

F.No. Z-28016 / 2/ 2012-SSH  
Government of India  
Ministry of Health & Family Welfare  
PMSSY Division

MINUTES OF THE MEETING OF THE APEX COMMITTEE ON PROCUREMENT OF CSSD, MGPS AND MOT FOR SIX NEW AIIMS, HELD UNDER THE CHAIRMANSHIP OF SECRETARY (HFW) AT NIRMAN BHAVAN ON 19<sup>th</sup> AUGUST 2014.

1. A meeting of the Committee constituted vide MoHFW Order No. Z-28016 / 2/ 2012-SSH Dtd. 31-Jan-2013 was held under the Chairmanship of Secretary, HFW on 19 August 2014 at PM in the Committee Room of Secretary HFW located in A-Wing, Nirman Bhavan, New Delhi. M/S HLL Lifecare Ltd, the Procurement Support Agent (PSA) had circulated detailed agenda note well in advance. The meeting considered the pre-bid related issues/ recommendations of the 23-Member Inter-Institution- Technical-Experts' Committee regarding amendments to Tender No. AIIMS / II / 13, 14 and 15.

2. The following attended:

- i. Shri Lov Verma, Secretary HFW- in Chair
- ii. Dr. M.C. Mishra, Director AIIMS New Delhi- Member
- iii. Shri Arun Kumar Panda, AS (Health) - Special Invitee
- iv. Shri Gautam Guha, AS&FA, MoHFW - Special Invitee
- v. Shri Sundeep K Nayak, JS (PMSSY) - Member
- vi. Dr. A.K. Mahapatra, Director AIIMS Bhubaneswar- Member
- vii. Dr. Nitin. M. Nagarkar, Director AIIMS Raipur- Member
- viii. Dr. Sanjeev Misra- Director AIIMS Jodhpur - Special Invitee
- ix. Er. P.S. Saini, SHE, PGIMER Chandigarh (as representative of Director PGIMER Chandigarh)- Member
- x. Shri Sanjeev Chadha, Director (PMSSY)
- xi. Shri OP Sharma, US (PMSSY)
- xii. Shri SN Sathu , Sr.VP (GB), HLL Lifecare Ltd (PSA)
- xiii. Shri RS Manku, Head PCD, HLL Lifecare Ltd (PSA)
- xiv. Smt. Arundhati Kandwal, DVP and Project Head AIIMS, HLL Lifecare Ltd (PSA)
- xv. Shri Kamal Singh, Dy. Mgr (BME), HLL Lifecare Ltd (PSA)
- xvi. Shri Prabhakar Doda, Dy. Mgr (BME), HLL Lifecare Ltd (PSA)
- xvii. Shri Dilip Kumar Chekuri, Consultant (BME), PMSSY, MoHFW

3. Secretary, HFW welcomed the participants and requested JS (PMSSY) to give a brief background of the meeting. JS (PMSSY) talked about the background of setting up of the Committee as per written orders (issued in January 2013) of then HFM and stated that then HFM had noted the fact that several Directors of the new AIIMS had, on their own and as per their convenience and choice, placed advertisements in the newspapers asking for supply, installation, testing, commissioning etc. of equipments such as modular OTs, intelligent OTs, medical gas pipeline system, manifold, kitchen/laundry/CSSD equipments without any approval. Then HFM had asked Secretary, DHFW to constitute a Committee of experts under his Chairmanship so that no unauthorized activities in the matters of procurement and recruitment took place. Several meetings of the Committee had taken place and minutes stood issued. The PSA was supposed to abide by the directions and guidelines of Government, GFRs and also CVC guidelines, JS (PMSSY) stated. He also stated that PSA had to truthfully submit all documents in proper form to any investigating agency which might ask for the same as per procedures. JS (PMSSY) asked the PSA to make detailed presentation.

4. PSA briefed the Committee about the status of procurement of MOT, MGPS and CSSD for six AIIMS. It was submitted that Apex Committee was formed in January 2013 under the chairmanship of Secretary HFW to finalize procurement of CSSD, MGPS, MOT, Laundry etc. This was done with directions of HFM in the backdrop of certain AIIMS calling for EOI/RFP at individual level for this procurement. Apex committee formed subcommittees to assist the Apex committee. The subcommittee headed by one of the new AIIMS Director submitted technical specifications and tender document for consideration and approval of Apex committee. After appointment of PSA they submitted certain suggestions. An industry meet was held where users, PSA

