

OFFICE OF THE DIRECTOR
ALL INDIA INSTITUTE OF MEDICAL SCIENCES
Ansari Nagar, New Delhi-110029

F. No.40-30/2023-Estt.-I(DO)

Dated: 01st March, 2024

OFFICE MEMORANDUM


Subject: Procurement of items having *Issues related to Make in India provisions* in CN Centre.

A meeting was conducted by undersigned on 27.01.2024 and 28.02.2024 to discuss about the issues related to procurement of items/consumables having issues related to Make in India provisions in CN Centre.

It was informed to the undersigned that earlier a meeting was held on 16.03.2022 which was attended by all the Head of Departments of CN centre with an agenda to discuss and provide recommendations on the issues related to the procurement of patient paid consumable items. In this meeting it was agreed by all the attendees "*to obtain permission from SFC, Institute body and Governing body AIIMS for complete exemption of said clauses (vide O.M. No. P-45021/2/2017BE II dated 15.06.2017 and OM No. 45021/2/2017-PP(BE) II dated 04.06.2020) i.e. GeM and MII in case of procurement for patient paid consumables under package system of patient care and for research at AIIMS.*" (Minutes enclosed). However, the same was not worked upon.

Subsequently, in meetings held on 27.01.2024 and 28.02.2024 it was decided that all the items having procurement issues related to Make in India provisions may be listed and submitted to the undersigned so that permission may be obtained from SFC, Institute body and Governing body, AIIMS for complete exemption of the said clauses for procurement of patient paid consumables under package system.

In this regard, it is requested that a list of consumables under package system having procurement issues related to Make in India provisions may be prepared and sent to the undersigned by March 15th, 2024.

 1/3/2024

(Prof. M. Srinivas)
Director

Distribution:

1. Prof. Balram Bhargava, Chief, CT Centre & HoD Cardiology
2. Prof. S.B. Gaikwad, Chief, NS Centre & HoD, Neuro Imaging and Interventional Neuro Radiology
3. Prof. Sandeep Chouhan, HoD, Cardiac Anaesthesiology
4. Prof. S.K. Chaudhary, HoD, CTVS
5. Prof. S.S. Kale, HoD, Neurosurgery
6. Prof. Manjari Tripathi, HoD, Neurology
7. Prof. Priya Jagia, HoD, Cardiac Radiology
8. Prof. M.P. Pandia, HoD, Neuro Anaesthesiology

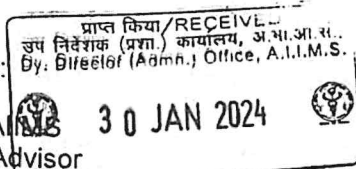
ALL INDIA INSTITUTE OF MEDICAL SCIENCES
Ansari Nagar, New Delhi-110029

Date:30.01.2024

Subject: Minutes of the meeting held on 27.01.2024 (Saturday) at 12.30 pm under the chairmanship of Director, AIIMS to discuss about issues related to procurement of items in CN Centre in Directors committee room

A meeting was conducted under the chairmanship of Director, AIIMS on 27.01.2024 (Saturday) at 12.30 pm in Director Committee room, to discuss about the issues related to procurement of items in CN centre

The following members attended the meeting:



1. Sh. Karan Singh, Additional Director, AIIMS
2. Ms. Divya Yanamadala, Sr. Financial Advisor
3. Dr. R Narang, Professor, Cardiology
4. Dr. S S Kale, Professor & Head, Neurosurgery
5. Dr. Manjari Tripathi, Professor & Head, Neurology
6. Dr. M P Pandia, Professor, Neuro Anesthesia
7. Dr. G P Singh, Professor, Neuro Anesthesia
8. Dr. Sandeep Seth, Professor, Cardiology
9. Dr. Amit Lathwal, Professor, Hospital Administration & Addl. MS CNC
10. Dr. Sanjeev Kumar, Addl. Professor, Cardio Radiology
11. Sh. Yatender, Store Officer, CN centre
12. Sh. Naveen Chandra Bhat, J.S.O, CNC
13. Sh. Hriday Ram Verma, Store keeper (M&E, NS package store)
14. Sh. V Shravan Kumar, Store Keeper (Surgical & Medicine stores)
15. Sh. Naresh Kumar Sharma, J.A.O. (Cardiac cath lab)

