

Chapter - 4

Furniture and Equipment

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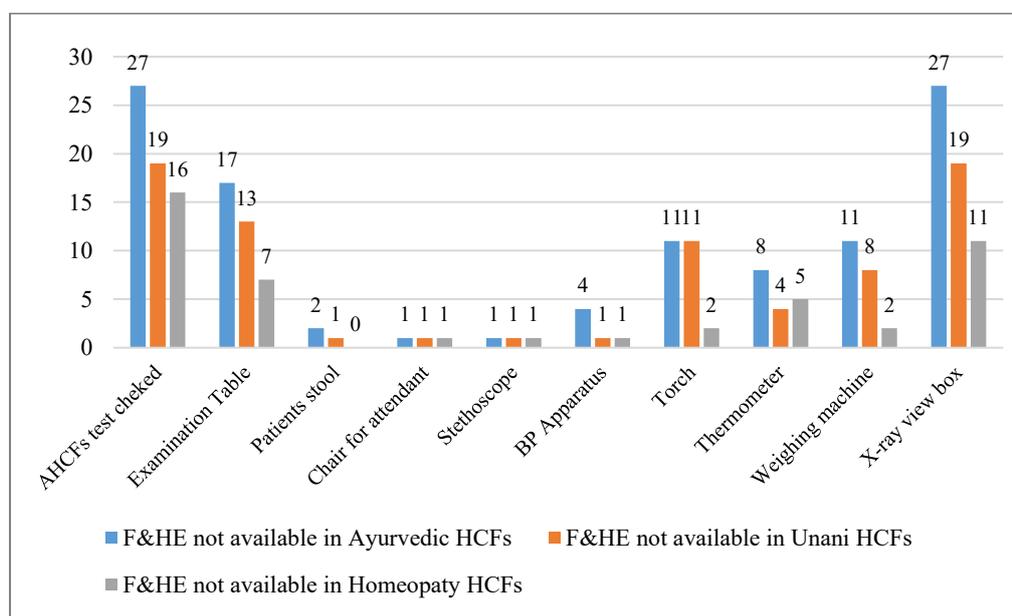
This Chapter deals with procurement, availability and utilisation of furniture and hospital equipment (F&HE) in dispensaries and hospitals. Availability of required F&HE are amongst the most essential health care facilities for delivering quality treatment to the public.

4.1 Availability of furniture and equipment in AHCFs

Despite being basic requirement, AYUSH Department did not standardise the norms for F&HE required for AHCFs.

Audit verified availability of F&HE based on IPHS for PHCs, draft standards¹ for Ayurveda, Unani and Homeopathic dispensaries and hospitals; and list approved by Purchase Committee of SAS for providing F&HE to HWCs. The availability of basic F&HE in the test checked 27 Ayurvedic dispensaries and hospitals (7 dispensaries, 18 four bedded hospitals and two 15-bedded hospitals) 19 Unani dispensaries and hospitals (3 dispensaries and 16 four bedded hospitals) and 16 Homeopathic dispensaries is shown in **Chart 2**:

Chart 2: No of test checked Ayurvedic, Unani and Homeopathy dispensaries/hospitals where basic F&HE were not available



(Source: Joint Physical Verification and information furnished by test checked dispensaries and hospitals)

JPV of 62 dispensaries and hospitals further revealed that the condition of the furniture was not good in 3 dispensaries and hospitals; and the condition of tools and equipment was not in good condition in 7 dispensaries and hospitals.

Further, GoUP prescribed (March 1987) 51 items/equipment for 25 bedded hospitals. SAS decided (May 2020) to provide 38 types of F&HE to each HWCs. Similarly, The Director, Ayurveda Services circulated (January 2021) a

¹ Available on the website of 'The Clinical Establishments (Registration and Regulation) Act, 2010', Ministry of Health & Family Welfare, GoI.

list of 43 types of equipment/articles for each YWCs. Physical verification of five 25-bedded hospitals, 8 HWCs and 8 YWCs revealed that against the prescribed number of 51, 38 and 43 equipment for 25-bedded hospital, HWC and YWC, the availability of equipment ranged between 0 to 29 (average 16 equipment), 28 to 38 (average 35) and 0 to 39 (average 26) respectively.