and industry specific to CSSD, MGPS and MOT participated. With the inputs of industry, PSA resubmitted draft of specifications and tender document including commercial conditions and qualification criteria. A 23-member committee was constituted with the approval of Secretary HFW to finalize technical specification and qualification criteria and tender conditions. The 23-member Committee after its meeting in December 2013 submitted its recommendations which were placed before Apex Committee in January 2014. After the approval of technical specifications, qualification criteria and tender conditions, PSA floated the tender for the three services (CSSD, MGPS and MOT) in the month of March 2014. The pre-bid meetings for all the three tenders were held on 3 different days that is, on 10, 11 and 12 March 2014 at PSA office in presence of pre-bid committee wherein many likely bidders gave representations. The pre-bid meetings of MGPS and MOT were also video recorded. On demand from CVO MoHFW and from CBI, probably due to the representations from the likely bidders reaching them, copies of tender documents had been submitted to CVO/ CBI by PSA. It was briefed that the pre-bid representations, at first stage were disposed off by the pre-bid committee (technical and commercial) as per MoHFW Order dated 5 July 2013. Thereafter, representations by likely bidders and other representations along with recommendations of pre-bid committee were put up to the 23-member committee constituted vide MoHFW order dated 18<sup>th</sup> December 2013 for giving recommendations. This committee met for the second time on 30 June and 1 July 2014 at Nirman Bhawan and submitted their recommendations. The Apex Committee meeting was called to deliberate, consider and decide on the recommendations of the 23-member committee. The three tier recommendation/approval system was designed keeping in mind the sensitivity and volume of procurement. Thereafter, Shri RS Manku (PSA) gave point wise presentation of the proposed changes recommended by the 23-member committee.

5. Shri R.S. Manku, Head PCD, HLL (PSA) said that entire exercise was divided into two parts. The first part was regarding representation/changes requested by the likely bidders in commercial terms and conditions/ qualification criteria and the second part was regarding representation/changes requested by the likely bidders in technical specifications/ BoQ in respect of above referred tenders (CSSD, MGPS, MOT), amendments recommended by the pre bid approval committee (technical and commercial, MoHFW order dated 5 July 2013, para B3 and B4) and the recommendations of 23 member committee in their meeting held on 30 June and 1 July 2014 at Nirman Bhawan, New Delhi..

6. After detailed discussion and deliberation, in the light of presentation and recommendations of PSA, the decisions are recorded in a tabular manner as follows:

Sl. No	Present tender condition	Changes requested by the likely bidders	Changes recommended by the pre bid meeting amendment committee	Recommendations by 23 member committee	Decision taken in Apex Committee held on 19 Aug 2014
6.1	Delivery Period- Delivery, Installation and Commissioning incl. training to be completed within 200 Days	Delivery Period- Bidders requested that the total turnkey work incl. installation, commissioning, training, trail run and handing over would take at least 365 days	Delivery period for the entire turnkey work may be amended to 270 days instead of 200 days	Delivery Period incl. installation, commissioning, training, trial run and handing over for CSSD will be 120 days from the date of NOA for domestic and 120 days from date of LC for imported. For MGPS and MOT delivery, installation, commission, testing, trial run should be	For CSSD – Delivery period will be kept as 200 days.  For MGPS and MOT- Delivery period will be in a staggered manner initial 40% need to be completed within 200 days and balance need to be completed within 300 days. It was also deliberated that 50% delivery should not be physical but

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				<p>completed within 240 days. First 50% of work for each site should be completed within 150 days from date of NOA/LC and balance need to be completed within next 90 days. In initial 50%, the works need to be completed will be decided by the Director of respective AIIMS.</p>	<p>functional. It was also noted that the recommendation of 23 member committee to complete 50% within 150 days ( functional) was not practical and might become restrictive for the likely bidders who have requested for 365 days delivery. PSA was also instructed to define 40% scope of work in a transparent manner, without any ambiguity or subjectivity, in the bid document in consultation with all six AIIMS Directors after visiting six AIIMS site and then put up the same to 23 member committee for approval. Subsequent to this the same would be placed before apex committee for consideration and orders. PSA was instructed to complete the exercise within one month for putting up the matter to apex committee.</p>
6.2	<p>Average Annual Turnover- as per the present tender condition average turnover requirement in last three financial years (10-11,11-12,12-13) was kept as 100% of the estimated cost looking into the fact that entire work need to be completed within 200 days</p>	<p>Most of the bidders stated that the same may be revised to 30% of the estimated cost of the works as per CVC guidelines</p>	<p>Pre bid meeting amendment committee recommended to change the average annual turnover criteria from 100% to 50% in order to ensure wider/ larger participation</p>	<p>It was decided to keep Average Annual Turnover as 30% of the estimated tender cost as per CVC guidelines for works</p>	<p>Apex committee approved average annual turnover criteria in last three financial years (10-11, 11-12,12-13) as 30% of the tender estimated cost, however in the interest of efficient and timely execution of the huge work on site, it was decided to incorporate a new condition (which should be well advertised in the tender in a transparent manner) that maximum THREE sites could be allocated to a bidder notwithstanding its eligibility for more. In case the bidder became L-1 in more</p>