At the outset, it was briefed to the Director that a package system had been designed exclusively for departments of Cardiology, Cardiothoracic surgery and Neurosurgery and was ratified in the Institute Body and Governing Body meetings. The package system have a list of predetermined cost of treatment procedures which is primarily designed based on cost of consumables and treatment procedure. In this package system, the patient is required to deposit a lumpsum package charge at the time of admission in patients' account of respective department. The consumables (surgical and medical) required for this package procedures are procured through Rate contract system from the patient account in form of Revolving fund account (i.e., Personal deposit account)

However, it was further informed that in recent times there had been issues in the procurement of the consumables due to following reasons:

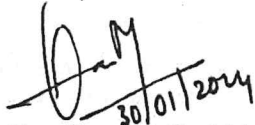
- A. It is imperative to note that most of the consumables procured for these three departments under package system are imported items.
- B. The process of concluding most of the rate contracts of these consumables is in final stages but couldn't not be finalized due to Make in India clause in procurement of consumables as these items are purchased under package system where the money is deposited by patients themselves.

- C. It was informed that the same was discussed in meeting held on 16.03.2022 where in under the head **Issue related to Make in India provisions vide clause vide O.M. No. P-45021/2/2017BE II dated 15.06.2017 and OM No. 45021/2/2017-PP(BE) II dated 04.06.2020** it was recommended in the same meeting that "to obtain permission from SFC, Institute body and Governing body AIIMS for complete exemption of said clauses i.e. GeM and MII incase of procurement for patient paid consumables under package system of patient care and for research at AIIMS." (Minutes enclosed). However, the same was not worked upon.
- D. The rate contracts of most of the items have been expired, however an extension has been granted for all the rate contracts till October, 2024.

In this regard, after detailed deliberations, the following decisions were made:

1. In view of obtaining better quality products at a better price and to have a patient friendly process, the director advised to try out multiple systems as listed below:
 - a. **Option 1:** To procure consumables through AMRIT as option number 1 to meet the urgent demands, however it was advised to make a comprehensive list of price comparison showing the difference of prices when procured through AMRIT vs Prices of products when procured through Rate contract.
 - b. **Option 2:** To have a robust internal Rate contract system by finalizing the pending rate contracts, wherein the rate fixation to be done by finalizing the bids, fix the prices of the consumables through rate contract. It was further advised to have a comprehensive list of items which are not covered under Make in India clause and get it approved by the respective Heads of the department and there after put up for approval in upcoming Institute Body and Governing Body, AIIMS meetings in accordance to recommendations given in meeting held on 16.03.2022 mentioned in point C above
 - c. **Option 3:** To explore a process where the patient instead of depositing amount in the patient package account of respective department, the payment can be made directly to the vendor once the prices of the consumables are fixed.
2. It was also advised by the Director to have a Store coordination meetings department wise to discuss the pending issues of procurement and draw suitable solutions at the earliest.

The meeting ended with thanks to the chair.


30/01/2024
Dr. Charan Raj Mede
APHA, CT Centre

Distribution:

- As Above

Copy for information to:

- Director, AIIMS
- Chief, CT Centre
- Chief, NS Centre




30/1/24



ALL INDIA INSTITUTE OF MEDICAL SCIENCES
ANSARI NAGAR, NEW DELHI

Dated: 16.03.2022

Subject: Minutes of the Meeting to examine discuss & provide recommendations for solutions on the issues related to the procurement of patient-paid patient-consumable specific items (i.e. implants etc.) required for various Packages System for Patient Care at CN Centre & other Centres / Departments in AIIMS, New Delhi.

On the above subject, a meeting of participants from departments of Cardiac-Surgery, Cardiology, Neuro-Surgery, Neuro-Radiology and Cardiac-Radiology, was convened on 2nd March, 2022 at Ramalingaswami Board Room, AIIMS. The meeting was attended by the following officials:

