

OGGO Motion (M.P. Pierre Paul-Hus)
Overview of the GAC Package Redactions

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p. 1-2	Release
p. 3-8	Partial: p. 3, 4, 5, 6, 7, 8 (Injury to International Affairs, Security)
p. 9-11	Release, except: Partial: p.11 (Vulnerability of systems)
p. 12-13	Partial: p. 12-13 (Injury to International Affairs, Information obtained in confidence from a foreign government, Personal Information)
p. 14-15	Release, except: Partial: p.15 (Injury to International Affairs)
p. 16-28	Release, except: Partial: p.26 (Third Party Information)
p. 29-31	Release, except: Partial: p.31 (Vulnerability of systems)
p. 32-51	Release, except: Partial: p.32, 33, 41, 47 (Third Party Information) and 48 (Vulnerability of systems)
p. 52-70	Release, except: Partial: p.52, 53, 54, 60, 63, 68, 69 (Third Party Information) and 61 (Cabinet Confidence)
p. 71-86	Release
p. 87-116	Release, except: Partial: p.87, 88, 89, 93, 94 (Personal Information)

X-RAY MACHINES PROCUREMENT PROCESS BACKGROUNDER

BPTS - 02890-2020.

The requirement for x-ray machines and associated services are ongoing requirements for Global Affairs Canada's 178 Missions. Beginning in the summer of 2019, the International Platform Branch of Global Affairs Canada resumed work on the establishment of a long-term supply instrument that would allow the Department to respond to the needs of Missions to replace x-ray machines and provide associated services, such as installation, maintenance, yearly testing, training and disposal.

It was determined that a standing offer was the most suitable supply instrument, which due to its non-binding nature, would give Global Affairs Canada the flexibility to issue contracts only when a need is identified through a call-up. Global Affairs Canada and the Government of Canada are not obliged to issue any call-ups during the lifetime of the standing offer and it has occurred before that standing offers have not been used. The Global Affairs Canada standing offer awarded to Nuotech is not a contract and no call ups have been issued. In other words, no purchases of x-ray machines have been made under this standing offer.

The International Platform Branch of Global Affairs Canada, as the technical and requisitioning authority, developed the statement of work and requirements definition, as well as the technical evaluation criteria and obtained the Departmental Contract Review Board approval for this requirement. Public Services and Procurement Canada was identified as the contracting authority as this requirement was above Global Affairs Canada's contracting delegation.

Public Services and Procurement Canada worked in collaboration with Global Affairs Canada and issued a request for standing offer on behalf of Global Affairs Canada on December 16, 2019, for an initial period of forty days in accordance with our obligations under the trade agreements. Following a number of extensions to address vendors' questions, the bid period closed in April 2020. Seven bids were received on the x-ray machines portion of the request for standing offer. The bids evaluation process was conducted in two phases. In the first phase, the International Platform Branch as the technical authority, with the support of the Mission Readiness and Security Program representing Global Affairs Canada's Chief Security Officer, evaluated the technical proposal from the vendors. In order to be further considered each vendor had to meet all mandatory requirements. Through the technical evaluation, three vendors met all mandatory requirements, including Nuotech. The results of the technical evaluation were forwarded to Public Services and Procurement Canada for the financial evaluation and contractor selection based on the lowest financial proposal that was technically compliant. Since Nuotech met all the mandatory technical requirements and had the lowest financial proposal at \$6.8M, Nuotech was awarded the standing offer for x-ray machines.

The standing offer was awarded to Nuotech on July 15, 2020. Public Services and Procurement Canada informed all non-winning bidders, including one Canadian firm, of the award of the standing offer to Nuotech. Public Services and Procurement Canada also notified unsuccessful bidders of available recourse mechanisms including the complaints processes at the Canadian International Trade Tribunal as well as the Office of the Procurement Ombudsman.

This procurement process was conducted in accordance with the Treasury Board Secretariat contracting policy as well as Public Services and Procurement Canada and Global Affairs Canada departmental contracting policies. As per Canada's obligations under trade agreements including the World Trade Agreement where both Canada and China are signatories, when a requirement meets a certain financial threshold, the public procurement process is open to qualified vendors in all signatory countries. When Global Affairs Canada initiated this procurement process, it estimated the total value of the x-ray portion to \$6.6M over five years.

The National Security Exemption was not applicable in this procurement as x-ray machines are not covered. A security requirement check list was included in the solicitation as per standard procurement required documentation to be sent to Public Services and Procurement Canada. The security requirement check list was reviewed by Public Services and Procurement Canada's Canadian Industrial Security Directorate who determined that there were no security requirements for this procurement as x-ray

X-RAY MACHINES PROCUREMENT PROCESS BACKGROUNDER

machines do not store data, are not connected to the network and the machines are to be used in non-operational zones.

Although Nuotech is a first time vendor with Global Affairs Canada, it has had previous contracts with the Canadian Border Services Agency. On the last contract awarded to Nuotech, Public Services and Procurement Canada's Canadian Industrial Security Directorate asked that if this company were to win another contract, to clear it through them first.

Should Global Affairs Canada determine that security requirements are necessary in procuring x-ray machines, the Department could decide to not use the standing offer issued on July 15, 2020 and run a new procurement process that would include security requirements.

Global Affairs Canada will conduct a review of existing supply instruments to identify any arrangements it may have with countries that may not serve Canada's best interests.



THREAT ASSESSMENT

s.15(1) - International

s.15(1) - Security

Threat Assessment Division (IDY)

July 20, 2020

Nuctech X-Ray Machines at GAC missions

KEY ASSESSMENTS*

- [REDACTED]
- In several incidents of espionage against Canada, Chinese intelligence was identified as the probable perpetrator. [REDACTED]
- GAC operates in many environments where the threat from, and our vulnerability to espionage is substantially greater than in Canada.
- [REDACTED]
- Installation and maintenance of these machines at GAC missions would need to address the Department's espionage threat profile and require corresponding safeguards including, [REDACTED]
- These measures could partially mitigate but would not eliminate the elevated threat from espionage.

*This assessment draws on publicly-available information. [REDACTED]



Choose an item.

BACKGROUND

1. On July 15, 2020, Global Affairs Canada (GAC) awarded a National Master Standing Offer to the Chinese state-owned enterprise (SOE), Nuctech, as a means for the department's 178 missions to replace x-ray machines and provide associated services, such as installation, maintenance, yearly testing, training and disposal.
2. X-Ray machines are standard mitigation equipment, and are present at most GAC facilities, with some exceptions.¹ X-Ray machines are not connected to Signet D. Some models have Wi-Fi connectivity. Most will have USB connectivity and the capability to connect to printers. [REDACTED]
3. Nuctech was chosen because it was the technically compliant bidder with the lowest bid. As per Canada's obligations under trade agreements including the WTO to which both Canada and China are signatories, Chinese firms could not be excluded from the solicitation process. A National Security Exemption (NSE) was not applicable in this procurement as x-ray machines are not covered by a NSE.
4. The Canadian Industrial Security Directorate of Public Services and Procurement Canada (PSPC) determined that there were no security requirements for this procurement as standard x-ray machines do not store data, are not connected to the network and the machines are to be used in non-operational zones at missions (that is, in public reception areas only).
5. GAC and the Government of Canada are not obliged to purchase any products or services from Nuctech during the lifetime of the standing offer. There are previous cases in which a standing offer was awarded and no goods have been purchased against a standing offer, for various reasons.

ESPIONAGE THREATS TO GAC

6. The Department uses a combination of security policies, infrastructure, and security hardware to mitigate the threat to Government of Canada personnel and information across the mission platform from espionage activities.
7. The threat profile of each mission is different and unique to the environment. However, there is an elevated baseline threat of espionage facing all of Canada's missions abroad. The Department is threatened by extremely sophisticated adversaries with abundant resources who are willing to take substantial risk, and who have a demonstrated willingness to target us in third countries.

¹ Some smaller micro missions or multi-tenant set ups do not have X-ray machines present for various reasons including staffing size or business function (insufficient volume of mail/parcels or visitors to justify regular x-ray screening). For smaller micro missions/multi-tenants, x-ray units are considered "nice to have" features.



Choose an item.

8. The local contexts in which GAC operate abroad are not under the Departments' control (unlike government operations in Canada) thus rendering mitigation difficult and increasing our vulnerability to the threat. Sophisticated actors seek points of vulnerability, where lower levels of security controls may present opportunities to compromise an entire operation or network, and have the capacity to operate globally to leverage these opportunities.

9. Canada in general has a history of being targeted for espionage, including cyber attacks against Cabinet ministers and officials (e.g. the 2020 Russia-linked *Consortium News* hacks); insider attacks (e.g. [REDACTED] 2011 Jeffrey Delisle cases); human intelligence (e.g. between 2004-2014 alone the Canada Border Services Agency (CBSA) reported the expulsion of 21 people on suspicions of espionage); economic espionage (e.g. the 2014 Chinese cyber attack against the National Research Council); and cyber attacks against line departments' IT networks [REDACTED]

10. In several incidents Chinese intelligence was identified as the probable perpetrator, including attempted intimidation of human rights activists (2005), allegations (later retracted) of influence operations (2010), attempted recruitment of journalists (2012), theft of military information (2013), the recruitment of a Chinese immigrant for espionage (2006-10), and the National Research Council hack (2014).

11. In December 2019 CSIS stated that Chinese intelligence activity affecting against Canada is one of the largest direct threats to Canada's national interest and prosperity.

12. [REDACTED] The overall threat of espionage targeting the Government of Canada – including GAC – has grown due to an increasingly volatile global environment with evolving bilateral and multilateral relationships, and particularly, from China. Additionally, developments in technologies have allowed for greater espionage gains with lower risk of exposure.

13. The range of espionage activities that GAC has experienced since 2012 [REDACTED] covers the full spectrum of such activities, including several forms of technical and cyber attacks (e.g. spear phishing).

14. Our adversaries may also seek to exploit the insider threat tactic, by co-opting individuals with access to the mission into introducing means to bypass technical defences.

15. [REDACTED] The use of non-Canada based, non-Allied contractors is a known vulnerability in this regard. While missions routinely make use of local contractors and other service providers for various maintenance and provision requirements, local intelligence services are known to target these individuals for compromise through a variety of tactics (patriotism, financial reward, family or other pressure). Once recruited, compromised individuals can be tasked to undertake any manner of activities against the mission, including technical attacks.



Choose an item.

16. China is one of the most [redacted] sophisticated intelligence collectors. The Chinese intelligence apparatus is large and sophisticated, and uses the full range of espionage techniques, including:

a. Compromising individuals in key positions, such as business professionals, contractors, technicians, IT professionals, trainers, security personnel, and diplomats, both wittingly and unwittingly, willingly and unwillingly;

b. The capacity to run highly sophisticated cyber attacks, by attacking the hardware and software of targeted systems, both critical and peripheral, to compromise systems, gain control, and steal data;

c. The capacity to implant listening devices and other pieces of technology that compromise the operation of a machine, subvert its functions, or house other nefarious equipment which could capture communications signals and then store them for future retrieval or transmission by hostile actors.

17. One example of this was in 2018 when it was reported that China massively bugged the Chinese-built African Union's (AU) headquarters, and compromised the IT systems so that information stored on the AU's computers were sent to servers in Shanghai.

18. [redacted]

X-RAY MACHINES AS A VECTOR OF ATTACK

19. X-ray machines present two main vectors of vulnerability: 1) supply chain compromise; and, 2) insider threat (during installation and maintenance). Supply chain attacks in particular target organizations by implanting hostile hardware or software into any technology they use during the manufacturing of the product or its components. All technology is susceptible to hacking, and provide potential vectors of attack, and any off-the-shelf technology can be compromised. High profile examples of targeted technologies have included mobile phones, routers, desktop computers, and servers.

20. Compromise can occur at any stage of the product's lifecycle, including the manufacturing of components, the assembly of the product, delivery, installation, software updates, and physical maintenance. Supply chain attacks have been a persistent and growing issue within

[redacted]

21. [redacted]



Choose an item.



22. Compromised X-ray machines would provide numerous opportunities for attack:

a. covert collection of scanning images and transmission to third party via Wifi, Bluetooth, mobile signal, or exfiltration via USB

b. compromising of portable electronics transiting through a machine via implanted technology;

c. spoofing of scanning results, defeating the security layer, and thus, allowing bringing nefarious devices into the Chancery;

d. access to a mission network via implanted technology; and

e. Bluetooth, mobile signal, or even electro magnetic emanation capture.

In 2014 the U.S. banned the use of Nuotech X-ray scanners at airports nationwide for just such concerns.

23. Technical attacks of this nature also magnify the insider threat, and place all parties associated with the machine, from installers, maintenance workers, IT support, and operators at risk of being targeted for compromise.

NUOTECH

24. Nuotech Company, Ltd is a major global supplier of security inspection products, particularly X-ray technologies. It is a Chinese SOE that was created in 1997 with direct connections to the People's Liberation Army and the Chinese Communist Party. The company was once headed by the son of former General Secretary Hu Jintao.

25. This is the first contract between Nuotech and GAC, though Nuotech has won several contracts with the CBSA, and operates most of the X-ray machines at airports across Europe. The U.S. since 2014 has been advocating for countries to disengage with Nuotech in particular, and with Chinese companies that provide security hardware more generally.

26. Nuotech has been involved in several controversies, including alleged bribery cases in Africa and Taiwan, and allegations the company sold inferior products at inflated prices to Malaysia and the



Choose an item.

Philippines. The company is also accused of selling their products at a loss as part of a long term strategy of dominating the market (so-called dumping).

27. A standing offer for X-ray machines and their maintenance at Canadian missions abroad could be leveraged for technical and insider spying against GAC. The Nuctech supplier – banned from U.S. airports contracts since 2014 – represents an elevated threat because of the company’s direct relationship to, and legal obligations toward Chinese authorities.

CONCLUSIONS

28. A standing offer for X-ray machines and their maintenance at Canadian missions abroad could be leveraged for technical and insider spying against GAC. [REDACTED]

29. Installation and maintenance of Nuctech X-ray machines at GAC missions would need to address the Department’s espionage threat profile and require corresponding safeguards

[REDACTED] These measures could partially mitigate but would not eliminate the elevated threat from espionage.



THREAT LEVEL DEFINITIONS

Baseline threat levels indicate the overall likelihood and scale of potential incidents affecting Canadian Mission personnel, assets or information (whether direct or collateral) in the Mission area. The setting of threat levels is determined by several factors including current intelligence, recent events, and the intent and capabilities of the perpetrators.

Low	In Mission area, the threat affecting Mission personnel, assets or information (whether direct or collateral) is minor or negligible. Any incidents tend to be infrequent and/or smaller-scale in nature.
MEDIUM	In Mission area, the threat affecting Mission personnel, assets or information (whether direct or collateral) is somewhat likely. Significant incidents tend to be infrequent, and /or smaller-scale incidents may be common.
HIGH	In Mission area, the threat affecting Mission personnel, assets or information (whether direct or collateral) is likely. Significant incidents may be frequent, and/or smaller-scale incidents are common.
CRITICAL	In Mission area, the threat affecting Mission personnel, assets or information (whether direct or collateral) is highly likely. Significant incidents are frequent, and /or smaller-scale incidents may occur on an ongoing basis.



Riggs, Laura -DCP

From: Stirling, Andrew -AFD
Sent: July-20-20 5:15 PM
To: Bélanger, Dominique -AAD; *ACMO
Cc: Ong, Joanne -ACM; Danagher, Dan -ACM; Chown, Eugene -AWD; Godbout, Paul -AWC; Lefebvre, Caroline -AWCT; Trinh, Minh-Khai -AAC
Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

I approve the proposed response below. Thanks to all for the quick turnaround.

Regards,
Andrew

From: Bélanger, Dominique -AAD
Sent: July 20, 2020 5:09 PM
To: *ACMO
Cc: Ong, Joanne -ACM ; Danagher, Dan -ACM ; Chown, Eugene -AWD ; Godbout, Paul -AWC ; Lefebvre, Caroline -AWCT ; Trinh, Minh-Khai -AAC ; Stirling, Andrew -AFD
Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies
Proposed response to four questions below. D

This is the first time that GAC has a supply instrument with this company. The intent of our lifecycle replacement initiative for detection equipment is to replace all x-ray machines currently out in the field over the next three years, at a rate of approximately 50 x-ray machines per year (for a total of 150 x-ray machines after 3 years.) The roll-out is part of GAC's cyclical replacement for the x-ray machines. The exact order of Missions to receive new x-ray machines is not yet known. The intention of this procurement was to purchase x-ray machines and walk through metal detectors for Canada's mission network. The X-ray machines, known as Group 1 of the standing offer was awarded to NucTech and the walk through metal detectors, known as Group 2 of the standing offer was awarded to Rapiscan. For Group 1, we required a conveyor style x-ray machines with monitor and operating systems, as well as warranty, maintenance, installation, training, yearly testing and disposal. The standing offer is attached for reference.

From: Bélanger, Dominique -AAD
Sent: July-20-20 4:39 PM
To: Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; *ACMO <D-ACMO@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>
Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

From: Bélanger, Dominique -AAD
Sent: July-20-20 4:38 PM
To: Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; *ACMO <D-ACMO@international.gc.ca>
Subject: FW: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

Andrew,
PTI. We are working on the answers to the questions raised in Lisa's email below. Paul and Caroline, can you provide information for the questions highlighted in yellow please.
Do you prefer to send our response to Public Safety via O/ACM as this information is required for an ADM level committee?
D
-GAC has had any dealings/contracts with this company before now – This is the first time that GAC has a supply instrument with this company.
-how broadly the equipment would be distributed – e.g., to which missions -

-what exactly the equipment to be supplied is
 -she could have a copy of the tender documentation.

From: Stewart, Derrick -CSI <Derrick.Stewart@international.gc.ca>

Sent: July-20-20 4:24 PM

To: Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>; Benjamin, Martin -IDD <Martin.Benjamin@international.gc.ca>; Loten, Jennifer -ICD <Jennifer.Loten@international.gc.ca>; Van Haastrecht, Ché -ICP <Che.vanHaastrecht@international.gc.ca>; Shapardanov, Chris -IDS <Chris.Shapardanov@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Maksymiuk, Daniel -IDY <Daniel.Maksymiuk@international.gc.ca>

Cc: Mason, Tricia -CSS <Tricia.Mason@international.gc.ca>

Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

Hello Lisa,

Technical difficulties would not allow us to connect from GAC.

Looping in AAD who I think can best answer the questions below for PS.

Derrick

From: Almond, Lisa -CFM

Sent: July 20, 2020 4:09 PM

To: Benjamin, Martin -IDD <Martin.Benjamin@international.gc.ca>; Loten, Jennifer -ICD <Jennifer.Loten@international.gc.ca>; Van Haastrecht, Ché -ICP <Che.vanHaastrecht@international.gc.ca>; Shapardanov, Chris -IDS <Chris.Shapardanov@international.gc.ca>; Stewart, Derrick -CSI <Derrick.Stewart@international.gc.ca>

Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

Hello colleagues.

I was invited to this call this morning but given that I-Branch was on the invite, and that I have had no involvement in this file I didn't join. I am not sure actually why I was on the invite list!

In any event, I just received a call from PS/Suki Wong who noted that GAC wasn't on the call (?) and needed more information from us in preparation for ADM NSOPs tomorrow.

Specifically, she wanted to know if:

- GAC has had any dealings/contracts with this company before now
- how broadly the equipment would be distributed – e.g., to which missions
- what exactly the equipment to be supplied is
- she could have a copy of the tender documentation.

If you are not the right folks to respond to this request, do you know who is? I endeavoured to try to get someone to send her this information.

Thanks,

Lisa

-----Original Appointment-----

From: Wong, Suki (PS/SP) <suki.wong@canada.ca>

Sent: July 17, 2020 1:49 PM

To: Wong, Suki (PS/SP); HENDERSONC@smtp.gc.ca; Garbers, Raquel -DND; Gordon, Eric -RCMP/GRC; Claude Kateb; Benjamin, Martin -IDD; Loten, Jennifer -ICD; Lafortune, Philippe; MacGillivray, David; Tayyeb, Alia C.; Van Haastrecht, Ché -ICP; Shapardanov, Chris -IDS; Hiegel, Shannon; Aiesha.Zafar@cbsa-asfc.gc.ca; Almond, Lisa -CFM

Cc: Zimmerling, Candace

Subject: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

When: July 20, 2020 11:00 AM-12:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: secure call - [REDACTED]

Good morning – suggest we have a discussion to better understand implications and share info as we brief up. Also intend to raise at ADM NSOPs next Tuesday. Please let me know if 11 am on Monday works for everyone. Thanks

Dial in info [REDACTED]

Riggs, Laura -DCP

From: Ong, Joanne -ACM
Sent: July-23-20 9:27 AM
To: Danagher, Dan -ACM
Cc: Bélanger, Dominique -AAD
Subject: FW: Chinese Embassy inquiry re: Nuctech

Fyi. OPC received an email from the Chinese Embassy [REDACTED]. The email and OPC's response below.

[REDACTED]

Joanne Ong
Télétravail / Teleworking : 613-698-1838

From: Pal, Matthew -OPC
Sent: July 22, 2020 11:08 PM
To: Ong, Joanne -ACM
Cc: Cerat, Alexandre -OPC
Subject: Chinese Embassy inquiry re: Nuctech

Hi Joanne,

I work in the Greater China (Commercial) division and received the email below from the Chinese Embassy about GAC's standing offer with Nuctech, which has received some media attention. You will see my reply sticks to standard lines about integrity in GoC procurement procedures, [REDACTED]

I just wanted to give you a heads up that we received this inquiry. Grateful if you could share with relevant groups in A- and S-branches, as I'm not sure who is responsible for this file.

If you have any questions/comments for us, or wish to be brought into the loop on any future communications from the Chinese Embassy on this topic, please let me know.

All the best,

Matt

working remotely from Guangzhou (GMT+8)

Matthew Pal
Trade Commissioner / Delegué Commercial
Greater China Division (OPC) / Direction de la Chine élargie (OPC)
matthew.pal@international.gc.ca
Global Affairs Canada | Affaires mondiales Canada
Government of Canada | Gouvernement du Canada



From: Pal, Matthew -OPC

Sent: July 23, 2020 9:33 AM

To: [REDACTED]@mofcom.gov.cn' <[REDACTED]@mofcom.gov.cn>

Cc: [REDACTED]@mofcom.gov.cn>; Rivest, Francois -OPC <Francois.Rivest@international.gc.ca>; [REDACTED]

[REDACTED] Cerat, Alexandre -OPC <Alexandre.Cerat@international.gc.ca>

Subject: RE: [REDACTED]

Hi [REDACTED]

Thank you [REDACTED] The objective of procurement at Global Affairs Canada is to acquire goods and services in a manner that enhances access, competition and fairness and results in best value to Canada. Procurement is also conducted in a manner that will stand the test of public scrutiny and reflect fairness in the spending of public funds. Furthermore, all procurement is in compliance with the procedural obligations of the World

Trade Organization Agreement on Government Procurement (WTO-AGP). These principles guide all of Global Affairs Canada's procurement processes, including the standing offer with Nuctech.

With respect to media reports, as you know, Canada believes in freedom of expression and media freedom. It is our view that a fully independent press is essential to provide citizens with accurate information and informed analysis.

Kind regards,

Matt s.15(1) - International

Matthew Pal s.13(1)(a)

Trade Commissioner / Delegué Commercial s.19(1)

Greater China Division (OPC) / Direction de la Chine élargie (OPC)

matthew.pal@international.gc.ca

Global Affairs Canada | Affaires mondiales Canada

Government of Canada | Gouvernement du Canada



Global Affairs Canada | Affaires mondiales Canada

From: [redacted]@mofcom.gov.cn <[redacted]@mofcom.gov.cn>

Sent: July 21, 2020 11:48 PM

To: Pal, Matthew -OPC <Matthew.Pal@international.gc.ca>

Cc: [redacted]@mofcom.gov.cn; Rivest, Francois -OPC <Francois.Rivest@international.gc.ca>; [redacted]

<[redacted]>

Subject: [redacted]

Hi, Matt,
Good afternoon!
Hope you are doing well.

[redacted]

Kind regards.

[redacted]

[redacted]

Embassy of China in Canada

[redacted]

Riggs, Laura -DCP

From: Sirrs, Reid -CFM
Sent: July-20-20 5:50 PM
To: Bélanger, Dominique -AAD
Cc: Danagher, Dan -ACM; Stirling, Andrew -AFD; Ong, Joanne -ACM; Stewart, Derrick -CSI; Mason, Tricia -CSS
Subject: RE: Call from WH re security equipment purchase

Thanks Dominique,

I am bringing Derrick and Tricia into this chain. The will work with you on this file from a C branch perspective.

