislation and governmental policies.

DCC's Integrity Management Framework includes both the Code of Business Conduct for employees and the Procurement Code of Conduct for suppliers. In addition to obligations under the *Public Servants Disclosure Protection Act*, DCC employees must comply with the Code of Business Conduct. DCC's Board of Directors monitors compliance with that code, as well as with policies and legislation related to employee conduct, through regular reports. DCC's Procurement Code of Conduct for suppliers is aligned with Public Services and Procurement Canada's Code of Conduct for Procurement. It ensures that DCC's suppliers know what is required of them in order to do business with DCC and that DCC adheres to the Government of Canada's Ineligibility and Suspension Policy.

Board members comply with the *Conflict of Interest Act* and DCC's Board Code of Conduct. All board members must sign a declaration that they are aware of the requirements of both and that they will continue to comply with them. All new board members signed the declaration upon appointment.

In compliance with the *Canadian Human Rights Act*, DCC ensures that its policies and practices reflect the concepts of respect and value in the workplace. The Corporation has specific policies on harassment, duty to accommodate, and health and wellness, to name a few. In 2022–23, all employees took workplace violence and harassment prevention training. New employees take this training during their orientation, and all employees take similar training once every three years.

Depending on Client-Partner requirements, a few DCC employees are deployed abroad each year in support of CAF missions. Like all DCC employees, they must sign and adhere to DCC's Code of Business Conduct, which supports their compliance with the *Corruption of Foreign Public Officials Act*.

DCC has built its employment equity program on a solid foundation and complies with Canada's *Employment Equity Act*. Together, diversity and inclusion are a strategic initiative in the Corporate Plan. DCC has secured strong senior- and executive-level support for the program and is in the second phase of implementing its Diversity and Inclusion Strategy and the related Action Plan, which build on the progress and positive results of the program's first phase. In addition, DCC's job classification and compensation structure complies with Canada's *Pay Equity Act*, which ensures equal compensation for work of equal value.

Numerous policies, tools and resources enable the Corporation to comply with the *Official Languages Act*. To ensure contractors and consultants receive contract documents in the language of their choice, DCC offices have established local, open-source lists for contractors and consultants that want to bid on construction contracts worth \$10 million or less. To qualify for the source list, potential bidders provide the legal name of their company and their language preference for the tender documents, the contract documents and communication during the execution of the contract. Tender documents are issued in both official languages unless all potential bidders at that site have indicated the same language preference.

Resources that help employees comply with the *Official Languages Act* include the Official Languages Accountability Framework, as well as the internal Translation Portal, which makes translation services and resources accessible to all DCC offices. DCC's Language Policy supports and encourages its employees to seek education and training in both official languages and to communicate in the official language of their choice. Each year, DCC reports to Treasury Board of Canada Secretariat (TBS) on activities that support parts IV, V and VI of the *Official Languages Act* and to both TBS and Canadian Heritage on activities related to Part VII of the Act.

DCC is aware of Bill S-211, the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, and it will incorporate the requirements into its business policies and procedures. A review and evaluation are underway to determine the impact this new legislation will have on procurement policy, documents and processes.

## **Trade Agreements**

DCC plays a role in meeting the government's policy objective to create a fair and secure marketplace by respecting internal and international trade agreements (such as the Canada–United States–Mexico Agreement), using sound procurement practices and ensuring competition by providing wide access to government business opportunities.

# APPENDIX IV

## GOVERNMENT PRIORITIES AND DIRECTION

### Transparency and Open Government

DCC wants to encourage open and transparent competition, and to ensure that all enterprises have equal access to DCC procurement opportunities. DCC was the first Canadian federal organization to establish an e-procurement system and it has a longstanding contractor performance evaluation system.

DCC sets a key performance indicator to award a minimum of 98% of DCC contracts through public opportunities. During the first half of 2024–25, it awarded 99.6% of all procurements through public opportunities.

DCC also receives inquiries from its government stakeholders each year, including order paper questions, constituent inquiries and ministerial questions. DCC responds to all requests in a timely manner. The volume of these requests fluctuates, depending on the business environment. During the first six months of 2024–25, DCC received and responded to 20 requests.