The Government stated (January 2025) that DAUOs have been directed (June 2024) to provide minimum F&HE in Ayurveda hospitals, availability of F&HE in Unani hospitals would be ensured, F&HE have been provided to 779 HWCs and the process of providing F&HE to the remaining HWCs is in progress. The Government, however, furnished no reply regarding unavailability of F&HE in Homeopathic dispensaries, short availability of F&HE in HWCs and poor condition of F&HE in the hospitals.

4.2 Procurement and utilisation of furniture and hospital equipment

Funds for procurement of F&HE are mainly provided under different components of NAM. Findings on procurement of F&HE are discussed in succeeding paragraphs:

4.2.1 Procurement of furniture & equipment for Fifty-bedded Integrated AYUSH Hospitals and Health and Wellness Centres bypassing GeM

The Government of UP made (August 2017) it mandatory for the Government Departments and institutions working under them to procure goods and services through Government e-Marketplace (GeM) only. Rule B (ix) of Rules and responsibilities of buyer on GeM prohibits buyers for placing any order at GeM prices outside GeM²; considers all such contracts in violation of the provisions as null and void; and warns of taking suitable actions against the defaulters. Paragraph 360 of FHB Volume VI provides giving at least one month's time after the date of first advertisement or notice for submission of bids.

Audit noticed that GoI approved establishment of 25 numbers of FIAHs at an estimated cost of ₹ 9.00 crore per hospital (₹ 15 crore per hospital from 2021-22) during the period 2015-16 to 2022-23 and upgradation of 871 dispensaries into HWCs during 2018-19 to 2021-22 at a cost of ₹ 5.00 lakh per dispensary. With a view to operationalise 11 FIAHs and 500 HWCs, tenders for purchase of 237 types³ of F&HE for FIAHs, against 65 types of F&HE approved under NAM, and 38 types of equipment for HWCs was uploaded on GeM (11 October 2021) by SAS, with last date for submission of bids after 11 days (22 October 2021). Thus, the time given for submission of bids was less than one month, which was against the provisions of Paragraph 360 of FHB Volume VI.

Audit also noticed that NIT uploaded on GeM invited rates for one unit only in respect of each of the F&HE to be procured, instead of total number of F&HE required for 11 FIAHs and 500 HWCs as per recommendation of the committee.

² Buyers are not allowed to place any off-line contract to the seller directly based on the outcome of e-Bidding/RA conducted on GeM. All such contracts shall be treated as null, and void and GeM reserves the right to take suitable actions against such Buyers.

³ A 10-member Technical Committee (TC) constituted (September 2021) by GoUP to purchase F&HE, decided (September 2021) to procure 242 types of F&HE for FIAHs through GeM, against the list of 65 types of equipment (as per revised guidelines 78 types of equipment at a tentative cost of ₹ 1.05 crore) approved for FIAHs. A PC, constituted in October 2021, approved the purchase of F&HE decided by TC and decided their specifications.

Out of 3 bidders⁴, who participated in the tender, the rate quoted by Saraswati International⁵, Lucknow, amounting to ₹ 90.36 lakh was found (November 2021) to be the lowest (L1) and therefore, a contract for a period of one year was executed (November 2021) with the firm on GeM and a supply order of ₹ 90.36 lakh was also placed on the firm through GeM. Subsequently, SAS placed (November 2021) an offline supply order at GeM rates with M/s Saraswati International, Lucknow for a total value of ₹ 27.01 crore⁶. The supply order of ₹ 27.01 crore included F&HE valuing ₹ 0.70 crore⁷ only, for which supply order was placed through GeM. This resulted in placement of supply order valuing (₹ 27.01 crore – ₹ 0.70 crore) ₹ 26.31 crore on Saraswati International, bypassing GeM. The contract for procurement of goods at GeM rates outside GeM, however, was null and void, and deprived SAS of price discovery for bulk procurement of these items. This also resulted in undue favour extended to the firm. Audit further observed that:

