

Evaluation of Capability Acquisition Modernization

Overview

The aim of this developmental evaluation is to provide advice to the Continuous Capability Sustainment (CCS) and Agile Procurement (AP) initiatives. This advisory role also involved the identification and consolidation of progress in defence procurement over the last several years to compare traditional procurement with the new CCS and AP approaches and with the established urgent operational requirements (UOR) approach.

The Defence Procurement Review and Canada's defence policy: *Our North, Strong and Free* promised a pilot of the CCS approach to integrate the latest technology and innovations in more regular, incremental maintenance cycles. The pilot initiative was launched, and the next step is expanding CCS across other platforms. *Our North, Strong and Free* stated that "the speed of technological change requires a shift in organizational mindset—a willingness to embrace innovation and experimentation and to continuously adopt emerging technologies." AP is an initiative for lower-risk information and communication technology projects that have evolving requirements. It leverages iterative capability development and sustained engagement with government partners and industry.

Note: AP is distinct from continuous capability delivery (CCD). CCD is a broader pathway for evolving non-project capabilities through incremental development and stable funding. CCD may draw on aspects of AP, including early value, adaptive sourcing, continuous improvement and strong partnerships—thus reducing risk and boosting efficiency.

The evaluation included the joint development of advisory products to support the path forward for the CCS and AP initiatives. The advisory products included an overview of the length of the traditional procurement approach, a review of procurement during emergencies or crises, additional work on identifying potential projects for AP and CCS, lessons learned from previous efforts to expedite procurement, performance metrics for CCS, a procurement process maturity scorecard and a review of risk acceptance within the Department. The evaluation was conducted from November 2024 to July 2025.

Overall Assessment

Procurement challenges related to governance, data management, project and risk management, and the workforce were common themes across key past audits, evaluations and other reviews. The Department of National Defence (DND) and the Canadian Armed Forces have implemented measures to improve capability acquisition, including greater delegation of authority, streamlining acquisition paths, improved process documentation, and workforce development. Indeed, defence procurement is evolving rapidly in DND and the Government of Canada, which includes the establishment of the Defence Investment Agency. Despite significant progress, the evaluation identified persistent challenges such as disconnected databases, heavy oversight and excessive project documentation requirements.

There is a case for action to improve the tempo of defence procurement through the adoption of lean or minimum viable governance and project management approaches; digital modernization; and the enablement of flexible and urgent pathways. CCS and AP show promise as innovative and streamlined approaches to address challenges created by rapidly changing technology requirements. Failing to exploit the opportunities for improvement identified in this report will contribute to acquisition delivery that remains complex and prolonged, UORs that continue to fall short of their expectations and military capabilities that lack the readiness and relevance required by the Canadian Armed Forces.

Key Observations

1. DND has made significant improvements to key issue areas related to acquisition (e.g., Organizational Project Management Capacity Assessment (OPMCA) rating, governance, data, workforce, and project management), but challenges remain—including disconnected databases, inadequate project prioritization, rigid project requirements and sub-optimal use of OPMCA-level and delegated authorities.
2. Emergency acquisition and UOR processes are intended to enable rapid, accountable acquisition during crises but are constrained by limited scope, heavy governance and lack of cross-departmental coherence.
3. AP and CCS represent innovative and streamlined approaches when compared to traditional defence procurement. There are inherent challenges and risks associated with each initiative that would need to be mitigated for their full potential to be realized.
4. If supported and conditions for success are established, AP and CCS have the potential to make immediate impacts to defence procurement.

Key Opportunities for Improvement

1. **Governance:** Leaner oversight; clearer UOR; CCS and AP guidance; and greater delegation of authority are needed—especially for lower-risk projects—and further leveraging of DND's OPMCA level.
2. **Digital Tools:** Stronger digital stewardship, standardization and sustained investment are key to enabling integrated, decision-ready procurement information.
3. **Project Management:** Advancing the maturity of capability acquisition will require streamlined processes, stronger performance data and sustained support for iterative and new approaches.
4. **Workforce:** Timely delivery depends on early human resources planning, targeted upskilling and sustained staffing investment.
5. **Risk:** Clarity on risk tolerance and coordinated, risk-informed decision making are needed to support timely and flexible delivery.