

MEDEQUIPS (Pvt.) Ltd.

(SMC)

SERVING THE MEDICAL COMMUNITY

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The Federal Health Minister,
Government of Pakistan
Islamabad,

RE: VESTED INTERESTS IN PROCUREMENT OF ANGIOGRAPHY MACHINE FOR PIMS

Dear Sir,

We refer to tender opened on 19-04-2010 invited by PIMS for procurement of Angiography machine. We invite your kind attention to this whole process which clearly shows **full manipulation** by certain vested interests to give this tender to a **pre-selected vendor at exorbitant cost**. We invite your attention to the following in this process:

1. Despite clear instruction by the Health Secretariat that specifications must be generalized such that all major manufacturers meet the specifications, the specifications were altered at the last moment to try to get one manufacturer, namely Toshiba, rejected on frivolous technical grounds.

Furthermore the honorable Secretary Health, Ministry of Federal Government had formulated an un-biased committee of experts to make generalized specifications to accommodate all the vendors to encourage broader competition, which is the spirit of PPRA rules. Please refer to PPRA clause# 10 of chapter-II *"THE SPECIFICATIONS SHALL ALLOW THE WIDEST POSSIBLE COMPETITION AND SHALL NOT FAVOR ANY SINGLE CONTRACTOR OR SUPPLIER NOT PUT OTHERS AT DISADVANTAGE."* and clause# 32 of chapter-VI under heading DISCRIMINATORY AND DIFFICULT CONDITION *"NO PROCURING AGENCY SHALL INTRODUCE ANY CONDITION WHICH DISCRIMINATES BETWEEN BIDDER OR THAT IS CONSIDERED TO MEET WITH DIFFICULTY."*

2. The technical grounds chosen by PIMS administration is a ploy tried by competitors all over Pakistan and rejected as frivolous by all customers buying Angiography machines, like NICVD Karachi, PIC Lahore, Jinnah Hospital Lahore and all other major government institutions. PIMS is the only institution supporting this ploy by competitors to reduce competition and thereby sell their machine at exorbitant profit.
3. Four companies were eligible to bid in the tender. Two are conveniently rejected on technical grounds, third company **conveniently came late** at the time of tender submission! Only one company is left without any competition to bid! It is to be noted that this is a clear case of collusion between the company that **deliberately came late** and the company that is the **sole acceptable bidder**.

4. Regarding the technical point on which Toshiba bid has been rejected, we would like to clarify this further. An Angiography system consists of an Angiography machine plus a large number of accessories like Injector, UPS, Radiation Protection devices, Ceiling Suspended Light, Additional computers and Haemodynamic Monitor and a few such items. All these items are **accessories and not manufactured** by the manufacturer of Angiography machine in most cases. For example, in a car the Battery or Tyres are not manufactured by the manufacturer of the car. **This is a standard international practice.** PIMS decided to accept that items like Injector, UPS, Radiation Protection devices, Ceiling Suspended Light etc. will be supplied from vendors other than the manufacturer of Angiography machine however one such item namely Haemodynamic Monitor must be supplied by the manufacturer of Angiography machine. **The question is why this exception?** This exception is made simply because the favored manufacturer Siemens happen to makes this monitor itself. It is clear from this argument that when PIMS could not find any real technical drawback in Toshiba system as Toshiba system is clearly better than all other systems, it found this frivolous item to throw Toshiba out of competition. **This allows the manipulators to finish competition and pay twice the market price for the machine they want to buy.**

We take this opportunity to bring your kind attention to a similar tender with similar specifications wherein PIC Lahore was offered two Angiography systems by Siemens in rupees 9 crore whereas PIMS intends to pay rupees 9 crore for only one!!

We would further like to emphasize that our Toshiba Angiography machines are installed and working at all government of Pakistan institutions and prestigious private institutions throughout the country like NICVD Karachi, Mayo Hospital Lahore, SZH Lahore, Jinnah Hospital Lahore, Lady Reading Hospital Peshawar and also at Doctors Hospital Lahore, Ittefaq Hospital Lahore and RMC Peshawar. A complete list is attached.

Lastly another frivolous objection was raised that no sole agency certificate is provided with our bid. This is absolutely incorrect as we have already submitted our agency agreement with Toshiba Medical Systems.

We request you to please investigate this whole procurement process because this whole manipulation means a loss of over 4 crore rupees to the government considering that the company from which this Angiography machine is proposed to be bought for rupees 9 crore has already offered to sell such ~~two~~ machines to PIC Lahore in rupees 9 crore.

Best regards.

Yours faithfully,
MEDEQUIPS SMC



(SAEED-SULAIMAN)
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