

## Lockington, Elliott (SPAC/PSPC)

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**From:** Media <[media@tpsgc-pwgsc.gc.ca](mailto:media@tpsgc-pwgsc.gc.ca)>  
**Sent:** July 17, 2020 5:13 PM  
**To:** Roy, Cecely (SPAC/PSPC); fitz-morris, James (SPAC/PSPC)  
**Cc:** Vanessa Audette; Media; Elizabeth Lindsay; James Stott; Jean-François Létourneau; Lucie Brosseau; Martine Skelton; Me'Shel Gulliver Bélanger; Rachel Lagacé; Sara Lacasse; Vivianne Soubhie  
**Subject:** For MO Approval - Verified media response / Level 1 - Follow-up: COVID-19 - Contracts with SNC-Lavalin / QMI Agency

Evening Cecely,

For your approval.

The changes to this proposed media response have been validated by the program. The Program went through the red text and have adjusted the red wording with green highlight to ensure accuracy.

Charles.

### QUESTIONS/ANSWERS:

**Q1. You state: "These contracts, which were awarded to Weatherhaven Global Resources Ltd. of Coquitlam, British Columbia, and SNC-Lavalin PAE Inc. of Ottawa, Ontario, also include components for design expertise and a range of services to support the Government of Canada's efforts." How much of the total amount of the two contracts will be used to pay for the design expertise, and to pay for the range of services? What do you mean by "range of services"? What is that referring to?**

Approximately \$2M of each contract is applied to design.

The design of the Mobile Health Units (MHU) includes engagement with provinces and territories to support potential future healthcare needs and the environment in the region or regions where they may be deployed, as needed. In order for the Mobile Health Units to meet the needs of the jurisdiction, the Mobile Health Units can be scaled and adjusted for the healthcare services that would operate within it.

**What does "range of services" mean? What is that referring to?**

The contracts address the full services related to the development and future deployment of the MHUs. The services being provided by the contractors include, but are not limited to:

- Design of the MHU including adjustments required from engagement discussions with provinces and territories on what works for their potential healthcare needs
- Purchase of medical equipment (including Intensive Care Unit capabilities) — 100 hospital beds per MHU, ventilators, etc.

- Purchase of medical consumables for 10 days (consumables includes medications, PPE, medical supplies, stationary, etc.)
- Warehousing space and management (including maintenance of equipment while in storage)
- Deployment costs, including transportation and construction on site (labour, tools, accommodation and meals for staff, etc.)
- Infrastructure development, including electricity through stand-alone generators, storage and distribution of potable water and black water, storage and distribution of oxygen sufficient to deal with 100 COVID-19 infected patients, etc.
- External maintenance while MHU is operational (e.g. fueling generators, emptying black water storage, etc.)
- Decontamination of the MHU, deconstruction, and repacking once it is no longer needed at site. This also includes return shipping to the warehouse and making the MHU ready for the next deployment.

It is too early to know how much of the total amount of the two contracts will be to pay for the range of services given that too many variables are currently unknown now (deployment location(s), sort of utilities provided, deployment time frames, etc.)

**Q2. If I understand your answer correctly, the value of the two contracts (\$300 million) will allow for the construction of 10 mobile units (and not 10 mobile units per \$150 million contract). I would like to have more details on the contents of these mobile health units, which will contain 100 beds, in order to understand why the construction and design costs are so high.**

That is correct. The two contracts will allow the construction of a total of **up to** 10 mobile units, not 10 units per contract.

The Mobile Health Unit (MHU) will be a fully self-sufficient unit which will provide targeted care for persons with acute respiratory disease and distress. It will be designed with a triage area, short stay evaluation area, two resuscitation bays, up to an 80 bed inpatient ward, up to a 20 bed Intensive Care Unit (ICU), diagnostic imaging (portable x-ray), laboratory, pharmacy, and a separate low-risk zone which includes central supply and office space. Integral to the design is a full water, sanitation, and hygiene (WASH) system of fresh potable water systems, latrines, showers, and hand washing stations. Should electrical hookup or compressed oxygen not be available at the deployment site, power is to be provided through generators and oxygen through various O<sub>2</sub> generators and concentrators. The self-sufficiency of the unit makes it extremely flexible for deployment where the need is greatest in Canada, not just where the utilities exist for its support.

In order to effectively prepare Canada's response to possible future waves or surges of COVID-19, the federal government is currently in discussions with a number of provinces, including Quebec, to launch pilots of the Mobile Health Units for which the government has contracted for. Piloting the MHUs allows them to be adjusted and adapted to the **future implementation**.

*(Taken from Memo dated July 3)*

Our work continues to ensure that Canada is prepared for any eventuality when it comes to this pandemic. Access to additional capacity for the healthcare system through MHUs is part of our overall pandemic preparedness plans.

