

## Lockington, Elliott (SPAC/PSPC)

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**From:** Harris, Emily (SPAC/PSPC)  
**Sent:** May 7, 2020 3:41 PM  
**To:** Roy, Cecely (SPAC/PSPC)  
**Cc:** fitz-morris, James (SPAC/PSPC); Laycock, Tristan (SPAC/PSPC); Murdock, Kelly (SPAC/PSPC)  
**Subject:** Re: FOR REVIEW - For MO Approval: Tier 1 / COVID-19 – Follow-up - PPE shortages and price gouging in Canada / The Washington Post

I'm good with this

Sent from my iPhone

On May 7, 2020, at 12:55 PM, Roy, Cecely (SPAC/PSPC) <[cecely.roy@canada.ca](mailto:cecely.roy@canada.ca)> wrote:

Hi team,

For your review - please see revised response below for WaPo on Canada's experience with price gouging when buying masks internationally. This is a follow up question.

I was considering including a standard line on the fact that PSPC is working to get a fair price for Canada when purchasing PPE, but I don't think that would be wise in the current climate.

I am also looking into what PHAC/HC are responding with for the first Q in this request.

Thanks,  
Cecely

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### **Media heads-up**

**The Washington Post**

**Hamburger, Tom (The Washington Post)**

**Date call received: May-04-20 at 11:30**

**Deadline: May-06-20 at 17:00 ([still wants info](#))**

**Tier 1 - COVID-19 – Follow-up - PPE shortages and price gouging in Canada**

### **CONTEXT (for your information):**

The reporter is seeking specific data on two points. PHAC will respond to the first question. PSPC will respond to the second question.

### **VALUE STATEMENT:**

~~The Government of Canada is collaborating with provinces and territories on an ongoing basis to identify their needs and purchase required equipment, supplies, and services to combat COVID-19.~~

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Public Services and Procurement Canada (PSPC) is taking an aggressive approach to buying—especially when it comes to personal protective equipment for frontline healthcare workers. This includes:

- - Ordering ahead in bulk on behalf of provinces and territories
  - Supplementing those orders by purchasing limited-availability supplies that are immediately available;
  - Ramping up domestic manufacturing capacity, through the Plan to Mobilize Industry to fight COVID-19, being led by Innovation, Science and Economic Development Canada.
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- This is over and above the efforts provinces and territories are taking to secure their own supply.

## QUESTIONS AND ANSWERS:

**Q1. I understand Canada has, at least in the short term, resolved the mask shortage. Is that so? This has not happened yet in the U.S. and we want to understand the difference.**

The Public Agency of Canada will respond.

**Q2. Can you provide data on the number of masks Canada has obtained and how this compares with overall need? For example, can you provide information about prices paid, how the masks were imported, etc.?**

The information related to the quantities of respirator and surgical masks purchased by the Government of Canada, which is updated on a weekly basis, is available on our [web page](#).

As we are operating within a highly volatile market where there's an intense global demand for PPE, we are exploring all options to get needed medical supplies and equipment to our frontline workers. This includes working with existing suppliers as well as new suppliers at home and abroad.

While we continue to diversify our supply chains and establish domestic production solutions, Most of our we are sourcing N95 respirator masks and surgical masks from international manufacturers, with many of these contracts with domestic distributors including Pri-Med in Edmonton, Alberta and Medicom of Pointe-Claire, Quebec. coming from foreign countries but we are also diversifying our supply chains by supporting Canadian companies that are retooling their lines to build up domestic supply.

We have also recently signed an agreement with Medicom of Pointe-Claire, Quebec, to produce 20 million N95 respirator masks, and 24 million surgical masks per year in Canada, for the next ten years, starting this summer. to provide 20 million N95 respirators and 24 million surgical masks made in Canada a year, for the next ten years.

The medical supply purchases made by the Government of Canada in response to COVID-19 are informed by requests that come in to the Public Health Agency of Canada (PHAC) from provinces and territories based on their needs, and once goods arrive and are delivered to PHAC, they are assessed and distributed under their oversight to provinces and territories. This is over and above the work being done by provinces, territories and healthcare centres to purchase medical equipment. are taking to secure their own supply.

In a market characterized by a significant surge in global demand, we are working to protect the integrity of our procurement processes, as well as the integrity of global supply chains. We are not able to provide specific information about product pricing. we need to exercise caution at this time with information we are providing. so as not to jeopardize any of our orders. Therefore,

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**ANSWERED on April 28, 2020.**

The Government of Canada is collaborating with provinces and territories on an ongoing basis to identify their needs and purchase required equipment, supplies, and services to combat COVID-19.

Public Services and Procurement Canada (PSPC) is taking an aggressive approach to buying—especially when it comes to personal protective equipment for frontline healthcare workers. This includes:

- Ordering ahead in bulk on behalf of provinces and territories
- Supplementing those orders by purchasing everything that is immediately available
- Ramping up the domestic manufacturing capacity, through the Plan to Mobilize Industry to fight COVID-19, being led by Innovation, Science and Economic Development Canada

This is over and above the efforts provinces and territories are taking to secure their own supply.

**Q1. Has Canada, with more centralized purchasing and administration, also been relatively successful in fighting price gouging and distribution inequities?**

As the Government of Canada's central purchaser, our primary objective is to secure the essential supplies that frontline healthcare workers need to protect themselves and Canadians, as we face the COVID-19 pandemic.

Canada's procurement specialists are working around the clock, in close collaboration with the Public Health Agency of Canada and Health Canada, to secure needed equipment and supplies.

We are taking an aggressive approach to buying—especially when it comes to personal protective equipment for frontline healthcare workers. This is being done by working directly with both new and existing domestic and international suppliers and manufacturers, as well as ramping up the domestic manufacturing capacity, through the Plan to Mobilize Industry to fight COVID-19, to meet both short and long-term needs.

In a market characterized by a surge in demand, we are buying existing inventory where we can and placing large orders to create and maintain a steady stream of goods flowing from diverse sources over the coming months and in anticipation of future needs. For some products, this surge in global demand has resulted in increased costs as we source the lifesaving equipment that our frontline health workers and Canadians need. As we are increasingly seeing sources of domestic supply come online, we are

also working directly with Canadian manufacturers to purchase significant quantities of essential supplies. We now have regular shipments arriving from international suppliers, and deliveries for supplies like hand sanitizer and face shields from Canadian companies is increasing as a result of industry stepping up to support the response to COVID-19. This is over and above the efforts provinces and territories are taking to secure their own supply.

From the outset of our procurement response to COVID-19 the Government of Canada has been working in direct collaboration with the Public Health Agency of Canada as well as in partnership with provinces and territories to inform our bulk buying approach. As part of this approach, we are also providing assistance in shipping orders made directly by other jurisdictions with international suppliers including the provinces of Ontario, Nova Scotia and Quebec as well as the Canadian Red Cross, on cargo flights chartered by the Government of Canada and transported back to Canada. After receipt, supplies are distributed to provinces and territories as quickly as possible, under the oversight of the Public Health Agency of Canada.

The Government of Canada will continue to work tirelessly to secure the necessary supplies to meet both Canada's short and long-term needs - working with a range of domestic and international suppliers.