- Condition 1.9 of contract entered into on GeM, *inter alia*, provides LD for delay in delivery of goods at the rate of 0.5 *per cent* per week, not exceeding 10 *per cent* of contract value. The offline supply order placed with the firm did not incorporate LD clauses. As a result, no LD were recovered despite non-supply, short supply and supply of damaged equipment valuing ₹ 4.93 lakh, ₹ 10.83 lakh and 2.49 lakh (total: ₹ 18.25 lakh) respectively; and
- SAS uploaded (February 2023) tenders on GeM for purchase of equipment for five numbers FIAHs sanctioned during 2016-17 to 2018-19, and 279 HWCs sanctioned during 2021-22. Out of the three successful bidders, SAS declared (March 2023) Saraswati International ineligible as it had not supplied the equipment timely and had not replaced⁸ the defective equipment against the earlier (November 2021) order; and cancelled the tender considering only two remaining eligible bidders. SAS, however, neither blacklisted the firm nor forfeited the performance guarantee of ₹ 67 lakh deposited by the firm, against the requirement of ₹ 81.03 lakh (at the rate of 3 *per cent* of the value of offline supply order).

The Government accepted (January/February 2025) that supply order was placed on M/s Saraswati International based on per unit rate of F&HE sought in the tender and stated that the tender was floated for rate contract of the equipment to be procured, and 11 days' time for submission of bids was allowed as per conditions of GeM.

Reply is not acceptable as after uploading the tender (October 2021), entire supply orders was placed in November 2021 indicating that the quantity for purchase was already decided. In the bid document, additional requirement of equipment was shown as Nil and estimated bid value was mentioned as ₹ 5.00 crore, though offline supply order was placed for ₹ 27.01 crore, and as

⁴ Saraswati International; Lucknow Optical and Surgical Co., and Concert Laboratories of Lucknow

⁵ The official address of M/s Lucknow Optical & Surgical Company, Lucknow i.e., "1st floor, Commerce House, Habibullah Estate, Hazratganj, Lucknow 226001" was also the address of another company M/s Saraswati International BB Infrastructure Projects Private Limited also.

⁶ An agreement was also executed with the firm in November 2021.

⁷ ₹ 90.36 lakh – value of 4 items (Hormonal Test Machine of ₹ 20,16,000/- for; HWC: Trolleys ₹ 14000, Stretcher 13440 Threefold screen ₹ 2240 for HWCs) amounting to ₹ 20.45 not included in off-line supply order.

⁸ A final notice has been issued (August 2023) to the firm for replacement of these defective equipment.

per conditions of GeM, purchases at GeM rates outside GeM was prohibited and liable for suitable action against the defaulters.

4.2.2 Unfruitful expenditure on procurement of tools & equipment for HWCs and AYUSH Hospitals

With a view to equip HWCs, SAS uploaded (August 2022) tenders on GeM for purchase of 10 types of laboratory tools, test cards/strips⁹ and inverter-battery for each of the 500 HWCs¹⁰.

After opening (September 2022) the technical and financial bids, the rates quoted¹¹ by Vani Management Services Private Limited, Lucknow was found to be the lowest (L1). A supply order for supply of laboratory equipment, cards/strips (₹ 0.33 per dispensary) and battery for inverter (₹ 0.16 lakh per dispensary) for 500 HWCs valuing ₹2.45 crore was placed (January 2023) with the firm; and an agreement was also executed with the firm on the same date.

Scrutiny of records revealed that:

- An order for supply of *Panchkarma* equipment (₹ 0.92 lakh per dispensary) and inverter (₹ 0.12 lakh per dispensary) to 500 HWCs had been placed in November 2021 with M/s Saraswati International at a total cost of ₹ 5.20 crore. However, order for supply of laboratory tools/kits and inverter-battery to these HWCs was placed only in January 2023 with Vani Management Services Private Limited, Lucknow at a total cost of ₹ 2.45 crore. Since batteries were purchased prior to January 2023, the inverter purchased in November 2021 remained unutilised for more than one year. Information furnished (August/September 2023) in respect of 231 (information in respect of 269 HWCs was not furnished) out of 500 HWCs made operational in 29 out of 75 districts revealed that there was no electricity (August 2023) in 111 HWCs. Thus, the expenditure incurred on purchase of 111 invertors and batteries resulted in unfruitful expenditure of ₹ 31.08 lakh¹². These 500 HWCs were inaugurated in December 2021, though none of them had attained the lowest functional stage¹³ (Stage-1).
- Test-check of selected 3 FIAHs and 8 HWCs further revealed that against the equipment totalling ₹3.95 crore¹⁴ supplied (December 2021 to January 2022) to three test-checked FIAHs at Kanpur, Lucknow and

⁹ Glucometer, Glucometer strip, Digital Hemoglobin Meter, Hemoglobin Meter strip, Pregnancy, Malaria test card, Typhoid Widal Test Card, Urine Test Strip, Pulse Oximeter, Inverter-Battery.

