

# MUHC employee testifies about pressure to favour SNC-Lavalin

## Imma Franco says Porter, Yanai Elbaz intervened in bidding process

BY MONIQUE MUISE, THE MONTREAL GAZETTE MAY 21, 2014

MONTREAL — One of the McGill University Health Centre's highest ranking executives says she was told in no uncertain terms in 2009 that SNC-Lavalin was the preferred candidate to build Montreal's new superhospital, and that she should "remember where my paycheque came from" when it came time to evaluate the two consortiums bidding on the contract.

Imma Franco, who still works for the MUHC as associate director for planning of programs and services, sat on two of the selection committees responsible for analyzing the bid documents. She had a significant amount of influence, both within the hospital network and among the other committee members, and her former boss, Yanai Elbaz, allegedly used that to his advantage.

In late 2009, Franco said, Elbaz came to her office and spoke to her directly about encouraging the committees to give higher marks to SNC-Lavalin.

"He told me to remember what the boss wanted, and to remember where my paycheque came from," she testified.

The "boss" was identified on Wednesday as former MUHC head Arthur Porter. Both he and Elbaz stand accused of accepting a \$22.5-million bribe in exchange for ensuring SNC's victory over its Spanish competitor.

Franco said she ignored Elbaz's suggestion and encouraged her fellow committee members to remain fair and impartial. They gave higher marks to the Spanish consortium, Franco recalled, which was why it came as such a shock when that consortium was suddenly disqualified and the MUHC's top brass announced to hospital administrators that SNC-Lavalin would build the new facility on Dec. 3, 2009.

Incensed that the evaluation process had been halted mid-stream, Franco said she voiced her displeasure to St-Clair Armitage, a consultant and expert in public-private partnership contracts who had been hired by the MUHC. Armitage appeared to agree with her, she said, but assured her that it was best to go along with the MUHC's decision.

"I didn't know who else to turn to within the organization," Franco noted.

Armitage is also now facing criminal charges.

Asked if she suspected there was collusion going on, the witness replied: "Not to that level. We knew (Porter) had a preference for one bidder, but not to that level."

Around Christmas 2009, an uneasy provincial government scrapped the bidding process and forced everyone back to Square One. Franco said she was not asked to sit on any of the selection committees that evaluated the second round of bids in early 2010. Elbaz, however, was chosen to sit on one or more of those committees, she said.

SNC-Lavalin was declared the final winner on April 1, 2010. It would be another two years before the alleged plot to favour the engineering giant would be discovered.

Later in the day Wednesday, the inquiry heard from the head of the losing consortium, Miguel Fraile Delgado. He confirmed that in 2009, the MUHC disqualified his consortium based on a technicality (switching one of the companies in its ranks for another). He also confirmed that he was offered a pre-established \$7.5 million in compensation after the disqualification, plus an additional \$2.5 million that was allegedly from the MUHC foundation (there is no evidence that's where the money was actually coming from). Delgado refused to sign the documents confirming he was pulling out of the race, however, which eventually led to the collapse of the [whole process and the second round of bidding](#).