CHAPTER -7: PROCUREMENT AND SUPPLY OF MEDICINE AND EQUIPMENT

7. Procurement and supply

Timely supply of drugs of good quality, which involves procurement as well as logistics management, is of critical importance in any health system. To decentralise the procurement activities and build capacity for this purpose, NRHM emphasised setting up State Procurement Systems and Distribution Networks for improved supplies and distribution.

7.1 Procurement manual/policy

All organizations should prepare codified purchase manuals, containing detailed purchase procedures, guidelines and also proper delegation of powers, so as to ensure systematic and uniform approach in decision-making relating to procurements. However, in 26 States/UTs,[47] SHSs had no documented written procedures and practices on procurement.

Positive development

The Ministry had developed a comprehensive manual codifying best practice of procurement. A positive development in three states viz. Orissa, Gujarat and Uttarakhand was that the purchase procedure had been codified. Orissa had documented 'Drug Management Policy 2003' and the remaining two states had adopted a procurement manual.

In the absence of a uniform and well documented procurement policy, the system of procurement was quite often ad-hoc and there was no uniformity in the procedures followed by the various procurement wings under SHS/DHS.

7.2 Empowered Procurement Wing

The Ministry had set up an Empowered Procurement Wing (EPW) in October 2005 to consolidate, streamline, strengthen and professionalize the procurement of health sector goods under the NRHM, which were made by the various programme divisions in a fragmented and disjointed manner. There were to be three functional units of EPW, viz. Health, Family Welfare and Universal Immunisation Programme, under three Directors headed by a Joint Secretary. Seven Deputy Directors oversee

Work done by EPW

- Preparation of procurement manual and standard bidding document.
- Compendium of technical specifications of 800 generic equipment under preparation.
- Preparation of specification and quality assurance requirements for kit A and kit B under RCH.
- Preparation of Logistics Improvement Strategy Plan.
- Creation of a list of "approved" testing laboratories.
- Procurement and logistics training at central and state level (six states).
- Development of Procurement Management Information System (ProMIS) under process.

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[47] Andaman and Nicobar, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh, Dadra and Nagar Haveli, Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Manipur, Meghalaya, Mizoram, West Bengal, Uttar Pradesh, Tripura, Sikkim, Rajasthan, Punjab and Chhattisgarh.

procurement activities under the disease control programmes (DCPs) and IDSP.

However, the desired structure did not physically exist under one wing. The EPW had been only directly handling the procurement of vaccines and contraceptives and supervising the procurement undertaken by RNTCP. The EPW was not overseeing the procurements made by various programme divisions by monitoring their procurement plan. Thus, the intended purpose of having a centralised procurement unit so as to generate cohesiveness and efficiency remained unfulfilled.

Further, an integrated procurement plan and fixed time schedule for completion of procurement activities had not been prepared by the EPW as envisaged. The EPW was also required to maintain computerized databases on requirement of goods and services; firms holding the Good Manufacturing Practices (GMP) certificate; market surveys/market intelligence; complaints received and services etc. However, the Wing did not maintain any such databases. No market survey of goods and services etc. had been carried out so far.

Another objective of the EPW was to build capacities of State and dependent agencies and monitor them for improving procurement of health sector goods and services etc. However, no progress in this regard had been made. In the absence of computerized database and integrated procurement plan, the EPW failed to monitor the procurement activities in the various divisions under the Ministry and in the States.

The Ministry stated that in January 2009 a section has been set up for the EPW and it is in the process of setting up a Centralized Procurement Agency (CPA).

However, establishment and operationalisation of the CPA needs to be expedited, since the Mission has entered its fifth year of operation.

7.2.1 Involvement of UNOPS as procurement agent

The Ministry had appointed United Nations Offices for Project Services (UNOPS) to carry out complete task of procurement for World Bank financed projects. As per the agreement with the UNOPS, bid evaluation according to international standards, pre and post shipment inspection and other procedures were the responsibilities of the agent, while the Ministry had been appointed as an observer.

The responsibilities of the Ministry as observer in examination and evaluation of the bid and post shipment inspection were not well defined and there was a lack of technical expertise and shortage of staff in the programme divisions as well as in EPW to carry out the tasks of observer. Further, programme divisions were not reporting to EPW regarding total indents placed and payment made to UNOPS. In the absence of reporting by the programme divisions, EPW could not monitor and reconcile the payment of advances and cost of services and management fee to UNOPS. Thus the purposes to consolidate, streamline, and strengthen and to professionalize the procurement activities for which the EPW established were not served.

