

Revelations that ArriveCan costed \$54-million led to weeks of turmoil, finger pointing, documents show

BILL CURRY > DEPUTY OTTAWA BUREAU CHIEF

OTTAWA

PUBLISHED 1 HOUR AGO

FOR SUBSCRIBERS



Revelations that the cost of the ArriveCan app had reached \$54-million prompted an internal scramble as officials attempted to account for the spending, according to internal documents obtained by The Globe and Mail.

GIORDANO CIAMPINI/THE CANADIAN PRESS

Revelations last year that the cost of the ArriveCan app had climbed to \$54-million prompted weeks of turmoil and finger-pointing as officials attempted to account for

the spending, according to internal documents obtained by The Globe and Mail.

Officials at Public Services and Procurement Canada – the department responsible for billions of dollars in federal outsourcing each year - expressed frustration at the lack of information coming from the Canada Border Services Agency, which was primarily responsible for the ArriveCan project.

The procurement department and the agency both had responsibilities related to ArriveCan contracts, but documents show procurement officials were often frustrated that their colleagues at the border agency would not provide them with key contracting details.

One procurement official also questioned whether federal rules were followed in awarding ArriveCan work to GCStrategies, a small, two-person company that received the largest amount of outsourcing on the project.

The Globe and Mail first reported on Oct. 6 that total spending on the ArriveCan app was on pace to reach in excess of \$54-million, more than double what the government had previously said had been spent to date.

The \$54-million figure covered total estimated spending to build and maintain the app up until March 31. The app was created in early 2020 at the onset of the COVID-19 pandemic as a way for travellers to upload mandatory health information, such as vaccination status, at border crossings.

The app is no longer mandatory but continues to exist as an option for travellers at the border.

At a committee appearance on Oct. 20, the two partners of GCStrategies said they do not do any IT work themselves, but rather find subcontractors and charge a commission of between 15 per cent and 30 per cent. They said they had invoiced a total of \$44-million in federal work with more than 20 departments over the past two years.

Beraskow: Government outsourcing is good, McKinsey and ArriveCan scandals notwithstanding

The Globe also reported that the border agency had provided contradictory responses related to the number of companies that have received contracts connected to ArriveCan.

An initial list of five companies was provided to media outlets earlier in 2022 as having worked on the app, but the border agency later tabled a list in Parliament that contained 27 contracts involving 23 unique companies.

Later that month on Oct. 20, The Globe reported that the CEO of Canadian tech company ThinkOn Inc. had no idea why his company was listed as having received \$1.2-million for ArriveCan work. The border agency acknowledged an error on Oct. 26, saying the contract was with Microsoft.

That same day, according to the internal documents, a procurement department official questioned whether contracting rules related to reviewing costs and profits were followed in selecting GCStrategies.

“Since the contracts with GCStrategies were sole sourced and were valued at more than \$1M, at a minimum, the officer should have consulted with a price analyst as per policy,” wrote Jeremie Mageau-David, a procurement official.

Two days later, Mr. Mageau-David raised this concern with Ron Cormier, director general of business technology solutions at the procurement department.

“I am worried that the team did not take all the necessary steps normally required with respect to cost and profit analysis for the ArriveCan contract,” he wrote in an Oct. 28 e-mail.

“As I understand things, we issued the first contract quickly and the urgency didn’t allow for a costing review at that time,” Mr. Cormier responded.

The Globe obtained hundreds of pages of internal documents related to ArriveCan via an access to information request.

In a July 18 response to Globe questions about the documents, PSPC spokesperson Michèle LaRose said GCStrategies was hired to meet an urgent need at the onset of the pandemic.

“We can confirm all policies and directives were followed during this procurement,” she said.

Guillaume Bérubé, a spokesperson for the border agency, told The Globe in a July 18 e-mail that the agency works collaboratively with other departments in preparing for committee appearances.

“The CBSA was guided by the Government of Canada’s contracting regulations while developing ArriveCan during an extraordinary time and on an emergency basis,” he said in response to questions about the documents.

The internal documents show that as late as Nov. 9, procurement department officials were expressing frustration at the lack of clear information coming from the border agency as they prepared to explain the situation at a coming committee hearing.

“Despite repeated attempts on a daily basis, CBSA has not yet shared any definitive/official list,” wrote Laura Medeiros, a senior director, wrote in a Nov. 9 e-mail to colleagues.

Ms. Medeiros says in the e-mail that her team was able to “informally obtain” information from agency officials about seven specific ArriveCan-related contracts, “but they will not confirm that in writing.” At that point, her understanding was that the total number of contracts was 19.

Mr. Cormier and Michael Mills, an assistant deputy minister, were scheduled to represent the procurement department at a Monday, Nov. 14 meeting of the government operations committee into the costs of ArriveCan. Just days before, Mr. Mills told colleagues that MPs should not be given an updated accounting at the hearing.

“Given the issues around the contracts lists, the lack of clarity on which contracts we put in place, I would not recommend giving a document to the MPs at this time,” he said in a Nov. 11 e-mail.

The witness list for the Nov. 14 hearing also included border agency president Erin O’Gorman. According to one note preparing for the hearing, Ms. O’Gorman had advised presenters that “our tone should be one of humility.”

During the public hearing, Ms. O’Gorman was rebuked by the committee chair for the fact that the border agency had missed a committee-ordered deadline to hand over outsourcing invoices related to ArriveCan.

The internal documents include a Nov. 14 text message written by procurement department associate deputy minister Arianne Reza summarizing the hearing.

“Alright. CBSA took a lot of questions. Members pushed a bit on GC Strategies but did not gain much ground. The bad news is that they ended by passing a resolution asking for OPO to investigate ArriveCan contracting,” she wrote. The committee had unanimously called on the Office of the Procurement Ombudsman to investigate the matter.

By Nov. 15, nearly a month-and-a-half after The Globe’s initial report and a day after top officials had appeared at committee, procurement officials were still criticizing the border agency’s financial information as incomplete or incorrect.

While the border agency provided The Globe with the \$54-million projected cost last year, the agency is now refusing to provide an estimate for how much will be spent on the app during this fiscal year, which began April 1.

The agency did tell The Globe in an e-mail that the total direct and indirect costs for ArriveCan as of March 3 ended up being \$55-million, or \$1-million more than previously projected.

The agency said further costing information will be presented to Parliament throughout the year.

Federal Auditor-General Karen Hogan announced in February that her office was launching an audit of the government's management of the ArriveCan app.

Sign up for the Great Reads Newsletter

A selection of provocative, inspiring, and delightful stories worth your time this weekend.

SIGN UP

Follow Bill Curry on Twitter: [@curryb](https://twitter.com/curryb)

[Report an error](#)

[Editorial code of conduct](#)