Following a recommendation in the *Standing Committee on Public Accounts Report on the 2021 Public Accounts of Canada*, DCC participated in a consultation process led by Treasury Board of Canada Secretariat with Crown corporations to explore enhanced reporting mechanisms that are compatible with the mandates of Crown corporations.

Supporting the Government of Canada's openness and transparency objectives, DCC's website contains copies of all corporate documents that have been tabled in the House of Commons, and all travel and hospitality expenses of senior officials. These documents are also published on the Open Government Portal.

### Gender-Based Analysis Plus

DCC supports the Government of Canada's commitment to gender-based analysis plus (GBA+) and maintains an all-employee mandatory GBA+ training package.

This training helps DCC employees develop a broader understanding of how groups of women, men and gender-diverse people may experience policies, programs and initiatives; how employees can foster a respectful and inclusive workplace; and what their rights and responsibilities are as members of the DCC team.

DCC undertakes all of its human resources policies and initiatives in alignment with the Government of Canada's approach to GBA+. That work includes asking some basic questions to challenge personal assumptions about groups of women, men and gender-diverse people.

### Diversity and Employment Equity

Work continues into the planning period to ensure that DCC's workplace is diverse and inclusive. For example, DCC is reaching out to and developing partnerships with national and local organizations that can help DCC recruit and retain employees who identify as persons with disabilities.

DCC's Talent Acquisition team participated in two career fairs on accessibility and autism in early 2024. DCC also attended the Canadian Congress on Disability Inclusion's annual neurodiversity event and the Government of Canada's information session on employment opportunities for students with disabilities.

In total, DCC hired 10 students with disabilities across all regions in 2024, representing 13% of DCC's student population for the year.

Through the close attention of senior management, DCC is closing the employment equity gaps in representation and retention at leadership levels throughout the Corporation.

Regional diversity and inclusion plans will identify gaps and address them at the local level. DCC will use a diversity and inclusion lens to analyze the entire employee lifecycle, which includes advertising for new hires; interview, selection and onboarding procedures; succession planning and retention; career growth and development; and ways in which DCC can celebrate and recognize the diversity of its employees.

**Diversity of the DCC Employee Population**

Designated Group	Percentage of the Total Employee Population as of March 31, 2024	Labour Market Availability Target (WEIMS) as of December 31, 2023
Women	42.7%	34.6%
Persons with disabilities	8.7%	8.1%
Indigenous peoples	3.8%	3.2%
Visible minorities	15.5%	17.6%
2SLGBTQI+	3.8%	N/A

**Supporting Business Opportunities for Indigenous Peoples**

DCC is exceeding the Government of Canada’s target for 5% of the total value of federal contracts to be awarded to businesses managed and operated by Indigenous peoples. In 2023–24, DCC awarded 71 direct contracts and recorded an additional 13 subcontracts to Indigenous businesses for a total of \$70.1 million, equivalent to 8.3% of the total value of contract awards. DCC received an average of 3.7 bids per Procurement Strategy for Indigenous Business (PSIB) tender, exceeding the PSIB threshold target of 2% for a competitive process.

DCC partners with federal government departments, industry and business to host business-to-business networking events across the country. These face-to-face sessions bring Indigenous and non-Indigenous parties together to build relationships, share information about opportunities and raise awareness of Indigenous capacity in the industry. At these events, the Corporation presents information on how to find and bid on DCC opportunities.

With DND, DCC is working to develop relationships with Indigenous communities near site offices to promote positive dialogue, inform the communities about DCC business and employment programs and opportunities, establish points of contact, and assist DND in sharing information about its projects. The new Pacific Indigenous Coordination Committee, the first of its kind for DCC, promotes cross-organizational collaboration to advance Indigenous consultation, reconciliation and engagement within the Pacific Region and British Columbia. The forum is a venue for DND/CAF, DCC, and Public Services and Procurement Canada representatives to discuss collaboration opportunities and friction points, and to coordinate engagement efforts across the region.