7.3 Procurement process management

7.3.1 Formulary list of drugs

A health care system can ill-afford to purchase drugs mentioned under different proprietary brands at widely varying prices. A limited list of essential drugs, also

referred to as a drug formulary, defines which drugs would be regularly purchased for stock.

A review of the procedures followed revealed that a common formulary or essential drugs list was available only in 14 States/UTs,[48] but had not been developed in 13 States/UTs[49] and there were wide variations between the number and type of drugs included in the essential drugs list adopted by the districts/SHSs.

7.3.2 Bid document

Standard bidding documents were adopted only in four States[50], while in 13 States[51], separate non-standard bid documents were adopted by the SHSs and the DHSs. In Chandigarh, Arunachal Pradesh, Meghalaya[52] and Chhattisgarh important provisions relating to 'liquidated damages', 'pre-qualification norms', 'force majeure', 'packaging', 'performance security', 'warranty period', 'imposition of penalty for delay in supply and installation of equipment', 'remaining life' and 'bid security' etc. had been left out.

7.4 Bidding process management

7.4.1 Delay in processing and award of contract

To reduce delay, appropriate time-frames for each stage of procurement should be prescribed. To minimise the time needed for decision making and placement of contracts, appropriate purchasing powers may be delegated to lower functionaries with the approval of the competent authority.

However, in three States procurement process had not been completed according to the fixed schedule, mainly because of delays ranging from two months to two years in obtaining administrative approval and financial sanction from the competent authority. For instance, in Uttarakhand procurement of Mobile Medical Unit worth Rs.5.08 crore was not completed despite a lapse of two years. In Jammu and Kashmir, delay of 12-13 months was noticed in obtaining administrative approval and financial sanction for finalization of rates of drug kits. Similarly, though Ministry released funds to Daman and Diu in 2006, procurement of the drug kits was made after a delay of two years.

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[48] Bihar, Chandigarh, Dadra and Nagar Haveli, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, West Bengal, Uttarakhand, Uttar Pradesh, Sikkim, Rajasthan, Gujarat and Chhattisgarh.

[49] Assam, Delhi, Haryana, Jammu & Kashmir, Jharkhand, Lakshadweep, Manipur, Meghalaya, Mizoram, Punjab, Puducherry, Tripura and Arunachal Pradesh.

[50] Himachal Pradesh, Rajasthan, Uttarakhand and Uttar Pradesh.

[51] Assam, Chandigarh, Dadra and Nagar Haveli, Delhi, Haryana, Jharkhand, Kerala, Lakshadweep, Madhya Pradesh, Meghalaya, Punjab, Arunachal Pradesh and Chhattisgarh.

[52] In Meghalaya the absence of penalty clause in bidding document for delay in supply and installation of equipment resulted in undue financial aid to supplier of Mobile Medical Units for Rs.2.58 crore.

Thus, undue delay in obtaining the administrative approval and financial sanction resulted in delay in processing and award of contract. Such delays may have an adverse impact on the stock position of the health centres.

7.4.2 Irregularities in selection of supplier

In four States, irregularities such as absence of standard tender process, ignoring lowest rates, procurement from black listed supplier etc. involving Rs.36.07 crore were noticed as detailed below:

(Rs. in crore)

State	Nature of irregularity	Amount
Uttar Pradesh	Standard bidding process such as invitation of open tenders was not followed to avail the benefit of competitive rates in purchase of medicines.	25.66
Jharkhand	i) Drugs were purchased by SHS from a company blacklisted by Gujarat, Rajasthan and Maharashtra due to supply of sub-standard drugs. Quality test was also not conducted before payment.	6.20
	ii) State RCH Society purchased medicine/syringe without floating tender.	2.66
Chhattisgarh	Accepted tender of a firm after due date and placed supply order.	1.20
Manipur	16 generator sets were procured without inviting tenders.	0.35
TOTAL		36.07

7.4.3 Procurement of drugs/equipment at higher rates

As per Rule 160 of GFR 2005, contract for procurement should ordinarily be awarded to the lowest responsive bidder. The Ministry had placed supply orders of Rs. 22.37 crore for 1440 lakh doses of DPT vaccines on three agencies) @ Rs. 13.40 per vial for 340 lakh doses from L1, @ 14.37 per vial for 300 lakh doses from L2 and @ 16.88 per vial for 800 lakh doses from L3 bidder by adopting the process of limited tender inquiry in July 2008.

