



Mr. Paul Cardegna
Clerk of the Committee
Standing Committee on Government
Operations and Estimates
House of Commons
131 Queen Street, Floor 6
Ottawa, Ontario K1A 0A6

Dear Mr. Cardegna:

On behalf of Public Services and Procurement Canada (PSPC), Global Affairs Canada (GAC) and the Communications Security Establishment Canada, we are pleased to provide, electronically, all available records requested as part of the motion for the production of papers related to the Nuctech Company Limited standing offer for the supply of security screening equipment, which was adopted by the Standing Committee on Government Operations and Estimates, on October 8, 2020. Relevant records have been provided by PSPC and GAC.

The primary objective of the departments in this exercise is to disclose as much relevant information related to this motion and to further the Committee's understanding of this standing offer. Information provided by all responding departments is based on a collaborative interdepartmental approach and records are provided in the spirit of transparency. Redactions applied were made under the *Access to Information Act*. The Act protects information considered to be advice to the Minister; Cabinet confidences; commercially sensitive information; information provided in confidence from the government of a foreign state or institution; information that could reasonably be expected to be injurious to the detection, prevention or suppression of subversive or hostile activities; information that could be injurious to the conduct of international affairs; personal information; and solicitor-client privilege.

The purpose of this standing offer was to replace and upgrade GAC's older, conveyer-style parcel x-ray machines currently in use at Canadian embassies worldwide. These x-ray machines are located in non-operational areas and scan for prohibited items brought into the building in parcels, handbags, backpacks, briefcases, etc.

As highlighted by PSPC and GAC officials during testimony before the Committee on November 18, 2020, a standing offer is not a contract; it is an offer from a supplier to provide goods or services at pre-arranged prices, under set terms and conditions, when and if required. A standing offer creates no obligation on the part of the Government to buy the good or service, and while Nuctech Company Limited received a standing offer, we would like to confirm to the Committee that nothing has been purchased under this standing offer.

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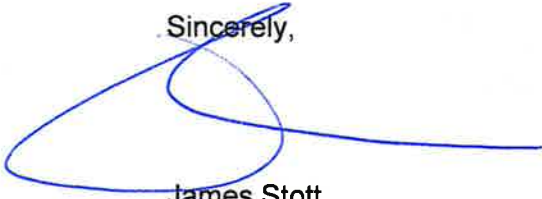
For the benefit of members of the Committee, and to ensure that future readers of this document are aware, GAC wishes to highlight a small number of important factual inaccuracies in documents contained in its response package. Specifically, certain documents provide inaccurate information about how the security requirement was assessed prior to the procurement.

To be clear, it should be noted that the process that GAC followed in its assessment of the security requirements for procurement purposes relied exclusively on the TBS security policy which requires the originating department – in this instance Global Affairs Canada – to complete a Security Requirements Checklist (SRCL). GAC completed that checklist – as it does for all procurements for goods and services of this nature. In completing the SRCL, GAC determined that the x-ray equipment would not be connected to its information networks and would never contain sensitive information. These two key questions plus GAC's own assessment that this equipment was used in the less sensitive areas of our chanceries (referred to as "public access zones") led GAC officials to not request PSPC to grant a national security exception covering this procurement. References in submitted documents that PSPC's Canadian Industrial Security Directorate (CISD) made a determination on this aspect of this procurement are erroneous.

GAC is currently reviewing purchasing practices when it comes to security equipment and will continue reviewing the security of Canada's missions throughout the world. The Government is committed to conducting fair and open procurement processes to meet its operational needs domestically and abroad.

We trust that the Committee finds the enclosed material useful for its work.

Sincerely,



James Stott
Assistant Deputy Minister
Policy, Planning and Communications Branch
Public Services and Procurement Canada

Enclosure