Reid Sirrs

From: Bélanger, Dominique -AAD
Sent: July 20, 2020 5:44 PM
To: Sirrs, Reid -CFM
Cc: Danagher, Dan -ACM ; Stirling, Andrew -AFD ; Ong, Joanne -ACM
Subject: RE: Call from WH re security equipment purchase
Reid, Response has been sent to PS. See attached fyi. Dominique

From: Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>
Sent: July-20-20 5:42 PM
To: Loken, Martin -WSHDC -GR <Martin.Loken@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Cc: Grant, Michael -NGM <Michael.Grant@international.gc.ca>; Walsh, Eric - NGD-NND <Eric.Walsh@international.gc.ca>; McIntyre, Graeme -WSHDC -GR <Graeme.McIntyre@international.gc.ca>; Brennan, Neil -WSHDC -GR <Neil.Brennan@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>; Benjamin, Martin -IDD <Martin.Benjamin@international.gc.ca>; Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Epp, Weldon -OPD <Weldon.Epp@international.gc.ca>; Baird, Katherine -WSHDC -DHOM/CDMA <Katherine.Baird@international.gc.ca>; Barratt, Adam -WSHDC <Adam.Barratt@international.gc.ca>; Robertson, Sean -WSHDC -MO <Sean.Robertson@international.gc.ca>; van der Leest, Kristin -WSHDC -GR <Kristin.vanderLeest@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stewart, Derrick -CSI <Derrick.Stewart@international.gc.ca>
Subject: RE: Call from WH re security equipment purchase

Hi Martin,

Thanks for the heads-up. I am copying Derrick Stewart (aCSD) who will coordinate with Dominique Belanger (AAD) in pulling together some holding lines. In the meantime, following are a couple of points to consider sharing:

The matter concerns a standing offer arrangement and no equipment has been procured;

A review of security equipment procurement processes will inform possible issues relative to safety and security, as well as the actions necessary to protect our missions abroad;

We would welcome additional information that may be shared in support of this review process. (Perhaps this could be facilitated through IDD).

Reid Sirrs

From: Loken, Martin -WSHDC -GR <Martin.Loken@international.gc.ca>
Sent: July 20, 2020 5:05 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>
Cc: Grant, Michael -NGM <Michael.Grant@international.gc.ca>; Walsh, Eric - NGD-NND <Eric.Walsh@international.gc.ca>; McIntyre, Graeme -WSHDC -GR <Graeme.McIntyre@international.gc.ca>; Brennan, Neil -WSHDC -GR <Neil.Brennan@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>; Benjamin, Martin -IDD <Martin.Benjamin@international.gc.ca>; Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Epp, Weldon -OPD <Weldon.Epp@international.gc.ca>; Baird, Katherine -WSHDC -DHOM/CDMA <Katherine.Baird@international.gc.ca>; Barratt, Adam -WSHDC <Adam.Barratt@international.gc.ca>; Robertson, Sean -WSHDC -MO

<Sean.Robertson@international.gc.ca>; van der Leest, Kristin -WSHDC -GR <Kristin.vanderLeest@international.gc.ca>

Subject: Call from WH re security equipment purchase

Hi Dan/Reid – I hope you guys are doing well and getting some respite from the heat...

I just got a call from the National Security Council (White House) Director for Canada and the Caribbean. US is “quite concerned” about recent media reports that GAC has apparently agreed to purchase security equipment for embassies from a Chinese company. US Embassy Charge Mills will seek to speak to USS about this, likely tomorrow.

Grateful for any holding lines that I can convey back to NSC. For their part, NSC contact said [REDACTED]

Thanks,
Martin

Riggs, Laura -DCP

From: Godbout, Paul -AWC
Sent: July-16-20 7:39 PM
To: Trinh, Minh-Khai -AAC; Ong, Joanne -ACM
Cc: Chown, Eugene -AWD; Bélanger, Dominique -AAD; Lefebvre, Caroline -AWCT; Cardinal, Benoît -AAO
Subject: RE: Nuctech - urgent media lines

Zero procurement from this vendor to date

From: Trinh, Minh-Khai -AAC
Sent: July 16, 2020 7:38 PM
To: Ong, Joanne -ACM ; Godbout, Paul -AWC
Cc: Chown, Eugene -AWD ; Bélanger, Dominique -AAD ; Lefebvre, Caroline -AWCT ; Cardinal, Benoît -AAO
Subject: RE: Nuctech - urgent media lines

Hi Joanne,

CISD determined that there are no security requirements for this procurement. The reason there was no security requirement was that the X Ray machines do not store data, and the machines were to be used in non-operational zones.

The contract was awarded based on the vendor meeting all the technical requirements AND having the lowest price.

We have not purchased any X-Ray machines from this vendor yet, and I am not aware (maybe Paul can confirm) of any procurement GAC previously had with this vendor for X-RAY.

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Sent: July 16, 2020 7:10 PM
To: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>
Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Cardinal, Benoît -AAO <Benoit.Cardinal@international.gc.ca>
Subject: RE: Nuctech - urgent media lines

Below info from LCBR:

Specifically an answer to “Was security a criterion or was the contract awarded on price?”

PSPC is telling oMINA that : PSPC assesses bids and contracts based on the criteria set out by client departments, which in this case is GAC, so the piece about security and any other requirements set out is generally something the client department would answer on as they have the context.

Does this align with the info MKT received from PSPC? Do we need to adjust our response?

So to be clear, have any x-ray machines been purchased through this vendor yet?

Joanne Ong

Télétravail / Teleworking : 613-698-1838

From: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>
Sent: July 16, 2020 7:00 PM
To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>
Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Cardinal, Benoît -AAO <Benoit.Cardinal@international.gc.ca>
Subject: RE: Nuctech - urgent media lines

Hi Joanne,

I'd like to perhaps propose:

1. An open and competitive solicitation process was conducted in accordance with applicable procurement policies at GAC and TB, regulations, and our obligations under the trade agreements, through a RFP resulted in 3 compliant bids received. Nuctech, being the top ranked vendor following the bids evaluation, was recommended for the award of the Standing Offer by PSPC. The SO was subsequently awarded to Nuctech by PSPC.
 2. A Standing Offer is not a contract and does not bind GAC or the government of Canada into procuring any equipment or services from the vendor i.e the standing offer can be relatively easy to set- aside.
- Also, we've just got some words back from PSPC and here are some additional information from PSPC procurement:.

1. Steps taken to validate security by PSPC: The PSPC procurement officer mentioned that this company had also won contracts with CBSA. On the last contract awarded to Nuctech, Canadian Industrial Security Directorate (CISD) asked that if this company were to win another contract, to clear it through them. The contact at CISD determined that there are no security requirements for this procurement, and it was decided that the company was cleared. The reason there was no security requirement was that the machines do not store data, and the machines were to be used in non-operational zones. AWC also confirmed this.
2. PSPC Senior Management awareness: The PSPC procurement officer raised the issue to PSPC Senior management and they came to the same conclusion. They also said there was no basis to stop the procurement because Canada never stopped doing business with Chinese companies
3. Media enquiry response by PSPC: PSPC is currently finalizing an official response to the media enquiry stating; the lack of security requirement, the fact that this was a Public tender based on lowest cost and technically compliant as well as the fact that Canada is still doing business with China as reasons this has been awarded.

Paul, anything you would want to add?

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>

Sent: July 16, 2020 6:34 PM

To: Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>

Cc: Chown, Eugène -AWD <Eugene.Chown@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>

Subject: RE: Nuctech - urgent media lines

Minh-Khai & Paul, L-Branch is now asking for media lines:

"oMINA is looking for media lines for MINA that could, inter Alia, speak to this issue and also call for a review or analysis of, for example, procurement policies. No latter than 8am tomorrow morning, this evening is preferable".

Are you able to provide one or two suggested media lines as soon as possible? This could be an option: An open and competitive solicitation process was conducted in accordance with applicable procurement policies at GAC and TB, regulations, and our obligations under the trade agreements, through a RFP resulted in 3 compliant bids received. Nuctech, being the top ranked vendor following the bids evaluation, was recommended for the award of the Standing Offer. Question: as a general rule, does GAC have any security guidelines/restrictions which we must follow when choosing vendors? Would Chinese companies be excluded under these for any SO or contracts done by us?

Thanks,

Joanne Ong

Télétravail / Teleworking : 613-698-1838

From: Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>

Sent: July 16, 2020 6:19 PM

To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>

Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>

Subject: RE: Nuctech - urgent

Hi,

No, I'm comfortable with Minh-Khai's wording at this time and agree that further amplification on security concerns requires PSPC input.

Thanks,

Paul

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>

Sent: July 16, 2020 6:01 PM

To: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>

Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>

Subject: RE: Nuctech - urgent

Paul, do you want to add anything to the information below? oDMA is expecting something by 8am tomorrow from us so even if we don't have all the information from PSPC by then, we will have to send up the information that we do have.

Joanne Ong

Télétravail / Teleworking : 613-698-1838

From: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>

Sent: July 16, 2020 5:44 PM

To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>

Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Subject: FW: Nuctech - urgent

Hi Joanne,

A few info I can provide about the X-Ray machines requirement at this moment.

In term of background to this X-Ray procurement. It is important to note that this is a Standing Offer (SO) and not a contract. In a SO, a contract is entered into when a call-up is placed. It is therefore possible (although counterproductive) for GAC to not to make use of the SO by not placing any call-ups.

About the procurement process, AAC have worked with AWC over the last several months on this requirement. Due to the high value of the procurement covering for both equipment and services, PSPC has the required contracting delegation and was in charge of the solicitation process on behalf of GAC.

The open and competitive solicitation process, handled in accordance with applicable procurement policies at GAC and TB, regulations, and our obligations under the trade agreements, through a RFP resulted in 3 bids compliant bids received.

Nuctech, being the top ranked vendor following the bids evaluation, was recommended for the award of the Standing Offer. I was informed that PSPC had done a review on potential security risks in awarding a contract to a Chinese vendor but I am not aware that any risks were flagged. Details about the reviews done by PSPC could be validated with them as soon as we make contact.

Let me know if any else is required.

Minh Khai Trinh

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Sent: July 16, 2020 4:52 PM

To: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>

Subject: FW: Nuctech - urgent

From: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>

Sent: July-16-20 4:36 PM

To: Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>

Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Subject: RE: Nuctech - urgent

Thanks Reid. Joanne and I spoke. We are on it.

Dan Danagher

Sous-ministre adjoint | Assistant Deputy Minister

Secteur de la plateforme internationale | International Platform Branch

Courriel | Email: dan.danagher@international.gc.ca

Téléphone | Telephone: (343) 203-1484

Adresse | Address: 200, Promenade du Portage, A12025, Gatineau (QC) K1A 0G4

----- Original message -----

From: "Sirrs, Reid -CFM" <Reid.Sirrs@international.gc.ca>

Date: 2020-07-16 4:22 p.m. (GMT-05:00)

To: "Ong, Joanne -ACM" <Joanne.Ong@international.gc.ca>

Cc: "Bélanger, Dominique -AAD" <Dominique.Belanger@international.gc.ca>, "Danagher, Dan -ACM" <Dan.Danagher@international.gc.ca>

Subject: FW: Nuctech - urgent

Hi Joanne,

Dan and I spoke. He will give you a call shortly. While the issue appears to be a PSPC contracting matter we should be able to explain how GAC is involved. For example, various teams within GAC identify needs, specifications and supply options to support security requirements throughout its embassy network. Depending on levels of contracting authority, procurement is either done in-house or via PSPC.

Reid Sirrs

-----Original Message-----

From: Cohen, Sara -USS <Sara.Cohen@international.gc.ca>

Sent: July 16, 2020 3:55 PM

To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Levesque, Stéphane -LCM <Stephane.Levesque@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; Carruthers, Shirley -SWD <Shirley.Carruthers@international.gc.ca>

Cc: MacLennan, Christopher -DMA <Christopher.MacLennan@international.gc.ca>; Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>; Borgognoni, Anna -USS -DMA <Anna.Borgognoni@international.gc.ca>; Horler, Michael -USS -DMA <Michael.Horler@international.gc.ca>

Subject: Nuctech - urgent

> Colleagues,

Minister Champagne has been made aware that PSPC is currently handling response to John Ivison of NatPost who is writing a story about a contract awarded to a Chinese state-owned enterprise (Nuctech) to provide x-ray machines for 170 of our embassies, consulates and high commissions.

While PSPC is leading on discussions with Mr. Ivison, we have been asked to provide the following for MiNA's awareness / background:

- background details on the contract, how/when it was awarded, whether non-Chinese companies were considered, and what security elements were considered in the selection of the company;
- analysis of how a contract such as this would typically be awarded and what consideration would be given to security in particular in the choice of the company;
- media lines for MiNA that could, inter Alia, speak to this issue and also call for a review or analysis of, for example, procurement policies. On this last point, Stéphane we would ask you to be in touch with o/MiNA, and I have some additional context to provide if you could give me a call as well.

Leads will likely need to be in touch with PSPC as well.

Given pace at which this is moving and level of sensitivity, we will need initial responses no later than 8am tomorrow, although ideal something in the interim this afternoon would be appreciated. To note MiNA is in direct contact with DMA on this issue.

Thanks,
Sara

613-291-6700

Sent from my iPhone

Riggs, Laura -DCP

From: Chown, Eugene -AWD
Sent: July-23-20 9:42 AM
To: Danagher, Dan -ACM; Bélanger, Dominique -AAD; Sirrs, Reid -CFM
Cc: Ong, Joanne -ACM; *ACMO
Subject: RE: Proposal for Review on Procurement of Security Equipment for DMA

Only point I would offer relates to the ownership of the Standing Offer as we have PSPC as being consulted, but I believe they would play a more active role with us in the review and may dictate some of the constraints related to the use of the offer and any re-procurement strategies as we would need to rely upon their authorities.

Eugene

From: Danagher, Dan -ACM
Sent: July 23, 2020 9:14 AM
To: Bélanger, Dominique -AAD ; Sirrs, Reid -CFM ; Chown, Eugene -AWD
Cc: Ong, Joanne -ACM ; *ACMO
Subject: RE: Proposal for Review on Procurement of Security Equipment for DMA

Here's what I would recommend:

- 1) A review of the previous-standing assessment of the technical security requirements of all screening, surveillance, and security equipment in missions. OPI is CSD, advised by AWD
- 2) A review of the procurement options to support the future acquisition of Mission equipment, including a review of the appropriateness of using national security exceptions to permit GAC to restrict the number of bidders as would normally be required to comply with Canada's international trade agreement obligations. OPI is AAD, advised by CSD and AWD with consultations with SCM and PSPC
- 3) A review of the go-forward options for the use of the recently-established Nuctech standing offer. OPI is AAD, advised by CSD and AWD with consultations with SCM and PSPC

Leading to a report that will outline the principles that will guide GAC's future procurement of security equipment.

Thoughts?

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: July-22-20 12:32 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; *ACMO <D-ACMO@international.gc.ca>
Subject: Proposal for Review on Procurement of Security Equipment for DMA

Dan,

For our bilat this afternoon.

The following proposal for a light review of the procurement of security equipment has been consolidated from input received from Reid Sirrs, Derrick Stewart and Minh Khai Trinh. Comments from Eugene Chown and Paul Godbout will be added as soon as they are received.

Reid has already had conversations with counterparts in the security community including PSPC and CBSA and points out that work related to evaluating security risks and position (third bullet) will require some time for additional consultation with and analysis from partners. The information for the other components of the review seems, at first glance, to be within our GAC network.

Dominique

Review on Procurement of Security Equipment

- Roles and responsibilities related to determining security requirements – OPI 1) Reid and Derrick for C Branch and 2) Eugene and Paul for A Branch
 - On security equipment procurement, C Branch should be consulted both in the RFP development process as well as before award
 - Need to review roles and responsibilities between PSPC's security directorate (CISD) and clients such as GAC, to make sure political and security risk assessments are not mixed with technical security assessments.

- Ensure we all have a common definition as to what constitutes “security equipment” for the purposes of this review
- Background on standing offer with Nuctech – OPI Khai Trinh
- Security risks and position on use of Nuctech SO for GAC, for OGDs – OPI Reid and Derrick
 - This could easily stray into classified material
 - Some of the analysis is pending from partners
 - The CSO community needs to be more proactively engaged in procurement protocols and decision-making involving security equipment (for example, who is responsible for SRCLs)
 - A check-back to the Department’s security authority (Chief Security Officer or Lead Security Agency authority) should be incorporated into decision matrices before conclusions are reached
- Analysis of procurement options going forward, including impacts on X-ray machine cyclical replacement program – OPI 1) Khai (procurement options + National Security Exemption analysis), 2) Eugene and Paul (impacts on cyclical replacement)
 - What is covered under the NSE and what is the process for triggering it’s use and can an NSE be created for security equipment
 - Noting that this is essential security equipment and, in particular with COVID related restrictions on supply chains, should we place ourselves in a position of having one sole supply chain for essential equipment? Should we not have multiple supply arrangements in place?

Dominique Bélanger

Directrice Générale, Services Ministériels, Secteur de la Plateforme Internationale | Director General, Corporate Services, International Platform Branch

Dominique.belanger@international.gc.ca

343-203-1487

200 Promenade du Portage, Gatineau, Québec, K1A 0G4

Affaires mondiales Canada | Global Affairs Canada

Gouvernement du Canada | Government of Canada



Affaires mondiales
Canada

Global Affairs
Canada

Riggs, Laura -DCP

From: Trinh, Minh-Khai -AAC
Sent: July-16-20 5:47 PM
To: Godbout, Paul -AWC; Bélanger, Dominique -AAD; Ong, Joanne -ACM; Lefebvre, Caroline -AWCT
Cc: Chown, Eugene -AWD; Cardinal, Benoît -AAO; Belanger Benavides, Natasha -AAC
Subject: RE: X-ray machines

Thanks Paul. If we can get more info from PSPC about the review that was done on this vendor perhaps tomorrow morning.

Minh Khai Trinh

From: Godbout, Paul -AWC
Sent: July 16, 2020 5:06 PM
To: Bélanger, Dominique -AAD ; Ong, Joanne -ACM ; Lefebvre, Caroline -AWCT
Cc: Chown, Eugene -AWD ; Trinh, Minh-Khai -AAC ; Cardinal, Benoît -AAO ; Belanger Benavides, Natasha -AAC
Subject: RE: X-ray machines

The security issue in the context of a Chinese vendor was reviewed at length between AWC, AAC and PSPC. In the end, the fact that the equipment will be located in the public zones of missions and the fact that the vendor already has procurement vehicle(s) in place w GoC, including CBSA, meant it was green-lighted.

Caroline can provide MK with greater detail if needed on receipt of draft.
Paul

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: July 16, 2020 5:02 PM
To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; Cardinal, Benoît -AAO <Benoit.Cardinal@international.gc.ca>
Subject: RE: X-ray machines

Khai is preparing a paragraph on the procurement process related to this contract and will send to all on this email today. He will also contact PSPC, probably won't be able to connect before tomorrow and provide any additional information received from them. Dominique

From: Bélanger, Dominique -AAD
Sent: July-16-20 4:56 PM
To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>
Subject: RE: X-ray machines

Joanne,

I am speaking with Khai, it is AWD, Paul Godbout who is the technical authority for x-ray machines. D

From: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>
Sent: July-16-20 4:45 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Cohen, Sara -USS <Sara.Cohen@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>;
*USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Bélanger, Dominique -AAD
<Dominique.Belanger@international.gc.ca>
Subject: RE: X-ray machines

Thank you, and apologies for the double-tasking.

From: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Sent: July 16, 2020 4:41 PM
To: Cohen, Sara -USS <Sara.Cohen@international.gc.ca>; McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>;
*USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Bélanger, Dominique -AAD
<Dominique.Belanger@international.gc.ca>
Subject: RE: X-ray machines

We will

Dan Danagher

Sous-ministre adjoint | Assistant Deputy Minister

Secteur de la plateforme internationale | International Platform Branch

Courriel | Email: dan.danagher@international.gc.ca

Téléphone | Telephone: (343) 203-1484

Adresse | Address: 200, Promenade du Portage, A12025, Gatineau (QC) K1A 0G4

----- Original message -----

From: "Cohen, Sara -USS" <Sara.Cohen@international.gc.ca>
Date: 2020-07-16 4:39 p.m. (GMT-05:00)
To: "McLaughlin, Emily -MINA" <Emily.McLaughlin@international.gc.ca>
Cc: "Danagher, Dan -ACM" <Dan.Danagher@international.gc.ca>, "Ong, Joanne -ACM" <Joanne.Ong@international.gc.ca>, *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>, *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: Re: X-ray machines

Emily, this has also been tasked by DMA.

Dan - if you could send your answers up through the DMA track and we'll make sure they get to o/MINA when ready.

Sara

Sent from my iPhone

> On Jul 16, 2020, at 4:37 PM, McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca> wrote:

>

> Dan,

>

> MINA has been contacted by a journalist who is inquiring about the fact that a Chinese SOE (Nuctech) has procured X-ray machines for 170 of our missions abroad.

>

> Is your group able to provide oMINA with background into how this decision was made and whether there are security criteria that are applied to certain items that we procure for missions abroad (and why X-ray machines do not meet the threshold)?

>

> oMINA would just like to ensure they understand the process on how these decisions are made.

>

> I apologize as I am not as familiar with your branch and do not know which team would lead on this file, so would ask that you loop in others as required.

>

> Please let me know if it would be possible to obtain this information, ideally by tomorrow end of day.

>

> Thank you,

> Emily

From: Trinh, Minh-Khai -AAC
Sent: July-22-20 10:07 AM
To: Bélanger, Dominique -AAD
Subject: FW: Review on Procurement of Security Equipment for DMA

Importance: High

Bonjour Dominique,

Voici les points que j'aimerais amener au niveau de l'historique et les options potentielles pour la suite des choses. On en discute à ta convenance. Je n'ai pas copié les autres personnes encore, le temps que tu puisses rapidement lire avant.

~~

Background on standing offer with Nuctech

(plusieurs informations sont reprises de la note de breffage a MINA. Les parties surlignes jaunes sont nouvelles. Validation venant d'AWC serait importante)

The requirement for x-ray machines and associated services such as installation, maintenance, yearly testing, training and disposal are ongoing requirements for Global Affairs Canada's (GAC) 178 Missions. Prior to the work to establish a Standing Offer for X-Ray machines and associated services, X-Ray requirements coming from the Missions were more or less handled as the need is identified with contracts awarded for a limited number of Missions at a time. These contracts had to be established once every one-two years. The last two contracts were established with Smiths Detection in 2018. The first one was for 25 X-Ray machines (15 in firm order + 10 as option) at a value of \$1.01M, and the second was for the installations of those machines at identified Missions valued at \$99K. These two contracts were aimed at providing X-Ray machines to Missions in critical need of replacements.

This situation resulted in a need for continuous procurement work on this commodity as once a contract is established, work should start right away on establishing the next one. This was neither effective (long delays in every new contract established), efficient (no consistency), nor arguably compliant (could be deemed as contract splitting with multiple contracts awarded for a same requirement). In addition, a higher volume of work is put on procurement at AAC and the technical authority at AWC with already limited existing HR capacity.

To address the three shortcomings mentioned, it was determined that there was a need to establish a stable and long-term supply arrangement that would allow GAC to address the needs of its Global Network on X-Ray equipment and associated services.

The International Platform Branch of GAC, as the technical (AWC) and requisitioning authority (AAC), developed the Statement of Work and requirements definition, as well as the technical evaluation criteria of solicitation, and obtained the Department's contract review board (DCRB) approval for this requirement. Public Works and Procurement Canada (PSPC) was identified as the contracting authority as this requirement was above the Department's contracting delegation granted by TBS

Following the requisition for procurement sent to PSPC, it was determined that a Standing Offer was identified as the most suitable solution for GAC's needs. A Standing Offer, due to its non-binding nature, would give GAC the flexibility to issue contracts only when a need is identified through a call-up. Global Affairs Canada and the Government of Canada is not obliged to issue any call-ups during the lifetime of the Standing Offer and it has occurred before that Standing Offers have not been used.

During the same period, early 2019, GAC also worked with PSPC on the establishment of a Standing Offer for Walk Through Metal Detectors (WTMD). After receiving separate requisitions for X-Ray and Walk Through Metal Detectors, PSPC suggested to issue a single solicitation covering both requirements. Two Standing Offers would be awarded, one for the WTMD (ultimately awarded to Rapiscan Systems Inc., a US company), and the other one for X-Ray. This was in the Summer of 2019.