As well, over the past several years, DCC has conducted 21 virtual information sessions for Indigenous businesses. DCC keeps track of these firms, the type of work they are interested in and their locations, and seeks their feedback from time to time. Contract Services specialists do a market survey before each project launch to determine which Indigenous businesses have the expertise and capacity to participate in a contract.

DCC is currently piloting augmented community outreach in the Pacific Region. In 2023–24, the pilot program is planned to expand to include the National Capital Region (NCR). Outreach and engagement activities will evolve over time, as DCC becomes more familiar with the interests and needs of local communities.

For any solicitations where deliverables include final delivery or performance in a Comprehensive Land Claim Area (CLCA), DCC meets the procurement obligations of the applicable CLCA. These vary with each location but may include the following:

- providing advance notification of the procurement to land claimant groups and/or CLCA businesses;
- limiting bidding to businesses in CLCA directories; and
- including evaluation criteria for socio-economic Indigenous benefits (employment, training and subcontracting opportunities for CLCA beneficiaries) in the solicitation document.

Outside of CLCAs, contracts awarded on behalf of DND for major capital projects, facilities maintenance and support services, and energy performance typically include an Indigenous Benefits Plan. That plan sets aside part of the contract value for Indigenous subcontractors and suppliers. To determine the size of the set-aside, DCC researches Indigenous business capability and capacity in the relevant region. In alignment with the Joint DND-DCC Indigenous Procurement Strategy, 5% of solicitations (by value) are set aside for Indigenous contractors or sub-contractors. Set-aside contracts are chosen by analyzing the market capacity and capability of Indigenous businesses that have expressed interest in the work location.

DCC meets CLCA procurement obligations. It is also committed to supporting federal initiatives that leverage government spending to help grow Indigenous businesses and sustainably improve the socio-economic conditions of Indigenous communities.

The Joint DND-DCC Indigenous Procurement Strategy describes the policies, regulations and trade agreements that affect the ways DND and DCC can increase opportunities for Indigenous businesses to bid on DCC solicitations. The Corporation advises DND on the application of the Procurement Strategy for Indigenous Business (PSIB) and Indigenous Benefit Plans (IBPs). DCC has developed an Indigenous business database, and an innovative directory and mapping tool, to provide quick access to information about Indigenous businesses across the country. The tool helps DND determine which opportunities may be suitable for the PSIB and IBPs. All DCC employees in Contract Services take the Aboriginal Considerations in Procurement course, and all PSIB tenders are handled by a small, specialized team at DCC's Head Office.

In 2021, DCC embarked on a multi-year journey to gain certification through the Canadian Council for Indigenous Business's Partnership Accreditation in Indigenous Relations (PAIR; formerly PAR) program. PAIR is the premier corporate social responsibility program emphasizing Indigenous relations and providing third-party, independent evaluation of corporate performance in four key areas: leadership actions, employment, business development and community relationships. Working toward PAIR certification is one of the steps DCC is taking to demonstrate its long-term commitment to enhancing relations with Indigenous peoples and businesses. DCC has successfully completed PAIR Committed phases one to three, and the Corporation plans to apply for bronze certification in April 2025.

All DCC employees and board members complete cultural competency training through NVision Insight's The Path: Your Journey Through Indigenous Canada. DCC has partnered with NVision Insight to provide The Path: Building Indigenous Cultural Capacity (Level 2) training to select groups of DCC employees.

DCC emphasizes building relationships with Indigenous communities, friendship centres, Indigenous employment agencies and Indigenous resource centres at Canadian post-secondary institutions. DCC posts its career ads on recruiting websites that target Indigenous groups, such as AMIK—Canada's Indigenous Peoples Job Board. Where possible, DCC participates in Indigenous career fairs. As of March 2024, representation of Indigenous peoples at DCC was 3.8%, compared to their labour market availability of 3.2%. DCC's National Indigenous Youth Work Experience Program offers young Indigenous people meaningful work experiences at DCC offices and sites. In 2023–24, DCC hired 12 Indigenous students across the country.