Achievement: Procurement of drugs in Gujarat

The SHS did not purchase medicines from the Central Public Sector Enterprises (CPSE) as the net rates (offered by them after discounts) were higher than the Rate Contract (RC) of the Central Medical Stores Organisation (CMSO). By purchasing five medicines at RC rate fixed by the CMSO the SHS saved Rs.40.08 lakh in respect of purchase orders placed between January and March 2007.

The limited tender inquiry involving bids from four agencies was in contravention to the GFR, which required open tendering for procurement of goods above Rs. 25 lakh. Moreover, the L1 firm was willing to supply DPT vaccines @ 12 per vial with a condition that supply order should be of 680 lakh doses and otherwise @ of Rs. 13.40 per vial. However, the Ministry placed supply order of only 340 lakh doses The decision of the Ministry not to place the order for maximum quantity i.e. 680 lakh doses to the L1 firm and procure the vaccines at higher rates was injudicious resulting in avoidable liability to incur expenditure of Rs. 2.14 crore on purchase of 340 lakh doses of vaccine at a higher rate of Rs. 16.88 per vial.

The Ministry stated that the L1 firm got the manufacturing license in January 2007 and therefore did not have the two years manufacturing and marketing experience. As per the condition of bid document, a firm which did not have two years manufacturing and marketing experience would qualify only for the trial order. Since this firm was also falling in this category, it was considered for only 20 *per cent* trial order.

However, the bid document for the purchase of vaccines stipulated that the

manufacturer who did not have two years of manufacturing and marketing experience in the specific vaccine (DPT) may not be given full orders without testing their ability through placement of trial order. Prior to the supply order in question, the firm had successfully supplied a trial order of 63 lakh doses at the rate of Rs. 12.00 per vial during 2007-08.

Further, in three States the medicines/equipment were procured at higher rates than those approved by other govt agencies resulting in extra expenditure of Rs. 3.29 crore as detailed below:

(Rs. in crore)

State	Nature Of Irregularity	Amount
Chhattisgarh	i) State Malaria Society procured Lab Materials at higher rates than the rate contract finalised by DHS involving extra expenditure.	1.62
	ii) Equipment was purchased at rates higher than lowest rate obtained in tendering resulting in excess payment.	0.03
	iii) Incorrect determination of L1 rates by not considering the tax component (inclusive/exclusive) in the comparative statement resulted in excess payment.	0.27
Bihar	Medicines were procured by 3 DHS at rates higher than approved by the SHS resulting in extra expenditure	1.27
Andhra Pradesh	Medicines were procured at rates higher than approved by AP Health Medical Housing and Infrastructure Development Corporation (APHMHIDC) resulting in extra expenditure	0.10
TOTAL		**3.29**

Moreover, in eight States avoidable expenditure of Rs. 8.09 crore incurred by various agencies on purchase of drugs which were not required, payment of avoidable taxes, non-deduction of tax at source, irregular payment without delivery receipt of medicines, etc. as detailed in **Annex 7.1**.

7.5 Procurement by hiring consultants

7.5.1 Avoidable payment and advances lying outstanding

Under the Pulse Polio Immunisation Programme, the Ministry had released US$ 24,48,50,047 to UNICEF during 2005-08. Supply-order/agreement-wise details of receipt of consignment by the State governments/Medical Store Depots were not on record for the supply of vaccines made between March 2006 to January 2008 at the Ministry and the adjustment of advances (by transferring the amount from non-plan to plan heads) was made without ascertaining the actual supply of the OPV.

The final adjustment of advances with UNICEF had not been done so far despite timely receipt of adjustment bill resulting in US$ 10,22,232.07 (Rs. 5.10 crore[53]) lying outstanding. Although, UNICEF clearly indicated the unspent amount of advances, the Ministry never tried to secure refund of the same. At the instance of Audit, the Ministry took up the matter with the UNICEF and UNICEF advised to utilise the unspent balances in future procurement. The Ministry also decided to work out an annual system of reconciliation with UNICEF.

