

Lockington, Elliott (SPAC/PSPC)

From: Media <media@tpsgc-pwgsc.gc.ca>
Sent: August 19, 2020 4:34 PM
To: Roy, Cecely (SPAC/PSPC); fitz-morris, James (SPAC/PSPC)
Cc: Elizabeth Lindsay; James Stott; Jean-François Létourneau; Lucie Brosseau; Martine Skelton; Media; Me'Shel Gulliver Bélanger; Rachel Lagacé; Sara Lacasse; Vivianne Soubhie; Stéfanie Hamel; Francesco Santostefano; Bryan Blom
Subject: For MO approval - Media response - Tier 1 / COVID-19 - PPEs from China / POLITICO Canada

Afternoon Cecely, James,
For your approval. GAC has been consulted.
Charles.

Media response

POLITICO Canada

Blatchford, Andy (POLITICO Canada)

Date call received: July-22-20 at 19:50

Deadline: July-24-20 at 17:00 (still wants info)

Tier 1 - COVID-19 - PPEs from China

CONTEXT (for your information):

The reporter initially contacted MO for a list of companies that Canada has purchased PPEs from in China since the start of the pandemic. Background information was provided by MO, as well as a written response. The reporter has follow-up questions on the information he was provided.

VALUE STATEMENT:

Public Services and Procurement Canada is committed to ensuring the government does business with ethical suppliers.

QUESTIONS AND ANSWERS :

Q1. When making purchases from suppliers during the pandemic, especially those from China, has the government still been requiring the suppliers to agree to terms conditions prohibiting labour practices such as human rights abuses including forced labour?

Public Services and Procurement Canada (PSPC) is including clauses on 'Ethical Procurement' and 'Origin of Work' in contracts and Requests for Proposals for personal protective equipment, where possible. The 'Ethical Procurement' clause requires bidders to certify that they and their first-tier subcontractors comply with a set of fundamental human rights and labour standards. The 'Origin of Work' clause requires bidders to provide names, addresses and countries of manufacturers and subcontractors used in the contract.

Respect for human rights is at the heart of the rules-based international order and Canada's trade strategy. Global Affairs Canada (GAC) has supported Public Services and Procurement Canada in ensuring due diligence for international companies, as part of their role in global supply chain coordination. GAC also engages internationally to strengthen cooperation and information sharing efforts, including best practices and lessons learned.

Q2. Has the government been conducting an integrity check into each supplier's background - including those in China - during the pandemic?

Q3. If so, have the integrity checks discovered anything concerning for Canadian officials? Have any purchases been cancelled due to these concerns?

A2 and 3.

The federal government continues to apply the Integrity Regime to all COVID-19 related contracts as per the Ineligibility and Suspension Policy. As Public Services and Procurement Canada administers the Regime on a government-wide basis, the department has been verifying suppliers' status under the Regime for its own procurement activities as well as on behalf of federal departments and agencies.

No contracts have been awarded to any supplier that has been determined to be ineligible or suspended under the Integrity Regime.

Q4. What exactly are “integrity checks”?

Under the Integrity Regime, a supplier that has, in the past three years, been convicted of an offence listed in the *Ineligibility and Suspension Policy* will be declared ineligible for a period of ten years. Departments and agencies are required to verify or check a supplier's status under the Integrity Regime prior to the award of a contract or real property agreement to which the Regime applies.

ANSWERED by the Minister's Office on July 22, 2020.

Throughout the pandemic, there has been a surge in global demand for the PPE and medical supplies required in response to COVID-19. As a result, we continue to operate in a highly competitive marketplace, while facing the risks posed by the fragility of international supply chains.

While our work across government over the past months, including in partnership with Canadian officials and third-party logistics support on the ground in China, has helped to stabilize Canada's supply chains for PPE and medical supplies, we are not operating in normal circumstances and challenges continue to persist.

Considering the sustained pressure on supply chains as a result of the global competition for the same products, if we were to disclose information about specific contracts or suppliers, particularly with respect to international suppliers, we could jeopardize Canada's supply chains for these life-saving products. This would put our delivery to Canada and into the hands of frontline workers at risk, as we equip them in the immediate term and prepare for potential surges or future waves of the pandemic.

While we are not able to disclose specific details regarding suppliers and contracts related to Canada's procurement in response to COVID-19 at this time given the current environment, we intend to provide more information at a time when this risk has passed.

Our government is committed to ensuring the highest ethical standards for government procurement, and preventing human rights abuses including forced labour in federal-supply chains. When awarding contracts, the department of Public Services and Procurement Canada requires suppliers to agree to terms and conditions prohibiting these labour practices, and is conducting an integrity check into each supplier's background.

As part of our government's National Strategy to Combat Human Trafficking, we are taking steps to enhance oversight and scrutiny over our supply chains with the goal of ensuring that they are free from human trafficking and labour exploitation. We are working to add further protections against the use of forced labour in federal supply chains.

Canada remains deeply disturbed by the troubling reports on the situation in Xinjiang and have voiced our concerns. We have taken sustained action by publicly and consistently calling on the Chinese government to end the repression in Xinjiang.

This is an issue that we take very seriously, and will continue to address.