

Lockington, Elliott (SPAC/PSPC)

From: Media <media@tpsgc-pwgsc.gc.ca>
Sent: April 25, 2020 10:25 AM
To: Harris, Emily (SPAC/PSPC); Roy, Cecely (SPAC/PSPC)
Cc: Elizabeth Lindsay; Emmanuelle Gallays; James Stott; Jean-François Létourneau; Martine Skelton; Media; Me'Shel Gulliver Bélanger; Rachel Lagacé; Sara Lacasse; Vivianne Soubhie
Subject: For MO Approval : Media response / Tier 1 - COVID-19 - Contract with Amazon Canada / Blacklock's Reporter

Good morning Emily and Cecely,

For MO approval, please.

Note that the wording of A3 was pulled from the approved Minister's QA package for yesterday's OGGO appearance.

Thanks,

Marc
873-354-7219

Media heads-up
Blacklock's Reporter
Korski, Tom (Blacklock's Reporter)
Date call received: April-24-20 at 12:29
Deadline: April-24-20 at 17:00
Tier 1 - COVID-19 - Contract with Amazon Canada

CONTEXT (for your information): Following Minister Anand's appearance in committee on Friday April 24, the reporter has a question.

VALUE STATEMENT:

QUESTIONS / RESPONSES:

Q1. What is the value of the contract or payment to Amazon Canada regarding distribution of pandemic supplies?

Q2. Deputy Matthews tells the government operations committee on Amazon: "It's very much a distinct arrangement at no costs -- I'm sorry, no profits *for the first few months* and we'll go from there."

What exactly are the terms of the at-cost contract with Amazon? What does "first few months" mean?

A1-2

The contract was signed April 1, 2020 on behalf of the Public Health Agency of Canada, which is responsible for distributing emergency supplies to the province and territories, and is an agreement with Amazon to help manage the distribution of personal protective equipment and supplies, purchased by the government, to support the COVID-19 response.

Amazon is offering their assistance to Canada for no profit until June 30, 2020. The majority of the cost is for delivery through Canada Post and Purolator.

The total value of the contract is \$5 million, excluding taxes.

Q3. Deputy Matthews also tells the committee contracted N95 mask prices in bulk purchase were \$1.20 prior to the pandemic: "More recent orders, *you're seeing prices quoted up to five or six dollars.*"

Deputy Matthews previously said April 16 at the Commons health committee the department ordered 130 million N95s. Taking the lowest figure he quotes of five dollars a unit, that's:

\$5 less \$1.25 = \$3.75 x 130 million units = \$487.5 million.

Are you saying the Public Health Agency in failing to stock N95s pre-pandemic cost taxpayers half a billion?

A3

No, that is not the case. In this ever-evolving environment, our primary objective is to protect those working bravely to protect the rest of us. It is much too early to speculate about total costs. However, we are operating within a highly volatile market and there is intense global demand for scarce supply of personal protective equipment. Without question, this is translating into higher costs.