

Lockington, Elliott (SPAC/PSPC)

From: Lockington, Elliott (SPAC/PSPC)
Sent: May 5, 2020 12:13 PM
To: 'Plourde, Jean-Luc'
Cc: Church, Leslie (SPAC/PSPC)
Subject: RE: Tom Korski's Question to Scheer

Hi Jean-Luc,

As per the agreement, Amazon Canada is offering their services—online platform and tracking system—at no profit until June 30, 2020.

This agreement is in place until March 31, 2021. Amazon's costs for the remainder of the contract will be negotiated by May 31, 2020, and will be at a rate lower than normally charged.

The contract contains a provision that allows either party to terminate with a 30-day notice.

At this point, we have not reached an agreement on what the charges are beyond June 30, 2020, or if we want to terminate the contract.

The following are the quotes that the journalist is referencing:

OGGO – Committee

April 24th, 2020 / 11:10 a.m., opening remarks

Liberal

Anita Anand Oakville, ON

Canada Post and Purolator, which are both business partners of Amazon Canada, will handle all warehousing and delivery. This is all at cost without profit. This agreement is important to ensuring that masks, gloves and other vital equipment are provided to front-line health care workers as quickly as possible.

April 24th, 2020 / 11:35 a.m.

Liberal

Anita Anand Oakville, ON

It is very important to specify that it is Amazon Canada. It is not exactly a foreign company. It is a Canadian company that works with other Canadian companies. All three companies are providing these services at cost, without making a profit.

It's at cost, without profit, and they're all Canadian companies. Amazon Canada is a Canadian company.

Is there anything else?

April 24th, 2020 / 12:40 a.m.

Mr. Bill Matthews:

There's a lot in that question, some of which I cannot answer in terms of income tax, and so on. However, in terms of the arrangement that the government has reached with Amazon and partners, it's dedicated to allow for, basically, ordering and distribution of the federally acquired goods and services—or sorry, goods, not services. It's distinct from their regular operations.

What's unique about Amazon in this case is their outward-facing retail platform that would let provinces and territories effectively put in orders for PPE to the national warehouse. That's the unique feature there. As has been mentioned, the warehousing and distribution is Amazon and Canada Post plus Purolator. It's very much a distinct arrangement at no profit for the first few months, and we'll go from there. It's very much distinct. I wouldn't view it as being mixed in with their regular operations.

The following is also the release that went out on April 3rd, following the PMs announcement of the agreement. <https://www.newswire.ca/news-releases/government-of-canada-partners-with-amazon-to-help-get-personal-protective-equipment-to-front-line-healthcare-workers-811569681.html>

From: Plourde, Jean-Luc [mailto:Jean-Luc.Plourde@lghc-lgcc.gc.ca]
Sent: May 5, 2020 11:09 AM
To: Lockington, Elliott (SPAC/PSPC) <elliott.lockington@canada.ca>
Subject: Tom Korski's Question to Scheer

Hi Elliott,

As per our phone call.

Yesterday, in his press conference, Scheer was asked the following questions from Tom Korski:

- The Minister of Public Works said an Amazon contract to manage orders for PPE by the provinces was offered at cost by the company. That was untrue, it's at cost for the first quarter. As a year long contract, the normal commercial fees apply after the first of July. That was disclosed by the deputy minister in commons committee.
 - o Q1: Do you see any point of privilege here? The minister of Public Work, in committee, out of committee, in public, in the House, out of the House maintain there was no profit for Amazon.
 - o Q2: You're aware of Spartan bioscience problems. That was by contract. Should these Pandemic related contracts be tabled in the House so taxpayers can see them and find out what we are getting?

Scheer answered the following:

- Very serious matter if a Minister said something in a parliamentary session she knew not to be true, or known not to be accurate. Will be following up on that and examining those circumstances. In terms of these types of contracts, have to move quickly. Its painful to watch how slow the GOC has acted and how long its taken for a fast track process for testing kits. Same time, want to make sure procurement rules are followed. WE will use the tools we have as opposition to examine these things. I believe we are getting to the point that there are so many questions, as a country we have to decide how we want to go back and look at the various decision points. We will of course have many ideas on how that should be conducted. Short term, use tools at committee to ensure that we get answers.

Considering all this, can you provide us with an explanation of what was said, when it was said, what is the situation? Just to make sure we are airtight should there be a Question of Privilege raised.

Jean-Luc Plourde

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