

Lockington, Elliott (SPAC/PSPC)

From: Media <media@tpsgc-pwgsc.gc.ca>
Sent: July 30, 2020 12:04 PM
To: fitz-morris, James (SPAC/PSPC)
Cc: Bryan Blom; Elizabeth Lindsay; James Stott; Jean-François Létourneau; Lucie Brosseau; Martine Skelton; Media; Me'Shel Gulliver Bélanger; Rachel Lagacé; Sara Lacasse; Vivianne Soubhie
Subject: For MO approval - Revised media response - Tier 1 / COVID-19 -Amazon contract to distribute personal protective equipment / iPolitics

Hi James,

Resubmitting this request for MO approval. Revisions were made (**in red**) to the proposed response.

Charles.

Revised media response

iPolitics

Lim, Jolson (iPolitics)

Date call received: July-24-20 at 12:20

Deadline: July-24-20 at 15:30

Tier 1 - COVID-19 - Amazon contract to distribute personal protective equipment

CONTEXT (for your information):

The reporter is following up on a couple of points Mr. Bill Matthews made at the OGGO committee on July 23 about the Amazon contract to distribute personal protective equipment.

QUESTIONS AND ANSWERS:

Q1. Mr. Matthews said there is "no activity" with regards to the contract. Has Amazon to date made any deliveries? He also said Amazon was paid \$200,000 for the agreement. What was that amount for? Mr. Matthews had said "the first part of the contract was at zero profit," so I'm hoping for some clarity around that. How long is the contract period? I.e., how long can Amazon provide services under this agreement? Given that provinces preferred shipment to centralized locations, which entities are tasked with delivering PPE to these locations?

On April 1, 2020, the Government of Canada signed a contract with Amazon for access to its technology and services, allowing multiple provincial and territorial health establishments to order personal protective equipment (PPE) directly from the Public Health Agency of Canada (PHAC).

The contract with Amazon created a private storefront within the Amazon Business store that allowed authorized healthcare providers to order supplies directly from the Public Health Agency of Canada. The Public Health Agency of Canada was responsible for importing, receiving, and handling the personal protective equipment before orders were fulfilled. In total, 12.5 million personal protective equipment items were delivered across Canada under this agreement. Amazon provided their

services at cost, without profit. The majority of the cost was for delivery through Canada Post and Purolator.

Since the contract was originally signed, the Government of Canada has significantly increased the volume of supplies being purchased, both internationally and domestically. The provinces and territories have also requested a more centralized distribution of personal protective equipment, where the Public Health Agency of Canada distributes supplies directly to one or two specific locations within each province and territory rather than waiting for orders from the provinces and territories. As a result, the needs of the Public Health Agency of Canada have evolved and the Agency now requires ~~a major logistics service provider to increase its current capacity and establish~~ a longer term, end-to-end logistics, storage and distribution network.

This work is significantly beyond what is covered in the Amazon contract. ~~Amazon is currently not able to manage the import, receipt and handling of personal protective equipment prior to order fulfilment,~~ The Government of Canada and Amazon agreed to suspend the contract. While the contract specifies the Government of Canada can immediately end the contract by sending notice to Amazon, it can also continue without activity or cost until its planned expiry date of March 31, 2021.