

Kim, Sabrina

From: Halucha, Paul
Sent: Saturday, October 24, 2020 11:01 AM
To: Kim, Sabrina
Subject: Vents

Fyi

Chronology

- **March 30:** Connected with Ventilators for Canadians after Rick Jamieson and Jim Danby contacted ISED in response to the industrial Call to Action.
- **March 31:** Letter sent to V4C and ten other known ventilator projects, seeking information to support review by an expert panel. External expert panel members included:
 - o Dr. David Neilipovitz, MD, FRCPC: Associate Professor of Anesthesiology, Chair & Head, Department of Critical Care Medicine at the University of Ottawa
 - o Dr. Mehran Anvari: Professor, McMaster University / St. Joseph's Healthcare
 - o Todd Deaville: Director, Engineering and R&D, Magna International
 - o Kevin Mullins: Manager of Administration at Honda of Canada Mfg. (HCM) Honda Canada
 - o Carolyn McCoy: Respiratory Therapist, Director of Accreditation and Professional Practice Services, Canadian Society of Respiratory Therapists
 - o Stephen Dibert: Strategic Advisor - Life Sciences (former Respiratory Therapist, formerly Mdtech Canada and TOHealth!)
 - o Gene Breau: Respiratory Therapist, Moncton Hospital and the Horizon Health Network
- **April 1:** Each company submitted information in written form for review by the panel, answering a standardized set of questions. Panel members met in person to discuss.
- **April 2:** First email from Rick Jamieson flagging that they had approached Baylis Medical as a partner to the consortium (in advance of meeting with panel of experts).
- **April 2:** After internal government deliberation about the addition of Baylis Medical to the consortium as a sub-contractor, it was concluded that it was not in Canada's interest to preclude the firm's involvement given its acknowledged expertise in the production of medical devices and the fact that the selection process for all proposals would be subject to the same independent due diligence and formal contracting procedures. Further, it was recommended to the lead members of the consortium that a decision to include Baylis Medical by the consortium should also include a mechanism for Mr. Baylis to personally recuse himself from the project given his previous role as a Member of Parliament.
- **April 2:** The expert panel held meetings with each company to clarify any required information.
- **April 2:** V4C is recommended by the panel of experts as one of the Made-in-Canada proposals worthy of support.
- **April 2:** Rick Jamieson confirms that the consortium has decided to bring Baylis Medical in as a partner but that Mr. Baylis has formally assigned other executives to lead so that he is not involved in the project.
- **April 3:** Letters of Intent sent to three Made in Canada ventilator projects, including FTI (holding company established by the V4C consortia on March 31 to manage the project).
- **April 3:** PSPC initiates negotiations with the first three Made in Canada ventilator projects, including FTI. Baylis Medical was involved in the contract negotiations as part of the consortia.
- **April 7:** Second Letter of Intent sent from PSPC to Made in Canada ventilator projects, including FTI.
- **April 7:** Public announcement of Government of Canada working with the Made in Canada ventilator companies, including Ventilators for Canadians.
- **April 7:** News articles quote representatives from Baylis Medical as part of Ventilators for Canadians coalition.

- **April 10:** Contract award to FTI.
- **June 12:** Health Canada approves ventilator under Interim Order.
- **July 21:** First delivery of FTI ventilators.
- **July 31:** Video highlighting the Ventilators for Canadian project posted to the Made in Canada portal, including reference to Baylis Medical.

Specific Questions and Answers:

- Breakdown of FTI. Who it is, when it was formed, what is their exact relationship with V4C.

V4C is a consortium of manufacturing companies that offered to build ventilators during the crisis. Once their proposal was identified by the independent panel of experts as a preferred proposal, they needed to enter into a contractual relationship with the Government of Canada. FTI was established as a holding company for that purpose. The Government of Canada's direct contractual relationship is with FTI. Baylis Medical is a sub-contractor to FTI in the delivery of the ventilators. Baylis Medical was approached by the consortium given their expertise in the field of medical devices.

- Breakdown of the FTI contract and how they distribute money to their subs.

The Government of Canada contract is directly with FTI. FTI is responsible for distributing money to their sub-contractors in delivering the ventilators. The Government of Canada is not involved in the management of the sub-contractors or the contractual relationship between FTI and those sub-contractors.

- What specifically does Baylis medical do on the vents? What do other partners under the FTI contract do?

A complete picture of the division of labour between sub-contractors would have to come from FTI, but once brought into the project, Baylis Medical established a dedicated facility for the manufacturing of the ventilators, including all necessary equipment. Baylis Medical was also responsible for training staff, managing the regulatory process with Health Canada, managing the relationship with Medtronic, and managing additional sub-contractors providing both parts and labour.

- How many ventilators have we received to date from FTI and other companies?

As of October 23, 2020, FTI has delivered 2,172 ventilators. CAE has delivered 321, although they continue to work with PHAC regarding quality issues. Starfish and Vexos have not yet made their first deliveries.

- When did V4C put forward their proposal through the ISED portal? Did the proposal mention Baylis?

V4C contacted ISED on March 30, 2020. Baylis Medical was not a part of the project at that time. The first time Baylis Medical was included in the discussions was on April 2, 2020.

- I'm told on April 4, a press release went out from V4C confirming they had agreed to work with Baylis as a subcontractor to use their clean room, but that Medtronic was also making their IP available to Baylis for vent production. Who had the IP relationship with Medtronic?

Baylis Medical is the company that has the IP relationship with Medtronic. This was agreed between Medtronic and the consortium since Baylis Medical is the company with the proper certifications for manufacturing a ventilator.

- How are FTIs vents doing compared to others?

Officials at PHAC have confirmed acceptance of the FTI ventilators. Early quality issues have largely been resolved and PHAC deems their deliveries as low risk. CAE is working with PHAC to resolve quality issues with their first delivery of ventilators. The other two companies have yet to complete their first delivery, although both have Health Canada regulatory approval and anticipate their first deliveries in early November.

- What was the expert panel's recommendation and what was PHAC's recommendation?

The expert panel identified four projects worthy of support. PHAC officials, along with Health Canada and PSPC officials were a part of the process to ensure the panel had access to public health, regulatory, and procurement expertise. PHAC subsequently submitted a requisition to PSPC to purchase 10,000 units. The volume reflects the uncertainty at the time for how many would be needed, as well as the estimated minimum volume required by the companies to make business sense.

- Is V4C receiving a "comparable" amount compared to the others?

The V4C contract of \$237 million is consistent with the other contracts that range from \$170 million to \$250 million.

Sent from my iPhone