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14 FEB 2019

GOVERNMENT OF KERALA

Abstract

STORES PURCHASE DEPARTMENT—AMENDMENT OF STORES PURCHASE
MANUAL (SPM)—INCORPORATING A NEW MODE OF PROCUREMENT
REAGENT RENTAL CONTRACT (RRC) IN HEALTH SECTOR—
ORDERS ISSUED

STORES PURCHASE (A) DEPARTMENT

G. O. (P) No. 1/2019/SPD.

Dated, Thiruvananthapuram, 2nd January, 2019.

Read:—1. G. O. (P) No. 3/2013/SPD, dated 21-6-2013.

2. Note No. 390/ACS/2017/Health and Family Welfare
Department, dated 8-8-2018.

ORDER

The Stores Purchase Manual had been revised as per the Government Order read 1st above and the same has been published in the official website www.spd.kerala.gov.in.

2. Additional Chief Secretary, Health and Family Welfare Department vide his note read 2nd above informed that the current practice in Health Services Department is to procure machines is based on technical qualification and purchase the LI machine from among the technically qualified bids. However, quite often the machines are not maintained promptly even during the warranty period and hence there is no control on the cost of reagent and the purchase fails to be cost effective. He also pointed out that, due to major advances made in research on the fundamental pathogenesis of diseases and development of methods, many new diagnostic techniques and laboratory test have been evolved. The best health care possible could be provided only by equipping all the

diagnostic labs with latest equipments and sufficient reagent without wastage of resources and Government Funds, and hence requested to incorporate RRC as an alternative mode of procurement in the SPM.

3. Government have examined the matter in detail and are pleased to amend SPM by incorporating Reagent Rental Contract as a mode of procurement in health sector in a new para 7.51 in chapter 7 of SPM. Para 7.51 in Chapter 7 attached as an annexure to this as—"Reagent Rental Contract".

4. The SPM 2013 is amended to that extend.

By order of the Governor,

MANOJ JOSHI,
Principal Secretary to Government.

To

All Heads of Departments/Offices/Public Sector Undertakings/
Autonomous bodies/Local Self Govt. Institutions/Universities etc.

The Secretary, Kerala Legislature, Thiruvananthapuram (with C/L).

The Registrar General, High Court, Ernakulam (with C/L).

The Advocate General, Ernakulam (with C/L).

The Registrar, Kerala Administrative Tribunal (with C/L).

The Principal Accountant General (Audit), Kerala,
Thiruvananthapuram.

The Accountant General (A&E) Kerala, Thiruvananthapuram.

Information & Public Relations Department (for publishing in the
Government Website).

All Departments in the Secretariat including Law and Finance.

The Stores Purchase (A1, A3, A4, B, IW-I & IW-II) Departments.

Secretariat Library.

The Director, C-DIT, Chittazham, Lavanya Building, Behind SMSM
Institute, Statue, Thiruvananthapuram (for hosting the Government
Order in the website of Stores Purchase Department).

The Stock file/Office Copy.

REAGENT RENTAL CONTRACT (RRC)

7.51. In the field of diagnostics and laboratory testing the traditional mode of procurement in the Government has been purchase of equipment from the suppliers by the Department concerned and using it for carrying out tests. Purchase of reagents specific to that equipment and annual maintenance contract are sometimes part of the original equipment purchase contract for specified period. New trend is evolving in the diagnostic field wherein the lab or hospital enters into an agreement with the supplier of equipment for payment of per test basis only. Equipment would continue to be owned by the supplier who would also supply necessary reagents and undertake service of the equipment.

The lab hospital would only pay for the number of tests carried out at the agreed rate. This type of procurement has multiple advantages such as the responsibility of the supplier to upgrade the equipment if a better method of testing at cheaper rate emerges and the complete responsibility of the supplier to undertake servicing. This also has advantage to lower upfront investment by the Government. Keeping these in perspective the Stores Purchase Manual is being amended to make Government Departments and organisations to undertake procurement of such equipment in the following manner:

1. Tenders could be invited for undertaking tests of various kinds in labs and hospitals on per test basis. The supplier would make available the equipment provide necessary reagents and undertake servicing of the regular maintenance of the equipment. The procuring department would only make payment on a per test basis on an agreed rate.

2. The tenderer should specify the details of the tests and outcome required within the desired range. To achieve that outcome, the equipment need to be supplied by the supplier which could be with different reagents and different technologies. If any technology/reagent is to be disallowed, that could also be specified.

3. The tender should be in two parts first for technical qualification and second financial bid. Financial bid should only be opened only for technically qualified bidders.

4. The period of contract in terms of years should be specified in the tender depending upon the life of the equipment, the frequency with which the technology and reagents are changing, etc.

5. The machine should be operation for 95% of the time.

6. The equipment supplied and have a freedom to replace the machine if technology changes which should be able to deliver the same result at the same cost.

7. The equipment supplied should be a new equipment.