Public Works and Procurement Canada worked in collaboration with Global Affairs Canada and issued the Request for Standing Offers (for WTMD and X-Ray) on behalf of Global Affairs Canada on December 16, 2019, for an initial period of forty days in accordance with our obligations under the trade agreements. Following a number of extensions to address vendors' questions, the bid period closed in April 2020. Seven bids were received on the x-ray machines portion of the Request for Standing Offer. The bids evaluation process was conducted in two phases. In the first phase, the International Platform Branch (ACM) as the technical authority, with the support of Mission Readiness and Security Programs (CSI) representing Global Affairs Canada's Chief Security Officer, evaluated the technical proposal from the vendors. In order to be further considered each vendor had to meet all mandatory requirements. Through the technical evaluation, three vendors met all mandatory requirements, including Nuctech. The results of the technical evaluation were forwarded to Public Works and Procurement Canada for the financial evaluation and contractor selection based on the lowest financial proposal that was technically compliant. Since Nuctech met all the mandatory technical requirements and had the lowest financial proposal at \$6.8M, Nuctech was awarded the Standing Offer for x-ray machines.

This procurement process was conducted in accordance with the Treasury Board Secretariat (TBS) contracting policy as well as Public Works and Procurement Canada and Global Affairs Canada departmental contracting policies. At the issuance of the solicitation, Public Works and Procurement Canada indicated for the Tendering Procedures that all interested suppliers may submit a bid and accepted the submission from Nuctech since there was not a ban to have public procurement done with Chinese vendors.

The National Security Exemption (NSE) was not applicable in this procurement as x-ray machines are not covered by a NSE. A Security Requirement Check List (SRCL) was included in the solicitation as per standard procurement required documentation to be sent to Public Works and Procurement Canada. The SRCL was reviewed by the Public Works and Procurement Canada's Canadian Industrial Security Directorate (CISD) who determined that there were no security requirements for this procurement as x-ray machines do not store data, are not connected to the network and the machines are to be used in non-operational zones.

Although Nuctech is a first time vendor with Global Affairs Canada, it has had previous contracts with the Canadian Border Services Agency (CBSA). On the last contract awarded to Nuctech, Public Works and Procurement Canada's Canadian Industrial Security Directorate (CISD) asked that if this company were to win another contract, to clear it through them first.

Analysis of procurement options going forward:

1. Option 1: Cancelling the Standing Offer and relaunching the bidding process for a new Standing Offer

a. How:

- i. The cancellation, if agreed upon by PSPC, is done through PSPC since they are the contracting authority.
- ii. For the relaunch of the solicitation, AWC-CSS to works on updating the requirement that would include updated specifications, security requirements, and a revised evaluation grid.
- iii. Discussion to be held with PSPC on the procurement strategy to determine how to proceed with the solicitation and opening the bidding process in accordance with Canada's obligations under the trade agreements (if they are deemed applicable this time) while ensuring Canada's security interests are well addressed.

b. Advantage(s):

- i. No apparent advantage on the cancellation other perhaps public perception.

c. Disadvantage(s):

- i. Risk of litigation from the vendor who may not be satisfied with any reasons provided by Canada to cancel the Standing Offer. Not that the risk is high for the litigation to occur, or the vendor being successful in this exercise, but a litigation that may be long-lasting, and maintaining attention on this may not be in Canada's best interest.

d. Other pertinent factors to consider:

- i. This needs to be done with a concurrent strategy to procure for short term needs from the Missions while the new solicitation process is worked on that may take 6+ months depending on the updated

works on the procurement documents (SOW, security, Evaluation Criteria), and procurement strategy to be used for the relaunch.

- ii. Procurement for short term needs may mean the issuance of multiple sole sources by PSPC (given the circumstances, they will probably be willing), and this will also probably mean higher prices for the equipment and services to be obtained.
- iii. The updated procurement strategy may not be simple to identify if Canada wishes to target specific pool of vendors with potential difficulties in establishing defensible criteria to set aside certain category of vendors. For example.
 1. A foreign company with an office in Canada submitting a proposal from Canada's office, is considered a Canadian company. How to approach this from the perspective of the ownership of a company rather than if it is considered as local? This subject not an easy one and it is not believed that many serious analyses are done on this topic. Will probably require consultations with GAC legal services, SPP, and partners from OGD such as PSPC and Industry Canada.
 2. How to ensure that, as we fenced our requirement and leave out certain less desirable vendors, opportunities are not created for other equally non-desirable vendors.
- iv. Since the Standing Offer established is a National Master Standing Offer and open to all Departments to use, if the intend is for Canada not to make use of it, there is a need seek for PSPC's assistance in notifying other Gov Departments and Agencies not to make use, even if they notice that the equipment and services offered match their needs.

2. Option 2: Not utilising the Standing Offer issued, and issuing another solicitation to establish an additional Standing Offer with a new vendor with increased security vetting.

Without cancelling the existing Standing Offer, GAC could immediately collaborate with PSPC to launch another solicitation to get a 2nd vendor that better fits its security requirements and interests.

This would reduce the risk of litigation.

Most analyses from option 1 remain valid for this option.

3. Option 3: There is always the possibility to make use of the Standing Offer with utmost caution to respond to current urgent needs, if security can be assured, while working with PSPC on establishing a 2nd Standing Offer (as explained in Option2). Given the circumstances, this is not likely an option that aligns with current expectations.

If a NSE could be invoked (with PSPC approval), future X-Ray requirements could be exempted from the Trade Agreements and allowing Canada to better target our requirements to vendors with interests aligned to ours. However, as indicated before, excluding certain foreign vendors may not mean excluding foreign owned vendors, and this question may need to be further discussed with pertinent SMEs.

From: Bélanger, Dominique -AAD

Sent: July 21, 2020 5:09 PM

To: Sirrs, Reid -CFM ; Stewart, Derrick -CSI ; Chown, Eugene -AWD ; Godbout, Paul -AWC ; Trinh, Minh-Khai -AAC

Cc: Ong, Joanne -ACM

Subject: Review on Procurement of Security Equipment for DMA

Importance: High

DMA has asked for a light review of how we procure security equipment. I believe that each of us has been directed to do this either by DMA last week or in our individual conversations with Dan today and I have been asked to lead this collaborative effort.

The starting point is our agreement on what would be the components of this light review. My understanding of the points of interest are 1) the SO we have in place with Nuctech, 2) our options going forward and 3) security. So I propose the following items for our review and have tentatively identified the OPIs.

Dan has asked for our proposal by mid-day tomorrow, Wednesday, July 22. So can I have **your comments and suggestions on the components of our review by 11:00**. Merci, Dominique

Review on Procurement of Security Equipment

- Roles and responsibilities related to determining security requirements – OPI 1) Reid and Derrick for C Branch and 2) Eugene and Paul for A Branch
- Background on standing offer with Nuctech – OPI Khai Trinh
- Security risks and position on use of Nuctech SO for GAC, for OGDs – OPI Reid and Derrick
- Analysis of procurement options going forward, including impacts on X-ray machine cyclical replacement program – OPI 1) Khai (procurement options), 2) Eugene and Paul (impacts on cyclical replacement)

Dominique Bélanger

Directrice Générale, Services Ministériels, Secteur de la Plateforme Internationale | Director General, Corporate Services, International Platform Branch

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Affaires mondiales Canada | Global Affairs Canada

Gouvernement du Canada | Government of Canada

Riggs, Laura -DCP

From: Lefebvre, Caroline -AWCT
Sent: July-20-20 4:55 PM
To: Bélanger, Dominique -AAD; Stirling, Andrew -AFD
Cc: Ong, Joanne -ACM; Danagher, Dan -ACM; *ACMO; Chown, Eugene -AWD; Godbout, Paul -AWC; Trinh, Minh-Khai -AAC
Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies
Attachments: Standing Offer E60PV-20WTMD-001-PV Group 1 signed.pdf

Bonjour Dominique,

To answer your questions below:

how broadly the equipment would be distributed – e.g., to which missions –

- The intent of our lifecycle replacement initiative for detection equipment was to replace all x-ray machines currently out in the field over the next 3 year, at a rate of approximately 50 x-ray per year (for a total of 50 x-ray machines after 3 years.)
- I am currently finalizing with Paul a Roll-out Strategy Document to guide the cyclical replacement of the x-ray machines. The exact order of Missions to receive new x-ray machines is not yet known as I still need to assess the list of request I have on file, as well as request found in SIMS/CMT and consult with C Brach to establish the priority order.

what exactly the equipment to be supplied is

- The intention of this procurement initiative was to provide x-ray machines and walk through metal detectors.
 - X-ray machines are know as Group 1 of the standing offer (awarded to NucTech)
 - WTMD are known as Group 2 of the standing offer (awarded to Rapiscan)
- For Group 1, we required a conveyor style x-ray machines with monitor and operating systems, as well as warranty, maintenance, installation, training, yearly testing and disposal.
 - The warrant and maintenance components made the statement of work quite complex given the global reach of our needs.
 - The technical requirements were quite detailed and complex, with the statement of work well over 40 pages.
- The standing offer is attached for your reference.
 - In developing statement of work, we referred to SoW prepared by CBSA and other departments, as well as consultations wit AAC. CSI also provided support in answering technical question's during the bidding process.
 - I am available to provide any clarifications on the technical requirements.

Caroline Lefebvre

Directrice adjointe, Programmes de sécurité physique | Deputy Director, Physical Security Programs
 Sécurité physique à l'étranger | Physical Security Abroad
 Affaires mondiales Canada | Global Affairs Canada
 Gouvernement du Canada | Government of Canada

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: July 20, 2020 4:39 PM
To: Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; *ACMO <D-ACMO@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Godbout, Paul -AWC

<Paul.Godbout@international.gc.ca>; Lefebvre, Caroline -AWCT <Caroline.Lefebvre@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>

Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

From: Bélanger, Dominique -AAD

Sent: July-20-20 4:38 PM

To: Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>

Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>;

*ACMO <D-ACMO@international.gc.ca>

Subject: FW: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

Andrew,

PTI. We are working on the answers to the questions raised in Lisa's email below. Paul and Caroline, can you provide information for the questions highlighted in yellow please.

Do you prefer to send our response to Public Safety via O/ACM as this information is required for an ADM level committee?
D

-GAC has had any dealings/contracts with this company before now – This is the first time that GAC has a supply instrument with this company.

~~-how broadly the equipment would be distributed – e.g., to which missions~~

~~-what exactly the equipment to be supplied is~~

-she could have a copy of the tender documentation.

From: Stewart, Derrick -CSI <Derrick.Stewart@international.gc.ca>

Sent: July-20-20 4:24 PM

To: Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>; Benjamin, Martin -IDD <Martin.Benjamin@international.gc.ca>;

Loten, Jennifer -ICD <Jennifer.Loten@international.gc.ca>; Van Haastrecht, Ché -ICP

<Che.vanHaastrecht@international.gc.ca>; Shapardanov, Chris -IDS <Chris.Shapardanov@international.gc.ca>; Bélanger,

Dominique -AAD <Dominique.Belanger@international.gc.ca>; Maksymiuk, Daniel -IDY

<Daniel.Maksymiuk@international.gc.ca>

Cc: Mason, Tricia -CSS <Tricia.Mason@international.gc.ca>

Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

Hello Lisa,

Technical difficulties would not allow us to connect from GAC.

Looping in AAD who I think can best answer the questions below for PS.

Derrick

From: Almond, Lisa -CFM

Sent: July 20, 2020 4:09 PM

To: Benjamin, Martin -IDD <Martin.Benjamin@international.gc.ca>; Loten, Jennifer -ICD

<Jennifer.Loten@international.gc.ca>; Van Haastrecht, Ché -ICP <Che.vanHaastrecht@international.gc.ca>; Shapardanov,

Chris -IDS <Chris.Shapardanov@international.gc.ca>; Stewart, Derrick -CSI <Derrick.Stewart@international.gc.ca>

Subject: RE: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

Hello colleagues.

I was invited to this call this morning but given that I-Branch was on the invite, and that I have had no involvement in this file I didn't join. I am not sure actually why I was on the invite list!

In any event, I just received a call from PS/Suki Wong who noted that GAC wasn't on the call (?) and needed more information from us in preparation for ADM NSOPs tomorrow.

Specifically, she wanted to know if:

- GAC has had any dealings/contracts with this company before now
- how broadly the equipment would be distributed – e.g., to which missions
- what exactly the equipment to be supplied is
- she could have a copy of the tender documentation.

If you are not the right folks to respond to this request, do you know who is? I endeavoured to try to get someone to send her this information.

Thanks,

Lisa

-----Original Appointment-----

From: Wong, Suki (PS/SP) <suki.wong@canada.ca>

Sent: July 17, 2020 1:49 PM

To: Wong, Suki (PS/SP); HENDERSONC@smtp.gc.ca; Garbers, Raquel -DND; Gordon, Eric -RCMP/GRC; Claude Kateb; Benjamin, Martin -IDD; Loten, Jennifer -ICD; Lafortune, Philippe; MacGillivray, David; Tayyeb, Alia C.; Van Haastrecht, Ché -ICP; Shapardanov, Chris -IDS; Hiegel, Shannon; Aiesha.Zafar@cbsa-asfc.gc.ca; Almond, Lisa -CFM

Cc: Zimmerling, Candace

Subject: Chinese government-owned firm wins \$6.8M contract to supply security equipment to Canada's embassies

When: July 20, 2020 11:00 AM-12:00 PM (UTC-05:00) Eastern Time (US & Canada).

Where: secure call - [REDACTED]

Good morning – suggest we have a discussion to better understand implications and share info as we brief up. Also intend to raise at ADM NSOPs next Tuesday. Please let me know if 11 am on Monday works for everyone. Thanks

Dial in info [REDACTED]

CONSENSUS FOR TECHNICAL EVALUATION
X-Ray Machines (Group 1)
Solicitation #: E60PV-20WTMDA
Date: June 3, 2020

Chair person	Signature	Date
Caroline Lefebvre		12-May-20

Proponents	1	2	3	4	5	6	7	8	9	10	11
			NuTech	Rapiscan							
Mandatory Requirements											
J.2.2	Met	Met	Met	Met	Met	Met	Met				
J.2.3	Met	Not Met	Met	Met	Met	Met	Met				
J.2.4	Met	Not Met	Met	Met	Met	Met	Met				
J.2.5	Met	Met	Met	Met	Met	Met	Met				
J.2.6	Met	Met	Met	Met	Met	Met	Met				
J.2.7	Met	Met	Met	Met	Met	Met	Met				
J.2.8	Met	Met	Met	Met	Met	Met	Met				
J.2.9	Met	Met	Met	Met	Met	Met	Met				
J.2.10	Met	Not Met	Met	Met	Met	Not Met	Met				
J.2.11	Met	Met	Met	Met	Met	Met	Met				
J.2.12	Met	Met	Met	Met	Met	Met	Met				
J.2.13	Met	Met	Met	Met	Met	Met	Met				
J.2.14	Met	Not Met	Met	Met	Met	Met	Met				
J.2.15	Not Met	Met	Met	Met	Met	Met	Met				
J.2.16	Met	Met	Met	Met	Met	Met	Met				
J.3.1	Met	Met	Met	Met	Met	Met	Met				
J.3.2.1	Met	Met	Met	Met	Met	Met	Met				
J.3.2.3	Met	Met	Met	Met	Met	Met	Met				
J.3.2.4	Met	Met	Met	Met	Met	Met	Met				
J.3.2.5	Met	Not Met	Met	Met	Met	Met	Met				
3.3.2.6	Met	Met	Met	Met	Met	Met	Met				
3.3.2.7	Not Met	Met	Met	Met	Met	Met	Met				
3.3.2.8	Met	Met	Met	Met	Met	Met	Met				
3.3.3	Met	Met	Met	Met	Met	Met	Met				
3.3.6.1	Met	Met	Met	Met	Met	Met	Met				
3.3.6.2	Met	Not Met	Met	Met	Met	Met	Met				
3.3.7	Met	Met	Met	Met	Met	Met	Met				
3.3.8	Met	Met	Met	Met	Met	Met	Met				
3.3.9	Met	Met	Met	Met	Met	Met	Met				
3.3.9.1	Not Met	Met	Met	Met	Met	Met	Met				
3.3.10	Met	Met	Met	Met	Met	Met	Met				
3.3.11.1	Met	Met	Met	Met	Met	Met	Met				
3.3.12.1	Met	Met	Met	Met	Met	Met	Met				
3.3.12.2	Met	Met	Met	Met	Met	Met	Met				
3.4.1.1	Met	Met	Met	Met	Met	Met	Met				
3.4.1.2	Met	Met	Met	Met	Met	Met	Met				
3.4.1.3	Met	Met	Met	Met	Met	Met	Met				
3.4.2	Met	Met	Met	Met	Met	Met	Met				
3.4.5.1	Met	Not Met	Met	Met	Met	Met	Met				
3.4.5.2	Not Met	Not Met	Met	Met	Met	Met	Met				
3.4.5.3	Not Met	Not Met	Met	Met	Met	Met	Met				
3.5.1.1	Met	Met	Met	Met	Met	Met	Met				
3.5.1.2	Met	Met	Met	Met	Met	Met	Met				
3.5.2.1	Met	Met	Met	Met	Met	Met	Met				
3.5.2.2	Met	Met	Met	Met	Met	Met	Met				
3.5.2.3	Met	Met	Met	Met	Met	Met	Met				
3.6.3.2	Met	Met	Met	Met	Met	Met	Met				
3.6.3.5	Met	Met	Met	Met	Met	Met	Met				
3.6.3.12	Met	Met	Met	Met	Met	Met	Met				
3.6.3.13	Met	Met	Met	Met	Met	Met	Met				
3.7.1	Met	Met	Met	Met	Met	Met	Met				
3.7.2	Met	Met	Met	Met	Met	Met	Met				
3.7.3	Met	Met	Met	Met	Met	Met	Met				
3.7.4	Met	Met	Met	Met	Met	Met	Met				
3.8.1.1	Met	Met	Met	Met	Met	Met	Met				
3.8.1.2	Met	Met	Met	Met	Met	Met	Met				
3.8.1.3	Met	Not Met	Not Met	Met	Met	Met	Met				
3.8.1.4	Met	Not Met	Not Met	Met	Met	Met	Met				
3.9.2.1	Met	Met	Met	Met	Met	Met	Met				
3.9.2.3	Met	Met	Met	Met	Met	Met	Met				
3.9.2.4	Met	Met	Met	Met	Met	Met	Met				
3.9.3	Met	Met	Met	Met	Met	Met	Met				
5.1.1.1.1	Met	Met	Met	Met	Met	Met	Met				
5.1.1.1.2	Met	Met	Met	Met	Met	Met	Met				
5.1.1.1.3	Met	Met	Not Met	Met	Met	Met	Met				
8.1	Met	Met	Met	Met	Met	Met	Met				
8.1.1	Met	Met	Met	Met	Met	Met	Met				
8.1.2	Met	Met	Met	Met	Met	Met	Met				
Compliant or Non-compliant	Non-Compliant	Compliant	Compliant	Non-compliant	Non-compliant	Compliant					

CONSENSUS FOR TECHNICAL EVALUATION
Walk through metal detectors (Group 2)
Solicitation #: E60PV-20WTMDA
Date: May 7, 2020

Chair person	Signature	Date
Caroline Lefebvre		12-May-20

	1	2	3	4	5	6	7	8	9	10	11
Proponents			Rapiscan								
Mandatory Requirements											
Z.1	Met	Met	Met	Met	Met						
Z.2	Not Met	Met	Met	Met	Met						
Z.3	Met	Met	Met	Met	Met						
Z.4.1	Met	Met	Met	Met	Met						
Z.4.2	Met	Met	Met	Met	Met						
Z.4.3	Met	Not Met	Met	Not Met	Met						
Z.5.1	Met	Met	Met	Met	Met						
Z.5.2	Met	Met	Met	Met	Met						
Z.5.3	Met	Met	Met	Met	Met						
J.1.1	Met	Met	Met	Met	Met						
J.1.2	Met	Met	Met	Met	Met						
J.1.3	Met	Met	Met	Met	Met						
S.1	Not Met	Met	Met	Met	Met						
8.1.1	Met	Met	Met	Met	Met						
8.1.2	Met	Met	Met	Met	Met						
Compliant or Non-compliant	Non-Compliant	Compliant	Compliant	Non-compliant	Non-compliant	Compliant					

Media Lines – July 17, 2020

The security and safety of people in our embassies, consulates and high commissions around the globe is a top priority.

As stated two weeks ago, Global Affairs Canada is currently looking into the offer with Nuctech Company to provide some security screening equipment in our missions abroad. This standing offer is not a contract, and Global Affairs has not purchased any equipment from Nuctech at this time.

Any possible issue relative to security or safety will be properly reviewed and all appropriate actions taken to ensure the safety of our missions around the world.

Global Affairs Canada has contracted Deloitte as a third party to review the purchasing practices when it comes to security equipment. Global Affairs Canada will carefully examine the recommendations made and will make the required changes to further enhance the safety of our Missions abroad.

Lignes de presse – le 17 juillet 2020

La sécurité et la sûreté des personnes dans nos ambassades, consulats et hauts-commissariats dans le monde entier constituent une priorité absolue.

Tel qu'indiqué il y a deux semaines, Affaires mondiales Canada examine actuellement l'offre avec la société Nuctech concernant la fourniture de certains équipements de contrôle de la sécurité dans nos missions à l'étranger. Cette offre à commandes n'est pas un contrat, et Affaires mondiales Canada n'a acheté aucun équipement de Nuctech pour le moment.

Toute question possible relative à la sécurité ou à la sûreté sera dûment examinée, et toutes les mesures appropriées seront prises pour assurer la sûreté de nos missions dans le monde entier.

Affaires mondiales Canada a retenu les services de la société Deloitte en tant que tierce partie pour examiner les pratiques d'achat en matière d'équipement de sécurité. Affaires mondiales Canada examinera attentivement les recommandations formulées, et apportera les changements nécessaires pour renforcer la sûreté de nos missions à l'étranger.

From: Bélanger, Dominique -AAD
Sent: August-12-20 1:49 PM
To: Danagher, Dan -ACM
Cc: Harrigan, Jennifer -ARAK
Subject: For USS: Status Update to NSIA on X-Ray Machines Standing Offer with Nuctech

Proposed text for USS update to NSIA/Vincent Rigby. Dominique

The requirement for x-ray machines and associated services are ongoing requirements for Global Affairs Canada's 178 Missions. Beginning in the summer of 2019, the International Platform Branch of Global Affairs Canada resumed work on the establishment of a long-term supply instrument that would allow the Department to respond to the needs of Missions to replace x-ray machines and provide associated services; such as installation, maintenance, yearly testing, training and disposal.

Public Services and Procurement Canada worked in collaboration with Global Affairs Canada and issued a request for standing offer on behalf of Global Affairs Canada on December 16, 2019. Seven bids were received on the x-ray machines portion of the request for standing offer. The bids evaluation process was conducted in two phases. In the first phase, the International Platform Branch as the technical authority, with the support of the Mission Readiness and Security Program representing Global Affairs Canada's Chief Security Officer, evaluated the technical proposal from the vendors. Through the technical evaluation, three vendors met all mandatory requirements, including Nuctech. The results of the technical evaluation were forwarded to Public Services and Procurement Canada for the financial evaluation and contractor selection based on the lowest financial proposal that was technically compliant. Since Nuctech met all the mandatory technical requirements and had the lowest financial proposal at \$6.8M, Nuctech was awarded the standing offer for x-ray machines.

This procurement process was conducted in accordance with the Treasury Board Secretariat contracting policy as well as Public Services and Procurement Canada and Global Affairs Canada departmental contracting policies, and applicable Trade Agreements.

The Global Affairs Canada standing offer awarded to Nuctech is not a contract and no call ups have been issued. In other words, no purchases of x-ray machines have been made under this standing offer. Furthermore, Nuctech is a first time vendor with Global Affairs Canada.

A National Security Exemption was not applicable in this procurement. A security requirement check list was included in the solicitation as per standard procurement required documentation to be sent to Public Services and Procurement Canada. There were no security requirements for this procurement as x-ray machines do not store data, are not connected to the network and the machines are to be used in non-operational zones.