1. Prof. S. S. Kothari, HOD, Cardiology & Chief, CTCentre
2. Prof. Shiv Chaudhary, HOD, CTVS
3. Prof. S. S. Kale, HOD Neuro-Surgery
4. Prof. S.B. Gawwad, HOD, Neuro-Radiology
5. Prof. Priya Jagia, HOD, Cardiac-Radiology
6. Sh. N.K. Sharma, Sr. Financial Advisor
7. Dr. Amit Lathwal, Addl. M.S., CNC
8. Dr. Angel R Singh, Officer In-Charge (Procurement)
9. Sh. Narender Bhatia, Financial Advisor
10. Sh. Vijay Pal Singh, F&CAO (HBS)
11. Smt. Rakesh Sharma, F&CAO (Main)
12. Sh. Rakesh Kumar Sharma, Sr. Stores Officer, CNC
13. Sh. Manohar Arya, Stores Officer
14. Sh. Prakash Kumar Giri, Accounts Officer
15. Sh. Trilok Chand, Accounts Officer, CNC
16. Sh. Amit Manav, ASO (CNC/Neurosurgery package)
17. Sh. Amit Kumar, Store Keeper, CTVS Package

The agenda for the discussion was on the following points:

1. Procurement of various items in Package system
2. Provisions for multiple Rate Contracts.
3. Issue related to Make In India provisions in procurement.

संभार अधिकारी
Stores Officer
एच.ए.के. केंद्र, अ.पा.आ.सं., नई दिल्ली
All India Institute of Medical Sciences, New Delhi

Store/Package
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1. **Procurement of various items in Package system under Rate Contract system.**

- In various Departments of the CN Centre, various consumables are procured and utilized through Package System (Patient Account System) where the patient deposits a lump-sum package charges and the CN Centre procures the required items through the Patient Account in form of revolving fund account (i.e. Personal Deposit Accounts).
- The procurement of medical goods is often highly patient and/or procedure specific. As per the requirements by user clinicians / surgeons, there is a need of varying type of products even within one category according to a given patient's condition. Most of these items have a limited shelf life.
- Currently such products are being procured through a time-tested, transparent open tender system following due process to conclude the Rate Contracts that helps the patient saving them from harassment and vagaries of market forces and saves good deal of money for the beneficiary. These consumable items/devices are **being procured out of Patients Accounts, where the money is deposited by patients themselves.**
- The rate contract (RC) is awarded to the vendors after following due process as prescribed in AIIMS Procurement Manual 2018 as well as GFR2017 and these RCs are valid for a sufficient length of time with provision of fall clause etc. to ensure the continuity of supply and facilitate the procedures without any hindrance at competitive pricing. This process allows the department to have a variety of items at the disposal of the treating Physician/Surgeon and there is no upfront payment involved.
- Overall, the current system of RC is patient friendly, saves money, and also provides the best treatment options to the patient.

Discussion:

Departments presented that in recent times & with GeM provisions, there is insistence for procuring all these items through Government e-Marketing Place (GeM) even on items of patient care where payment by the patient is only facilitated by Institute and not charged as Institute's revenue / receipts. Most of the existing RCs have expired and the new RCs are not processed as there is no provision to conclude Rate contract on GeM Portal. This has resulted in chaos like situation and serious shortage of various items. Firstly, majority of items are not available on GeM, and even if some items are available, it takes a lot of time in procurement through GeM. Sometimes, it needs to be tendered repeatedly to get any bid.

- Sh. Rakesh Sharma, Sr. Stores Officer, pointed out that, as per rule 149 of GFR 2017, it is mandatory to procure all the items through GeM and at present there is no provision on the said platform to finalise the Rate Contract, and in absence of any permission/approval, other platform like CPPP also can't be used for this purpose. Further he added that in case of implants, the payments to the vendors are not made directly by the patients. In all such cases the money is being deposited by the patients

in AIIMS account and AIIMS as a custodian of money deposited by patients in Package System release the money to the vendors. As the money is being deposited in Govt. Account, its utilization shall also be governed by the existing rules of GFR and other relevant provisions as issued/modified by GOI time to time. He also said that, currently, there is no provision of RC system in GFR, as all the rules related to Rate Contract has been deleted by through recent amendments in GFR issued by DOE, Ministry of Finance. He also pointed out that the procurement in Institute must comply with Make In India provisions as issued & modified by GoI. -