¹⁰ Purchase Committee constituted by GoUP in October 2021 decided (August 2022) to purchase Glucometer (1 Pc), Glucometer strip (500 pieces), Digital Hemoglobin Meter (1 Piece), Hemoglobin Meter strip (300 Pieces), Pregnancy test (50 pieces), Malaria test card (110 Pieces), Typhoid Widal Test Card (100 Pieces), Urine Test Strip (300 Pieces), Pulse Oximeter (1 Piece), Inverter-Battery (1 Piece)

¹¹ Six bidders participated in the tender. After opening (September 2022) of technical bid, only four bidders i.e. M/s Aiman International, M/s Vani Management Services Private Limited, M/s AM & Sons and M/s Laxmi Traders were found (September 2022) eligible. Financial bids of these firms were opened in September 2022.

¹² 111 Batteries at the rate of ₹ 0.16 lakh and 111 invertors at the rate of ₹ 0.12 lakh per inverter.

¹³ (1) Completion of training to CHO; (2) Completion of training to Yoga Instructor; (3) starting of OPD; (4) Completion of training to ASHA/ANM; (5) Purchase of IT equipment; (6) Availability of Laboratory Services.

¹⁴ At the rate of ₹ 1.32 crore per FIAH.

Varanasi without any demand, 156 equipment valuing ₹ 42.80 lakh¹⁵ were lying in sealed and packed condition. Since, there was no provisions for Annual Maintenance Contract of these equipment after one year, fully automatic biochemistry machine¹⁶ supplied to FIAH Kanpur valuing ₹ 31.36 lakh was lying out of order. Thus, the tools and equipment were purchased without ensuring their utilisation.



The Government accepted (January/February 2025) the unavailability of electricity in HWCs but furnished no replies regarding non-utilised/out of order machinery.

4.2.3 Unfruitful expenditure on procurement of monitoring system for Medical Colleges and HWCs

Based on the proposal made in SAAP for the year 2022-23, GoI sanctioned (September 2022) ₹ 99.56 lakh for installation of Close Circuit Television (CCTV) cameras¹⁷ and one biometrics-based Attendance Monitoring System (BBAMS) attendance software in each of the 19 AYUSH GMCHs in UP. SAS also decided¹⁸ (January 2023) to purchase CCTV cameras alongwith BBAMS for 11 FIAHs¹⁹ and dome cameras (wifi) for 871 HWCs out of the funds available under the administrative head of expenditure. Accordingly, SAS uploaded (January 2023) bid documents for purchase of all the items on GeM. An order for supply of 'non-branded' 79 Digital Video Recorder (DVR), 3484 dome cameras (wifi), 395 bullet cameras (wired), 534 dome cameras (wired) and 901 BBAMS valuing ₹ 3.76 crore was issued (May 2023) to the lowest bidder²⁰, M/s Prateek Enterprises. The vendor supplied the equipment during April 2023 to March 2024.

Information furnished by 19 GMCHs (8 Ayurvedic, 2 Unani and 9 Homeopathic GMCH) in the State revealed that Digital Video Disc (DVD) was already installed and was in working condition in 13 GMCHs; CCTV cameras (dome and bullet) were already installed and were in working condition in 16 GMCHs; and BBAMS were already available and were in working condition in 15 GMCHs. Thus, supply of DVD, CCTV cameras and BBAMS to these 13,

¹⁵ FIAH, Kanpur: 67 equipment valuing ₹ 17.58 lakh; FIAH, Lucknow: 72 equipment valuing ₹ 12.69 lakh; FIAH, Varanasi: 17 equipment valuing ₹ 12.53 lakh (total 156 equipment valuing ₹ 62.25 lakh).