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					than 3 sites and was also meeting eligibility, the decision regarding award of work for remaining sites would be taken on the basis of least cost method to the purchaser. PSA would elaborate the least cost method in detail in bid document along with examples for clarity (which should be well advertised in the tender in a transparent manner)
6.3	Cumulative average annual turnover last three financial years (10-11,11-12,12-13) – As per the present tender condition the average annual turnover criteria is applicable on cumulative basis in case the bidder wants to quote for more than one schedule	Most of the bidders stated that even if they meet the requirement of one site they will not be eligible for 2 or 3 sites. Accordingly the cumulative turnover criteria may be scaled down.	Since the average annual turnover criteria last three financial years (10-11,11-12,12-13) have been proposed to be scaled down to 50% the committee felt that the cumulative turnover criteria is automatically reduced and need not to be changed.	The committee decided to keep the cumulative average annual turnover as per the original tender formula, as the annual turnover criteria has already been scaled down from 100% to 30%.	Apex committee agreed with the recommendations of the 23 member committee.
6.4	Experience criteria of similar nature work- Eligible bidders should have successfully executed globally in the last five years from the date of tender opening similar turnkey project of the	The likely bidders have requested for three changes:- • Value of single work order executed in India with same manufacturer product of atleast 25% of	After detailed discussion and deliberation pre bid meeting committee recommended to revise the QC as under:- At least one	The committee recommended the following:- 1) The bidder should have successfully executed globally in the last five years from the date of tender opening similar turnkey project of atleast 50% of	Apex committee agreed with the recommendations of the 23 member committee.

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	<p>same manufacturer product atleast 50% of the tender estimated cost - Out of 50% of the work the bidder must have executed atleast one single order of 25% of the estimated tender cost in India of the same manufacturer product during last five years from the date of tender opening</p>	<p>the tender estimated cost may be reduced</p> <ul style="list-style-type: none"> <li>• Experience of execution in India should be removed</li> <li>• Experience with same manufacturer product may be deleted</li> </ul>	<p>similar work of minimum 25% value should have executed in India. Or atleast two similar work of Minimum 15% of the tender estimated cost should have been executed in India Or atleast three similar work of Minimum 10% value should have been executed in India The pre bid meeting committee did not recommend any change for same manufacturer clause and experience in India.</p>	<p>the tender estimated cost</p> <p>2) Out of the 50% of the similar work the bidder must have executed one single order value of 10% of the tender estimated cost of the same manufacturer product in India.</p>	
6.5	<p>Cumulative work experience criteria for similar nature work – As per the present tender condition, for a bidder to qualify for more than one site, the single order executed criteria is applicable on cumulative basis.</p>	<p>Most of the bidders have requested to scale down the condition of cumulative requirement to become eligible for more than two sites</p>	<p>Since the experience criteria of single order value has already been proposed to be amended based on pre bid representations, the cumulative criteria stands corrected</p>	<p>The committee decided to retain the original tendered criteria for similar nature work on cumulative basis since the condition for single order value has already been scaled down from 25% to 10%.</p>	<p>Apex committee agreed with the recommendations of the 23 member committee.</p>

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6.6	Solvency certificate - Bidder must submit solvency certificate for 30% of the estimated tender value, from any nationalized/ scheduled bank in India	Global Bidders who are not having any office in India at present have requested to change it to any foreign bank from anywhere in the world.	Bidder must submit solvency certificate for 30% of the estimated tender value, from any nationalized / scheduled bank in India. In case of foreign bidders the solvency certificate of 30% of the estimated tender value from a branch of foreign bank having banking operations in India, may be submitted.	The committee agreed to accept the suggestions of the pre bid meeting committee.	Apex committee agreed with the recommendation of the 23 member committee however it was decided that a new clause might be incorporated in the qualification criteria that the bidder must have office/ offices in India at the time of submitting bid and proof of same must be submitted along with bid
6.7	Similar work - As per the present tender conditions, similar work is defined as : for MGPS it is MGPS, MOT means MOT and CSSD means CSSD	Some of the bidders have requested to incorporate clean room for Pharma industry also and may be considered as works of similar nature for CSSD and MOT	Similar work regarding respective dept. shall be decided by the technical committee.	The committee decided that experience in Pharma Industry cannot be considered as similar work for CSSD and MOT.	Apex committee agreed with the recommendations of the 23 member committee.
6.8	Payment Terms- As per the present tender condition the payment terms are specified as 50% of the	Most of the bidders have requested to change the payment term to 70%, 20% and 10%.	Committee recommended to release payments based on running bills/ BOQ	After detailed discussion and deliberation The committee decided to retain the original tendered payment terms.	After detailed discussion and deliberation apex committee agreed with the recommendations of pre bid approval committee and decided that the payment terms may be kept as 70%,