- Dr. Angel Singh, OIC (Procurement), DO pointed out that the GeM platform has been developed for the commonly used goods and services and is increasingly used for all the commonly used goods and services in the Govt. sector including AIIMS. The procurement of medical goods are often highly patient specific and/or procedure specific. There is a need of various type of products even within one category according to the patient's condition and needs and these have a limited shelf life sometimes. He told that GeM itself, doesn't facilitate procurement of Medicines and Drugs through GeM and the Gem website i.e. www.gem.gov.in has notified that **"Presently, only 103 medicines, reserved for CPSEs, are available on GeM. As a policy, GeM has decided not to bring other medicines for procurement on the GeM portal as of now. Buyers are advised not to create any bid including custom bid for drugs and medicines/vaccines not available on GeM. The medicines not available on GeM may be purchased outside GeM"**
- **For clarification, Dr. Angel further mentioned that as per relevant provisions of Drugs & Cosmetic Act, the Drug includes -**
 - (i) All medicines for internal or external use of human beings or animals and all substances intended to be used for or in the diagnosis, treatment, mitigation or prevention of any disease or disorder in human beings or animals, including preparations applied on human body for the purpose of repelling insects like mosquitoes;
 - (ii) Such substances (other than food) intended to affect the structure or any function of the human body or intended to be used for the destruction of [vermin] or insects which cause disease in human beings or animals, as may be specified from time to time by the Central Government by notification in the Official Gazette.
 - (iii) All substances intended for use as components of a drug including empty gelatin capsules and,
 - (iv) Such devices intended for internal or external use in the diagnosis, treatment, mitigation or prevention of disease or disorder in human beings or animals, as may be specified from time to time by the Central Government by notification in the Official Gazette, after consultation with the Board.

It is evident from the provisions enumerated in the Act that such items, required for the patient care system in CN Centre, are covered under the definition of Drugs and GeM doesn't facilitates bid for such items.

- Sh. Neeraj Kumar Sharma, Sr. Financial Advisor, AIIMS pointed that procurement through RC in the institute evolved over a long period as an extremely patient friendly, cost saving to them and efficient system especially in such scenario. He mentioned that user faculty & departments during discussions at various forum have maintained that it is not always possible to foresee the exact requirements- of variability of implants and the same is known only during the surgeries. Since these consumables have shelf life and if purchased in bulk on GeM, there will be chances of all procured implants not being used and in some cases short supplies will be faced and procurement at such short notices shall be very difficult. In such cases there shall be loss to Institute. He reminded that, with permission from the Director, he issued a DO letter appreciating & recommending procurement through RC system for such need (Patient Accounts). He further mentioned that faculty as well as patients prefer package system (patient pays money) where RC-holding vendors maintains inventories at the disposal of users and charge only for consumed item has merit in such scenario and in such situation there is case for no compulsion to procure from GeM.
- Sr. FA and OIC (Procurement), DO mentioned that it is still possible to procure in such cases via registered suppliers seeing the merit & justification, some scope under GFR clause 150(i) for registration of suppliers for limited tender enquiry, and mainly due to GeM's decision not to bring other medicines for procurement on the GeM.
- Professor S. K. Choudhary mentioned that AIIMS being a Research and Scientific Organization can evolve a procurement system of its own. He mentioned that the current RC system is ultimately beneficial to the patients. He also pointed that the RC system is in sync with the spirit of GFR as due diligence is applied in procurement.
- Professor S K Kothari, Professor S S Kale, Professor S B Gaekwad, and Professor Priya Jagia also agreed that the procurement through RC was ultimately beneficial to the patients and in the package systems procurement should be made through RC system only. Professor SS Kale stressed that patient, as a consumer must have choice for items paid by him/her and in view of benefits of RC system over present GeM facilitation (& non-facilitation), patients generally prefer to pay under RC system.

Recommendations:

- For package system where patient pays the money for such items and where the money is not collected as Institute's revenue, the procurement should continue through valid RCs concluded after due process of tendering as per GFR. ✓
- If RCs have expired or are going to expire soon, process of extension should be initiated for intervening period with prompt action on tendering process. ✓
- All ongoing & to be floated tenders related to RCs should be completed on priority. ✓
- Files related to procurement for package system (Patient Account) will be distinctly marked to this effect. ✓
- SrFA also recommended that since it is not Institute's funds or receipts, but SFC being the competent body to approve on such policies wherein the people's representatives are members, this issue as an agenda must be taken to SFC for consideration, guidance & directions. ✓

Provisions for multiple Rate Contracts

It was informed to the house by all Head of Departments present in the meeting that under patient-paid categories of consumables, the patient must have multiple options to choose from and user departments should be allowed to conclude multiple rate contracts for different implants with all variations & makes i.e. Indian and foreign make because of varied patient specific requirements.

