

DATE: 2019-04-01

PROJECT TITLE: Light Armoured Vehicle III Upgrade (LAVUP)

PROJECT OBJECTIVE:

The Light Armoured Vehicle III Upgrade (LAVUP) project will modernize 550 vehicles from the existing LAV III fleet, by improving the protection, mobility, and lethality of the platform, while maximizing command support and human interface factors. The project will capitalize on existing and evolving technology to make the improvements, and will extend the fleet's operational life to 2035.

PROJECT PHASE: Implementation

PROCUREMENT STRATEGY

Non-competitive procurement process. Sole source contract awarded to General Dynamics Land Systems Canada (GDLS-C) for the upgrade of 550 vehicles, with options available for an additional 80 vehicles.

ACHIEVEMENTS

October 2011: The Government announced the \$1.064 billion contract, awarded to General Dynamics Land Systems – Canada of London, Ontario, for the implementation phase of the project.

November 2012: The contract was amended to exercise the option to upgrade 66 additional LAV III for an additional \$151 million, in support of the Light Armoured Vehicle Reconnaissance Surveillance System (LRSS) project.

January 2013: Delivery ceremony for the first upgraded LAV III in London, Ontario.

July 2016: As of 1 July 2016, the Commander of the Canadian Army accepted the upgraded LAV III as the Canadian Army deployable LAV fleet. Exercise "Maple Resolve 16", held in Wainwright in May 2016 successfully tested more than 110 upgraded LAV III.

February 2017: The Government announced the \$404 million contract amendment that includes the full upgrade to the 141 Light Armoured Vehicle Operational Requirement Integration Task (LORIT) vehicles. These 141 vehicles, in the total of 550, had been scheduled to only receive a partial upgrade under the original scope of the contract.

January 2019: Canada agreed to an accelerated delivery schedule with the contractor that will complete all vehicle deliveries by April 2019 (previously July 2019).

20 March 2019: 537 of 550 upgraded vehicles have been delivered, including 128 of 141 LORIT.

KEY MILESTONES

Project Milestone	Approved	Re-baseline/Actual	Notes/Comments
Project Approval (Definition)		2009-06-18	
Project Approval (Implementation)		2011-10-20	
Contract Award (Implementation)		2011-10-20	
First Delivery		2012-12-19	
Initial Operational Capability		2014-06-06	
Project Approval (Amended Implementation)		2016-11-24	
Full Operational Capability	Spring 2020	Spring 2020	
Project Closeout	Spring 2021	Spring 2021	

FINANCIALS	VALUE (BY MILLIONS)
Acquisition (including Project Management Costs, Infrastructure, Contracts and Contingency)	\$ 1,753.0
Major In-Service Support Contract (over years)	
Estimated Life Expectancy (20 years)	

INDUSTRY ENGAGEMENT ACTIVITIES

Direct engagement with General Dynamics Land Systems - Canada, the Original Equipment Manufacturer of the Light Armoured Vehicle III and owner of the intellectual property.



SOCIO-ECONOMIC BENEFITS

The Industrial and Regional Benefits (IRB) Policy was applied to the LAV UP Implementation Contract. Total IRB obligation is \$1,604M and \$1,604M has been completed to date.

*Values are updated annually.

POINTS TO NOTE

ISSUE/RISK ASSESSMENT

Area	Previous	Current	Issue/Risk Summary
Scope	Green	Green	Schedule: Although deliveries are on time, the delivered vehicles still have technical issues that need to be fixed through a retrofit program in a timely and synchronized manner to support managed-readiness training cycle.
Schedule vs Re-baseline	Green	Green	
Budget (Definition)			Technical: The project is still addressing a number of technical issues identified through the fielding and increased use of the vehicles. All the technical issues are tracking towards resolution, along with their eventual fleet implementation.
Budget (Implementation)	Green	Green	
Human Resources	Green	Green	
Other			

TIMELINE