In July 2007, the Minister, Health & Family Welfare had directed a review of the 4.5 *per cent* commission paid to the UNICEF as handling charges in view of the fact that

[53] 1 US$=Rs. 49.90 on 14-04-09

most of the procurement of OPV was done by local suppliers and most of the funding of the PPI programme was through the domestic budget. Between July 2007 and March 2008 the Ministry had purchased OPV through the UNICEF on four occasions. However, only on the fourth occasion, the Ministry negotiated the commission of the UNICEF, which was subsequently reduced to 2.25 percent of the total value of supplies. Had the Ministry finalised the negotiation with the UNICEF promptly after the Minister's observation, it would had saved US$ 10,72,655 (Rs. 4.26 crore) paid as handling commission.

7.5.2 Delay in supply of equipment and medicine

Under the NRHM, programme divisions of Integrated Disease Surveillance Project (IDSP) and Universal Immunisation Project under RCH-II had engaged HSCC in 2005 as consultant for procurement to inculcate professionalism in the activities related to procurement. For this, the HSCC was to inspect the equipment/examine the goods before their despatch to the consignee.

The HSCC failed to carry out the pre-despatch inspection of 10 test-checked consignments in time due to which, the delivery schedule of the consignment was to be deferred by the number of days equal to the delay (18 to 109 days) in inspection of goods. The Ministry failed to secure the interest of the government by not including the penalty clause for the delay on the part of the consultant in the agreement signed with the HSCC.

Further in Assam, delay of more than one year was noticed in supply of medicines by Tamil Nadu Medical Services Corporation (TNMSC) and delay of three months in supply of medicines occurred due to shifting of policy of procurement through consultants to Director of Health Services, Assam. The delay in supply of medicines in State had an adverse impact on the stock position of the receiving health centres.

7.5.3 Non-levy of liquidated damages

As per Rule 204 of the GFR 2005, all contracts shall contain a provision for recovery of liquidated damages for defaults on the part of the contractor. In three States, loss of Rs. 1.44 crore was incurred due to non-deduction of liquidated damages as detailed below:

(Rs. in lakh)

State	Nature of irregularity	Amount
Maharashtra	Payment made by the State Family Welfare Board (SFWB), Pune to supplier without deducting liquidated damages for delay ranging from 15 to 81 days in supply of drugs.	48.35
Gujarat	Non-recovery of penal charges by Central Medical Store Organisation (CMSO) for non-supply /undelivered quantity of goods.	5.75
Jharkhand	Delay in supply of medicines to State RCH society ranged from 5 to 80 days. Penalty as per contract was not imposed.	89.54
TOTAL		**143.64**

7.6 Utilisation of funds released for procurement

The Ministry released funds to the SHSs for procurement of medicines and equipment based on their annual PIPs. However, during 2005-08, 50 to 100 *per cent* of funds

released for procurement remained unspent in 17 States/UT[54] as of 31 March 2008, as detailed in **Annex 7.2**.

Further, in five States diversion of funds and medicine of Rs.22.84 crore was noticed resulting in non-achieving of objectives of the scheme and denying the intended benefits to earmarked areas as detailed below: ***(Rs. in lakh)***

State	Nature of irregularity	Amount
Maharashtra	Expenditure incurred on purchase of Ferrous Fumarate Syrup, not included in the list of GOI for preferential purchase of 102 medicines under RCH PIP, was booked under RCH.	1399.46
Uttar Pradesh	Funds, pertaining to Sectoral Investment Programme (SIP), for procurement of laparoscope were diverted in 2006-07 for purchase of Diesel Generator sets without approval of the government.	627.00
Karnataka	Payment made out of NRHM funds for the purchase and supply of 35,000 drug kits under the State sector scheme Stri Shakti (Self-Help Group) whereas guidelines of NRHM allow for supply of drug kits to the PHCs and the CHCs only.	205.00
Assam	Medicines purchased in November 2007 out of NRHM funds sanctioned categorically for Sub Centres, PHCs, CHCs, SDHs and District Hospitals only, were diverted to three Government Medical College Hospitals and one State level Mahendra Mohan Choudhury Hospital.	43.32
Chhattisgarh	CMHO, Kanker utilised 40 percent funds for purchase of medicine instead of prescribed 75 percent and 60 percent funds for Information Education and Communication (IEC) instead of prescribed 25 percent, resulting in diversion of funds towards non-sanctioned purposes.	9.40
TOTAL		**2284.18**

