

No. F.1-8/2010-FPC (Pt)
Government of Pakistan
Ministry of Health

Islamabad, the 23rd June, 2010.

Subject: **VIOLATION OF PUBLIC PROCUREMENT RULES, 2004 BY PIMS, M/O**
HEALTH TENDER FOR PROCUREMENT OF ANGIOGRAPHY
MACHINE

Please refer to your letter No.F.1 (74)/DD-II/PPRA/2010, dated 12th May, 2010 regarding a complaint lodged by M/S Medequips (Pvt) Ltd. Their complaint was forwarded by Transparency International through Public Procurement Regulatory Authority (PPRA). The complainant has expressed his grievance based on the following grounds:-

- 665
25-6-10
- 1.1 The requirement of accompanying Hemodynamic Monitor with Angiography machine is not justified as it is an accessory like UPS, Injector and radiation protection devices etc which are not manufactured by the manufacturer of Angiography machine. Therefore, the tender requirement of this feature is only to favour M/S Siemens and to restrict Toshiba from competition.
 - 1.2 The firm has also claimed that M/s Siemens have quoted rates of Rs.900.00 Million in the PIMS tender whereas M/S Siemens has supplied two Angiography machines to Punjab Institute of Cardiology (PIC) Lahore within the said amount.
 2. Angiography Machine is a high-tech high price machine, the cost and efficiency of which depends on following major parts:
 - 2.1. **X-Ray (Fluoroscopy) Tube:** the quality and cost inter alia depends on whether it is rotational or static; its Anode Heat Storage capacity; current emission in terms of mA or other equivalent units, Anode Heat dissipation, pulsed fluoroscopy etc.
 - 2.2 **Gantry:** the quality and cost depends on Cranial/Caudal angle; Right Angle Oblique (RAO)/Left Angle Oblique (LAO) and its speed (degrees/second); Collision protection Patient Sensing; type of stand etc.

- 2.3 **Flat Panel Detector:** the factors like size, stepping, resolution, matrix, zoomability, Dynamic or other wise etc. contribute in cost and quality.
 - 2.4 **Patient table:** Dimensions of up, down, longitudinal and transverse movements etc.
 - 2.5 **X-Ray Generator:** frequency (high/low), potential difference or power in terms of KV/KW, radiographic rating in terms of mA or equivalent etc. are the major contributors towards quality and price.
 - 2.6 **Image acquisition work station:** acquisition, storage and display; Digital Subtraction Angiography (DSA) ability; DICOM; Image storing capacity.
 - 2.7 **Heomodynamic and physiological measurement Control:** integration with system, source. No of channels, leads, printer etc. are contributors towards the cost of the equipment.
 - 2.8 Although UPS and Injectors are complementary for the functioning of the machine, however they may be accepted from a manufacturer other than the manufacturer of Angiography Machines.
3. A number of equipment including the Angiography Machine were to be purchased for Cardiac Department at PIMS under development project Titled " Cardiac Surgery Facilities at PIMS" from the budget allocation for the year 2009-10. This was being done with a view to provide Cardiac Surgery facilities to all government employees, foreign mission and general public of Islamabad/Rawalpindi and also for Khyber Pakhtoonkhwa, Northern Punjab, AJK and Gilgit Baltistan.
4. Following proceedings were undertaken by the Ministry of Health in accordance with law for the procurement of equipment for Cardiac Surgery:-
- 4.1 Keeping in view the highly sensitive nature and high prices of the cardiac surgery equipment, a technical committee (Annex-I) was constituted to formulate specifications for cardiac equipments. The committee worked under the chairmanship of Dr. Khan Shah Zaman, Executive Director, National Institute of Cardiovascular Diseases, Karachi (NICVD). Other members were from the specialties of interventional Cardiology, Cardiac Surgery Centre PIMS, Anesthesia and Electro Medical Engineering belonging to Shifa Hospital and PIMS.

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- 4.2. The specifications were finalized by above technical committee and duly approved by the competent authority. These specifications were given to all the bidders with tender documents as per rule 23 of the PPRA Rules, 2004. A reasonable response time was given to the bidders as per rule 13 of PPRA. The complainant did not make any representation during this time.
- 4.3 Since the estimated cost of the procurement was over 10 million rupees, therefore Federal Procurement Committee was involved as per rules.
- 4.4 The bids were invited through publication in the newspapers dated 28-03-2010. The last date fixed for receipt and opening of the tenders was 14-04-2010 at 11:00 and 11:30 Hrs respectively as required under rule 28(1) of the PPRA Rules 2004. Four companies in Pakistan representing manufacturers of this High Tech equipment namely SIEMNENS, TOSHIBA, PHILIPS and GE offered for bidding of Angiography Machine. Three bidders namely M/S Raditech, Siemens and Medequips participated in the tender. M/S Matora Diagnostics who represent Philips could not submit the tender in time. Therefore, their offer could not be considered as per rule 28(2) of the PPRA Rules.
- 4.5 Technical Bids were scrutinized by Technical Committee (Annex-II) on 19-04-2010. Only two firms namely M/S Raditech and Siemens could qualify the technical specifications given in the bidding document. The complainant did not meet the specifications for Hemodynamic/physiological recorder system which indicate the vital functions during the procedures/surgeries. The Hemodynamic/ Physiological recorder system manufactured by the manufacturer of angiography machines are more compatible, reliable and easy for calibration/validation. The Angiography machine of the complainant also did not meet the specifications for collision protection system which protects the patient from collision with machine during procedure/operation.
- 4.6 The financial Bids of technically qualified bidders were opened on 28-04-2010 by the Federal Procurement Committee (Annex-III) under the chairmanship of Additional Secretary (Health). M/S Raditech quoted Rs.95,011,000/- and M/s Siemens quoted Rs.90,000,000/-. The committee therefore processed the case further in the matter.

5. The objection raised by M/s Medequips representing Toshiba are not correct because the Hemodynamic monitoring unit is a basic component of the machine and all the other vendors adhere to the particular requirement of a dedicated Hemodynamic monitoring unit, which is very important for patient physiological measurements and online analysis. M/S Medequips quoted major part of the machine i.e. Hemodynamic monitor manufactured by GE and the other parts were of Toshiba. M/s Medequips/Toshiba were also rejected due to non compliance of major patient safety feature which enables the machine to sense the patient before collision. This was in non-conformance with the technical requirements as per bidding document.

6. It is also worth mentioning here that the head of Cardiology Unit PIMS who was also member of specification preparation committee is also a party in the representation filed by M/s Medequips/Toshiba. He is the only one insisting for purchase of Toshiba, Motives for this insistence is not known.

7. The whole process of procurement was conducted in accordance with the PPRA rules. The procurement process could not be finalized due to time constraints and non release of funds by the Ministry of Finance. The entire procurement process of all the cardiac equipment, including the Angiography Machine, has been scrapped and will be carried out in the next financial year. Therefore, there is no cause of action.


(AFTAB AHMED QAZI)
Section Officer (FPC)

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Mr. Naeem Ahmed,
Deputy Director-II,
Public Procurement Regulatory Authority,
Islamabad.

Copy to:

1. Executive Director, PIMS, Islamabad.
2. National Assembly Secretariat (Ms. Najma Siddiqi), Joint Secretary (PAC&C-II) with reference to their U.O. No. F.1 (2)/2010, dated 1st June, 2010.
3. Syed Adil Gillani, Chairman, Transparency International-Pakistan, 5-C, 2nd Floor, Khayban-e-Itthad, Phase-VII, Defence Housing Authority, Karachi.