

**NODAL CELL
FINANCE DEPARTMENT
PALIKA KENDRA : NEW DELHI**

ADVISORY

Sub : Lapses in the tendering/evaluation process for procurement of three new anesthesia work stations for newly constructed operation theatre and one recovery area in OT complex of Charak Palika Hospital

Bids in r/o subject work having estimated cost of Rs 67,50,000/- were invited through GeM portal (**E84605/Director M.S.**). During examination of the proposal for award in Finance Department, serious lapses in the tendering/evaluation process were observed. The lapses included deficiencies in the specifications as well as tender document and evaluation leading to 'single bid situation' in spite of participation by nine firms. The manner in which tendering process was conducted was anything but fair, transparent and unambiguous.

II. The following irregularities were noticed:

1. The checklist w.r.t. 'documents to be uploaded' was in r/o another tender i.e. supply of medical gases.
2. All the documents required for establishing the eligibility criteria stipulated in the bid document were not listed in the checklist viz. Integrity Pact, Financial standing of the bidder, Positive Net worth etc. As a result, **six bidders** were rejected on the ground of non-submission of these documents. It is not out of place to mention that these documents were mentioned elsewhere in the NIT as mandatory documents.

Inadvertence in listing the mandatory documents in the checklist disabled competition.

3. Rejection of the agency, M/s Allied Health Technologies was done on account of non-submission of EMD/MSME and Integrity Pact. The agency submitted 'Vendor Assessment Report' and was thus exempt from EMD as per GeM terms and conditions while Integrity Pact did not form part of the 'Checklist'. The evaluation so conducted lacked clarity on documents to be considered so as to extend exemption.
4. APSC evaluated the tenders and only two firms qualified technically for opening of financial bid viz. M/s Allied Medical Limited and M/s Asian Surgical Corporation. The financial bids were to be opened after demonstration/practical evaluation.

- a. After the initial demonstration, APSC unanimously declared that both the machines **fulfil** stipulated technical specifications. The performance of both the machines was also found satisfactory.
- b. The bidders were directed to provide undertaking in r/o verbal discussion regarding the following :
 - i. Ambient /atmospheric air Ventilation (in case of total gas failure)
 - ii. Desflurane Compatibility
 - iii. Desflurane vaporizer and workstation should be from same

manufacturer

- c. In the subsequent meeting of APSC, the work station of M/s Allied Medical Limited was **not approved** on the ground that Ambient Air Ventilation is not supplied automatically but it is through assisted ventilation by AMBU Bag which is a drawback for patient care and safety in case of total gas supply failure.

It is pertinent to mention that the mode specified in the NIT mentioned '**Manual/Spont**'. If workstation with automatic air ventilation was essentially to be provided, the specifications were required to be spelt accordingly. Rejection of bid despite meeting stipulated criteria is not appropriate.

III. Finance Department raised its concerns repeatedly but the department citing interest and safety of patients, insisted on award to the lone eligible bidder i.e. M/s Asian surgical Corporation at tendered cost of Rs 73,95,000/- for three anaesthesia workstations at 9.56% above Estimated Cost amounting to Rs 67,50,000/- and 29.82% below justified cost and thus failed to realize gravity of irregularities in the process.

IV. As desired by the Chairperson, NDMC, it is advised that corrective steps may be taken while re-tendering and the lapses as listed above shall not be repeated. Adequate care may be exercised while freezing specifications and evaluation criteria shall be fixed in a manner so as to leave no scope for discretion at evaluation stage.

This issues with the approval of Financial Advisor, NDMC

Signed by Ram Singh

Date: 05-04-2023 18:17:11
Director (Finance)

Director (M.S.)

Copy to :

1. P.S. to Chairperson - for information of Chairperson, NDMC
2. P.S. to F.A. - for information of Financial Advisor, NDMC
3. P.S. to Secretary - for information of Secretary, NDMC
4. Copy in E 87406