In August 2022, DCC established the DCC Indigenous Bursary Program, in partnership with Indspire, a national Indigenous charity. The bursary supports Indigenous students who are pursuing qualifications to enter a career in engineering, planning, environmental sciences, construction, information technology or finance with an award of \$2,500 each. The recipients for the 2024–25 academic year are expected to be selected in early 2025.

## Sustainable Development and Greening Government Operations

DND manages one of the largest and most complex infrastructure portfolios in the federal government. As a result, it is the single largest contributor to federal greenhouse gas emissions, and the Government of Canada cannot meet its greenhouse gas emissions targets without reducing these defence-related emissions. DND is pursuing opportunities to use clean power at all bases and wings by 2025.

DCC is supporting the following DND green infrastructure initiatives during the planning period:

- the development of net-zero residential building designs for the Canadian Forces Housing Agency;
- real property operations that feature SMART building and electric vehicle charging stations;
- the use of cross-laminated timber in construction, which has a lower carbon footprint and provides better insulation than standard concrete and steel (this has been used on projects at Garrison Petawawa and at CFB Gander);
- reuse of soil, as is done at CFB Esquimalt, to reduce the costs of hauling, disposing of and buying soil and to reduce the greenhouse gas emissions associated with trucking;
- a pilot project to incorporate low-carbon concrete in walkways, stairs and other applications across CFB North Bay (DCC will continue to explore the use of this material);
- additional assessment and remediation activities at 5 Wing Goose Bay, expected to continue until 2026, with a total estimated value of \$35 million (the initial \$141-million site remediation—one of the largest contaminated site clean-ups ever undertaken by DND—was completed in 2020);
- the \$100-million program to clean up Esquimalt Harbour;
- the \$200- to \$500-million project to refurbish heating plant infrastructure at CFB Halifax, which includes rehabilitating attached buildings and distribution systems to reduce emissions (CFB Halifax represents 17% of DND's greenhouse gas emissions, and the upgrades at the plant will reduce emissions by up to 7%, improve energy efficiency and reduce heating costs);
- 20 energy performance contracts, to be put in place by 2025–26 at a project cost of about \$585 million, at locations including Quebec: Bagotville, Montreal, Saint-Jean and Valcartier; Ontario: Petawawa, Kingston, Toronto/Meaford/North Bay, and Borden; Atlantic: Halifax, Greenwood, Goose Bay, Gander, Gagetown; Pacific: Comox and Esquimalt; and Western: Dundurn, Wainwright and Winnipeg. These will help DND reduce the greenhouse gas emissions of its real property portfolio by 40% from 2005 levels by 2030); and
- the Genet Building Green Heat Project at CFB Kingston, valued at \$5 million (due to be completed in 2025–26, this project will test a design-build team's ability to design, install, operate and test a low-cost, low-carbon energy generation and transfer system using innovative engineering or emerging technology, and to integrate it with existing systems).

For its own operations, in September 2024, DCC published an updated Corporate Environmental Management and Sustainability Framework that provides its employees with guidance on managing the environmental aspects of DCC's day-to-day business activities. This guidance helps DCC minimize environmental effects, track environmental performance, promote sustainable practices and set out requirements for environmental incident reporting for employees. DCC provides all employees with education and training on environmental policies, procedures and practices to help them respect the environment and their community.

DCC's Greening and Sustainability Working Group provides guidance on sustainability issues, supports the integration of DCC's services to respond to evolving environmental requirements, engages in intergovernmental and industry-related committees, and ensures DCC continues to be a responsible, resilient and sustainable steward of the environment—all while supporting the Client-Partners in their own sustainability journeys.

DCC is aware of the requirement for Crown corporations to adopt the Task Force on Climate-related Financial Disclosures standards. Since DCC owns less than \$1-billion worth of assets, it will start reporting in the 2024 calendar year, as required in the standards. Since DCC is a professional services provider, a key opportunity for environmental improvement involves reducing the greenhouse gas emissions associated with business travel.