**Q3. What control mechanisms and precautions were put in place under this administrative agreement prior to awarding the contract to SNC-Lavalin without issuing a call for tenders, as well as *during* the term of the contract?**

Canada entered into an administrative agreement with SNC-Lavalin in 2015. The terms and conditions that SNC-Lavalin must meet in order to maintain its status under the Integrity Regime are set out in the administrative agreement that was concluded. They include the ongoing implementation of an ethics and compliance program, strengthening communication and training, continued implementation of the company's internal policies and internal control measures, and the performance of a risk assessment. The company has incurred the expense of obtaining the services of a qualified independent third party to monitor compliance with the terms of the agreement.

**Q4. Do you think it was appropriate to award a \$150 million contract without issuing a call for tenders to a company that is subject to an administrative agreement?**

The company's status under the Integrity Regime remains unchanged. The administrative agreement with SNC-Lavalin allows the company to continue to bid on contracts and real estate transactions as long as it remains in compliance with the terms and conditions.

The Government of Canada integrity provisions were followed for these contracts. Both SNC-Lavalin - PAE Inc and Weatherhaven Global Resources Ltd are existing federal government suppliers and had prior contracts with Canada awarded through competitive processes demonstrating they could offer best value to Canada.

When the two contracts for Mobile Health Units were put in place in April, earlier in Canada's response to the COVID-19 pandemic, the federal government was required to act with urgency to address a possible surge in demand on our healthcare system, and in order to protect the health and safety of Canadians. Given this emergent need for additional capacity, the agreements were put in place quickly to ensure access to the MHU infrastructure, as needed, to best support provinces and territories in the delivery of life-saving healthcare services in response to the pandemic.

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**Answer provided on June 30:**

As part of the government-wide response to the COVID-19 pandemic, the government leverages the expertise and resources of the private sector to protect the health and safety of Canadians.

Public Services and Procurement Canada (PSPC) takes an aggressive approach to procurement, particularly with respect to personal protective equipment for front-line health care workers. Our approach is to place advance bulk orders for provinces and territories, complete these orders by purchasing anything immediately available, and increase production capacity across the country through [Canada's Plan to Mobilize Industry to help fight COVID-19](#), led by Innovation, Science and Economic Development Canada.

This goes beyond the efforts of the provinces and territories to ensure their own supply.

**Q1. What does the \$150 million contract awarded to SNC-LAVALIN PAE INC. for prefabricated and demountable buildings consist of? What will these buildings be used for? Is this contract related to the pandemic and the SNC announcement on April 24?**

**A1.** The Government of Canada is working with the provinces and territories on an ongoing basis to determine their needs and to proceed with the purchase of equipment, supplies and services to address COVID-19. This initiative is part of the Government's proactive approach to address the specific needs of provinces and territories during this pandemic.

The Government of Canada has awarded two contracts covering up to 10 mobile health units that are easily stored, accessible and transportable for use anywhere in Canada.

These contracts, awarded to Weatherhaven Global Resources Ltd. of Coquitlam, British Columbia, and SNC-Lavalin PAE Inc. of Ottawa, Ontario, also include components for design expertise and a range of services to support the Government of Canada's efforts.

The mobile health units, which are specifically designed to provide respiratory care, will enable local health authorities to handle patient influxes as needed.

These contracts are part of our overall preparation to ensure the health and safety of Canadians and to prepare for any eventuality.

The contracts were announced by Minister Anand [on Friday, April 24](#), and we can confirm that this was announced by the company in a press release on the same day.

**Q2. Are there any more contracts on the same subject to come?**

**A2.** At this time, Canada has no plans to award further contracts for the development of mobile health units.

**Q3. Were calls for tenders issued prior to the awarding of these two contracts?**

**A3.** A public call for tenders was not issued due to the urgency of the need as a result of the pandemic. This procurement process took place in April 2020.

Two companies with well-known expertise (and previously demonstrated experience) in deployment and logistical support were invited to participate in this extremely short procurement process due to the pandemic.

Cecely Roy  
t 343-549-7293

On Jul 9, 2020, at 5:49 PM, Media [media@tpsgc-pwgsc.gc.ca](mailto:media@tpsgc-pwgsc.gc.ca) wrote:

Hi Cecely,

For MO approval please. New info in purple.

Marc  
873-354-7219

## Media response

### QMI Agency

Daoust-Braun, Sarah (QMI Agency)

Date call received: Jul 02, 2020 at 2:40 pm

**Deadline: July 10, 2020 at 5:00 pm**

Level 1 - Follow-up: COVID-19 - Contracts with SNC-Lavalin

## BACKGROUND:

The researcher has follow-up questions about the contract awarded to SNC-Lavalin as well as the administrative agreement the company signed with the government. She mentioned that SNC-Lavalin is the only company that has signed an administrative agreement with the Government of Canada.

<https://www.tpsgc-pwgsc.gc.ca/ci-if/ententes-agreements-eng.html>

<https://www.tpsgc-pwgsc.gc.ca/ci-if/guide-eng.html>

<https://www.tpsgc-pwgsc.gc.ca/trans/pq-qp/qp36-eng.html>

It says that the company can continue to be awarded contracts, but that extra caution is required.