GAC has retained Deloitte for a review of the procurement process for security equipment. The scope includes a review of our procurement planning for equipment used in our missions abroad to secure our people, information, and assets to assist us in the future in determining when it would be appropriate for us to set aside our obligation to comply with trade agreements to which Canada is a signatory by requesting a national security exemption for those future procurements.

A security review of our missions is not in the scope of this review as we already have an extremely robust capacity, framework, and governance structure under the Global Security Framework that does this. The equipment that is procured is identified by the outcome of a robust and cyclical review of the security needs of our missions abroad. This review is specifically for the security-related equipment that is being (and will be) procured, installed, and supported in our missions with a focus being on the equipment for which we do not already have a blanket national security exemption.

Dominique Bélanger

Directrice Générale, Services Ministériels, Secteur de la Plateforme Internationale | Director General, Corporate Services,
International Platform Branch

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Affaires mondiales
Canada

Global Affairs
Canada

Riggs, Laura -DCL

From: Ong, Joanne -ACM
Sent: August-18-20 1:28 PM
To: Danagher, Dan -ACM
Subject: FW: MINA briefing on China/Nuctech - annotated agenda
Attachments: MINA briefing on Nuctech-China August.19 2020 - annotated agenda.docx

Attached are the suggested items from Dominique for the annotated agenda for the meeting with MINA tomorrow.

Joanne Ong
Télétravail / Teleworking : 613-698-1838

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: August 18, 2020 8:19 AM
To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Hi Joanne,

Welcome back! We are sending the binder to DCL today but I think that it is too much for the MINA briefing. I suggest the following items. D.

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Sent: August-17-20 7:16 PM
To: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: FW: MINA briefing on China/Nuctech

Your advice on what should be included in USS' annotated agenda would be appreciated.

They want it by COB tomorrow.

Do you think we should share the binder info? It is it too much?

Joanne/613-698-1838

Sent from my Bell Samsung device over Canada's largest network.

----- Original message -----

From: "Edwards, Lana -DMA" <Lana.Edwards@international.gc.ca>
Date: 2020-08-17 4:44 p.m. (GMT-05:00)
To: "Friele, Shawn -IFM" <Shawn.Friele@international.gc.ca>, "Gudinskas, Lukas -OGM" <Lukas.Gudinskas@international.gc.ca>, "Ong, Joanne -ACM" <Joanne.Ong@international.gc.ca>
Cc: *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Thank you. Dropping the ADMs to avoid flooding their inboxes. The invite should come shortly.

In addition to the Nuctech issue, USS has agreed to the discussion proposed by IFM. She is undecided on Xinjiang at this point.

Joanne – could you have someone work with O and I branches to complete the annotated agenda for the call. Ideally, we would like to have the annotated agenda completed to USS tomorrow close of business. Do you think that would be possible? Is there any other documentation that would be recommended for this MINA brief?

Lana
613-286-7135

From: Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>
Sent: August 17, 2020 3:46 PM
To: Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>
Cc: Gudinskas, Lukas -OGM <Lukas.Gudinskas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Lana,

Thanks for flagging this briefing: Dan is available to participate. In terms of additional topics, he would suggest, if USS agrees, that a short five minute update be provided to MINA on the issue that he and USS spoke to him about with MINA CoS last Wednesday.

Thanks,
Shawn

From: Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>
Sent: August-17-20 3:38 PM
To: Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>
Cc: Gudinskas, Lukas -OGM <Lukas.Gudinskas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Thank you Paul.

Lana
613-286-7135

From: Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>
Sent: August 17, 2020 3:02 PM
To: Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>
Cc: Gudinskas, Lukas -OGM <Lukas.Gudinskas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Hi Lana,

There is an options paper on Xijiang at the request of O/MINA that we sent up to o/USS Friday evening. I believe USS is reviewing this. We could potentially add this to the agenda if USS agrees.

Cheers,
Paul

From: Edwards, Lana -DMA

Sent: August 17, 2020 1:59 PM

To: Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>

Cc: Gudinskas, Lukas -OGM <Lukas.Gudinskas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>

Subject: MINA briefing on China/Nuctech

Good Afternoon Paul, Dan and Dan,

I wanted to give you a heads up that MINA has requested a briefing on China/Nuctech on Wednesday afternoon in A3/A2. An invitation should be forthcoming.

In addition to the Nuctech issue, are there other issues that you would recommend being raised in this meeting? Noting the limited capacity of these rooms, are there others you would recommend being invited?

Thank you,

Lana

MINA Briefing on Nuctech/China

August 19, 2020 Annotated Agenda

Backgrounder on x-ray equipment procurement process (ACM)

Includes:

Background on standing offers: 1) x-ray equipment and 2) walkthrough metal detectors.

Information on National Security Exemptions.



Xray Procurement
Backgrounder.docx

Standing offer financials and documents (ACM)

The standing offer awarded to Nuctech was for a period of 3 years ending on March 31, 2023. A provision exists that would allow the GoC to exercise 2 1-year options that would bring the SO to March 31, 2025.

The standing offer total estimated cost as per the 1st page of the SO signed by PSPC is \$0.00 as the SO is not a contract and does not bind the Government into spending any monies on it. Contracts are issued by placing call-ups (up to \$400K per call up by GAC) from the Standing Offer. GAC have not placed any call-ups yet, no equipment or services have therefore been procured from Nuctech and GAC have not issued any payments to this vendor. The value of \$6.8M is based on PSPC calculation of potential spending on this SO based on the financial proposal of Nuctech.

What is impact on missions if GAC does not use the Nuctech S.O.? (Paul Godbout)

Review of procurement of security equipment by Deloitte (ACM)

The ToR/scoping of the security equipment review is led by A branch, in consultation with S and C branches. Conversations they had with counterparts in the security community including PSPC and CBSA indicated that work related to evaluating security risks and position will require some time for additional consultation with and analysis from partners. A-Branch has contracted the services of Deloitte Canada, an independent consultant, to lead the joint A & C Branch review and draft a report that will outline the principles that will guide GAC's future procurement of security equipment. We are aiming at having recommendations within a month (end August 2020).

The Joint CFM-ACM frame for the review is:

- 1) A review of security controls as outlined in the Policy on Government Security. Lead: CSD, advised by AWD
- 2) A review of the procurement options to support the future acquisition of mission equipment, including a review of the appropriateness of using national security exceptions to permit GAC to restrict the number of bidders as would normally be required to comply with Canada's international trade agreement obligations. Lead is AAD, advised by CSD and AWD with consultations with SCM and PSPC

3) A review of options regarding the recently established Nuctech standing offer. Lead is AAD, advised by CSD and AWD with consultations with SCM and PSPC



GAC Security
Procurement Review

CITT complaint (ACM)

GAC was informed on August 6th that a CITT complaint had been filed by Calgary based KPrime technologies on the x-ray/walkthrough metal detector procurement process. The Tribunal made a decision on July 31, 2020, to conduct an inquiry into the complaint.

KPrime alleges that PWGSC failed to evaluate its bid in accordance with the terms of the solicitation, and that the winning bidder was ineligible to be awarded the contract.

[REDACTED] PSPC is still receiving information. GAC will work in collaboration with PSPC who is the lead to respond to this CITT complaint.

Ground (s) for complaint per KPrime : "We were informed that we did not meet the mandatory requirements with our technology. Knowing how our instruments work, as well as our competitors, we know our instrument to be equivalent or better to what is in ... (other vendors names scratched out in the document shared with GAC)."

Remedies sought by KPrime:

- a. That a new solicitation for the designated contract be issued;
- b. That the bids be re-evaluated
- c. That the designated contract be terminated;

Nuctech company overview (ACM)

From Wikipedia, Nuctech is a global company founded by a son of the former president of China, Hu Jintao, and is a state-owned business. The company's web site indicates they have sold equipment to over 130 countries and 5 continents. Turkey and Poland (maybe many more) seem to be NATO countries that have procured equipment from this vendor.

In Canada, based on the information found on PSPC's BuyandSell web site, 16 procurement were done with Nuctech since 2017, mainly for hazard detecting instruments and lab supplies. 15 came from CBSA with 1 SO awarded by PSPC for GAC X-RAY requirement.

Gather info from CBSA re. their purchases from Nuctech – Paul Godbout

Canada / China Commercial relations (OGM)

Current Bilateral Tensions:

The December 2018 arrest of Huawei Chief Financial Officer Ms. Meng Wanzhou led to a deterioration in Canada-China relations, which is negatively affecting the commercial environment. A May 2019 survey published by the Canada-China Business Council (CCBC) canvassed members on

impacts felt from the tensions. The survey reported that 18 percent of Canadian respondents (and 14 percent of Chinese respondents) experienced cancelled or postponed contracts or investment deals; 48 percent report they had or may cancel/postpone travel plans; 53 percent had made changes to their business plans; and roughly 20 percent were pessimistic about the future of their business with China.

Trade Policy Engagement (Possible Canada-China FTA):

From 2016 to 2017, Canada and China engaged in exploratory discussions for a possible Canada-China FTA. Four sets of meetings were held in 2017, but differences remain on issues including Government Procurement, State-Owned Enterprises (SOEs), Labour and Environment. Diplomatic tensions are limiting prospects to further FTA exploratory discussions or launch FTA negotiations.

Physical security abroad (CFM)

GAC's Global Security Framework:

- Canada's approach to ensuring the safety and security of our staff and assets abroad is grounded in the Global Security Framework, which governs the interplay between threats and vulnerabilities across Canada's global mission network.
- Several functional experts within Global Affairs Canada play a role in ensuring the principles of the Global Security Framework are upheld, specifically when it comes to assessing threats and vulnerabilities, prescribing interim and long-term operational and physical security mitigations, and implementing those prescribed mitigations in the field.
- A risk-based analysis is used to determine the frequency and location of vulnerability and threat assessments, ensuring that inputs from both headquarters and the field are taken into consideration to allow for real-time responses.
- In addition to full vulnerability and threat assessments, security professionals also complete several focused security visits to assess and respond to any unexpected or rapid changes in the security environment that could have an impact on the overall security of our staff abroad. These scheduled and on-demand vulnerability assessments are complimented by quarterly threat and vulnerability reporting from missions (via Mission Security Officers and Readiness Program Managers), regular discussions between security practitioners at headquarters and field-based mission security teams, and close collaboration between the teams responsible for assessing and mitigating against both threats and vulnerabilities.
- Further, GAC is fully equipped to respond to unforeseen emergencies abroad via the Emergency Watch and Response Centre, which can rapidly assemble whole-of-department and whole-of-government responses to crises.

Responsive – percentage of missions with valid vulnerability assessments:

- *As of fiscal year 2020-21, 83% of missions had valid vulnerability assessments.*
- *Many missions with less recent assessments were scheduled to be completed this year, which may not be possible given the ongoing impacts of COVID-19 on international travel.*

X-Ray Machines:

- X-ray machines are an important tool for threat detection at missions and are in widespread use across Canada's network of mission as a part of the visitor screening process.
- As a tool they are much more effective than just metal detectors for detecting physical threat items as they are able to detect both metallic and non-metallic/organic threat items (ranging from knives to improvised explosive devices or their components)
- Many of these machines come with automatic threat detection capabilities that highlight areas of concern within the images, but ultimately relies on people with appropriate training to make the final decision
- As part of the goal of modernizing and enhancing security services, GAC has procured a computer based training program to complement the training and to monitor of the capacity of front-line security personnel in their screening functions at Missions.
- X-ray machines are not connected to SIGNET D.

Trade Agreements (TFM/TCD)

1. Which trade agreements apply to Canada/China trade?

Bilateral Agreements

- The Canada-China Promotion and Reciprocal Protection of Investment Agreement (Canada-China FIPA) entered into force on October 1, 2014.
- Canada and China held four sets of exploratory discussions toward a possible Canada-China Free Trade Agreement (FTA): February 20-24, 2018 (Beijing), April 24-28, 2018 (Ottawa), July 31-August 4, 2018 (Beijing), and September 22-23, 2018 (Ottawa). No discussions have taken place since and no decision has been taken on whether to launch FTA negotiations.
- There are a number of other types of bilateral recognition and cooperation agreements that also apply to Canada and China (notably, none on Government Procurement).

Multilateral Agreements

- Canada and China are both members of the World Trade Organization, and as such have multilateral commitments that apply to bilateral trade and investment. The WTO agreements that apply to trade between Canada and China include:
 - The General Agreement on Tariffs and Trade (GATT)
 - The General Agreement on Trade in Services (GATS)
 - The Agreement on Agriculture
 - The Agreement on Trade-Related Aspects of Intellectual Property Rights
 - The Agreement on the Application of Sanitary and Phytosanitary Measures
 - The Agreement on Technical Barriers to Trade
 - The Agreement on Customs Valuation

- The WTO Dispute settlement mechanism applies to these commitments and can be used by a Party in the event of non compliance.
- A host of other multilateral agreements, accords and conventions affect trade between Canada and China, including:
 - The Convention on the International Trade in Endangered Species of Wild Flora and Fauna (CITES)
 - The Metre Agreement (weights and measures)
 - A number of International Labour Organization conventions
 - The Basel Accords on Banking Supervision

2. Describe and explain very briefly the WTO, the Agreement on Government Procurement therein and the provisions under each in the context of our trade with China.

- The World Trade Organization is an intergovernmental organization that is concerned with the regulation of international trade between nations (see above for key Agreements both China and Canada are apart of).
- The revised WTO Agreement on Government Procurement (GPA) is a plurilateral agreement that establishes general principles and detailed procedural requirements that Parties are obliged to apply to covered procurement. These requirements help ensure that suppliers of goods and services from GPA Parties are treated in an open, transparent and non-discriminatory manner when they bid on government procurement contracts of other GPA Parties. Presently, there are 20 Parties to the GPA, including Canada, the EU's 28 Member States, Japan, Korea and the United States, which represent procurement markets of approximately US\$1.7 trillion annually.
- China is not yet a Party to the revised WTO Agreement on Government Procurement (GPA) but tabled its application and initial market access offer to accede to the GPA in December 2007. Since then, China has submitted several revised market access offers – the most recent one was tabled on Oct. 26, 2019.
- From an international trade perspective, Canada and China do not have government procurement obligations vis-à-vis each other.
- Accordingly, Canada and China are not obliged to treat each other's goods, services and suppliers in a non-discriminatory, fair and transparent manner.

3. What is the role of Trade Agreements generally?

- The general objective of all FTAs is to facilitate and establish the trade and investment rules for the cross border movement of goods, services, people, ideas, capital, and data.

- FTA's level the playing field vis-à-vis competitors in particular markets, and in some cases can provide a competitive advantage to FTA partners. They also provide producers with access to cheaper inputs and benefits consumers by lowering costs of goods and services.
- FTA's are governed by dispute settlement provisions allowing a Party to seek recourse in the event of non compliance.

4. Why generally are trade agreements good for Canada?

- Expanding trade and investment through negotiation of trade agreements is key to ensuring inclusive and sustainable prosperity for Canadian businesses and communities, where two-way goods and services trade accounts for approximately 65% of Canada's GDP.
- Canada currently has 14 bilateral and regional FTAs in force, covering 51 countries and nearly two thirds of global GDP.
- Canada seeks to ensure that the benefits of trade and investment are widely shared, both in Canada and abroad. Canada also seeks to ensure that the economic, environmental and social implications of its trade agreements are thoroughly explored, and that benefits are maximized, while negative effects are mitigated.

Procurement Process Background

The requirement for x-ray machines and associated services are ongoing requirements for Global Affairs Canada's 178 Missions. Beginning in the summer of 2019, the International Platform Branch of Global Affairs Canada resumed work on the establishment of a long-term supply instrument that would allow the Department to respond to the needs of Missions to replace x-ray machines and provide associated services, such as installation, maintenance, yearly testing, training and disposal.

It was determined that a standing offer was the most suitable supply instrument, which due to its non-binding nature, would give Global Affairs Canada the flexibility to issue contracts only when a need is identified through a call-up. Global Affairs Canada and the Government of Canada are not obliged to issue any call-ups during the lifetime of the standing offer and it has occurred before that standing offers have not been used. The Global Affairs Canada standing offer awarded to Nuctech is not a contract and no call ups have been issued. In other words, no purchases of x-ray machines have been made under this standing offer.

The International Platform Branch of Global Affairs Canada, as the technical and requisitioning authority, developed the statement of work and requirements definition, as well as the technical evaluation criteria and obtained the Departmental Contract Review Board approval for this requirement. Public Services and Procurement Canada was identified as the contracting authority as this requirement was above Global Affairs Canada's contracting delegation.

Public Services and Procurement Canada worked in collaboration with Global Affairs Canada and issued a request for standing offer on behalf of Global Affairs Canada on December 16, 2019, for an initial period of forty days in accordance with our obligations under the trade agreements. Following a number of extensions to address vendors' questions, the bid period closed in April 2020. Seven bids* were received on the x-ray machines portion of the request for standing offer. The bids evaluation process was conducted in two phases. In the first phase, the International Platform Branch as the technical authority, with the support of the Mission Readiness and Security Program representing Global Affairs Canada's Chief Security Officer, evaluated the technical proposal from the vendors. In order to be further considered each vendor had to meet all mandatory requirements. Through the technical evaluation, three vendors met all mandatory requirements, including Nuctech. The results of the technical evaluation were forwarded to Public Services and Procurement Canada for the financial evaluation and contractor selection based on the lowest financial proposal that was technically compliant. Since Nuctech met all the mandatory technical requirements and had the lowest financial proposal at \$6.8M, Nuctech was awarded the standing offer for x-ray machines.

The standing offer was awarded to Nuctech on July 15, 2020. Public Services and Procurement Canada informed all non-winning bidders, including one Canadian firm, of the award of the standing offer to Nuctech. Public Services and Procurement Canada also notified unsuccessful bidders of available recourse mechanisms including the complaints processes at the Canadian International Trade Tribunal as well as the Office of the Procurement Ombudsman.

This procurement process was conducted in accordance with the Treasury Board Secretariat contracting policy as well as Public Services and Procurement Canada and Global Affairs Canada departmental contracting policies, and applicable Trade Agreements. Although Nuctech is a first time vendor with Global Affairs Canada, it has had previous contracts with the Canadian Border Services Agency. On the

X-RAY MACHINES PROCUREMENT PROCESS BACKGROUNDER

last contract awarded to Nuctech, Public Services and Procurement Canada's Canadian Industrial Security Directorate asked that if this company were to win another contract, to clear it through them first.

Should Global Affairs Canada determine that security requirements are necessary in procuring x-ray machines, the Department could decide to not use the standing offer issued on July 15, 2020 and run a new procurement process that would include security requirements.

* The bidders on the X-Ray SO are. HQ locations are found on the internet:

- [REDACTED]
- [REDACTED]
- KPRIME (HQ: Arizona, USA and Alberta, Canada)
- Rapiscan (HQ: Salfords, UK)
- [REDACTED]
- [REDACTED]
- Nuctech (HQ: Beijing, China)

Information on Standing Offer for Walk Through Metal Detectors

- Launched at the same time as the X-Ray solicitation. 1 solicitation covering 2 equipment (X-RAY – Group1, WTMD – Group 2)
- 5 bids received (HQ locations found on internet):
 - [REDACTED]
 - [REDACTED]
 - Rapiscan (HQ: Salfords, UK)
 - [REDACTED]
 - [REDACTED]
- Bids evaluation results:
 - Non compliant technically and disqualified: [REDACTED]
 - Compliant technically: Rapiscan, [REDACTED]
 - Standing Offer awarded to: Rapiscan (meeting all mandatory criteria and lowest cost. The "estimated value" for Rapiscan is \$1,280,292.94 CAD. That number (and the one for Nuctech \$6.8M) was arrived at using the estimated purchase quantities listed in the RFSO. If the SO is kept in place, the actual amount spent over the SO period could be less or more, depending on total usage.)

National Security Exemption


The National Security Exemption (NSE**) was not applicable in this procurement as x-ray machines are not covered. A security requirement check list was included in the solicitation as per standard procurement required documentation to be sent to Public Services and Procurement Canada. There were no security requirements for this procurement as x-ray machines do not store data, are not

X-RAY MACHINES PROCUREMENT PROCESS BACKGROUNDER

connected to the network and the machines are to be used in non-operational zones. The NSEs provided for in all of Canada's trade agreements allow Canada to exclude a procurement from some or all of the obligations of the relevant trade agreement(s), where Canada considers it necessary to do so in order to protect its national security interests specified in the text of the NSE. The purpose of the NSE is to ensure that parties to the agreements are not required in any way to compromise their national security interests through application of the obligations of the trade agreements.

Invoking an NSE under the trade agreements does not affect the obligation to comply with the Government Contracts Regulations (GCRs), including such matters as sole source justifications, other sourcing strategy issues and contracting officer limits. Procurements for which an NSE is invoked and applied remain subject to other relevant regulations and governmental and departmental policies, which may include posting a Notice of Proposed Procurement (NPP) or an Advance Contract Award Notice (ACAN) on the Government Electronic Tendering Service (GETS) where appropriate, though the security requirements may, in some cases, preclude such actions.

Current commodities and services covered by a NSE at GAC:

- Airport Services
- Expert Advice & Training on Use of Force (Armed Protection Services)
- High Security Zones
- 
- PM/GG Visits

Global Affairs Canada

Review of Security Equipment Procurement for Canada's Missions

Background

Following the completion of a standing offer solicitation process for security equipment which produced a winning vendor which met the technical specifications of the tender but which creates vulnerabilities to hostile state espionage activities, the International Platform Branch (ACM) and the Consular, Security and Emergency Management Branch (CFM) of Global Affairs Canada (GAC) have identified a requirement to review the procurement process of its security equipment intended for missions.

This review is required to ensure current operations provide adequacy between:

1. Meeting demands for security equipment needed for the safety and security of employees, information and assets;
2. Respecting prevalent procurement and security policies, laws and regulations;
3. Obtaining value for the Crown, as well as
4. Ensuring GAC security equipment procurement are accomplished in consideration of Canada's existing and emerging interests.

Objectives

GAC requires analyses and recommendations on security equipment procurement. These recommendations may relate, but not limited, to the following key elements:

- Role and Responsibilities of the various GAC branches and divisions involved;
- Roles and Responsibilities of Other Government Departments (OGDs) including Public Services and Procurement Canada (PSPC) and other applicable lead security agencies under the Policy on Government Security;
- Approval and review mechanisms;
- Governance;
- Alignment to the Government of Canada (GoC) and GAC policy on security;
- Procurement constraints including Trade Agreements applications;
- Alignment to Canada's existing and emerging interests.
- Alignment to emerging espionage threats to Canadian interests through its network of missions abroad.

In order to develop recommendations, The Consultant will review current operations at GAC in relation to the procurement of security equipment to understand and assess effectiveness, efficiency, and compliancy as well as how well this procurement meets current national interests' expectations.

Scope

The scope will include interviews and data collection from sources identified by GAC, analysis of the data collected, and recommendations for improvement of current operations.

Analysis and recommendations will take into account best practices and leading developments in the public and private sectors.

ACM and CFM management and Subject Matter Experts (SMEs) will be consulted in the work, and will be providing data and perspectives, and validating and confirming working assumptions and findings along the way.

Key activities and target schedule

The following provides a high-level set of activities expected to complete the scope of work and the target duration. These will be refined during the project planning and kickoff activity.

Activity	Estimated Level of Effort
Phase 1: Initiation <ul style="list-style-type: none">• Hold kickoff meeting with ACM (AAD, AWD) and CFM (CSD) DGs and pertinent SMEs, as required, to align and understand:<ul style="list-style-type: none">○ scope and expectations;○ current mandate, objectives and operating model; and○ current services and modes of delivery• Document stakeholder engagement plan• Gather background information from GAC• Develop data collection approach	2 days
Phase 2: Review <ul style="list-style-type: none">• Interview key resources (up to 10 interviews of approximately 60 minutes each)• Review• Review of the procurement options to support the future acquisition of Mission equipment, including a review of the appropriateness of using national security exceptions to permit GAC to restrict the number of bidders as would normally be required to comply with Canada's international trade agreement obligations. (OPI is AAD, advised by CSD and AWD with consultations with SCM and PSPC)• Review of the go-forward options for the use of the recently established standing offers for Security Equipment. (OPI is AAD, advised by CSD and AWD with consultations with SCM and PSPC)• A review of security controls (CSO/D as OPI, AWD as OCI) as per the	10 days

Activity	Estimated Level of Effort
Policy on Government Security.	
SuggPhase 3: Synthesize and determine insights <ul style="list-style-type: none"> • Document preliminary recommendations • Meet with ACM and CFM DGs to review key findings and proposed recommendations. 	5 days
Phase 4: Final report <ul style="list-style-type: none"> • Draft final report • Revise report based on feedback received, if required 	2 days

Assumptions

- Up to 10 interviews will be conducted. AAD-AWD-CSD will be responsible for securing participation of interviewees.
- Interviews will be conducted in English or French, and all deliverables will be written in English.
- Any required translation will be assumed by GAC.