## **Safe Workspaces**

DCC is committed to providing all individuals in its workplaces with an environment and a culture that embrace equity, inclusion and respect, free from harassment and violence. The Corporation keeps its workplaces safe and respectful through many programs and activities, such as mandatory respectful workplace training, the Workplace Violence Prevention Survey, the Employee Family Assistance Program, and a conflict prevention and resolution process.

DCC's Policy on Harassment and Violence Prevention is aligned with the regulations in Bill C-65 on the prevention of harassment and violence in the workplace.

## **Accessibility**

DCC has been working toward implementing the requirements of the *Accessible Canada Act* since 2019. The Vice-President, Finance and Human Resources, and Chief Financial Officer leads the Corporation's Accessibility Working Group, composed of Senior Management Group members. In December 2024, DCC published a progress report on its Accessibility Plan on its website.

## **Pay Equity**

DCC has built its employment equity program on a solid foundation. Its compensation structure and job evaluation system comply with Canada's *Employment Equity Act*, which ensures equal compensation for work of equal value. DCC published its Pay Equity Plan on September 3, 2024, meeting the required deadline.

# APPENDIX V

## DEFENCE INFRASTRUCTURE AND ENVIRONMENT PROJECTS, 2025–2026 TO 2029–2030



### Deployed Operations

**LOCATIONS:** Latvia, Kuwait  
**PROGRAM COST:** \$201 million  
**COMPLETION DATE:** Ongoing

DCC’s work in Latvia includes supporting the infrastructure requirements of the Task Force Latvia program at Camp Adazi, Camp Ceri and the Multi-National Headquarters building in Riga, in addition to planning for future camps. The Corporation manages the construction of compounds supporting nations operating in Latvia, including Canada, Italy and Spain. DCC is also supporting multiple construction projects at the Operational Support Hub—Southwest Asia in Kuwait.



### Northern Facilities

**LOCATIONS:** Whitehorse, Yukon;  
 Inuvik and Yellowknife, Northwest Territories;  
 Rankin Inlet and Iqaluit, Nunavut  
**PROJECT COST:** \$127 million  
**COMPLETION DATE:** 2026

DCC is managing an eight-year facilities maintenance and support services contract covering 80 buildings in forward-operating locations and communities. The Corporation will also handle various capital construction, minor new construction, maintenance and repair, and environmental projects.



### Canadian Surface Combatant, Land-Based Test Facility (LBTF)

**LOCATION:** Hartlen Point, CFB Halifax, Nova Scotia  
**PROGRAM COST:** \$64 million  
**COMPLETION DATE:** 2025

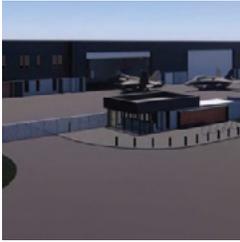
The Land-Based Test Facility (LBTF) will mimic specific combat and platform components of an operational ship for test and evaluation activities. The LBTF is a new capability that DCC is developing for the CAF. The Royal Canadian Navy and contractors on the Atlantic coast are expected to occupy the 11,000-square-metre facility. It is intended to accommodate approximately 150 full-time staff members. The goal is to achieve LEED Silver certification and net-zero carbon emissions, to support the government’s greening strategy. DCC has awarded the initial \$485,000 modified design-build contract, which includes costs for the development phase.



## Quinte West Training Centre

**LOCATION:** 8 Wing Trenton, Ontario  
**PROJECT COST:** \$204 million  
**COMPLETION DATE:** 2029

This modified design-build project will provide the necessary infrastructure for full operational capability at 8 Wing Trenton. DCC is contracting for, and managing the site development and construction of, the 30,000-square-metre facility. The new centre will consist of office areas, planning areas, technical workshops, vehicle maintenance areas, meeting rooms, a wash bay, training facilities and warehousing.



## New Quick Reaction Area

**LOCATION:** CFB Bagotville, Quebec  
**PROJECT COST:** \$80 million  
**COMPLETION DATE:** 2026

The New Quick Reaction Area project will include an aircraft shelter, mission-planning facilities, housing and security. The new facility will help 3 Wing Bagotville continue to meet its air defence contingency commitments, in accordance with Defence Command directives.