- i) It was further elaborated that the requirement of implants, stents, valves, catheters, grafts, plates, spinal implants, screws etc. etc. are dependent of age of patient, nature of disease, condition of patient, associated condition etc.
- ii) Choice of patient: unlike other government organizations, the patient pays the price of consumable items at AIIMS CN Centre, specifically.
- iii) Two different patients with similar disease may require two different products. All companies do not manufacture similar implants and different implants are needed in two different conditions. Some of implants are proprietary in nature, so these types of implants are not available with every manufacturer. Moreover, many patients come to AIIMS for 2nd or 3rd surgery and implants used during previous surgeries may not be compatible with just one company and this becomes closed system requirement.
- iv) Professor S S Kale emphasized that the money for the surgery/procedures is borne by the patients himself/herself. So, the patient himself or herself should have the authority to decide, which brand of implant, he/she desires to be used in their body. It is on the similar lines as in the research projects run by AIIMS, the terms & conditions of expenditure are decided by the financing authority/agency.
- v) This practice of multiple rate contracts is already being followed in Dr. R.P. Centre for Ophthalmic sciences and AIIMS Purchase Manual has the provision for multiple rate contract under clause no. 13.11.

Recommendations:


After due deliberations it was recommended that in case of patient specific items required for patient care services due to varied presentations of various diseases spectrum in the patients, only one single item of one make is not suitable for everyone. In such cases where these items/devices being procured out of patient accounts where the money is deposited by the patients themselves, without any financial implications to the exchequer/Institute and such payments are not part of Institute's revenue, the rate contract for such similar items may be concluded with multiple firms/manufacturers for their brands. The reasonableness of the prices may be established through due process by committee of users, constituted by the Competent Authority.

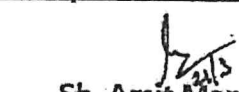
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3. Issue related to Make in India provisions vide Make in India clause vide O.M. No. P-45021/2/2017-B.E.II dated 15.06.2017 and O.M. No. P-45021/2/2017-PP (BE-II) dated 04.06.2020

It was pointed out that according to the provision of Make in India orders, referred above, it is mandated for the sale of the medicines/drugs in India, the item should have minimum of 25% of local content. However, in the cases of interventional procedures/surgeries / research, most of the products are manufactured by the multinational companies outside India & there is no scope of value addition in the given products like Grafts, Balloons, Heart Valve etc. and patient care & research suffer due to delays & quality.


In view of above, it was recommended to obtain permission on above issues from the SFC, Governing body and Institute body, AIIMS for the complete exemption of the said clauses i.e. GeM and MII, incase of procurement for patients-paid consumables under package system of patient care and for research at AIIMS.



Sh. Amit Kumar
Store Keeper, CTVS



Sh. Amit Manav
ASO (CNC/Neurosurgery)



Sh. Trilok Chand
Accounts Officer, CNC

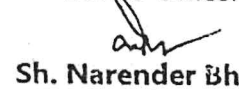

Sh. Prakash Kumar Giri
Accounts Officer



Smt. Rakesh Sharma
F&CAO (Main)



Sh. Manohar Arya
Stores Officer


Sh. Rakesh Kumar Sharma
Sr. Stores Officer, CNC

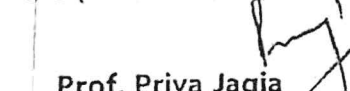

Sh. Vijay Pal Singh
F&CAO (HBS)



Sh. Narender Bhatia
Financial Advisor



Dr. Angel R Singh
OIC (Procurement), DO


Dr. Amit Lathwal
Addl. M.S., CNC

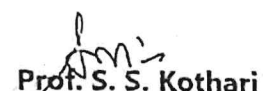

Sh. N.K. Sharma
Sr. Financial Advisor


Prof. Priya Jagia
HOD, Cardiac-Radiology


Prof. S.E. Gaekwad
HOD, Neuro-Radiology


Prof. S. S. Kale
HOD Neuro-Surgery


Prof. Shiv Chaudhary
HOD, CTVS


Prof. S. S. Kothari
HOD, Cardiology &
Chief, CT Centre

निदेशक कार्यालय
अखिल भारतीय आयुर्विज्ञान संस्थान
अंसारी नगर, नई दिल्ली-110029

फा.सं. 40-30/2023-स्था.-I(नि.का.)

