

## Lockington, Elliott (SPAC/PSPC)

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**From:** Media <media@tpsgc-pwgsc.gc.ca>  
**Sent:** August 12, 2020 1:39 PM  
**To:** Reza, Arianne (Ext.); Michael Mills  
**Cc:** Alexandra Bushell; Angela Intranuovo; Annie St-Amour; Bryan Blom; Carole Charette; Lord, David (Ext.); Elizabeth Lindsay; Christensen, Esther (Ext.); Boulay, Francois (Ext.); Geneviève Côté; Irene Wu; James Stott; Jean-François Létourneau; Jeff Van Zyl; Jody Wood; Judith Rorai; Julie Hahn; Karim Adam; Kimberley Dicks; Liaison; Lucie Brosseau; Maria Cama; Marie-Christine Lalonde; Marie-Claude Hurens; Media; Medias Sociaux / Social Media (TPSGC/PWGSC); Melissa Pacheco; Me'Shel Gulliver Bélanger; Mia Arruda; Michèle Larose; Mohamed Lash; Nathalie Larocque; Nicholas Dorion; Rachel Lagacé; Renee Stephen; Rosemary Kinnis; Sara Lacasse; Sarah Moreau-Bélanger; Selma Mesri; Sonia Harvey; Tracey Paterson; Usman Chaudhry; Amanda Semaan; Annie Scalis; Brigitte Boucher; Crystal Allan; Edith Dauphinais; Haley Walsh; Isabelle Aubin; Noonan, Jamie (Ext.); Lyne Michaud (A); Michael Milito; Michael Scandiffio; Nathalie Bétoté Akwa; Nicolas Boucher; PA DGA Bureau SMA / AP PB ADM Office (TPSGC/PWGSC); Vanessa Audette  
**Subject:** Media Heads-Up / Tier 1 - Follow-up - COVID-19 - Medicom contract details / The Globe and Mail

The following media request has been identified as **Tier 1**.

Communications sector will work with your group to develop the first draft response. New information not previously approved should be identified in purple.

**Highest level of approval: MO**

Program ADM approved response: August-12-20 at 16:30

### **Media heads-up**

**The Globe and Mail**

**Silcoff, Sean (The Globe and Mail)**

**Date call received: August-12-20 at 12:50**

**Deadline: August-13-20 at 09:00**

Tier 1 - Follow-up - COVID-19 - Medicom contract details

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

The reporter had questions regarding contract details with Medicom. Further to PSPC having provided a response to his questions, the reporter contacted the Minister's office with additional questions regarding the guarantees built into the contract, ensuring Medicom would be guaranteed production of N95 and surgical masks in Canada for the next 10 years.

**MO is expecting a response to be provided to them by the end of the day for their approval. The reporter's deadline is firm.**

### **VALUE STATEMENT:**

## QUESTIONS / RESPONSES:

**Q1. Is the unit price for these two mask types made in Canada at Medicom higher than those purchased from overseas manufacturers? If so – why pursue Canadian production of masks?**

**Q2. What are the parameters or guarantees for the extend of the 10 year contract?**

**Q3. What would inform the price negotiations at the three year mark?**

**Q4. What is the floor/minimum guarantee?**

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Previous response provided August 12, 2020

**Q1. What is the total value of the Medicom contract? Can you give me a precise number? Is there a publicly posted number somewhere?**

**A1.** The Government of Canada continues to be engaged in an unprecedented effort to acquire supplies and equipment to ensure that front-line healthcare workers, other essential services workers and Canadians stay safe and healthy. We are aggressively procuring in the global marketplace, while facing the risks posed by fragile supply chains, the fluidity of the current situation, and a surge in demand.

In order to provide Canadians with information relating to Canada's response to the COVID-19 pandemic, PSPC is [here](#) disclosing supplier names and contract values for contracts that it has entered into on behalf of other government departments and agencies for PPE and medical/laboratory equipment and supplies, with the following exceptions:

Given the global nature of the pandemic and the severe competition for goods PSPC is protecting the names of suppliers for certain hard to procure commodities, namely n95 respirators, gloves and swabs. Protecting this information will help secure these sources of supply in Canada's ongoing PPE procurement efforts.

### **Medicom contract**

AMD Medicom Inc. has responded to Canada's call with a proposed high-level agreement for a 10-year contract supplying local production and distribution of medical masks (earloop) and respiratory masks (N95) for the primary benefit of the Government of Canada.

In April 2020, PSPC entered into a ten-year sole-source contract with Medicom, with a firm price set for the first three years and seven additional years that will be negotiated annually. The contract is valued at \$94 million over three years, with the value of the remaining 7 years subject to future negotiation.

The contract is for the delivery of 20 million N95 masks and 24 million level 3 surgical masks annually for 10 years, which will be produced in a newly established manufacturing plant in Montréal.

**Q2. Is it possible, under the contract, the government could extend its demand over the 20 million N95s and 24 million surgical masks per year?**

**A2.** The contract does not allow for additional masks.