## VC31 Genet Building

**LOCATION:** CFB Kingston, Ontario  
**PROJECT COST:** \$5 million  
**COMPLETION DATE:** 2025–26

The VC31 Genet Building has been chosen as the test building for an innovative green heating solution to reduce DND/CAF's greenhouse gas emissions. Using the Innovation for Defence Excellence and Security program, DCC is managing the project and the design-build team to design, install, operate and test an integrated, low-carbon energy generation and transfer system. With the design phase now complete, the project is currently moving into implementation.



## Air Force Expeditionary Capability Program

**LOCATION:** CFB Bagotville, Quebec  
**PROJECT COST:** \$110 million  
**COMPLETION DATE:** 2027

The Air Force Expeditionary Capability Main Facility Project involves construction of a facility to accommodate the administrative and operational requirements of 2 Wing Bagotville, the Royal Canadian Air Force's dedicated, high-readiness, air expeditionary support unit.



## Remotely Piloted Aircraft System Infrastructure

**LOCATION:** 14 Wing Greenwood, Nova Scotia  
**PROJECT COST:** \$100 million  
**COMPLETION DATE:** 2028

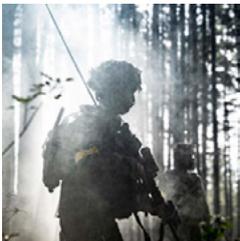
The Remotely Piloted Aircraft System is a new capability being developed by the CAF and the Air Maintenance Detachment East, and 14 Wing Greenwood will be its primary operating base. Tendered in 2022, this modified design-build contract provides for the construction of a new 9,939-square-metre hangar and 16,000-square-metre exterior apron and parking. Designed to LEED Silver standards, the maintenance facility will house eight remotely piloted aircraft and will include workshops, offices, administrative spaces, meeting rooms, classrooms, maintenance bay facilities, specialty aircraft maintenance labs, shops, and spaces for communications, IT and storage.



## Future Fighter Capability Project

**LOCATIONS:** 3 Wing Bagotville, Quebec,  
and 4 Wing Cold Lake, Alberta  
**PROJECT COST:** Over \$500 million  
**COMPLETION DATE:** 2030

New fighter squadron facilities will be constructed at 3 Wing Bagotville and 4 Wing Cold Lake to accommodate Canada's next-generation fighter aircraft. DCC will use a phased design-build delivery approach to ensure infrastructure is ready for the first aircraft and will be ready to respond to additional requirements once the Future Fighter aircraft is selected.



## Dwyer Hill Training Centre

**LOCATION:** Ottawa, Ontario  
**PROJECT COST:** \$1.4 billion  
**COMPLETION DATE:** 2033

DCC has awarded the contract to replace the facility's 89 aging buildings with 23 modern, reliable, state-of-the-art ones. Existing facilities will also be renovated. The \$1.4-billion project aims to make the Dwyer Hill Training Centre carbon neutral and environmentally friendly. The facility on Ottawa's southwest edge is home to the CAF's Joint Task Force 2 elite unit.



## Edward Drake Building

**LOCATION:** Ottawa, Ontario  
**PROJECT COST:** \$4.1 billion  
**COMPLETION DATE:** 2040 (contract)

Built as a P3 project, the \$4.1-billion Edward Drake Building is a modern and efficient facility for the Communications Security Establishment, spanning over 72,000 square metres. The associated design-build-finance-maintain contract includes unique security, infrastructure and financing arrangements. DCC is involved with the operations and maintenance of the facility as part of the 30-year contract.



## Enterprise Data Centre

**LOCATION:** CFB Borden, Ontario  
**PROJECT COST:** \$332 million  
**COMPLETION DATE:** 2042 (contract)

The expansion of Shared Services Canada's enterprise data centre has helped to modernize and standardize federal IT infrastructure. This \$332-million contract was announced in May 2016. As part of a consortium, DCC committed to supporting the design, building, financing, operations and maintenance of the data centre for 25 years. With construction complete, the data centre achieved LEED Silver certification in 2019, and the contract is currently in the maintenance phase.