

Lockington, Elliott (SPAC/PSPC)

From: Jeff Chapleau <jchapleau@catalystic.ai>
Sent: March 31, 2020 12:18 AM
To: zubair.patel@hrsdc-rhdcc.gc.ca
Cc: sahmed@servoannex.com; Guri.Pannu@enbridge.com; Parmar, Dovejot (SPAC/PSPC); Jeff Chapleau
Subject: Re: Covid19 Supply Sourcing

Thanks all for including me. I truly appreciate everyone spending their late nights / early mornings working in a collaborative manner. It's what makes us Canadian.

I love the idea of a collaborative effort to acquire existing supplies in near-field industry's like painting, automotive, chemicals etc to backup shortages in critical PPE, etc gear. AND, it mobilizes Canadians to get involved and to help.... creating HOPE.

But, I like this plan for 2-3 weeks. ONLY

Logarithmically speaking, it can't work beyond that:

1. It relies on high friction networks.
2. It relies on existing supplies - painters, insulation installers, car companies, etc.
3. We don't make masks, ventilators etc domestically so unless we secure beyond that, now, we will face dire consequences like the USA is experiencing now.
4. Pricing has increased by ~600% in 6 weeks and its rising daily.

Any strategy beyond the current supply needs a coordinated sourcing structure that will survive war measures (that are already happening as per witness today in our Houston shortage and as per Enbridge's experiences).

We need a short, mid and long term supply. And it needs to be centrally coordinated.

I was involved front line in SARS and in the interest of expediency, I'll put forward a solution framework that is getting traction in other continents/countries.

A digital virtual supply chain optimization tool that manages real time COVID19 incidence AND equipment (Eg ventilators), PPE (gloves, masks, gowns, etc) and pharma (Eg hydroxychloroquine, zithromycin etc) can work if it has widespread adoption.

To be effective, it should facilitate not only buying from the OEM or a dedicated 3PL TO the group, it should further track what's in use and what's oversupply (real time inventory management) and then share AMONG the group following the path of the disease (... which doesn't respect provincial borders).

We can only achieve buying power if we act in concert: Our team is meeting with the largest buyers in the USA right now to coordinate - UHC, Sharp Health, Kaiser, VA etc. Mexico is in discussions as is EEC. Our most recent buys beat Canada's last order (30m units of N95 masks) pricing substantially.

Private sector can buy more cheaply... and more agilely. Eg We picked up 10k ventilators today that went on market as hospitals in the USA could no longer afford (with the cancellation of elective surgery). That said, we lost another 10k to a hedge fund that was more aggressive. They plan to sell them at twice market. Armed with a specific buy/transfer agreement, we could win these more often.

Further, we need to secure a supply chain to the largest players in the world and dominate this in a direct buy - end to end - delivery to the last mile. We should manage the planes and customs. We should manage the warehousing. These chinks in the armour are where supplies are being lost to corruption, theft and government intervention.

This is even more important for drugs. It should follow the DSCSA doctrine to ensure track and trace 2024 standards or we run the risk of forgeries /theft as is rampant elsewhere.

I would be willing to develop a working document - or work in concert with others to help coordinate a central approach. I'm directly involved in other pandemic response programs as well as clinical trials on emerging solutions and would be willing to share BDP (best demonstrated practices).

My biggest worry though is time.

With the logarithmic acceleration of COVID19, we need central decision makers to "hash" through a plan ... and execute.

I worry greatly for the direct effects of COVID19...

I worry almost as much for the economic effects of a pandemic.

One of my companies (USA) laid off over 50% of its workforce. Another one (Cdn) canceled its IPO and is in jeopardy.

I'm working late and early every day. Please call if I can be of assistance in any way.

In health,

J

Jeff Chapleau

Founder / CEO - The Catalytic Group | Due Good Deeds | Marketlink | BizPitch | Innovate Health | K-Pure

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Sent from my iPhone.

On Mar 30, 2020, at 11:25 PM, zubair.patel@hrsdc-rhdcc.gc.ca wrote:

Adding Dove Parmar who works in Minister Anand Office.

Zubair

Sent from my iPhone

On Mar 30, 2020, at 10:55 PM, Sulemaan Ahmed
<sahmed@servoannex.com<mailto:sahmed@servoannex.com>> wrote:

Hi Zubair,

Thanks or your time tonight.

As discussed, we would appreciate introductions to your colleagues in health and procurement to discuss the supply sourcing issues.

Of particular concern are shipments of medical supplies to Canada being confiscated en route to Canada. We need to get on top of this quickly.

I was going to go to Ben but if there are others who move quickly to speak to first then great. But they have to move at your speed. Because if this stuff hits the press there will be panic.

I'll ask Guri ans Jeff to chime in further. Thank you for being open to feedback and our candour.

Cheers
Sulemaan

Sent from my iPhone

Envoyé par iPhone

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