Deliverables

The GAC Security Equipment Procurement Review report, which will contain the study methodology, data and recommendations. An Executive Summary will be included in the report.

Schedule

The work is expected to start from contract award date and take approximately 4 weeks to complete (subject to confirmation during the project planning and kickoff activity and the length of time it takes to receive data from target organizations).

Security

The consultant(s) working on this requirement must hold a valid Secret Security clearance issued by the CISD for the duration of the mandate.

Riggs, Laura -DCL

From: Ong, Joanne -ACM
Sent: August-17-20 3:32 PM
To: Ong, Joanne -ACM
Subject: FW: Nuctech SO - bidding companies

Joanne Ong
 Télétravail / Teleworking : 613-698-1838

From: Danagher, Dan -ACM
Sent: August 12, 2020 4:37 PM
To: Borgognoni, Anna -USS -DMA <anna.borgognoni@international.gc.ca>; Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>
Cc: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: FW: Nuctech SO - bidding companies

In the previous note, we mentioned that one of the Canadian bidders did not pass the technical evaluation on nine of the technical requirements. That was incorrect. [REDACTED] did not meet three of the mandatory technical requirements. The difference is unimportant as 100% of the mandatory criteria had to be met. For sake of accuracy, though, it was important to update that piece of information contained in the email from earlier today.

See below (not for sharing at this point please) . Provided by AAD from conversations with PSPC:

Following a discussion with PSPC, the following was highlighted by the PSPC's desk officer.

- The \$5.4M figure alleged for [REDACTED] is for the x-ray machines only. It does not include the install, training, warranty, maintenance, disposal.
- The \$6.8 of NucTech is all encompassing.
- PSPC did not give me the actual figure, but [REDACTED] busted the \$6.8M when you included their install, training, warranty, etc.
- Looks like PSPC is currently working on a media line regarding this.

Non-compliancy details of disqualified bidders.

- [REDACTED] 5 mandatory criteria not met
 - 3.2.15. Standard commercial format with industry standard connectors for video output.
 - 3.3.2.1. heavy duty casters with floor locking mechanisms and shock absorbent wheels to permit limited movement;
 - 3.3.2.7 exit and entry tunnel shrouds at least 0.5 meters (19.69") in length and constructed of stainless steel or acrylic material;
 - 3.4.5.2 must audibly and visually indicate when it is in operation;
 - 3.4.5.3. must display an estimated time to exhaustion under maximum load either through the x-ray scanner graphical user interface, or independently;

- [REDACTED] 11 mandatory criteria not met
 - 3.2.3. The x-ray machine must not exceed an overall length of 2100mm (including extended roller beds).
 - 3.2.4. The minimum tunnel dimensions must measure no less than 532mm wide by 330mm high.
 - 3.2.10 Software-driven generator seasoning when the unit has been inactive for a minimum of six months.
 - 3.2.14. Minimum 4096 grey levels of contrast sensitivity with variable contrast control.
 - 3.3.2.5. indicator lights at both ends of tunnel opening which illuminate when the x-ray generator is functioning;
 - 3.3.6.2. separate password-protected security levels of access for Operators, Supervisors, Administrators and Technicians, with defined customizable settings, privileges and restrictions.
 - 3.4.5.1. provides power for a minimum of 1.5 times the manufacturer's recommended time for controlled shutdown procedures;
 - 3.4.5.2. must audibly and visually indicate when it is in operation;
 - 3.4.5.3. must display an estimated time to exhaustion under maximum load either through the x-ray scanner graphical user interface, or independently;
 - 3.8.1.3. alert on any potential, typical weapon configuration (such as, but no limited to guns, knives) using a box drawn around the suspicious area as a visual aid;
 - 3.8.1.4. alert on any potential liquids, gels and aerosols using a box drawn around the suspicious area as a visual aid.

- [REDACTED] 3 mandatory criteria not met
 - 3.8.1.3. alert on any potential, typical weapon configuration (such as, but no limited to guns, knives) using a box drawn around the suspicious area as a visual aid;
 - 3.8.1.4. alert on any potential liquids, gels and aerosols using a box drawn around the suspicious area as a visual aid.
 - 5.1.1.1.3. a description of the process the offeror follows to ship spare parts globally.

- [REDACTED] 1 mandatory criteria not met
 - 3.2.10 Software-driven generator seasoning when the unit has been inactive for a minimum of six months.

From: Bélanger, Dominique -AAD
Sent: August-12-20 1:55 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Cc: Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>
Subject: FW: Nuctech SO - bidding companies

Info on bidding companies. [REDACTED] did not meet nine mandatory technical requirements. I have asked Khai to press PSPC for the financial information as it not shared with client departments. D

From: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>
Sent: August-12-20 1:48 PM
To: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: RE: Nuctech SO - bidding companies

Bonjour Dominique voici les infos.

- Meeting the technical requirements:

- NucTech (HQ: Beijing, China)
- Rapiscan (HQ: Salfords, UK)
- [REDACTED]
- Not Meeting the technical requirements (Disqualified if only one single criterion is not met):
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]
 - [REDACTED]

We can see that other than [REDACTED] all other bidders were not close to be compliant on GAC technical criteria.

We do not have financial information and ranking as this information comes from the financial proposal of the bidders that only PSPC has access to. They do not share this information with us.

Also, in a standard process, PSPS would not open the financial proposals of disqualified bidders and would therefore not know how much the non compliant proposals costs are.

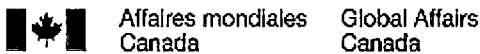
From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: August 12, 2020 1:29 PM
To: Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>
Subject: Nuctech SO - bidding companies
Importance: High

Khai,

Can you pls provide this info for all the bidders on the SO. D

- Who met the technical requirements and where each bidder (who had met the technical requirements) ranked in terms of the financial component.

Dominique Bélanger
Directrice Générale, Services Ministériels, Secteur de la Plateforme Internationale | Director General, Corporate Services,
International Platform Branch
Dominique.belanger@international.gc.ca
613-302-6098
200 Promenade du Portage, Gatineau, Québec, K1A 0G4
Affaires mondiales Canada | Global Affairs Canada
Gouvernement du Canada | Government of Canada



Riggs, Laura -DCL

From: Ong, Joanne -ACM
Sent: August-25-20 11:05 AM
To: Danagher, Dan -ACM
Subject: FW: X-Ray Procurement timeline
Attachments: IB_LBP-#13779315-v2-Timeline Procurement of Detection Equipment - AAC edits 24 Aug.DOCX

Consolidated timeline attached.

Joanne Ong
Télétravail / Teleworking : 613-698-1838

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: August 24, 2020 3:23 PM
To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Cc: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *ACMO <D-ACMO@international.gc.ca>
Subject: RE: X-Ray Procurement timeline

Joanne,

Consolidated timeline with input from AWC and AAC is attached. Dominique

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Sent: August-20-20 1:38 PM
To: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: RE: X-Ray Procurement timeline

Dan would like the completed timeline and the information on who requested the extensions and why, by August 25.

Thank you,

Joanne Ong
Télétravail / Teleworking : 613-698-1838

From: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>
Sent: August 19, 2020 11:56 AM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: RE: X-Ray Procurement timeline

OK, on it.

From: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Sent: August 19, 2020 11:52 AM
To: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>

Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Subject: RE: X-Ray Procurement timeline

Yes.

From: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>

Sent: August-19-20 11:51 AM

To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>

Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Subject: RE: X-Ray Procurement timeline

Dan,

I'm not quite sure what you are asking for re: pre-Shop@DFATD calendar, is it all of the activities and steps that we undertook prior to submitting our procurement request?

Eugene

From: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>

Sent: August 19, 2020 11:17 AM

To: Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>

Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Subject: RE: X-Ray Procurement timeline

Eugene - Can we get a pre-Shop@DFATD calendar for this requirement from AWC? Especially any interactions with C Branch. They can be rough dates.

Dominique – I would like AAD to create the full timeline on this, incorporating AWC's activities.

Thanks both!

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>

Sent: August-18-20 3:57 PM

To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>

Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>

Subject: FW: X-Ray Procurement timeline

Importance: High

Details below. D

- Shop@DFATD request received: August 16, 2019
- DCRB Approval received: September 6, 2019
- Requisition forwarded to PSPC: September 9, 2019
- PSPC recommending merging WTMD & X-Ray requirements together in one single solicitation: September 10, 2019
- Publication of solicitation (Request for Standing Offers – RFSO): December 16, 2019. Initial closing date January 27, 2020. Six (6) extensions to the closing date were given during the solicitation period.
 - Extension 1: From 2020-01-27 to 2020-02-07
 - Extension 2: From 2020-02-07 to 2020-02-14

- Extension 3: From 2020-02-14 to 2020-02-21
- Extension 4: From 2020-02-21 to 2020-02-28
- Extension 5: From 2020-02-28 to 2020-03-20
- Extension 6: From 2020-03-20 to 2020-04-03
- Solicitation closure: April 03, 2020
- Bids received by GAC: April 20, 2020
- Bids evaluation completed: June 10, 2020 (all clarifications were obtained and all references were verified)
- Integrity regime check completed by PSPC: July 14, 2020 (Result: The supplier i.e Nuctech is not ineligible (No Match).)
- Standing Offer awarded by PSPC: July 15, 2020
- 1st article in the NP by John Ivison: July 17, 2020
- 2nd article in the NP by John Ivison: July 20, 2020
- CITT complaint by K Prime: July 27, 2020
- OGGO scheduled appearance: August 24, 2020

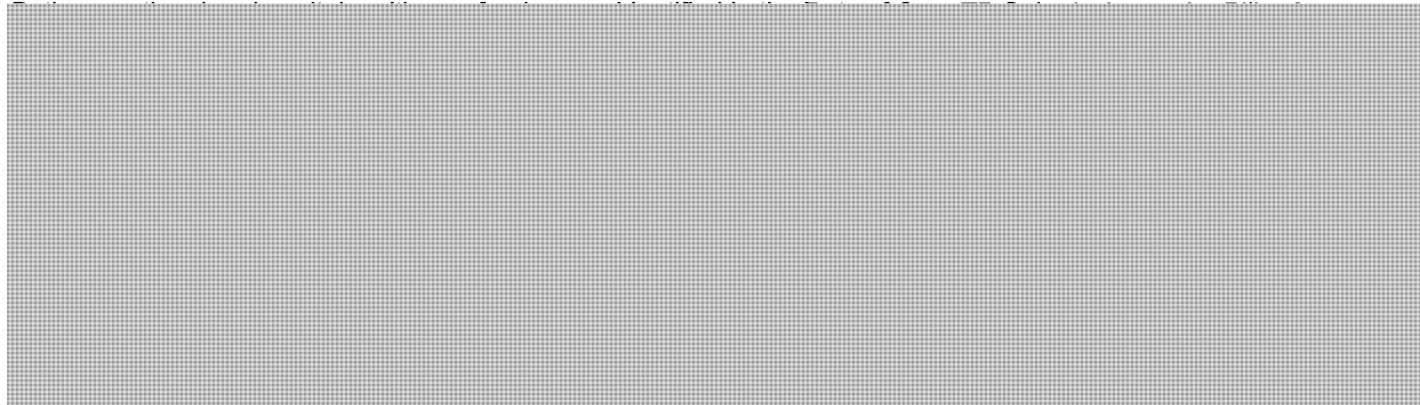
- I-Branch was made aware of the contract in the context of a media inquiry that was sent to L-Branch from oMINA and indirectly to IDY on 16 July. I-Branch was not copied on the media request or the tasking that came from LCBR on behalf of oMINA to ACM, CSD, and SWD.
- Media reporting of the contract began on 17 July. At that point, IDD made the decision to request an assessment from IDY for discussion at the PCO-chaired ADM NS Ops meeting scheduled for 21 July (weekly meeting). IDY prepared the assessment between 17 July and 20 July. The draft was shared with CFM in advance of the ADM NS Ops call on 21 July.

TIMELINE – PROCUREMENT PROCESS FOR DETECTION EQUIPMENT¹

DATE	ACTION
December 2015	
December 3, 2015	<p>Sole-source contract 08324-150294/001/PV established with Smiths Detection for the procurement of 10 x-ray machines and 10 UPS towers.</p> <p>The contract does not establish any technical nor security requirements, simply stating the make and model of x-ray machine to be provided.</p> <p>A sole source justification was found on file (IB 7876760 v1)</p>
Spring 2016	
Spring 2016	<p>Trevor Stewart tries to establish Standing Offer for x-ray machines with the intent to go to the industry to see if a single company could provide x-ray machines as well as install, service, maintenance, training, ect.</p> <p>It was then determined that this would be too complex and instead two separate sole-source contracts would be established with Smiths Detection: 1 contract to procure the machines, and 1 for the service/maintenance.</p>
September 2016	
September 30, 2016	<p>AAC (D. Roman) responds to AWC (M. Lunge) providing two possible options for procurement and indicating that PSPC might not support such a large sole source contract.</p> <p>Quoted from email:</p> <p>OPTION 1</p> <p>If we can tie the two in together then in my opinion we are more likely to be successfully argue our point that sole source is in the best interest of the Crown in this case. Only one qualifying company has the global support footprint to fulfill the service/installation requirements.</p> <p>An "AS and WHEN clause" for maintenance should work the same as a Standing Offer and therefore we are only obligated to guesstimate the \$\$ requirement but are not locked into specific funding.</p> <p>One contract also allows us to move the money within the contract tagged for goods or services where it is need – depending on the PSPC officer!</p>

	<p>OPTION 2</p> <p>We ask to sole source the goods only to Smiths Detection – it's not guaranteed but PSPC has accepted a fairly large sole source for Machines from Smiths Detection (\$600K) based on your previous justifications and specs and we are trying again right now.</p> <p>And as a separate Services Standing Offer we should be able to sole source it based on the award of the goods contract to Smiths Detection.</p>
October 2016	
October 2, 2016	M. Lunge informs D. Roman that Option 1 would seem to be the best option.
October 5, 2016	D. Roman responds that the Statement of Work will have to be enhanced from the one previously submitted but will include all the requirements that were asked. M. Lunge's approval will be needed before the SoW is submitted to PSPC.
December 2016	
December 22, 2016	<p>Contract 08843-160442/001/PV established with Smiths Detection for the procurement of 35 x-ray machines (10 as initial requirement, and 25 as optional.)</p> <p>The contract also provided for the purchase of 35 UPS towers.</p> <p>The contract does not establish any technical nor security requirements, simply stating the make and model of x-ray machine to be provided.</p>
April 2017	
April 10, 2017	<p>AWC (M. Lunge) sends email to AAC (D. Roman) to follow-up on the status of the work to establish a new standing offer for x-ray machines given that the previous one expired in 2014.</p> <p>M. Lunge states that a proposal was submitted to PSPC in October 2016 but nothing had moved forward.</p>
April 25, 2017	<p>AAC (D. Roman) emails AWC regarding request for contract to procure x-ray machines from Smiths Detection via a sole-source contract. AAC requests the following:</p> <ol style="list-style-type: none"> 1. Completed SRCL. 2. List of locations of machines and the security requirements/Visa etc needed for the contractor to access location/country. 3. Previous 2 -3 years of services expenses that we have incurred in order to ensure that the proper signing authorities are used – also a number of PO #'s from different locations in order that we can look at the

	<p>breakdown of the work</p> <ol style="list-style-type: none"> 4. Parts list from [REDACTED] that you would like included on the standing offer. 5. The Health Canada Guidelines for machine inspections that you will be following.
April 26 & 27, 2017	AAC (D. Roman) and AWC (M. Lunge) exchange emails to clarify some aspects of the April 25 th email.
May 2017	
May 9, 2017	<p>AWC (M. Lunge) sends email to AWC (R. Laberge) stating that AAC and PSPC no longer want to pursue a sole source contract for x-ray machines.</p> <p>M. Lunge provides to R. Laberge IB folder where all documents are kept and ask him to take over the file.</p> <p>Delegation limit is believed to be one of the reasons the sole-sourcing strategy was not viable. At that time, PSPC has a \$2M (taxes included) delegation for sole source and GAC only \$25K.</p> <p>The other reason we can pretty much be certain about is that, sole-sourcing for the same equipment time and over is not acceptable; contract splitting, circumventing authorities, high risks of complaints, not getting best value for taxpayers money, are just a few reasons for this practice not being accepted.</p>
May 18, 2017	AWC (R. Laberge) sends an email to AAC (D. Roman) with draft document to pursue the work in setting up a standing offer.
May 25, 2017	<p>AAC (D. Roman) responds to May 18th email mentioning that C Joyal will be replacing her at AAC and stating that she is still waiting on documents from AWC.</p> <p>AWC (R. Laberge) responds to her questions on the same day.</p>
	Departure of M. Lunge. The Manager, Detection Equipment position is left vacant with no one acting until the summer 2018.
July 2017	
July 25, 2017	PSPC (M. Gauthier) sends to AAC (CE Joyal) information about NSE (National Security Exceptions - Buyandsell.gc.ca)
September 2017	
September 11, 2017	<p>PSPC (M. Gauthier) sends and email to AAC (CE Joyal) asking if they have an update on the x-ray machines and if they have considered the option of a NSE.</p> <p>CE Joyal responds that her client is getting ready to send the draft to the ADM. M. Gauthier asks if the NSE group at</p>

	PSPC was consulted in drafting the document.
September 14, 2017	After AAC (CE Joyal) enquires about who the NSE should be addressed to, PSPC (M. Gauthier) responds that the NSE group at PSPC should be consulted to ensure the proper process is followed.
September 2017	
October 2017	
October 10, 2017	PSPC (M. Gauthier) follows up with AAC (CE Joyal) to find out if any progress has been made on the NSE.
October 26, 2017	AAC C Joyal) shares with PSPC (M. Gauthier) the response from the NSE team and requests a discussion with him. <i>(Note: the attachment was not available in the chain of emails.)</i>
October 31, 2017	PSPC (M. Gauthier) responds to AAC (CE Joyal) that they will not be reviewing the NSE letter and recommend that any questions be directed to the NSE group at PSPC. CE Joyal responds that she needs to meet with M. Gauthier and his team to agree on a process to procure the equipment required.
November 2017	
November 7, 2017	PSPC (M. Gauthier) responds to AAC (CE Joyal) that they can meet on November 15, 2017.
June 2018	
June 20, 2018	PSPC (M. Gauthier) follows up with AAC (CE Joyal) to find out what is happening with the NSE letter that she was working on last November. AWC (R. Laberge) responds to the email stating that the requisition is still active and there is a pressing need to

	procure the equipment.
August 2018	
	R. Iseler starts acting as the Manager, Detection Equipment.
August 27, 2018	AWC (R. Laberge) contacts PSPC (M. Gauthier) to see if he can meet to discuss the x-ray standing offer.
September 2018	
September 12, 2018	Emails are exchanged between AWC (R. Laberge, R. Iseler and P. Godbout) with PSPC (M. Gauthier) to schedule a meeting.
October 2018	
October 4, 2018	<p>PSPC (M. Gauthier) follows-up with AWC (R. Iseler) to find out if any progress was made since their last meeting and if, as suggested, the requisition was cancelled to start fresh.</p> <p>PSPC (M. Gauthier) clarified that requisition 9200 is dated from 2014. It should be cancel and a new requisition should be started.</p>
November 2018	
November 29, 2018	SRCL is signed by AWCT (R. Iseler) as the Organization Project Authority.
February 2019	
February 28, 2019	<p>Sole-source contract (#7401857) established with Smiths Detection for the installation, programming, testing and training of 25 x-ray machines.</p> <p>The contract includes a SRCL signed by CSCP by December 3, 2018 and signed by AWCT (R. Iseler) on November 28, 2018.</p> <p>The date of this action is based on the date when the contract was signed.</p>
April 2019	
April 24, 2019	AWCT (R. Iseler) sends email to CSCP regarding clearances. R. Iseler explains the intent to replace most x-ray machines worldwide with the contract to include a component on installation and training of guards at Mission. R. Iseler specifies that the machines will be located either in guard huts or reception/public zones. R. Iseler indicated that the previous day he spoke with CSS (P. Lamy) and he confirmed that no special clearances would be required for local manufacturers/technician to perform tasks related to installation and training. R. Iseler further explained that there may

	<p>be a couple of sites with internal screening room where a machine resides, but these rooms would be confined to within an OPS zone and it was understood that a CBS escort would be required.</p> <p>R. Iseler asked CSCP to confirm that no special clearances are needed so that he could appropriately complete the SRCL.</p>
	<p>CSCP responded within 10 minutes that they agreed, based on the explanation provided, that there would be no requirement for the contractor to be security screened. CSCP stated that a SRCL is required for all service contract GAC enters into. CSCP then looped in a SME from CSCP (A. Stoinesteanu) to provide further guidance.</p>
	<p>CSCP (A. Stoinesteanu) responded later in the day by providing the template for the SRCL that must be completed for all service contract. She stated that if there are no security requirements, like it seems to be, most of the questions on the SRCL would be No.</p> <p>CSCP (A. Stoinesteanu) also instructed that if it was a project generated by HQ, the completed signed SRCL, along with the SoW and the Terms of Reference had to be submitted to CSCP.</p> <p>AAC was on copy on the email.</p>
May 2019	
May 27, 2019	Arrival of Caroline Lefebvre at GAC as Deputy Director, Physical Security Program (AWCT)
Late May 2019	C. Lefebvre (AWCT) receives paper copy of the Form B submitted for 2019/2020. The Form B for 22340 (Detection equipment and MSE) includes capital funding for the procurement of x-ray machines for \$750,000. No operational funding is reflected for the maintenance/service/warranty.
June 2019	
June 13, 2019	<p>Draft Statement of Work (SoW) exchanged between AWCT (R. Iseler) and AAC (N. Belanger Benavides).</p> <p>Later in the day, R. Iseler sends an email to C. Lefebvre informing her that there will be delays in completing the SoW given a number of strategic questions that arose pertaining to the service and maintenance component. R. Iseler suggests a meeting the following week to discuss.</p>
July 2019	
July 16, 2019	AWCT (R. Iseler and C. Lefebvre) met with a representative from [REDACTED] with AAC (N. Belanger Benavides) in attendance. The intent of the meeting was to gain a sense of estimated costs associated with installation, service, maintenance, warranty, training and disposal of x-ray machines.

	Given this was the first time such a service/warranty component was to be included in a contract, GAC needed to understand what the cost could be on a global scale in order to estimate the value of the contract.
July 25 & 26, 2020	AWCT (R. Iseler) provides and update on the Statement of Work to AAC (N. Belanger Benavides) and indicates that work on the evaluation grid will be initiated.
July 30, 2020	In-person review of Statement of Work between AWCT (R. Iseler, R. Laberge and C. Lefebvre) and AAC (N. Belanger Benavides)
July 31, 2020	Meeting between AWCT (R. Iseler, R. Laberge, C. Lefebvre) and CSI (D. Lachance and N. Paquette) to discuss the detection equipment program, including the use of the equipment and the planned cyclical replacement.
August 2019	
August 15, 2019	Shop@DFATD is submitted for x-ray machines for an amount of \$750,000 (order number 20-162275)
August 19, 2019	<p>C. Lefebvre sends email to FMA (A. Liao) to set up a multi-year RS to cover the purchase of x-ray machines as well as warranty/service. C. Lefebvre asks R. Iseler to confirm the following:</p> <p>A total of \$1.7M for FY 2019-2020</p> <ul style="list-style-type: none"> • \$750,000 in Vote 5 (Capital) for the purchase of the X-Ray • \$950,000 in Vote 1 (Ops) for training, warranty, testing <p>If so, then break down the multi-year as follows:</p> <ul style="list-style-type: none"> • Year 1 (19/20) - \$1.7M • Year 2 (20/21) - \$2.4M • Year 3 (21/22) - \$2.4M • Which totals \$6.5M. I could then re-adjust in the SoW the number of X-ray, training and testing per year match this.
August 19, 2019	C. Lefebvre sends draft Statement of Work to CSI (D. Lachance) for review and comments.
	<p>D. Lachance (CSI) responds to C. Lefebvre and provide two general comments on the Statement of Work:</p> <ul style="list-style-type: none"> • The SoW does not need to necessarily say the number of machine required and that can be dealt with in the financial section of the RFP. • We might want to have machines ship to Ottawa, depending on preference, so as to not pay the local VAT.
August 20, 2019	R. Iseler confirms the figures from August 19, 2019.