¹⁶ The fully automatic biochemistry machine valuing ₹ 15.58 lakh, supplied to FIAH, Lucknow was not functional from the date of its supply due to non-availability of UPS.

¹⁷ Three DVRs, web-enabled, cloud based, server and remote access 15 bullet cameras (wired) and 20 dome cameras (wired) for each of the 19 AYUSH GMCHs.

¹⁸ Based on recommendation (December 2022) of TC constituted (September 2021) by GoUP for installation of Bullet camera (wired), dome camera (wired), DVR and BBAMS in 19 State AYUSH GMCHs and 11 FIAHs; and dome camera (wi-fi) alongwith BBAMS in 871 HWCs with the condition that there was availability of electricity and broad band connections in these HWCs.

¹⁹ Two DVRs, Web-enabled, cloud based, server and remote access 10 bullet cameras (wired) and 14 dome cameras (wired) for each of the 11 50-bedded Integrated AYUSH Hospitals.

²⁰ Technical and financial bids were opened 21st and 28th February 2023 respectively; and out of three bidders, the rates quoted by M/s Prateek Enterprises was found to be lowest.

16 and 15 GMCHs resulted in avoidable expenditure of ₹ 21.56 lakh. Moreover, though order for supply of CCTV cameras and BBAMS were issued for all the 871 HWCs, electricity was available only in 718 HWCs (November 2024), and wi-fi facility was not available in any of the HWCs, resulting in unfruitful expenditure of ₹ 3.17 crore²¹.

The Government stated (January/February 2025) that mentioning any specific brand in the tender would have reduced the competition, directions to provide CCTV and BBAMS were received from the competent authority, major parts of GMCHs' campuses were not covered with available CCTV, and action for providing electricity in non-electrified HWCs are in progress.

The reply is not acceptable since only specifications were required to be mentioned in tender document to attract multiple suppliers and the rates, catalogue and suppliers of 'non-branded' items are not verifiable by the original equipment manufacturer (OEM); availability of CCTV cameras and BBAMS in GMCHs was not taken into consideration while deciding the demand and despite lapse of about two years of supply, HWCs are without wi-fi and 153 HWCs are without electricity confirming that the cameras issued to these HWCs were lying unutilised.

4.2.4 Procurement of equipment for telemedicine

GoI sanctioned funds of ₹ 2.11 crore (non-recurring: ₹ 1.68 crore + recurring: ₹ 0.43 crore) against SAAP for the year 2018-19 for implementation of telemedicine project to provide healthcare facilities to the people at the doorstep. Based on the proposal²² of ₹1.63 crore (January 2020) submitted by UP Development Systems Corporation Limited (UPDESCO), GoUP nominated²³ (February 2020) UPDESCO as EA for the work. UPDESCO submitted (May 2020) a revised proposal of ₹ 2.13 crore for the work, which was close to the total amount of non-recurring and recurring cost of the project. The reason for the difference between the two proposals submitted by UPDESCO was inclusion of 384 Nos of "Android enabled 4G Tablet"²⁴ at the cost of ₹ 52.33 lakh, in place of "Android based mobile application" submitted earlier. Evidently, the revised proposal was obtained to utilise the recurring cost.

Audit noticed that SAS issued (May 2020) a work order of ₹2.11 crore²⁵ to UPDESCO for providing telemedicine services in 384 AYUSH dispensaries across to 16 districts²⁶, through a vendor²⁷ selected (May 2020) by the latter; and executed (June 2020) a tripartite agreement with them. SAS also released

²¹ 4 dome camera X 871HWC X ₹6715 + 871HWC X ₹ 9495 = ₹3,16,65,205/-

²² In earlier proposals submitted, in response to a letter (January 2020) of SAS, by UPDESCO, Shretron India Limited and UP Electronics Corporation Limited, the system was "Android based mobile application".

²³ In contravention paragraph 174 (13) of UPBM which, inter alia, considers placing of a contract without competitive tenders a financial irregularity; and GO (August 2017) for procurement of goods through GeM,

²⁴ Android v7 or higher, Screen Size -7, 4G enabled SIM slot, wi-fi, battery 2500 mAH or higher, one year O&M with flip cover case". The vendor has charged ₹ 25,635 (including centage and GST) per tablet for 'mobile application on commercial off-the-shelf model' for each of the 384 units totaling ₹ 75.84 lakh without any justification on records.

