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Sent: Saturday, April 11, 2020 7:49 PM
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Subject: Procurement Call - April 11

Follow Up Flag: Follow up
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Hi team — please see below for a summary of tonight's call.

Some positive updates on: hand sanitizer (deal signed w Irving for additional 300k litres to start flowing next week), domestic ramp up of 30k ventilators, N95 deliveries (cargo jet arrived tonight with 1.6 — 1.7 million N95s which will now be tested) and regulatory approvals on mask sterilization technologies. QC also received some urgent isolation gowns to hold them over.

China introduced new export controls on PPEs yesterday. ESBE has issued a "do not use" on the 300k faulty swabs — AB, QC and MB have three days worth of swabs remaining. Officials are exploring five paths to resolve this particular swabs issue and in the meanwhile, China is ramping up quality control on test kits & swabs before they're exported.

New purchases

Deal signed with Irving for 300k litres of hand sanitizer

- Delivery will start flowing in the next week
- Between this & Fluid Energy (AB) deal, we'll have a lot of hand sanitizer to offer to the health system and to other sectors too

We are finalizing deals for 12 million N95s with some Chinese manufacturing plants

- If landed — the hope is to see 2 million coming in every five days There were some issues around the three LOIs for domestic ramp up of 30k ventilators
- Spent the last week negotiating with the companies, they've accepted the proposed indemnification strategy — 2 of the three contracts are signed and we're waiting on the 3rd
- There is a fourth deal in the works on ventilators.

Updates on O-Two ventilators?

- Spoke with Ontario recently — they're still working on their O-Two contract
- They were facing similar indemnification issues and will likely have to go through the same route that we did
- Some movement on sensors from Honeywell which should start coming in very quickly, hopefully within a couple of weeks

Linamar & Thornhill looking good too

Logistics

- Cargo jet landed a few mins ago with 1.6 — 1.7 million N95 masks
 - It is also topped up with QC PPE too
 - Will be sent for testing in North Carolina (approx. 72 hour turnaround); hope is that these masks will be of better quality
 - Big milestone because it is the first Cdn cargo company to get all the clearances & visas to land etc. in the context of China's new export controls of PPEs that were added yesterday
- Three Air Canada 777s arriving — one in Mtl and two at Pearson.
 - One in Mtl has only QC PPE. And the ones in Pearson will include 785,000 N95s too.

- We have increasing numbers of masks in the warehouse — they will depart Shanghai on 15th and 16th.
 - o On one of the flights will be the 3000 kg reagent shipment which is currently undergoing a dangerous goods clearance & will be going to our Bollore warehouse to clear customs.
- When do we expect that the NRC will be able to do their own testing so we don't have to ship to North Carolina?
 - o Could be next Friday (the 16th) aka very soon
- We told P/Ts about the increasing complexity of customs & changing rules & emphasizing that we need to work together on the ground in China today
- The City of Toronto was also having challenges — having a hard time getting some products out of China — folks are on it
- We may have to dedicate a full aircraft for supplies for Ontario
- **China is ramping up quality control on test kits & swabs before they are exported**

P/T shipments

- 225 ventilators were shipped
- On Monday, shipping ISC' expired N95s
3M is going to be shipping 500,000 N95s to provinces starting Monday from the U.S. (note that these orders are independent of us but good to have visibility)
 - o 255k for ON, 91k for QC

In the last week — we would have shipped more than 1.62 3M N95s to provinces

AB wanted their share of the 500k 3M N95s

- o They also want right of first refusal

- **We've recently shipped 33k isolation gowns to QC which should tide them over for a bit**
 - o QC will also be receiving some isolation gowns on a flight on Monday night (piggybacking on PSPC's flight)

Some N95s & surgical masks did not pass quality control tests so we do not recommend that they be released to the medical community

- o Checking if they can have other uses
- o Could say — these are available if you want them but the caveat is that they didn't pass testing

AB has just made a large announcement about the donations they're giving to BC, ON & OC. Quarter million N95s each, some gloves, goggles and 50 ventilators to ON.

- o Turns out ON received some supplies from us so AB shipped supplies to ON & then had them re-shipped back to their provinces — a bit counter-productive

Sterilization technologies for mask re-use

- Sterrad: technology that is already present in hospitals — 350 in provinces
 - o Has received HC certification to sanitize N95s
- Steris: another type of machine — about 120 present in hospitals in Canada
 - o Likely days away from HC approval
- These will total about 500 machines —so P/Ts will be in good shape to sanitize masks for re-use
- These machines are also sanitizing other things — but even if they're used for 1 / 3 of sanitizing masks if necessary
- Also looking into 62 striker machines & we're in the process of talking to provinces of allocating some more
- Sanitization file leaped forward in terms of regulatory approvals recently
Re-use via sanitization not the #1 preference for P/Ts (preference is N95s from 3M then new masks from China called KN95s, then sterilized mask falls as last resort)
- ON looking into these technologies too

Swabs

- Shipment we received from China (and was distributed to P/Ts) was defective with significant contamination
- The company has issued a "do not use" to P/T laboratories
- Puts us behind on swab supply

HC, PSPC, ISED having convos on what we can do in the short term to address the issue and P/T pressures (AB,

QC, MB have three days worth of swabs remaining)

- Pursuing five lines of work:

- 1) procuring alternative swabs in Canada (wooden swabs)
 - We have a small supply of them — 40k — at the NML
 - Looking at whether more can be sourced (ideally domestically)
- 2) sterilization
 - May be able to effectively sterilize the contaminated swabs that came from China (300k)
 - Notwithstanding the company's notice in terms of getting rid of the swabs —we said P/Ts should hold onto them because by Monday we will know whether there is an effective sterilization process that can be put into place
- 3) 3D print swabs
 - We're working with two companies to start manufacturing but ramp up won't satisfy immediate need
 - HP would take 8 days to start manufacturing
- 4) Auto manufacturing to see if there can be re-tooling to make swabs
- 5) GAC seeking emergency supply of swabs through intl networks
- Two main companies on swabs (one in the U.S. & one on Italy) — both were unable to allocate
- Went with ESBE who used Chinese supplier that they don't normally use because their supply chains are disrupted
 - Innovation test kit challenge in Canada that is closing on April 20th — similar to the domestic ventilator challenge
 - We'll take all the promising options & throw a lot of energy behind those

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