7.7 Equipment lying unutilised

In seven States medical equipment worth Rs. 24.69 crore were lying unutilised, resulting in non-achievement of scheme objective and blocking of funds as shown in the following table:

(Rupees in lakh)

State	Audit Observation	Amount
Orissa	In four test checked district hospitals, one Sub-divisional hospital (Jeypore) and one CHC (Ghasian), Diagnostic, OT and other equipment were lying idle without installation / commissioning for over one to five years due to want of required infrastructure and trained manpower.	112.88
Maharashtra	26 laparoscopes were lying unutilised from January 2008 (8) and October 2008 (18) with State Family Welfare Bureau.	92.12
Karnataka	i) 40 anaesthesia machines were lying idle in CHCs since January 2007 in the absence of any sanctioned posts of anaesthetics.	72.14
	ii) Glass syringes were purchased without requirement/indent.	20.33
Assam	i) Basic equipment (27 items) procured in 2007-08 without assessment of availability of required infrastructure to perform 24 X 7 PHC sent to 54 PHCs were lying idle.	47.74
	ii) 4265 beds transferred to districts from National Games Village, Guwahati without assessment of requirement, out of these 177 beds could not be installed due to non-availability of space.	12.75
	In one CHC equipment like ultrasound, X-ray, ECG machines procured during 2004-06 were lying unutilised/un-installed in absence of electrical	-NA-

[54] Andaman & Nicobar Islands, Chandigarh, Delhi, Haryana, Jharkhand, Lakshadweep, Maharashtra, Manipur, Orissa, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttar Pradesh, Uttarakhand and West Bengal.

State	Audit Observation	Amount
	connection.	
Bihar	In East Champaran district, Medical equipment viz. OT light, hydraulic operation table etc. procured in excess of requirement were lying idle since March 2006 in district stores.	25.68
Jammu & Kashmir	Equipment viz. Semi-Auto Analyser, Life Pack etc. lay in stores un-utilised for more than one year.	12.56
TOTAL		**396.20**

Case study: Unutilised equipment in Jharkhand

- 130 Vaccine Deep Freezers (VDFs) and 268 Portable Vaccine Carriers (PVCs) of Rs. 10.43 crore were procured and 202 rooms at installation sites were developed in June 2006 to maintain the Cold Chain, necessary for safe carriage of potent vaccines. The equipment however remained un-utilised as (a) Deep Freezers did not work on solar power back up (b) required temperatures could not be maintained (c) equipment damaged due to high voltage fluctuations (d) 72 sites remained unutilised due to non-installation of VDFs. This resulted in unfruitful expenditure.
- 24 MMUs with telemedicine facilities were purchased at the rate of Rs. 66.67 lakh per unit although telemedicine facilities in the MMUs were not provided as per NRHM framework and infrastructure to provide telemedicine facilities was not available in Jharkhand. MMUs without telemedicine facilities were, however, available at the rate of 22.00 lakh per unit. The telemedicine function of MMUs remained unutilised resulting in un-fruitful expenditure of Rs. 10.72 crore.

Unutilised beds at Dekhoumukh PHC: Assam

Radiant warmers remaining unutilized at Panigaon Sub Centre: Assam

7.8 Non availability of essential drugs in health centre

Availability of drugs, which involves procurement, as well as logistics management, is of critical importance in any health system. Under NRHM, it was provided that two months stock for

Success story

A positive impact of the Mission was that two months' buffer stock of medicines was available in nine states/UT (Madhya Pradesh, Maharashtra, Uttar Pradesh, Punjab, Chhattisgarh, Chandigarh, Delhi, Himachal Pradesh and Lakshadweep).

essential medicines/drugs was to be maintained in the health centres.