	Email from Remedy confirming that Shop@DFAT 20-162275 was assigned to N. Belanger Benavides.
August 26, 2019	C. Lefebvre responds to D. Lachance (CSI) regarding his comments from August 19, 2019, stating that AWCT will see how the comments can be integrated.
September 2019	
September 4, 2019	C. Lefebvre sends an email to FMA/SCR (A. Liao) and include SWCP (I. Richard) and AWC (P. Godbout) to confirm that additional funding can be secured for the procurement of x-ray machines.
	C. Lefebvre also provides a cost breakdown/analysis to assess number of machines required per year, warranty/service and total funds required.
	Following a discussion between AWCT, AAC and SWCR the cost breakdown/analysis is revised and redistributed to the stakeholders.
September 5, 2019	AWC (P. Godbout) sends the cost breakdown/analysis to AAC (MK Trinh).
	AWD confirms via email to funding is available.
	A revised version is circulated later in the day by AWCT to correct a calculation mistake.
September 6, 2019	AWCT (C. Lefebvre) sends request to AWC (L. Carter), SWCR and SWCP to create the required RS for 50 machines plus install/warranty/training.
	After a phone conversation with AAC (MK Trinh), AWCT (C. Lefebvre) shares via email that the following is required for the requisition to PSPC: <ul style="list-style-type: none"> • the email from AWD confirming that funding is available for 3 years. • the Shop@DFAT that was submitted on July 15, 2019 for \$738,000.
	Emails are exchanged between AAC, AWC and AWCT to discuss possibility of changing the quantity of x-ray machines ordered after a contract is established. The option of setting up a Standing Offer instead is discussed, how it would not delay the requisition, require a minimal change to the SoW and afford greater flexibility.
	DCRB Approval received.
September 9, 2019	Requisition submitted to PSPC by AAC.
September 10, 2019	PSPC proposes to establish a Standing Offer instead of a multi-year contract.

	PSPC recommending merging WTMD & X-Ray requirements together in one single solicitation.
September 24, 2019	PSPC (C. Shannahan) sends to AAC and AWCT the first draft of the combined Statement of Work. This SoW combines the x-ray machines and the walkthrough metal detectors with comments and suggested changes.
September 26, 2019	AWCT (C. Lefebvre) reaches out to a contact at Health Canada to obtain a response from the Radio Protection Bureau (RPB). AWCT had been trying to contact then to clarify some Health Canada requirements regarding the use of x-ray machines.
October 2019	
October 4, 2019	Radio Protection Bureau, Health Canada responded to AWCT with clarifications on requirements related to nuclear safety.
October 8, 2019	C. Lefebvre meets with R. Iseler to review the draft Statement of Work.
October 10, 2019	AWCT (R. Iseler, R. Laberge and C. Lefebvre) met with PSPC (C. Shannahan) with AAC (N. Belanger Benavides) in attendance to discuss the latest version of the Statement of Work.
October 16, 20219	PSPC (C. Shannahan) confirms that the internal cost analysis group at PSPC confirmed that we could request pricing for installation services that was inclusive of travel. As such, GAC needs to provide a list of geographical region.
October 24, 2019	AWCT (R. Iseler) sends revised version of Statement of Work to PSPC (C. Shannahan)
October 29, 2019	PSPC (C. Shannahan) sends to AWCT (R. Iseler) a new version of the Statement of Work with additional questions, as well as the evaluation grid for the x-ray machines.
November 2019	
November 12, 2019	AWCT (R. Iseler) sends revised version of Statement of Work to PSPC (C. Shannahan), indicating that further discussions are required regarding the geographical regions and how this should be divided/presented in the SoW.
November 15, 2019	C. Lefebvre met in person with R. Iseler to discuss reviewed version of the Statement of Work.
November 20, 2019	AWCT (R. Iseler, R. Laberge and C. Lefebvre) met with PSPC (C. Shannahan) with AAC (N. Belanger Benavides and J. Diederich) in attendance to discuss Statement of Work. AAC (N. Belanger Benavides) provides AWCT (R. Iseler and C. Lefebvre) with comments on the evaluation grid,

	inviting PSPC (C. Shannahan) to provide feedback.
November 21, 2019	PSPC (C. Shannahan) provides feedback on evaluation grid.
November 22, 2019	AAC (N. Belanger Benavides) provides PSPC (C. Shannahan) with a revised version of the evaluation grid.
December 2019	
December 4, 2019	Meeting between R. Iseler, R. Laberge and C. Lefebvre for R. Iseler to perform detection program handover given his departure from A Branch.
December 10, 2019	AWCT (C. Lefebvre) provides PSPC (C. Shannahan) with the French version of the Statement of Work.
December 13, 2019	PSPC (C. Shannahan) informs AWCT (C. Lefebvre) that the request was sent to Buy & Sell to post the RFSO.
December 16, 2019	<p>PSPC (C. Shannahan) informs AWCT (C. Lefebvre) that the RFSO is posted on Buy & Sell at the following link - https://buyandsell.gc.ca/pr%C3%a9curement-data/tender-notice/PW-PV-873-78209</p> <p>Initial closing date January 27, 2020. Six (6) extensions to the closing date were given during the solicitation period.</p> <ul style="list-style-type: none"> ○ Extension 1: From 2020-01-27 to 2020-02-07. Following requests from 3 vendor. Main reason was that the initial period occurred during the Christmas and New Year holidays cutting short the time available for vendors to work on their proposals. ○ Extension 2: From 2020-02-07 to 2020-02-14. Following a request from 1 vendor. The reason for the request was "Due to the overall complexity of this solicitation, the vendor need to provide service price on a global scale, we ask the closing date of this solicitation to be extend for 2 week" ○ Extension 3: From 2020-02-14 to 2020-02-21. Following a request from 1 vendor. No reason given, just a request for extension. ○ Extension 4: From 2020-02-21 to 2020-02-28. Following a request from 1 vendor. No reason given, just a request for extension. ○ Extension 5: From 2020-02-28 to 2020-03-20. Required as additional time was required to translate and post answers to industry questions. ○ Extension 6: From 2020-03-20 to 2020-04-03. Extension given due to COVID-19 <p>During the solicitation period, a total of 72 questions were received. 62 questions were about the technical requirement established by GAC. The remaining questions covered from bid extension requests to clarifications on the RFSO document and terminology. No question was raised by the vendors on security or eligibility to bid on this requirement. Full details of all questions asked in the bidding process available (Dan indicated he does not need to see but want to be confirmed that we have those).</p>

	Note: The ID of vendors requesting an extension or asking questions in the bidding period is not shared by PSPC with GAC. This is standard and normal procurement procedure.
April 2020	
April 3, 2020	Solicitation closure.
April 20, 2020	<p>Bids received by GAC from the following companies:</p> <ul style="list-style-type: none"> ▪ [REDACTED] ▪ [REDACTED] ▪ <i>KPRIME (HQ: Arizona, USA and Alberta, Canada)</i> ▪ <i>Rapiscan (HQ: Salfords, UK)</i> ▪ [REDACTED] ▪ <i>Nuctech (HQ: Beijing, China)</i>
June 2020	
June 10, 2020	<p>Bids evaluation completed (All clarifications were obtained and all references were verified)</p> <p>Bids evaluation results showed three vendors (Nuctech, Rapidscan, [REDACTED] meeting all mandatory requirements for the X-Ray requirement. The results of the technical evaluation were forwarded to Public Services and Procurement Canada for the financial evaluation and contractor selection based on the lowest financial proposal that was technically compliant.</p>
July 2020	
July 14, 2020	<p>Integrity regime check completed by PSPC.</p> <p>Result: The supplier i.e Nuctech is not ineligible (No Match)</p>
July 15, 2020	<p>Standing Offer awarded by PSPC.</p> <p>Since Nuctech met all the mandatory technical requirements and had the lowest financial proposal at \$6.8M, Nuctech was awarded the standing offer for x-ray machines.</p>
July 17, 2020	<p>1st article in the NP by John Ivison:</p> <p>(https://nationalpost.com/news/chinese-government-owned-firm-wins-6-8m-contract-to-supply-security-equipment-to-</p>

	canada-embassies)
July 20, 2020	2 nd article in the NP by John Ivison: (https://nationalpost.com/opinion/john-ivison-ottawas-fig-leaf-excuse-for-inviting-chinese-x-rays-into-canadas-embassies-just-blew-away/wcm/93ace9ee-c60a-42c8-b432-a649fce8d5e4/)
July 27, 2020	<p>CITT complaint by K Prime:</p> <p>GAC was informed on August 6th that a CITT complaint had been filed by Calgary based KPrime technologies on the x-ray/walkthrough metal detector procurement process. The Tribunal made a decision on July 31, 2020, to conduct an inquiry into the complaint.</p> <p>KPrime alleges that PWGSC failed to evaluate its bid in accordance with the terms of the solicitation, and that the winning bidder was ineligible to be awarded the contract.</p> <p>[REDACTED] PSPC is still receiving information. GAC will work in collaboration with PSPC who is the lead to respond to this CITT complaint.</p> <p>Ground (s) for complaint per KPrime : "We were informed that we did not meet the mandatory requirements with our technology. Knowing how our instruments work, as well as our competitors, we know our instrument to be equivalent or better to what is in ... (other vendors names scratched out in the document shared with GAC)."</p> <p>Remedies sought by KPrime:</p> <ol style="list-style-type: none"> That a new solicitation for the designated contract be issued; That the bids be re-evaluated That the designated contract be terminated;
August 2020	
August 24, 2020	Initial OGGO scheduled appearance. Postponed to TBD date and time due to Parliament prorogation.

- I-Branch was made aware of the contract in the context of a media inquiry that was sent to L-Branch from oMINA and indirectly to IDY on 16 July. I-Branch was not copied on the media request or the tasking that came from LCBR on behalf of oMINA to ACM, CSD, and SWD.
- Media reporting of the contract began on 17 July. At that point, IDD made the decision to request an assessment from IDY for discussion at the PCO-chaired ADM NS Ops meeting scheduled for 21 July (weekly meeting). IDY prepared the assessment between 17 July and 20 July. The draft was shared with CFM in advance of the ADM NS Ops call on 21 July.

ⁱ This document was completed with information made available to Caroline Lefebvre (AWCT) on August 20th and 21st, 2020, which included emails as well as meeting invites found via her Outlook calendar/inbox. The following individuals were consulted in drafting this timeline: Natasha Belanger Benavides (AAC), Robert Laberge (AWCT) and Robin Iseler (now CSCP, but originally AWCT).

Riggs, Laura -DCL

From: Bélanger, Dominique -AAD
Sent: August-18-20 4:13 PM
To: Danagher, Dan -ACM
Cc: Ong, Joanne -ACM
Subject: Nucteck Standing Offer - SRCL + RFSO
Attachments: SRCL-X-Ray signe.pdf; Standing Offer E60PV-20WTMD-001-PV Group 1 signed.pdf

SRCL document is attached.

Standing offer is attached.

Link to RFSO <https://buyandsell.gc.ca/procurement-data/tender-notice/PW-PV-873-78209>

Additional information:

how broadly the equipment would be distributed – e.g., to which missions –

- The intent of our lifecycle replacement initiative for detection equipment was to replace all x-ray machines currently out in the field over the next 3 year, at a rate of approximately 50 x-ray per year (for a total of 50 x-ray machines after 3 years.)
- I am currently finalizing with Paul a Roll-out Strategy Document to guide the cyclical replacement of the x-ray machines. The exact order of Missions to receive new x-ray machines is not yet known as I still need to assess the list of request I have on file, as well as request found in SIMS/CMT and consult with C Brach to establish the priority order.

what exactly the equipment to be supplied is

- The intention of this procurement initiative was to provide x-ray machines and walk through metal detectors.
 - X-ray machines are know as Group 1 of the standing offer (awarded to NucTech)
 - WTMD are known as Group 2 of the standing offer (awarded to Rapiscan)
- For Group 1, we required a conveyor style x-ray machines with monitor and operating systems, as well as warranty, maintenance, installation, training, yearly testing and disposal.
 - The warrant and maintenance components made the statement of work quite complex given the global reach of our needs.
 - The technical requirements were quite detailed and complex, with the statement of work well over 40 pages.
- The standing offer is attached for your reference.
 - In developing statement of work, we referred to SoW prepared by CBSA and other departments, as well as consultations wit AAC. CSI also provided support in answering technical question's during the bidding process.
 - I am available to provide any clarifications on the technical requirements.

D

Dominique Bélanger
 Directrice Générale, Services Ministériels, Secteur de la Plateforme Internationale | Director General, Corporate Services,
 International Platform Branch
Dominique.belanger@international.gc.ca
 613-302-6098
 200 Promenade du Portage, Gatineau, Québec, K1A 0G4



Riggs, Laura -DCL

From: Danagher, Dan -ACM
Sent: August-18-20 3:15 PM
To: Bélanger, Dominique -AAD
Cc: Ong, Joanne -ACM
Subject: RE: MINA briefing on China/Nuctech - annotated agenda
Attachments: Annotated Agenda-MINA Briefing on Nuctech-August 18 2020dd.docx

Importance: High

Here are my changes incorporated.

From: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Sent: August-18-20 3:00 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Cc: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech - annotated agenda

First draft attached for your review. D

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Sent: August-18-20 2:14 PM
To: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech - annotated agenda

Attached is the template you should use for the annotated agenda. We also need to provide:

Opening Remarks, Marta Morgan (USS)

Overview of briefing

- Insert memory joggers of key points to raise

Joanne Ong
Télétravail / Teleworking : 613-698-1838

----- Original message -----

From: "Edwards, Lana -DMA" <Lana.Edwards@international.gc.ca>
Date: 2020-08-17 4:44 p.m. (GMT-05:00)
To: "Friele, Shawn -IFM" <Shawn.Friele@international.gc.ca>, "Gudinskas, Lukas -OGM" <Lukas.Gudinskas@international.gc.ca>, "Ong, Joanne -ACM" <Joanne.Ong@international.gc.ca>
Cc: *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Thank you. Dropping the ADMs to avoid flooding their inboxes. The invite should come shortly.

In addition to the Nuctech issue, USS has agreed to the discussion proposed by IFM. She is undecided on Xinjiang at this point.

Joanne – could you have someone work with O and I branches to complete the annotated agenda for the call. Ideally, we would like to have the annotated agenda completed to USS tomorrow close of business. Do you think that would be possible? Is there any other documentation that would be recommended for this MINA brief?

Lana
613-286-7135

From: Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>
Sent: August 17, 2020 3:46 PM
To: Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>
Cc: Gudinkas, Lukas -OGM <Lukas.Gudinkas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Lana,

Thanks for flagging this briefing: Dan is available to participate. In terms of additional topics, he would suggest, if USS agrees, that a short five minute update be provided to MINA on the issue that he and USS spoke to him about with MINA CoS last Wednesday.

Thanks,
Shawn

From: Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>
Sent: August-17-20 3:38 PM
To: Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>
Cc: Gudinkas, Lukas -OGM <Lukas.Gudinkas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Thank you Paul.

Lana
613-286-7135

From: Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>
Sent: August 17, 2020 3:02 PM
To: Edwards, Lana -DMA <Lana.Edwards@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>
Cc: Gudinkas, Lukas -OGM <Lukas.Gudinkas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>
Subject: RE: MINA briefing on China/Nuctech

Hi Lana,

There is an options paper on Xijiang at the request of O/MINA that we sent up to o/USS Friday evening. I believe USS is reviewing this. We could potentially add this to the agenda if USS agrees.

Cheers,

Paul

From: Edwards, Lana -DMA

Sent: August 17, 2020 1:59 PM

To: Thoppil, Paul -OGM <Paul.Thoppil@international.gc.ca>; Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Costello, Dan -IFM <Dan.Costello@international.gc.ca>

Cc: Gudinskas, Lukas -OGM <Lukas.Gudinskas@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Friele, Shawn -IFM <Shawn.Friele@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>

Subject: MINA briefing on China/Nuotech

Good Afternoon Paul, Dan and Dan,

I wanted to give you a heads up that MINA has requested a briefing on China/Nuotech on Wednesday afternoon in A3/A2. An invitation should be forthcoming.

In addition to the Nuotech issue, are there other issues that you would recommend being raised in this meeting? Noting the limited capacity of these rooms, are there others you would recommend being invited?

Thank you,

Lana

ANNOTATED AGENDA: Nuctech X-Ray Machines Procurement BRIEFING FOR MINA

PARTICIPANTS ACCOMPANYING USS/DMA

- 1) Dan Danagher, ADM International Platform Branch

ANNOTATED AGENDA

Opening Remarks, Marta Morgan (USS)

Overview of briefing

- Procurement process for x-ray machines initiated in spring of 2019 and standing offer awarded to Nuctech, a state owned Chinese company in July 2020.
- The Crown is not obliged to use this standing offer.
- Subsequent scrutiny has prompted us to contract with Deloitte to conduct a review of procurement process for security equipment including way-forward options for the Nuctech standing offer and for future procurements of x-ray and other security equipment.
- In parallel to this, GAC has conducted a new threat and risk assessment (late July) specifically related to this equipment and this contractor. This assessment will undoubtedly influence our way-forward approach.

Security Assessments, Bruce Murdock

What we have learned

- A new threat and risk assessment for x-ray machines was not done in 2019; reliance was on approaches to previous x-ray procurements which concluded that there were no security requirements given use of the machines and some mitigations.

Deloitte Review of Procurement of Security Equipment, Dan Danagher

Go forward options

- Deloitte is on track to reporting by early September 2020
- Deloitte has been interviewing GAC (A, C & I Branches) and PWGSC
- Deloitte is evaluating the possibility of: a blanket threat and risk assessment for all security equipment; classifying the technical specifications and procurement process; and creating a National Security Exemption for all security equipment for our mission network
- GAC is preparing the steps presuming that this is the option recommended and selected by GAC
 - Will not use the Nuctech standing offer, will ramp up a replacement procurement exercise with an enhanced security approach, and work with PSPC to address GAC's immediate equipment requirements.
 - Will begin review of requirements to protect technical specifications, vetting reliable bidders, etc.

Riggs, Laura -DCL

From: Danagher, Dan -ACM
Sent: August-17-20 3:51 PM
To: McLaughlin, Emily -MINA; Harrigan, Jennifer -ARAK; Babcock, John -LCBR; Lemoyne, Diane -ACM; Ong, Joanne -ACM; Lindblad, Anabel -LCB; Samaan, Valérie -LCF; Almond, Lisa -AFD
Cc: Bélanger, Dominique -AAD; Stirling, Andrew -ABD; Trinh, Minh-Khai -AAC; *USS-DMA Advisors; Godbout, Paul -AWC; Chown, Eugene -AWD; Sirrs, Reid -CFM; *MINA-Dept Unit; Vieau, Lee-Ann -CSD; Mojsej, Charles -LCD
Subject: RE: Nuctech - ACM response
Importance: High

Emily,

My apologies. Apparently, I did not hit send in my reply to you Friday evening.

Just to confirm, we are not currently using the standing offer and will not use it at any time prior to us receiving the Deloitte report and digesting its recommendations. One of the options that Deloitte will advise on is the possibility of never using the standing offer. In the event that this is the path forward, we do not have to "cancel" this standing offer as it is not a contract; rather, we would just commit to not using it going forward. If so, it would die at the end of its life.

The life of the standing offer is three years with two one year extension periods at our discretion.

Again, my apologies for the delay

Dan

From: McLaughlin, Emily -MINA
Sent: August-14-20 5:00 PM
To: Danagher, Dan -ACM ; Harrigan, Jennifer -ARAK ; Babcock, John -LCBR ; Lemoyne, Diane -ACM ; Ong, Joanne -ACM ; Lindblad, Anabel -LCB ; Samaan, Valérie -LCF ; Almond, Lisa -CFM
Cc: Bélanger, Dominique -AAD ; Stirling, Andrew -AFD ; Trinh, Minh-Khai -AAC ; *USS-DMA Advisors ; Godbout, Paul -AWC ; Chown, Eugene -AWD ; Sirrs, Reid -CFM ; *MINA-Dept Unit ; Vieau, Lee-Ann -CSD ; Mojsej, Charles -LCD
Subject: RE: Nuctech - ACM response

Hello Dan,

oMINA is checking one point: is there a plan to cancel or withdraw the current SO with Nuctech? Or will the next steps be determined after the Deloitte review?

Also, how long is the SO for?

Thank you very much,
Emily

From: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>
Sent: August 13, 2020 1:40 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM

<Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Belated thanks for this Dan. I passed it on to oMINA earlier and have not had any further questions.

From: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>

Sent: August 13, 2020 11:16 AM

To: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

The answer is yes – it will include equipment such as x-ray machines.

The following was provided to me earlier this morning from AAD (Dominique Belanger):

Just for easier reference, the scope of the review being undertaken by Deloitte:

- 1) A review of security controls as outlined in the Policy on Government Security.
- 2) A review of the procurement options to support the future acquisition of Mission equipment, including a review of the appropriateness of using national security exceptions to permit GAC to restrict the number of bidders as would normally be required to comply with Canada's international trade agreement obligations.
- 3) A review of the go-forward options for the use of the recently-established Nuctech standing offer.

The review will cover the X-Ray SO, but the scope is larger than only X-Ray. We also expect recommendations on overall security controls, how to fence our requirements appropriately, and what are suitable options on the recently awarded SO for example.

We should caution that this is not only about the X-Ray or any specific security equipment.

From: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>

Sent: August-13-20 10:26 AM

To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB

<Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Good morning Dan,

We received the backgrounder you prepared for USS on the procurement review and measures to ensure security at missions abroad, and shared the information with oMINA.

They have one quick follow-up question which I'm hoping you can answer as soon as possible:

- will the review conducted by Deloitte include equipment such as x-ray machines?

From reviewing the two excerpts below (highlight mine), it is not entirely clear if x-ray machines will fall under the scope of the review or not. Can you please confirm?

There were no security requirements for this procurement as x-ray machines do not store data, are not connected to the network and the machines are deployed in public, non-operational zones. PSPC has the authority to approve such requests should GAC wish to do so in the future.

The review

GAC has retained Deloitte for a review of the procurement process for security equipment. The scope includes a review of our procurement planning for equipment used in our missions abroad to secure our people, information, and assets to assist us in the future in determining when it would be appropriate for us to set aside our obligation to comply with trade agreements to which Canada is a signatory by requesting a national security exemption for those future procurements.

Thank you very much,
Emily

From: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>

Sent: August 11, 2020 5:21 PM

To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Thanks for this helpful context Dan. I have shared with oMINA for their information and will follow-up with further questions.

From: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>

Sent: August 11, 2020 4:33 PM

To: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM réponse

The scope includes a review of our procurement planning for equipment used in our missions abroad to secure our people, information, and assets to assist us in the future in determine when it would be appropriate for us to set aside our obligation to comply with trade agreements to which Canada is a signatory by requesting a national security exception for those future procurements.

I would caution against talking about the review with reference to countries to whom such procurements would be restricted as those restrictions would be determined for each and every equipment (and service) procurements we do in the future. While they may likely be restricted to 5eyes or other countries, that may also not be feasible and would require an industry capacity assessment or consultation which would go significantly beyond the mandate of this review.

A security review of our missions is not in the scope of this review as we already have an extremely robust capacity, framework, and governance structure that does this. The equipment that is procured is identified by the outcome of a robust and cyclical review of the security needs of our missions abroad. This review is specifically for the security-related equipment that is being (and will be) procured, installed, and supported in our missions with a focus being on the equipment for which we do not already have a blanket national security exemption.

From: McLaughlin, Emily -MINA <Emily.McLaughlin@international.gc.ca>

Sent: August-11-20 4:17 PM

To: Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM réponse

Good afternoon, jumping in here from the MINA DLU.

oMINA policy is asking about two outstanding items that were to be reviewed:

- review of the guidelines for procurement of all sensitive/security equipment (and definition of this equipment to include x rays for example) in our missions, notably in order to limit the procurement process of this equipment to 5eyes and g7 countries; and,
- security review of our Embassies and our missions (notably Security of the premises, and all sensitive and Security equipment).

Can you confirm that the review being undertaken by Deloitte will cover these two items? Or is there a separate process in place (in which case, what is it)?

Appreciate if you can confirm this as soon as possible.

Kind regards,
Emily

From: Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>

Sent: August 11, 2020 4:07 PM

To: Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Hi John,

No issue with the revised lines.