दिनांक: 01 मार्च, 2024

कार्यालय जापन

विषय: हृद् तंत्रिका केंद्र में मेक इन इंडिया प्रावधानों से संबंधित वस्तुओं की खरीद में समस्याओं संबंधी।

हृद् तंत्रिका केंद्र में मेक इन इंडिया प्रावधानों से संबंधित वस्तुओं/उपभोग्य सामग्रियों की खरीद संबंधी समस्याओं पर चर्चा करने के लिए दिनांक 27.01.2024 और दिनांक 28.02.2024 को अधोहस्ताक्षरी द्वारा एक बैठक आयोजित की गई थी।

अधोहस्ताक्षरी को सूचित किया गया कि इससे पहले दिनांक 16.03.2022 को एक बैठक आयोजित की गई थी जिसमें हृद् तंत्रिका केंद्र के सभी विभागाध्यक्षों ने भाग लिया था, जिसका एजेंडा रोगी भुगतान वाली उपभोग्य वस्तुओं की खरीद संबंधी समस्याओं पर चर्चा करना तथा अनुशंसा प्रदान करना था। इस बैठक में सभी उपस्थित व्यक्तियों द्वारा "उक्त खंडों (दिनांक 15.06.2017 के का.जा. संख्या पी-45021/2/2017 बीई II तथा दिनांक 04.06.2020 के का.जा. संख्या 45021/2/2017-पीपी (बीई) II द्वारा) अर्थात् एम्स में रोगी उपचार के पैकेज सिस्टम तथा अनुसंधान हेतु रोगी भुगतान उपभोग्य सामग्रियों की खरीद के मामले में जीईएम और एमआईआई, की पूर्ण छूट के लिए एम्स की स्थायी वित्त समिति, संस्थान निकाय तथा शासी निकाय से अनुमति प्राप्त करने" पर सहमति प्रदान की गई थी (कार्यवृत्त संलग्न)। हालाँकि, उस पर काम नहीं किया गया।

इसके बाद, दिनांक 27.01.2024 तथा दिनांक 28.02.2024 को हुई बैठकों में यह निर्णय लिया गया कि मेक इन इंडिया प्रावधानों से संबंधित खरीद संबंधी समस्याओं वाली सभी वस्तुओं को सूचीबद्ध किया जाए तथा अधोहस्ताक्षरी के सम्मुख प्रस्तुत किया जाए ताकि पैकेज सिस्टम के अंतर्गत रोगी द्वारा भुगतान की गई उपभोग्य वस्तुओं की खरीद हेतु उक्त खंडों की पूर्ण छूट के लिए एम्स की स्थायी वित्त समिति, संस्थान निकाय तथा शासी निकाय से अनुमति प्राप्त की जा सके।

इस संबंध में, यह अनुरोध किया जाता है कि मेक इन इंडिया प्रावधानों से संबंधित खरीद मुद्दों वाले पैकेज सिस्टम के अंतर्गत उपभोग्य सामग्रियों की एक सूची तैयार की जाए तथा दिनांक 15 मार्च, 2024 तक अधोहस्ताक्षरी को भेजी जाए।

(प्रो. एम. श्रीनिवास)

निदेशक

वितरण:

1. प्रो. बलराम भार्गव, प्रमुख, हृद् वक्ष केंद्र एवं विभागाध्यक्ष, हृद् विज्ञान विभाग
2. प्रो. एस.बी. गायकवाड़, प्रमुख, तंत्रिका विज्ञान केंद्र एवं विभागाध्यक्ष, तंत्रिका इमेजिंग एवं इंटरवेंशनल तंत्रिका विकिरण विज्ञान
3. प्रो. संदीप चौहान, विभागाध्यक्ष, हृद् संवेदनाहरण विज्ञान
4. प्रो. एस.के. चौधरी, विभागाध्यक्ष, सीटीवीएस
5. प्रो. एस.एस. काले, विभागाध्यक्ष, तंत्रिका शल्य चिकित्सा
6. प्रो. मंजरी त्रिपाठी, विभागाध्यक्ष, तंत्रिका विज्ञान विभाग
7. प्रो. प्रिया जागिया, विभागाध्यक्ष, हृद् विकिरण विज्ञान
8. प्रो. एम.पी. पांडिया, विभागाध्यक्ष, तंत्रिका संवेदनाहरण विज्ञान