*“An administrative agreement is an agreement between the supplier and the government. It is used when the Department determines that it needs to exercise greater caution to further mitigate the risks associated with contracting with a particular supplier. It includes conditions that the supplier must meet in order to be eligible for a federal contract. Conditions include corrective and compliance actions. The agreement must be monitored, at the supplier’s expense, by a qualified independent third party recognized by the Department.”*

She wants to know about the control mechanisms employed before awarding the contract and while the contract is in force.

## VALUE STATEMENT:

## QUESTIONS/ANSWER:

**Q1. Vous indiquez : Ces contrats, qui ont été attribués à Weatherhaven Global Resources Ltd, de Coquitlam (Colombie-Britannique), et à SNC-Lavalin PAE Inc., d'Ottawa (Ontario), comprennent également des volets pour l'expertise en matière de conception ainsi que pour un éventail de services visant à soutenir les efforts du gouvernement du Canada.**

**Quelle est la part du montant total des deux contrats qui servira à payer l'expertise en conception, et à payer pour l'éventail de services? Que veut-on dire par "éventail de services"? À quoi cela fait-il référence?**

**Q1. You note: These contracts, which were awarded to Weatherhaven Global Resources Ltd. of Coquitlam, British Columbia, and SNC-Lavalin PAE Inc. of Ottawa, Ontario, also include components for design expertise as well as a range**

*of services to support the Government of Canada's efforts.*

**How much of the total amount of the two contracts will be used to pay for design expertise, and to pay for the range of services?**

A1. Approximately \$2M of each contract is applied to design.

**What does "range of services" mean? What is that referring to?**

A1. The contracts address the full services related to the development and future deployment of the MHUs. The services being provided by the contractors include, but are not limited to:

- Design of the MHU including discussions with provinces and territories
- Purchase of medical equipment (including Intensive Care Unit capabilities) — 100 hospital beds per MHU, ventilators, etc.
- Purchase of medical consumables for 10 days (consumables includes medications, PPE, medical supplies, stationary, etc.)
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- External maintenance while MHU is operational (e.g. fueling generators, emptying black water storage, etc.)
- Decontamination of the MHU, deconstruction, and repacking once it is no longer needed at site. This also includes return shipping to the warehouse and making the MHU ready for the next deployment.

It is too early to know how much of the total amount of the two contracts will be to pay for the range of services given that too many variables are currently unknown now (deployment location(s), sort of utilities provided, deployment time frames, etc.)

**Q2. Si je comprends bien votre réponse, la valeur des deux contrats (300 millions) permettra de construire 10 unités mobiles (et non pas 10 unités mobiles par contrat de 150 millions).**

**J'aimerais avoir plus de détails sur le contenu de ces unités de santé mobiles qui contiendront 100 lits afin de comprendre la raison des coûts de construction et de conception aussi élevés.**

Q2 As I understand your answer, the value of the two contracts (300 million) will allow the construction of 10 mobile units (not 10 mobile units per contract of 150 million).

That is correct. The two contracts will allow the construction of a total of 10 mobile units, not 10 units per contract.

**I would like to know more about the content of these mobile health units that will contain 100 beds in order to understand the reason for the high construction and design costs.**

A2. The Mobile Health Unit (MHU) will be a fully self-sufficient unit which will provide targeted care for persons with acute respiratory disease and distress. It will be designed with a triage area, short stay evaluation area, two resuscitation bays, up to an 80 bed inpatient ward, up to a 20 bed Intensive Care Unit (ICU), diagnostic imaging (portable x-

ray), laboratory, pharmacy, and a separate low-risk zone which includes central supply and office space. Integral to the design is a full water, sanitation, and hygiene (WASH) system of fresh potable water systems, latrines, showers, and hand washing stations. Should electrical hookup or compressed oxygen not be available at the deployment site, power is to be provided through generators and oxygen through various O2 generators and concentrators. The self-sufficiency of the unit makes it extremely flexible for deployment where the need is greatest in Canada, not just where the utilities exist for its support.

**Q3. What control mechanisms and precautions were put in place under this administrative agreement *prior* to awarding the contract, without issuing a call for tenders, to SNC-Lavalin, and *during* the term of the contract (DOB)**

Canada entered into an administrative agreement with SNC-Lavalin in 2015. The terms and conditions that SNC-Lavalin must meet in order to maintain its status under the Integrity Regime are set out in the administrative agreement that was concluded. They include the ongoing implementation of an ethics and compliance program, strengthening communication and training, continued implementation of the company's internal policies and internal control measures, and the performance of a risk assessment. The company has incurred the expense of obtaining the services of a qualified independent third party to monitor compliance with the terms of the agreement.

**Q4. Do you think it was appropriate to award a \$150 million contract without issuing a call for tenders to a company that is subject to an administrative agreement? (DOB)**

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