Thanks,
Jennifer
A/Chief of Staff ACM

From: Babcock, John -LCBR

Sent: August 11, 2020 3:42 PM

To: Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Thanks you Diane,
oMINA has proposed the below (changes mainly in last para), any red flags or recommended edits?

John

The security and safety of people in our embassies, consulates and high commissions around the globe is a top priority.

As stated two weeks ago, Global Affairs Canada is currently looking into the offer with Nuctech Company to provide some security screening equipment in our missions abroad. This standing offer is not a contract, and Global Affairs has not purchased any equipment from Nuctech at this time.

Any possible issue relative to security or safety will be properly reviewed and all appropriate actions taken to ensure the safety of our missions around the world.

Global Affairs Canada has contracted Deloitte as a third party to review the purchasing practices when it comes to security equipment. Global Affairs Canada will carefully examine the recommendations made and will make the required changes to further enhance the safety of our Missions abroad.

From: Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>

Sent: August 11, 2020 2:52 PM

To: Babcock, John -LCBR <John.Babcock@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

ACM's reply :

The review is being done by a 3rd party and GAC had retained Deloitte for this mandate. Results of the review are expected to be available at the end of August. GAC will carefully examine the recommendations made and will make the required changes to further enhance the safety of our Missions abroad.

Diane Lemoyne
Chef d'équipe, Services exécutifs / Team Leader, Executive Services
Bureau du SMA / Office of the ADM
Télétravail / Teleworking : 613-404-2972

From: Babcock, John -LCBR <John.Babcock@international.gc.ca>

Sent: August 11, 2020 2:16 PM

To: Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD

<Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Hi Diane,

Would you have an ETA on a response? oMINA is keen to have time to review.

Thank you,

John

From: Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>

Sent: August 11, 2020 1:27 PM

To: Babcock, John -LCBR <John.Babcock@international.gc.ca>; Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD

<Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

We will get back to with a reply as soon as possible.

Diane Lemoyne

Chef d'équipe, Services exécutifs / Team Leader, Executive Services

Bureau du SMA / Office of the ADM

Télétravail / Teleworking : 613-404-2972

From: Babcock, John -LCBR <John.Babcock@international.gc.ca>

Sent: August 11, 2020 1:21 PM

To: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Harrigan, Jennifer -ARAK <Jennifer.Harrigan@international.gc.ca>; Almond, Lisa -CFM <Lisa.Almond@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD

<Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>; *MINA-Dept Unit <D-MINA-Dept-Unit@international.gc.ca>; Vieau, Lee-Ann -CSD <Lee-Ann.Vieau@international.gc.ca>; Mojsej, Charles -LCD <Charles.Mojsej@international.gc.ca>

Subject: RE: Nuctech - ACM response

Hi ACM,

Please see the media inquiry below; oMINA is looking for an update on Nuctech. I have also included the language below that oMINA was using to close calls for reference.

Grateful for your swift attention.

John

From oMINA: Could we please have an update on the Nuctech review process asap. We received a Media call from Ivison on the subject, deadline today 5pm. I spoke with PSPC and they are telling us that this review would solely be with GAC. Thank you

“The security and safety of people in our embassies, consulates and high commissions around the globe is a top priority.

We are currently looking into the offer with Nuctech Company to provide some security screening equipment in our missions abroad. This standing offer is not a contract, and Global Affairs has not purchased any equipment from Nuctech at this time.

Any possible issue relative to security or safety, will be properly reviewed and all appropriate actions taken to ensure the safety of our missions around the world.

In addition, I have today directed GAC officials to review our purchasing practices when it comes to security equipment and to continue reviewing the security of our missions around the world.”

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>

Sent: July 16, 2020 10:33 PM

To: *USS-DMA Advisors <D-USS-DMAAdvisors@international.gc.ca>; Babcock, John -LCBR <John.Babcock@international.gc.ca>; Lindblad, Anabel -LCB <Anabel.Lindblad@international.gc.ca>; Samaan, Valérie -LCF <Valerie.Samaan@international.gc.ca>; Leclerc, Sylvain -LCCA <Sylvain.Leclerc@international.gc.ca>

Cc: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>; Stirling, Andrew -AFD <Andrew.Stirling@international.gc.ca>; Trinh, Minh-Khai -AAC <Minh-Khai.Trinh@international.gc.ca>; Godbout, Paul -AWC <Paul.Godbout@international.gc.ca>; Chown, Eugene -AWD <Eugene.Chown@international.gc.ca>; Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Sirrs, Reid -CFM <Reid.Sirrs@international.gc.ca>

Subject: RE: Nuctech - ACM response

Proposed media lines:

- This is about a procurement for X-Ray machines and associated services for missions abroad which Global Affairs worked on for several months in collaboration with PSPC, the contracting authority.
- An open and competitive solicitation process was conducted in accordance with applicable procurement policies at GAC and TB, regulations, and our obligations under the trade agreements. A Request for Proposal resulted in 3 compliant bids received. Nuctech, being the top ranked vendor following the bids evaluation, was recommended for the award of the Standing Offer by PSPC. The standing offer was subsequently awarded to Nuctech by PSPC.
- A Standing Offer is not a contract and does not bind GAC or the Government of Canada into procuring any equipment or services from the vendor i.e the standing offer can be relatively easy to set- aside. No x-ray machines have been purchased yet from this vendor under this standing offer.
- Security was not a factor in this procurement as the Canadian Industrial Security Directorate (CISD) determined that there were no security requirements for this procurement. The reason there was no security requirement was that the X Ray machines do not store data, and the machines were to be used in non-operational zones.

Proposed background for MINA:

GAC worked for several months on a procurement for X-Ray machines and associated services for missions abroad, in collaboration with PSPC, the contracting authority.

Through a request for proposal, the open and competitive solicitation process for the establishment of a Standing Offer was handled in accordance with applicable GAC and TB procurement policies and regulations, and our obligations under the trade agreements, and resulted in 3 compliant bids received. Nuctech, being the top ranked vendor following the bids

evaluation, was recommended for the award of the Standing Offer. The Standing Offer was subsequently awarded to Nuctech by PSPC.

The Standing Offer was awarded based on the vendor meeting all the technical requirements AND having the lowest price.

PSPC informed all non-winning bidders, including one Canadian firm, of the award of the Standing Offer to Nuctech. This seemed to be the trigger for a complaint from said vendor to the Canadian Council of Innovators (in addition to going to the media).

Although Nuctech is a first time vendor with GAC, it has had previous contracts with CBSA. On the last contract awarded to Nuctech, Canadian Industrial Security Directorate (CISD) asked that if this company were to win another contract, to clear it through them first. For the GAC procurement, our contact at CISD determined that there were no security requirements, and it was decided that the company was cleared. The reason there was no security requirement was that the machines do not store data, and the machines were to be used in non-operational zones.

PSPC is currently finalizing an official response to the media enquiry stating: "Nuctech Company Limited, from Beijing, was awarded one of the national master standing offers because their proposal met the mandatory technical requirements and offered the lowest price. This procurement did not include any security requirement."

Although not mentioned in the official response by PSPC to the media enquiry, through a discussion with the PSPC desk officer, there was a determination by PSPC Senior Management that there was no basis to stop the procurement with a Chinese vendor because Canada never stopped doing business with Chinese companies.

It is also important to note that this is a Standing Offer and not a contract. In a Standing Offer, a contract is only entered into when a call-up is placed. It is therefore possible (although counterproductive) for GAC to not to make use of the Standing Offer by not placing any call-ups. Up till now, no call-up has been placed and no x-ray machines have been purchased from this vendor.

Joanne Ong
Télétravail / Teleworking : 613-698-1838

----- Original message -----

From: "Cohen, Sara -USS" <Sara.Cohen@international.gc.ca>

Date: 2020-07-16 3:58 p.m. (GMT-05:00)

To: "Danagher, Dan -ACM" <Dan.Danagher@international.gc.ca>, "Levesque, Stéphane -LCM" <Stephane.Levesque@international.gc.ca>, "Sirrs, Reid -CFM" <Reid.Sirrs@international.gc.ca>, "Carruthers, Shirley -SWD" <Shirley.Carruthers@international.gc.ca>, "Thoppil, Paul -OGM" <Paul.Thoppil@international.gc.ca>

Cc: "MacLennan, Christopher -DMA" <Christopher.MacLennan@international.gc.ca>, "Edwards, Lana -DMA" <Lana.Edwards@international.gc.ca>, "Borgognoni, Anna -USS -DMA" <Anna.Borgognoni@international.gc.ca>, "Horler, Michael -USS -DMA" <Michael.Horler@international.gc.ca>

Subject: Re: Nuctech - urgent

Apologies, looping in Paul.

Sent from my iPhone

> On Jul 16, 2020, at 3:54 PM, Cohen, Sara -USS <Sara.Cohen@international.gc.ca> wrote:

>
>
>>

>> Colleagues,

>

> Minister Champagne has been made aware that PSPC is currently handling response to John Ivison of NatPost who is writing a story about a contract awarded to a Chinese state-owned enterprise (Nuctech) to provide x-ray machines for 170 of our embassies, consulates and high commissions.

>

> While PSPC is leading on discussions with Mr. Ivison, we have been asked to provide the following for MiNA's awareness / background:

>

> - background details on the contract, how/when it was awarded, whether non-Chinese companies were considered, and what security elements were considered in the selection of the company;

> - analysis of how a contract such as this would typically be awarded and what consideration would be given to security in particular in the choice of the company;

> - media lines for MiNA that could, inter alia, speak to this issue and also call for a review or analysis of, for example, procurement policies. On this last point, Stéphane we would ask you to be in touch with o/MiNA, and I have some additional context to provide if you could give me a call as well.

>

> Leads will likely need to be in touch with PSPC as well.

>

> Given pace at which this is moving and level of sensitivity, we will need initial responses no later than 8am tomorrow, although ideal something in the interim this afternoon would be appreciated. To note MiNA is in direct contact with DMA on this issue.

>

> Thanks,

> Sara

>

> 613-291-6700

>

> Sent from my iPhone

Riggs, Laura -DCL

From: Danagher, Dan -ACM
Sent: July-28-20 2:10 PM
To: Bélanger, Dominique -AAD; Ong, Joanne -ACM
Cc: Lemoyne, Diane -ACM
Subject: RE: Nuctech - response to public enquiry

Importance: High

I have no concerns with the reply. Frankly, I am surprised we are responding give the nature of the email and the language used. As a result, our reply is not really addressing the core of the citizen's rant.

Consider this my approval of the response..

Dan Danagher
 Sous-ministre adjoint | Assistant Deputy Minister
 Secteur de la plateforme internationale | International Platform Branch
 Courriel | Email: dan.danagher@international.gc.ca
 Téléphone | Telephone: (343) 203-1484
 Adresse | Address: 200, Promenade du Portage, A12025, Gatineau (QC) K1A 0G4

----- Original message -----

From: "Bélanger, Dominique -AAD" <Dominique.Belanger@international.gc.ca>
Date: 2020-07-28 2:00 p.m. (GMT-05:00)
To: "Ong, Joanne -ACM" <Joanne.Ong@international.gc.ca>, "Danagher, Dan -ACM" <Dan.Danagher@international.gc.ca>
Cc: "Lemoyne, Diane -ACM" <Diane.Lemoyne@international.gc.ca>
Subject: RE: Nuctech - response to public enquiry

Looks good. D

From: Ong, Joanne -ACM <Joanne.Ong@international.gc.ca>
Sent: July-28-20 1:57 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Cc: Lemoyne, Diane -ACM <Diane.Lemoyne@international.gc.ca>; Bélanger, Dominique -AAD <Dominique.Belanger@international.gc.ca>
Subject: Nuctech - response to public enquiry

Draft response for your comments:

Dear [REDACTED] thank you for your enquiry. The Government of Canada is committed to conducting fair and open procurement processes to meet its operational needs domestically and abroad. Our objective is to acquire goods and services in a manner that enhances access, competition and fairness, and results in best value to Canada and the standing offer with Nuctech was awarded in compliance with all required policies and procedures. However, there have been no

purchases made under this standing offer yet and moving forward, Global Affairs Canada will be reviewing its purchasing practices related to security equipment to determine if any adjustments should be made.

s.19(1)

Joanne Ong
Télétravail / Teleworking : 613-698-1838

From: Info (LDCC) <info@international.gc.ca>
Sent: July-24-20 1:18 PM
To: EXTOTT (AAD) <aad@international.gc.ca>
Cc: Bélanger, Dominique -AAD <Dominiq.Belanger@international.gc.ca>
Subject: FW: Embassy security equipment contract

Would your division be able to provide a response to the query below? If not, please advise.

If so, please copy INFO (LDCC) in your response for our records.

Please note you also have the option of drafting the response and return it to INFO (LDCC). We will then send the response on your behalf.

Thank you,

Public Enquiries Service | Service des renseignements au public
Public Affairs Bureau | Direction générale des affaires publiques
Global Affairs Canada | Affaires mondiales Canada
Government of Canada | Gouvernement du Canada



Affaires mondiales
Canada

Global Affairs
Canada

From: [REDACTED]
Sent: July 18, 2020 4:21 PM
To: Questions / Questions (TPSGC/PWGSC) <TPSGC.Questions-Questions.PWGSC@tpsgc-pwgsc.gc.ca>;
Patrick.Weiler@parl.gc.ca
Subject: Embassy security equipment contract

Why, why, why would someone, anyone in Canada give a \$6.8 mil contract to ANY Chinese company??? They simply undercut all their bids to become the cheapest. Not using a Canadian company if possible is bad enough or even just North American, but a Chinese?

They are holding Canadians on lies and questionable charges in horrible conditions, that Meng in Vancouver should be subjected to in retaliation, and this is their reward? She flits between two \$13m houses with a simple anklet as her punishment. Canada doing the Americans bidding while they are now subjecting us to new aluminum tariffs. Another issue.

I as one single Canadian do not care how much cheaper their bid was, I would never give any deal to a state owned Chinese company.

Never.

I do not trust them in any circumstance and hate giving them any money.

Your procurement should be based on more than just dollars and cents.

You should be forced to consider what those bidders are doing in their own country to their own people, out internationally and capable of possibly now doing in our embassies.

I am beyond just unhappy about this.

How could this be allowed?

Please, I need a justification, other than a monetary one for you to have allowed a fox in the henhouse.

Waiting taxpayer



Riggs, Laura -DCL

From: Lorenzo Ieraci <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca>
Sent: September-17-20 8:04 PM
To: Bélanger, Dominique -AAD
Cc: Ong, Joanne -ACM
Subject: RE: PSPC Generic Responses to Public and Media Inquiries

Updated version is as follows. Note emails will start going out later on tonight. Thanks

Lorenzo

This is further to your email of [insert date], concerning the purchase of security screening equipment for Global Affairs Canada (GAC).

The security and safety of people in our embassies, consulates and high commissions around the globe is a top priority for the Government of Canada. On behalf of Global Affairs Canada, the department of Public Services and Procurement Canada awarded a standing offer to replace and upgrade parcel x-ray machines at Canadian embassies.

Global Affairs Canada is currently conducting a review of its purchasing practices for security equipment to ensure the ongoing safety of our missions around the world. No equipment has been purchased through this standing offer. Next steps will be determined once Global Affairs Canada has completed the review.

Thank you for taking the time to write.

Yours sincerely,

*Lorenzo Ieraci
A/Assistant Deputy Minister, Procurement*

From: Dominique.Belanger@international.gc.ca [mailto:Dominique.Belanger@international.gc.ca]
Sent: September 17, 2020 7:39 PM
To: Lorenzo Ieraci <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca>
Cc: Joanne.Ong@international.gc.ca
Subject: PSPC Generic Responses to Public and Media Inquiries

Bonsoir Lorenzo,

Dan mentioned that PSPC's generic response to inquiries (attached) was being reviewed following a conversation with you. Could your office share a copy of the revised response. We will ensure that GAC's response aligns with PSPC's.

Merci, Dominique

Dominique Bélanger
Directrice Générale, Services Ministériels, Secteur de la Plateforme Internationale | Director General, Corporate Services,
International Platform Branch
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613-302-6098
200 Promenade du Portage, Gatineau, Québec, K1A 0G4
Affaires mondiales Canada | Global Affairs Canada



Riggs, Laura -DCL

From: Ong, Joanne -ACM
Sent: October-29-20 9:54 AM
To: 'Lorenzo Ieraci'
Cc: Bélanger, Dominique -AAD; Trinh, Minh-Khai -AAC; Serge Desjardins (A)
Subject: RE: Purchase of security screening equipment

Hi Lorenzo, we will take care of responding to the email you received. I will also make arrangements to have any similar questions received by PSPC referred to GAC for response.

Below fyi, is the response we will be using. As the situation evolves and the lines change we will make sure to share them with you.

- The services of Deloitte were retained to review the security equipment procurement process at GAC and identify opportunities for improvement with respect to future procurements of security equipment.
- Multiple internal and external parties were interviewed over the course of the review including security and procurement subject matter experts.
- To date, GAC has received a draft report from Deloitte and anticipates it will be finalized in the coming weeks.

Joanne Ong
Télétravail / Teleworking : 613-698-1838

From: Lorenzo Ieraci
Sent: October 29, 2020 8:56 AM
To: Ong, Joanne -ACM
Cc: Bélanger, Dominique -AAD ; Trinh, Minh-Khai -AAC ; Serge Desjardins (A)
Subject: RE: Purchase of security screening equipment

Hi – just following-up on this one. Not sure if a follow-up was sent to the individual in question, or if I could get a contact name? Thank you

Lorenzo

From: Lorenzo Ieraci
Sent: October 22, 2020 4:03 PM
To: 'Joanne.Ong@international.gc.ca' <Joanne.Ong@international.gc.ca>
Cc: Dominique.Belanger@international.gc.ca; Minh-Khai.Trinh@international.gc.ca
Subject: RE: Purchase of security screening equipment

Thanks Joanne – let's not use personal email addresses for items like this. If your team could respond directly, or let me know who I can direct the individual to, that will suffice. I look forward to the update next week. In the interim I will let the individual know that I am following up on their inquiry. Thanks again,

Lorenzo

From: Joanne.Ong@international.gc.ca [<mailto:Joanne.Ong@international.gc.ca>]
Sent: October 22, 2020 3:28 PM
To: Lorenzo Ieraci <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca>
Cc: Dominique.Belanger@international.gc.ca; Minh-Khai.Trinh@international.gc.ca
Subject: RE: Purchase of security screening equipment

Hi Lorenzo, Dominique Belanger is our departmental lead on this file, however, she is currently on annual leave so I am not sure if she wants her personal email address used for these inquiries.

We are currently working on lines to respond to these and any future inquiries and will share them with you as soon as possible. We will also ensure to respond to the message you received below next week but I just don't know right now from which email it will come from yet.

Joanne/613-698-1838

Sent from my Bell Samsung device over Canada's largest network.

----- Original message -----

From: "Danagher, Dan -ACM" <Dan.Danagher@international.gc.ca>
 Date: 2020-10-22 2:39 p.m. (GMT-05:00)
 To: 'Lorenzo Ieraci' <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca>
 Cc: "Ong, Joanne -ACM" <Joanne.Ong@international.gc.ca>, "Bélanger, Dominique -AAD" <Dominique.Belanger@international.gc.ca>, "Trinh, Minh-Khai -AAC" <Minh-Khai.Trinh@international.gc.ca>
 Subject: RE: Purchase of security screening equipment

Thanks Lorenzo. My office will provide the right contact person. FYI, we still consider the report to be in draft form and that a "decision" will not be announced not quite yet. I suggest that, given the fact that the OGGO appearance is unlikely to be much before late January, that we have a base-touching meeting next week with PSPC, CBSA, and GAC.

Cheers, Dan

From: Lorenzo Ieraci <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca>
Sent: October-21-20 9:30 PM
To: Danagher, Dan -ACM <Dan.Danagher@international.gc.ca>
Subject: FW: Purchase of security screening equipment

Hi Dan – hope all is well.

I received an email from an individual who I responded to with regards to the purchase of security screening equipment. The question asked if the GAC review is completed and what was decided. Can you let me know who in your team I can direct this person to? Thanks

Lorenzo

From: [REDACTED]
Sent: October 21, 2020 7:45 PM
To: Lorenzo Ieraci <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca>
Subject: Re: Purchase of security screening equipment

ATTENTION

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Ce courriel provient de l'extérieur du Gouvernement du Canada. Ne cliquez pas sur les liens et n'ouvrez pas les pièces jointes, à moins de connaître l'expéditeur et croire que le contenu est sécuritaire. Pour de plus amples renseignements sur la façon de signaler les courriels suspects, veuillez consulter la page [Sécurité en technologie de l'information](#) sur maSource.

Can you please tell me if the review is complete and what was decided?
 This is too important and I am not going to just let it go.

[REDACTED]

Virus-free. www.avast.com

On Tue, Sep 22, 2020 at 6:32 PM Lorenzo Ieraci <Lorenzo.Ieraci@tpsgc-pwgsc.gc.ca> wrote:

This is further to your email of August 14, 2020, concerning the purchase of security screening equipment for Global Affairs Canada (GAC).

The security and safety of people in our embassies, consulates and high commissions around the globe is a top priority for the Government of Canada. On behalf of Global Affairs Canada, the department of

Public Services and Procurement Canada awarded a standing offer to replace and upgrade parcel x-ray machines at Canadian embassies.

Global Affairs Canada is currently conducting a review of its purchasing practices for security equipment to ensure the ongoing safety of our missions around the world. No equipment has been purchased through this standing offer. Next steps will be determined once Global Affairs Canada has completed the review.

Thank you for taking the time to write.

Yours sincerely,

Lorenzo Ieraci

Acting Assistant Deputy Minister, Procurement

--

Please Note:

I have a new email address! Make sure to update your address books, and send me new mail to

Late Show Debate on Nuctech and Canadian Security
X-Ray Machines Procurement Process Backgrounder

MP Garnett Genuis (CPC),

I am responding today to your question on the procurement of x-ray machines for ongoing security requirements at Canada's Missions abroad and the award of a standing offer to Nuctech Company Ltd.

Before I begin, it is important to note that the standing offer awarded to Nuctech is not a contract and does not oblige Canada to purchase from this supplier and in fact, no purchases have been made.

The security of staff and visitors at Canada's embassies and consulates around the world is a top priority and my goal is to reassure and demonstrate that the criteria which governed officials' actions and decisions throughout the procurement process were the security of Canada's Missions, a fair and transparent procurement process and value for Canadians.

In the summer of 2019 Global Affairs Canada started work on a long-term supply instrument for the replacement of x-ray machines and associated services such as installation, maintenance, yearly testing, training and disposal, for our Missions abroad.

It was determined that a standing offer was the most suitable supply instrument, which due to its non-binding nature, would give Global Affairs Canada the flexibility to issue contracts only when a need is identified through a call-up. Global Affairs Canada and the Government of Canada are not obliged to issue any call-ups during the lifetime of a standing offer.

Public Services and Procurement Canada worked with Global Affairs Canada and issued a request for standing offer on December 16, 2019. Seven bids were received. Nuctech met all the mandatory technical requirements, had the lowest financial proposal at \$6.8M and was awarded the standing offer for x-ray machines on July 15, 2020. This procurement process was conducted in accordance with the Treasury Board Secretariat contracting policy as well as Public Services and Procurement Canada and Global Affairs Canada departmental contracting policies.

I have been assured by Departmental officials that all rules, regulations, trade obligations, and security considerations were duly addressed and adhered to in all steps of the management of this procurement. While I always have great confidence in their work, I have directed my officials to conduct a review of this procurement and assure me that this procurement, its eventual successor, and others like it will continue to be conducted in a fair and effective manner and maintain the safety of our hard working local and Canadian staff at Canada's missions around the world.

In closing I can assert and have clearly demonstrated that, the ongoing security of Canada's Missions abroad, a fair and transparent procurement process and value for Canadian's are the criteria that governed Global Affairs Canada actions and decisions. Furthermore, I repeat that the standing offer awarded to Nuctech is not a contract and no purchases of x-ray machines have been made under this standing offer.

Late Show Debate on Nuctech and Canadian Security
X-Ray Machines Procurement Process Background

Late Show Debate on Nuctech and Canadian Security
X-Ray Machines Procurement Process Backgrounder

Rebuttal/Summation Speech

I have asserted that the security of Canada's missions was of primary importance in this procurement process. It is an example of diligent work by public servants who clearly have integrated Canada's values of fairness and transparency into this procurement. I repeat again that because the standing offer with Nuctech is not a contract, Canada is not obliged to use it.