²⁵ UPDESCO excluded 'Implementation and remote operation support' (₹ 0.78 lakh), training support (₹ 0.58 lakh); and reduced the price of TV by 0.22 lakh to keep the work order within the sanctioned amount.

²⁶ Originally it was 384 dispensaries in 10 districts. Since, only 310 dispensaries had MOs, a new list of 74 MOs, provided by Directorate of Ayurveda Services covering 6 new districts.

²⁷ MARG Software Solutions, Lucknow (MARG).

(June 2020) an advance of ₹1.05 crore; and fixed the scheduled date of completion as one month, keeping in view Coronavirus Disease 2019 (Covid-19) pandemic. The project, however, could not be made functional due to non-provision of SIM. The vendor proposed (May 2021) procurement of SIM with internet facility at a cost of ₹5.41 lakh by deleting equipment which was not required in the project (₹5.47 lakh). The non-provision of SIM and provisions of unrequired equipment in the project indicates that it was approved (December 2021) by SAS without due diligence. The distribution of tablets with SIM was completed²⁸ in July 2022 resulting in not providing of benefits of the project by more than 2 years²⁹. Again, SIM were not recharged after six months resulting in the stoppage (22.11.2022) of service, after grace period of two months.

Audit noticed that UPDESCO demanded Annual Maintenance Fee (AMC) of ₹53.46 lakh (May 2022) for the period 16.07.2021 to 15.07.2022 and ₹ 55.38 lakh (March 2023) for the period 15.07.2022 to 14.07.2023, which was paid by SAS in February 2023 and November 2023 respectively though, after stoppage on 22 November 2022, the internet services were resumed on 31 October 2023 (after more than 11 months). This resulted in not extending of benefits of the telemedicine for more than 11 months and wasteful expenditure of ₹49.46 lakh on AMC of non-functional telemedicine system.

Audit also noticed that the project was started without any behavioral study and IEC campaign. As a result, the number of patients utilising the online platform were negligible. Further, most of requests made by patients were not responded to by the specialists deployed for the purpose as detailed below:

- A report for the period 1st July 2022 to 15th July 2023 relating to 175 dispensaries revealed that against the total number of 2812 calls, only 627 calls (22.30 *per cent*) were confirmed, and 2149 calls (76.42 *per cent*) were pending. Of the confirmed calls, only 109 calls (17.38 *per cent*) were attended, 36 calls (5.74 *per cent*) cancelled, and 519 calls (95.62 *per cent*) were not attended.
- A report for the period January 2024 to February 2024 relating to 376 dispensaries revealed that against the total number of 6204 calls, only 2693 calls were confirmed, of which 131 calls (4.86 *per cent*) were attended, 157 cancelled and 2575 calls (95.62 *per cent*) were not attended.

Thus, the expenditure of ₹ 3.20 crore incurred on installation and maintenance of telemedicine system was only partially fruitful.

The Government accepted (January 2025) purchase of SIM by deleting non-required equipment and stated that the work has been completed within the stipulated time; Android enabled 4G tablet was a necessary equipment; and telemedicine app was being used even after termination of the internet facility. Reply is not acceptable since the distribution of tablets with SIM was completed in July 2022 indicating that there was a delay of more than two years in

²⁸ Though, the project was not functional due to non-availability of internet connection and non-distribution of tablets to MOs of 384 dispensaries, SAS released (January 2022) further payment of ₹95.69 lakh to UPDESCO.

²⁹ Due to absence of any penalty clause in the agreement, no penalty was recovered from UPDESCO.

completion of the project; inclusion of tablets at a subsequent stage indicates that it was included to utilise the available funds; and the Government itself accepted that telemedicine app cannot be operated without internet.

To sum up, there were instances of procurement of furniture and equipment bypassing GeM, undue favour and unfruitful expenditure on their procurement and utilisation. Equipment was also lying unutilised for want of electricity and internet in the healthcare facilities.

Recommendation 6: The Government should standardise the norms for furniture and equipment that are required to be available in different categories of AYUSH healthcare facilities; should ensure adherence to the proper procedure for procurement of furniture and equipment; and that the furniture and equipment procured are not lying unutilised.