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	contract value on delivery, 30% on installation and commissioning, and final 20% on acceptance.		in the following manner:- i)70%-(of cost of delivered items) on delivery at site. ii) 20 %-( of cost of delivered items) on installation and commissioning. iii) 10 %- (of cost of delivered items) on final acceptance		20% and 10%.
6.9	Reverse Auction mechanism- As per the present tender condition techno-commercial responsive bidders will have to quote their price bid through reverse auction mechanism. Bidders will also have to quote manual price bid. The manual price bid of the non-responsive bidders will be returned unopened. Once the reverse auction is over and the site wise L1 prices (based on least cost to the purchaser) are finalized then the manual price bids will be	Most of the bidders have asked clarification on the reverse bidding modalities. Some of the bidders have suggested that once the techno commercial responsiveness is finalized , the price bids of these bidders should be opened and the lowest prices among all should be kept as the benchmark/ starting price for the bidders to quote under reverse auction.	Since the reverse auction mechanism is a new concept, the enlarged committee may take a view on this.	After detailed discussion and deliberation the committee decided to go with the reverse auction mechanism in the following manner:-  Manual Price bids will be opened of the techno-commercial responsive bidders and the L1 price of each site will be taken as a reserve price to start the auction. Reverse auction mechanism will be opted only when the number of techno commercial responsive bidders are three or more. The LI bidder arrived through reverse auction will be awarded the work. The basic equipment/ work, CMC and other cost will be adjusted on pro rata basis.	After detailed discussion and deliberation it was decided that in absence of availability of detailed guidelines in GFR/ or by CVC and this being a complex tender with multiple price components it would not be wise to try reverse auction in this tender and it would be better to go in a traditional two bid method mechanism in its true letter and spirit. Clause of reverse auction mechanism was decided to be deleted.

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	opened and the work will be awarded to the L1 bidder comparing the two as per the best benefit to the purchaser mechanism.			In case the techno-commercial responsive bidders are less than three then reverse auction mechanism will not be opted and the L1 bidder arrived through manual price bid will be awarded the work	
6.10	Bidder must be a manufacturer or his authorized agent and the bidder must comply with all the qualification requirement	Some of the likely bidders have asked whether they can make joint venture (JV) for this particular tender , being a high value project	Committee is of the view that Joint venture may not be permitted.	It was decided that no Joint venture will be permitted.	Apex committee agreed with the recommendations of 23 member committee
6.11	Bidder has to quote price for all six sites , however they can submit EMD as per their eligibility	Some of the bidders have questioned that whether they have to submit EMD for all six sites	The committee is of the view that bidder should submit EMD as per their eligibility of no. of sites. It was also clarified during pre-bid meeting.		Apex Committee agreed with the present tender terms
6.12				23 member committee recommended to include a clause that running and Operation for initial one year will be by the CSSD supplier on 14 hour basis ( Only Technical Staff 2 persons ) . The same will be taken in the ranking and evaluation purpose. Supplier will raise quarterly bill to respective AIIMS for reimbursement. It will	After detail discussion and deliberation it was decided that Operation and Running for initial FIVE year period for CSSD will be called in the bid and will be part of evaluation and ranking. It was also decided that FIVE year operation and running for MGPS will also be asked from the bidders and will be part of tender evaluation and ranking which was earlier approved for TWO years. However,

  
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				be the duty of the technical staff to train the respective AIIMS technician.	individual AIIMS would enter into contract with service provider for operation and running and payment will be made by individual AIIMS. PSA was directed that scope of work for running and operation for CSSD might be taken from the tender floated by JPNA Trauma Centre, AIIMS New Delhi.
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7. Regarding increase in estimated cost as presented by PSA, it was decided that budget for CSSD, MOT and MGPS would remain the same i.e. Rs 248 cr as already approved. If the actual cost increased, the number of MOTs would be reduced.

8. Regarding changes in technical specifications/BOQ it was decided in the light of recommendations of PSA, that changes as proposed by 23 member committee were acceptable. It was decided that PSA, after incorporation of changes in technical specifications/BOQ as recommended by 23 member committee and accepted by Apex committee, changes in qualification criteria and commercial conditions as approved by apex committee, incorporations of new conditions and details as decided by Apex committee, incorporation of clear scope of 40% work, least cost method, should get the entire bid document for CSSD, MGPS and MOT signed from 23 member committee for placing before apex committee for approval.

9. The Committee noted that PSA had stated that all original documentation related to work as PSA for six new AIIMS including proceedings of various meetings were being maintained by PSA and kept in the custody of PSA, in proper manner and also as per applicable guidelines.

The meeting ended with a vote of thanks to the chair.

  
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