Deputy Minister of Foreign Affairs Call with National Security and Intelligence Advisor

August 17, 2020 at 16:00, secure call

Objectives

- Brief on the procurement process for x-ray machines and standing offer awarded to Nuctech, a state owned Chinese company.
- Brief on recommendations expected from Deloitte review of procurement process for security equipment including way-forward options for the Nuctech standing offer.

Key Messages

X-ray machines

Used in public zones of chanceries to scan personal belongings, packages.
Does not store data, not connected to the network.

Procurement

Standing offer is a long-term supply instrument for x-ray machines, installation, maintenance, yearly testing, training and disposal.

Not a contract, Canada not obliged to use the standing offer.

Awarded to Nuctech – met all technical requirements, lowest bid of \$6.8 million.

Deloitte review of procurement process for security equipment

Will include way-forward options for procurement of security equipment and Nuctech standing offer specifically such as:

- 1) Do not use standing offer. Standing offers do occasionally go unused for a variety of reasons. Normally, few legal consequences associated with this option especially if we can point to a change in requirements subsequent to the award of the original standing offer. A revised security assessment is a change that would support such action. This would trigger a request to Public Services and Procurement Canada (PSPC) for a national security exemption to our international trade agreement obligations, specifically the World Trade Agreement's Agreement on Government Procurement provisions that Canada has signed onto as a member of the World Trade Organization. That exemption would permit PSPC to reprocure the requirement for machines to a restricted group of qualified firms that would meet our security requirements.
- 2) GAC mitigates any perceived or potential technical risks related to Nuctech's equipment provided through the standing offer. Modify the terms of the standing offer to, for example, require a security-focused tear down of a random sample of machines as well as more stringent supervision and background checks for installation and service personnel.
- 3) GAC continues with the standing offer as-is with no changes.



Context

- **Previous Interactions:** Minister Champagne has directed a review of the procurement of security equipment. GAC has contracted Deloitte. Review to be completed by early September.
- **Political Climate:** December 2018 arrest of Huawei CFO Ms. Meng Wanzhou led to a deterioration in Canada-China relations, which is negatively affecting the commercial environment.
- **Key Issues:**
 - **Media articles** (John Ivison of National Post) criticizing the procurement of x-ray machines from Nuctech, a Chinese state owned company.
 - Canada's approach to ensuring the safety and security of our staff and assets abroad is grounded in the **Global Security Framework**, which governs the interplay between threats and vulnerabilities across Canada's global mission network.
 - GAC's **layered approach to security** involves physical security measures, operational security procedures and security intelligence information.
- **Key Statistics:** Nuctech is a first time vendor for GAC. CBSA, via a PSPC procurement, has contracts with Nuctech.
- **Consular Issues:** N/A.
- **Representation:** N/A.

Author's name/division/tel.: Dominique Bélanger/AAD/613-302-6098

Consulted divisions/departments: CFM, OGM/OPC

Approving ADM: ACM

Name and symbol of departmental officer attending/tel.:

Enclosures:

- List of enclosures (if any) N/A



The Minister of Foreign Affairs

CC: The Deputy Minister of Foreign Affairs
The Associate Deputy Minister of Foreign Affairs

Global Affairs Canada's Approach for the Procurement of Security Equipment

Summary

The purpose of this memo is to provide information on Global Affairs Canada's approach going forward for the procurement of security equipment for Canada's mission network. This approach is informed by the recommendations in the Deloitte Review of Procurement for Security Equipment dated September 16, 2020, which identified opportunities for improvement with respect to future procurement of security equipment. The revised procurement approach that we are developing will recognize that technical specifications and other sensitive information will be carefully managed for all procurement for services and equipment where the primary role is to protect our people, information and assets at Canada's missions abroad.

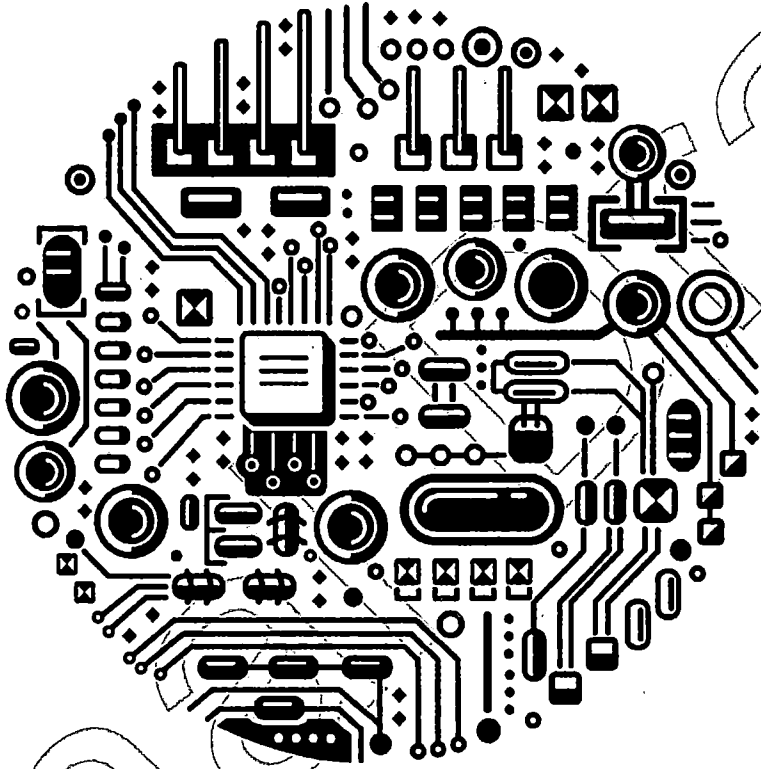
for

Marta Morgan
Deputy Minister of Foreign Affairs



Background

1. A procurement process for X-ray machines used in Canada's missions abroad was initiated by Global Affairs Canada in spring of 2019. Public Services and Procurement Canada led the solicitation as the contracting authority and a standing offer was awarded to Nuctech in July 2020. Global Affairs Canada conducted a threat and risk assessment (late July 2020) specifically related to this equipment and this contractor. The threat and risk assessment concluded that X-ray machines and their maintenance at Canadian missions abroad could be leveraged for technical and insider spying against Global Affairs Canada. Procurement from Nuctech is assessed to constitute an elevated threat because of the company's direct relationship to, and legal obligations toward Chinese authorities. Installation and maintenance of these machines at Global Affairs Canada missions would need to address the Department's espionage threat profile and require corresponding safeguards including, hardware and software security inspections and strict vetting and/or surveillance of technical and maintenance staff. These measures could partially mitigate, but would not eliminate, the elevated threat from espionage. As a result of the information in this threat and risk assessment, the revised security posture it requires and recommendations from the Deloitte Review on the Procurement of Security Equipment, Global Affairs Canada has not and will not use the Nuctech standing offer.
2. In early August 2020, Global Affairs Canada contracted with Deloitte, a third party organization with expertise in this area, to conduct a review of the procurement process for security equipment including options for the Nuctech standing offer and for future procurement of X-ray and other security equipment. The review concludes: "During our review we did not observe any instances of non-compliance, although as noted above, we have identified opportunities for improvement with respect to future procurement of security equipment. The specific procurement under review could benefit from a re-evaluation considering the above-noted recommendations. This could include a re-examination of the technical and security requirements in collaboration with security (subject matter experts) as well as revisiting whether the technical requirements should be posted on a public site (i.e. BuyandSell)."
3. Global Affairs Canada is developing a revised procurement approach that will include:
 - A) defining a 'security equipment' category which could include armoured vehicles, personal protective equipment, chancery electronic security systems, personal safety radio network, chancery site plan, CCTV, detection, minor security equipment, lock shop equipment, physical security infrastructure and global positioning systems;
 - B) A process for consulting with security experts and integrating information and intelligence from them to create the procurement;
 - C) Creating a National Security Exemption for security equipment that will enable Global Affairs Canada and other departments to limit solicitations to trusted suppliers;
 - D) Applying the recommendations from the July 2020 threat and risk assessment to create and vet a list of trusted suppliers; and
 - E) Managing the publication of information related to security equipment procurement. This procurement approach will also address the need for ad hoc purchases where security equipment has become obsolete or cannot be repaired.
4. The Department has already begun to work with Public Services and Procurement Canada and stakeholders on our go forward approach. An aggressive procurement timeline, which is dependent on establishing a National Security Exemption currently under development in consultation with Public Services and Procurement Canada, Public Safety Canada and the Communications Security Establishment of Canada, could result in a new standing offer for X-ray machines within a 12-month timeline. Ad hoc purchases, also aligned with our go forward approach, required in cases where X-ray machines have become obsolete, are irreparable or there is an imminent need could be completed within a few months.



DRAFT

Global Affairs Canada
Security Equipment Procurement Review

September 2020 – DRAFT for discussion purposes only

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Final Draft

Executive Summary

Background

Global Affairs Canada (GAC) has an ongoing requirement to purchase security equipment for its missions abroad. Recently, GAC undertook a procurement process for two types of security equipment which resulted in two standing offers; one for each type of security equipment. The award of one of the standing offers to a state-owned Chinese firm recently received public attention.

In August 2020, GAC senior management engaged Deloitte LLP (Deloitte), a professional services firm, to perform this review.

Objective and Approach

The objective of this review was to assess GAC's procurement process as it relates to security equipment, specifically, the procurement process that resulted in the state-owned Chinese firm being awarded a standing offer for security equipment (the specific procurement) and to make recommendations for future procurement of security equipment. The review considered the requirements of Treasury Board (TB) policies; specifically, the Contracting Policy, the Policy on Government Security and the Directive on Security Management.

The review consisted of interviews with key stakeholders, examination of documents and a walkthrough of the specific procurement process. Key findings were summarized and validated with management.

Findings and Recommendations

The review identified opportunities for improvement for future procurements of security equipment in the areas of increased integration of security in the materiel management life cycle, broader consultation throughout the procurement process for security equipment and additional guidance with respect to publishing technical requirements.

To address the findings, the following recommendations were made:

1. It is recommended that GAC increase the integration of security considerations into the materiel management life cycle, including procurement and contracting activities. This could include involving security subject matter experts (SME) during the development of the departmental procurement plan.
2. It is recommended that GAC consider additional consultations and collaboration during the assessment of security-related requirements in the procurement process for security equipment. This could include:
 - a) Formalize additional steps or stage gates in the procurement process to evaluate, review and approve security-related requirements. This should apply to all procurement of equipment and/or services related to the provision of physical security, operational technology and information technology within missions.
 - b) Development of a guideline that considers GAC's specific security threats and vulnerabilities that indicates when a National Security Exemption is applicable.
 - c) Enhanced definition of roles and responsibilities for the review (e.g. security SMEs), approval and oversight over the development of the security requirements, including the Security Requirements Check List (SRCL) as well as security-related inquiries throughout the procurement process for security equipment.
 - d) Additional consultation with the appropriate GAC representatives and other government organizations such as public safety organizations, Shared Services Canada (SSC), and Treasury Board Secretariat (TBS) where appropriate per the Government of Canada's Policy on Government Security (Section 5 - Roles of other Government Organizations).

3. It is recommended that GAC develop guidance related to the management of security equipment procurements and disclosure of information related to technical requirements.

Conclusion

During our review we did not observe any instances of non-compliance, although as noted above, we have identified opportunities for improvement with respect to future procurements of security equipment.

The specific procurement under review could benefit from a re-evaluation considering the above-noted recommendations. This could include a re-examination of the technical and security requirements in collaboration with security SMEs as well as revisiting whether the technical requirements should be posted on a public site (i.e. BuyandSell).

Final Draft

1 Background, Objective and Approach

1.1 Background

Global Affairs Canada (GAC) has an ongoing requirement to purchase security equipment for its missions abroad. Recently, GAC undertook a procurement process for two types of security equipment. As the procurement exceeded GAC's authority, GAC engaged with Public Services and Procurement Canada (PSPC) to manage the procurement process. It was agreed that a standing offer was the most suitable supply instrument as it is non-binding in nature and provided GAC the flexibility to issue contracts on an as needed basis through call-ups. In addition, it was determined that it would be more efficient to combine the procurement for the two types of security equipment. The procurement resulted in two standing offers; one for each type of security equipment.

In July 2020, an article appeared in the *National Post* regarding the fact that one of the standing offers was awarded to a state-owned Chinese firm to supply security equipment to GAC. The article expressed concern regarding the award of the standing offer and called for a re-examination of the bid.

In August 2020, GAC senior management engaged Deloitte, a professional services firm, to perform this review.

1.2 Objective

The objective of this review was to assess GAC's procurement process as it relates to security equipment, specifically, the procurement process that resulted in the state-owned Chinese firm being awarded a standing offer for security equipment (the specific procurement) and to make recommendations for future procurement of security equipment. The review considered the requirements of Treasury Board (TB) policies; specifically, the Contracting Policy, the Policy on Government Security and the Directive on Security Management.

1.3 Approach

The review was conducted in three phases:



The planning phase consisted of kicking off the engagement with key personnel from GAC, interviewing the procurement officer and examining background documents. A work plan was prepared at the end of the planning phase that outlined the activities to be completed by phase and timing of those activities.

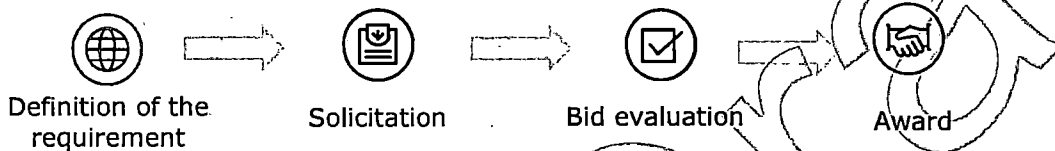
During the conduct phase, the following activities were undertaken by Deloitte:

- Multiple interviews with key personnel from various branches within GAC, including International Platform and Corporate Planning, and Finance and Information Technology, to gain an understanding of the procurement process and how the technical and security requirements were developed.
- Interviews with GAC senior management.
- Multiple interviews with PSPC Procurement Branch to understand how they exercised their role.
- Examination of procurement and solicitation documents, Treasury Board policy instruments, governance records of decision, and other relevant documentation.
- Walkthrough of the specific procurement process to understand how the technical and security requirements were defined.
- Assessment of the procurement process for security equipment. This included development of review criteria and documenting how the specific procurement met those criteria.

During the reporting phase, findings and observations were developed and validated with key personnel. Recommendations were developed and a report was prepared and presented to senior management.

2 Overview of Security Equipment Procurement Process

The typical procurement process for security equipment within the Government of Canada, and specifically GAC, can be divided into four general phases as depicted in the diagram below.



2.1 Definition of the Requirement

Within this phase, the technical and security requirements are defined by the business owner within GAC. The definition of the technical requirements involves consultation within subject matter experts within the department as well outside the department for some of the specialized elements of security equipment.

With respect to the security requirements, a Security Requirements Check List (SRCL) is prepared. It is the mechanism whereby the technical authority (TA) identifies security elements (e.g. physical security) related to the procurement. Factors such as whether the equipment will be in the secure zone of a mission, connectivity to the mission's network and whether the equipment stores data are considered when preparing the SRCL. Depending on the security requirements identified, a SRCL could be reviewed by the TA, the departmental Chief Security Officer (CSO) as well as the contracting authority. During this phase, the procurement officer also determines whether the specific type of security equipment is included within the pre-existing National Security Exemptions (NSEs) for the department.

Significant procurements are presented to GAC's governance committee (i.e. Departmental Contract Review Board). This committee is charged with reviewing the nature of the procurement, the appropriateness of the procurement tool, estimated value, and whether or not there are sufficient funds within the budget for the procurement.

Procurements that are within GAC's authority (i.e. \$2 million) are managed by procurement officers within the department. Where the value exceeds \$2 million, the procurement process is managed by Public Services and Procurement Canada (PSPC). In the latter case, GAC collaborates with PSPC to finalize the statement of work and to select the appropriate procurement instrument that meets the needs of the department. Along with requisition form (Form 9200) and the procurement documentation, GAC submits any security requirements to PSPC. Submission of the SCRL to PSPC is not mandatory if, on the requisition form, the department has checked the box "No security requirement".

In addition, the basis of evaluation is established during this phase. Lowest cost that meets the mandatory technical requirement is often used for goods or services that are readily available in the marketplace. For this basis of evaluation, if a bidder does not meet any of the mandatory requirements, they are automatically disqualified. The vendor that meets the mandatory technical requirement and has

the lowest price would be the successful bidder. For this type of procurement this is considered the best value for the Crown.

The management of the procurement by PSPC includes playing a challenge role. PSPC reviews the stated requirements and works with GAC to ensure that the language is inclusive and does not limit competition. PSPC also provides advice on the type of procurement vehicle that will be used. PSPC may recommend combining procurements if the goods or services are similar.

2.2 Solicitation

Once prepared, the Request for Proposal (RFP) is posted publicly on the BuyandSell portal for the required 40 days. The solicitation period can be extended to accommodate bidder questions and responses from the Crown.

The RFP includes instructions for bid submission, basis of evaluation, the technical requirements, and resulting clauses of the contract. In addition, the RFP stipulates that technical bids be submitted separately from the financial bid and that all bid information be sent directly to PSPC.

Security requirements are also described in the RFP and, typically, the SRCL is posted along with the RFP. The security requirements could include industrial security requirements for the bidder as well as security clearance for personnel involved in delivering the contract. In addition, the security requirements could trigger a National Security Exemption which would limit the distribution of the RFP. In some cases, the potential bidder may be required to demonstrate appropriate security clearance before gaining access to the technical requirements.

2.3 Bid Evaluation

As the Technical Authority, GAC is responsible for the evaluation of the technical bids received. PSPC provides the technical bids for evaluation to GAC but retains the financial bids. GAC establishes a team to assess the bids. After evaluating the bids individually, the team meets as a group to review the results of the evaluation and arrive at a consensus of which bids have met the technical requirements. Proposals that do not meet the mandatory technical requirements are considered non-compliant. The results of the evaluation are shared with PSPC. At this point, PSPC reviews the financial bids. Consistent with the established basis of evaluation, the winning bid is the one with the lowest cost amongst the compliant bids.

2.4 Award

PSPC submits the successful bidder's name through the Integrity Regime where PSPC verifies whether the supplier or any of its affiliates have been determined to be ineligible or suspended, in accordance with the Ineligibility and Suspension Policy. If a supplier has been convicted of an offence listed in the Policy¹ within the past three years in Canada or abroad, the supplier will be determined to be ineligible to be awarded a federal contract for a period of ten years. If a supplier is charged with one of the listed offences, the supplier could be suspended. If there are any concerns or issues at this stage, PSPC would advise GAC. If no issues arise from the Integrity Regime verification, the standing offer is awarded to the successful bidder.

¹ The Ineligibility and Suspension lists a number of offences under the Criminal Code as well as under these acts:

- *Competition Act*
- *Controlled Drugs and Substance Act*
- *Corruption of Foreign Public Officials Act*
- *Excise Tax Act*
- *Financial Administration Act*
- *Income Tax Act*
- *Lobbying Act*

3 Findings and Recommendations

During the review we identified opportunities for improvement for future procurements of security equipment in the areas of increased integration of security in the materiel management life cycle, broader consultation throughout the procurement process for security equipment and additional guidance with respect to publishing technical requirements. Details of the findings and recommendations are provided below.

3.1 Increased integration of security considerations in the materiel management life cycle

It was noted that the department has a procurement planning process for significant procurements and that the plan is presented to the Departmental Contract Review Board. The security subject matter experts (SME), however, are not typically included in the procurement planning process. It was also noted that while procurement personnel are experienced in procuring security equipment and have a high-level understanding of the department's security requirements, security SMEs are best positioned to keep abreast of evolving security threats around the globe.

Involving security SMEs during the planning phase of the materiel management life cycle increases the likelihood that security requirements will be identified in a more timely manner.

1. It is recommended that GAC increase the integration of security considerations into the materiel management life cycle, including procurement and contracting activities. In particular, this could include involving security subject matter experts during the development of the departmental procurement plan.

3.2 Broader consultation and collaboration throughout the procurement process for security equipment

It was noted that although a Security Requirements Check List (SCRL) is required to be prepared through consultation with other branches within the department early on in the procurement process for a piece of security equipment, given the typical duration of procurements of this nature (i.e. more than one year) and the nature of the equipment, it is likely that the procurement process for security equipment could benefit from further consultation throughout the procurement process. Broader and more frequent consultation may increase the likelihood that appropriate security requirements and resultant measures (e.g. National Security Exemption) are identified throughout the procurement process for security equipment.

2. It is recommended that GAC consider additional consultations and collaboration during the assessment of security-related requirements in the procurement process for security equipment. This could include:
 - a) Formalize additional steps or stage gates in the procurement process to evaluate, review and approve security-related requirements. This should apply to all procurement of equipment and/or services related to the provision of physical security, operational technology, and information technology within missions.
 - b) Development of a guideline that considers GAC's specific security threats and vulnerabilities that indicates when a National Security Exemption is applicable.

- c) Enhanced definition of roles and responsibilities for the review (e.g. security SMEs), approval and oversight over the development of the security requirements, including the SRCL as well as security-related inquiries throughout the procurement process for security equipment.
- d) Additional consultation with the appropriate GAC representatives and other government organizations such as public safety organizations, Shared Services Canada (SSC), and Treasury Board Secretariat (TBS) where appropriate per the Government of Canada's Policy on Government Security (Section 5 - Roles of other Government Organizations).

3.3 Additional guidance on when technical requirements should be made public

We noted during the review that if no specific security requirements are identified for the procurement of security equipment, the technical requirements are published on BuyandSell, which is accessible to the public. There are currently no specific guidelines that define when or if technical requirements for security equipment should, or should not, be disclosed.

Based on the potential sensitive nature of the technical requirements for security equipment, it is important for GAC to consider who has access to this type of information and whether it should be publicly available.

- 3. It is recommended that GAC develop guidance related to the management of security equipment procurements and disclosure of information related to technical requirements.

4 Conclusion

During our review of the procurement of security equipment that resulted in a standing offer being awarded to a state-owned Chinese firm, we did not observe any instances of non-compliance, although as noted in the previous section, we have identified opportunities for improvement with respect to future procurements of security equipment.

The specific procurement under review could benefit from a re-evaluation considering the recommendations noted in Section 3 of this report. This could include a re-examination of the technical and security requirements in collaboration with security SMEs as well as revisiting whether the technical requirements should be posted on a public site (i.e. BuyandSell).

Appendix A: Interviewees

Global Affairs Canada

Name	Title	Branch
Dominique Bélanger	A/Director General, International Platform Branch Corporate Services Bureau	International Platform
Michael Bornstein	Senior Analyst, Threat Assessment Division	International Security
Brent Burbridge	Senior Analyst, Technical Security	International Security
Giorgio Dalpupo	Deputy Director, Personnel Security Services	Consular, Security and Emergency Management (CSO)
Dan Danagher	Assistant Deputy Minister	International Platform
Pierre Faubert	Team Leader, Chancery Electronic Security System	International Platform
Paul Godbout	Director, Physical Security Abroad	International Platform
Hanna Guenoun	Director, Strategic Coordination, Duty of Care	Consular, Security and Emergency Management (CSO)
George Heissler	Readiness and Security Operations	Consular, Security and Emergency Management (CSO)
Caroline Lefebvre	Deputy Director, Physical Security Program	International Platform
Trícia Mason	Director, Readiness and Security Operations	Consular, Security and Emergency Management (CSO)
Loretto McCool	Deputy Director, Physical Security System	International Platform
Hussen Mussa	Security in Contracting Coordinator	Consular, Security and Emergency Management (CSO)
Daniel Pilon	Contracting and Material Management Policy	Corporate Planning, Finance and Information Technology (CFO)
Reid Sirrs	A/Assistant Deputy Minister	Consular, Security and Emergency Management (CSO)

Name	Title	Branch
Derrick Steward	Chief Security Officer	Consular, Security and Emergency Management (CSO)
Minh-Khai Trinh	Director, Procurement, Contracting and Asset Management	International Platform

Procurement and Public Services Canada

Name	Title	Branch
Anne Caron	Manager, Consumer and Commercial Products Division	Acquisitions Program
Eric German	Senior Director, Consumer and Commercial Products Division	Acquisitions Program
Cassandra Shannahan	Supply Team Leader, Consumer and Commercial Products Division	Acquisitions Program
Erica Schumacher	Senior Analyst, Integrity and Forensic Accounting Services	Departmental Oversight
Daniel Whalen	Senior Analyst, Integrity and Forensic Accounting Services	Departmental Oversight

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