The stock of essential drugs, contraceptives and vaccines adequate for two months consumption were not available in any of the test checked PHCs and CHCs in nine States/UT (Assam, Bihar, D & N Haveli, Jharkhand, Manipur, Mizoram, Orissa, West Bengal and Sikkim). In six States, two months' stock was available partially at sample health centres as given in table 7.1

Table 7.1: Percent of health centres with two months' stock of drugs, contraceptives and vaccines

State	CHC	PHC
Jammu & Kashmir	75	59
Karnataka	89	89
Meghalaya	38	9
Uttarakhand	100	92
Rajasthan	67	72
Gujarat	83	87

7.9 Quality assurance of drugs

The pre and post-shipment quality tests are required, especially in the case of purchase of medicines. However, in three States cases of procurement of sub-standard drugs or procurement of drugs without assuring quality was noticed as detailed below:

(Rupees in lakh)

State	Nature of irregularity	Amount
Orissa	Though Drug Management Policy of the State provided for sample testing of each batch of medicines purchased before allowing full payment, quality testing of samples of 303 batches of ASHA kits was not conducted and these were distributed to ASHAs.	141.00
	Drug Management Policy of the State prescribed for not procuring any drug with less than 5/6th shelf life, however in 11 cases drugs were purchased with less than prescribed life of 5/6th shelf life.	19.51
Jharkhand	Sub-standard DEC tablets (Broken/bad) were supplied to State Malaria Control Society under NVBDC Programme for Mass Drug Administration (MDA) towards elimination of Lymphatic filariasis.	55.00
West Bengal	In five districts drugs purchased by procurement wing of Chief Medical Officer of Health (CMOH) was found to be substandard.	16.44
TOTAL		**231.95**

In Orissa, sub-standard drugs were administered to patients in Koraput district due to belated receipt of test reports from lab and late communication from the State Drug Management Unit (SDMU). Similarly, in Sundergarh and Bolangir districts, in 14 cases, time expired medicines of Rs.3.02 lakh were administered to patients due to late receipt of communication from SDMU declaring the drugs as 'not of standard quality'.

In Bihar, quality test mechanism of drugs was non-existent and medicines were used without ensuring quality. In Assam 58.13 lakh condoms of 10 different batch numbers were supplied, of which sample from five batches were sent to laboratory for testing. The entire sample was tested as sub-standard and subsequently was replaced by the supplier. However, 43 lakh condoms of remaining five batches were supplied to districts without conducting laboratory tests.

7.10 Management of supplies

In August 2007, the Ministry issued an order to Government Medical Store Depot (GMSD), Guwahati for release of 79.61 lakh pieces of condoms with expiry date of June 2008, to State Family Welfare Bureau (SFWB), Kolkata. However, SFWB, Kolkata refused to accept the supply of condoms due to short expiry period.

Consequently, in January 2008, the Ministry asked GMSD, Guwahati to dispatch the above quantity to Gujarat, Madhya Pradesh, Rajasthan and Uttar Pradesh. However, Bhopal State office also did not accept the stock due to short expiry period and it was decided to divert the supply to Pune, Maharashtra. The stock was not accepted by Maharashtra, for the same reason. However, the State later accepted the stock when the same was delivered by the transporting agency in the campus of Directorate of Health Services, Pune in March 2008. The Directorate of Health Services distributed 20 lakh condoms expiring in June 2008 (worth Rs. 25.13 lakh) to 30 districts between 25 March 2008 and 03 May 2008. From district headquarters, these condoms were required to be sent to health centres for further distribution to patients. The above facts indicated deficient management of supplies by the Ministry, as the health centres received condoms for distribution with a shelf-life of one month to three months, while the Ministry generally procures condoms with a shelf life of three years.

Similarly, in West Bengal also there was a loss of Rs. 47.54 lakh due to expiry of medicines lying in store.

PHC Morwahi, Gondia, Maharashtra

PHC Kendur, Pune, Maharashtra

Contrasting Patterns of Store Management

Recommendations

- ***The Ministry may ask SHSs to adopt and follow the procurement manual developed by the Ministry for all subsequent procurement activities so as to ensure uniformity and standardization countrywide.***
- ***EPW's functioning in terms of technical and professional expertise may be strengthened so as to infuse professionalism in the management of high value centralised procurement of medicines and equipment under the NRHM.***
- ***Department should strengthen internal controls to check delay in procurement process, avoid excess procurements and stockouts and ensure purchases of good quality medicines and equipment at the most competitive rates by adhering to General Financial Rules.***
- ***The procurement procedures and bidding documents should be reviewed and standard bid documents and contract agreements should be adopted for procurement as part of a model manual.***
- ***The Ministry and States should share data regarding blacklisted firms on their websites.***