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GOVERNMENT OF HARYANA

DEPARTMENT OF AYUSH HARYANA

(AYURVEDA, YOGA & NATUROPATHY, UNANI, SIDDHA AND HOMOEOPATHY)

Notification

The 23 February, 2017

No. 7/10/2017-4HB-IV.— The Governor of Haryana is pleased to frame Ayurveda, Yoga & Naturopathy, Unani, Siddha and Homoeopathy (AYUSH) Medicine Procurement Policy, 2016 to provide uninterrupted supply of good quality AYUSH medicines free of cost to the people through Govt. Hospitals, Prathmik Swasthay Kendras, Govt. Ayurvedic, Homeopathic and Unani Dispensaries, Panchkarma Centres and NHM Institutions in the State of Haryana.

POLICY GUIDELINES:-

To meet the above objectives, following are the policy guidelines

1. Preparation of standard lists of medicines
2. Approved sources for procurement
3. Quantification of demand
4. Budget for procurement
5. Placing of orders
6. Receipt of supply
7. Quality testing
8. Stock entry
9. Distribution of medicines
10. Monitoring and evaluation
11. Structure and function of the Departmental Technical Committee.

1. PREPARATION OF STANDARD LISTS :-

In view of the directive Z. 28015/ 32/ 2016- H&D Cell dt. 15/6/16 of Ministry of AYUSH, Govt. Of India, preferably medicines having WHO GMP Certification or AYUSH Premium Mark (a Voluntary Quality Control certification prescribed by the Drug and Quality control of AYUSH) would be procured.

The procurement will be made out of the following standard lists of medicines and other essential items.

(i) List of Shortlisted medicines of Ayurvedic, Unani and Homeopathic as per Annexure-1, out of Latest Essential Drug List (EDL) as fixed by Department of AYUSH, Govt. of India.

(ii) List of other classical/Patent & first aid medicines not included in the EDL but available on CGHS/DGS&D rates (Annexure –II).

(iii) List of herbal raw material, oils to be used in the state pharmacy and Panchkarma centres respectively and lab reagents to be used in Drug Testing Lab (DTL) (Annexure-III).

(iv) Dispensing material and other items used in Hospitals, CHC, PHCs and Govt. AYUSH Dispensaries for dispensing of medicine (Annexure-IV).

(v) Other medicines recommended by the Departmental Technical Committee.

Procurements would be made on the basis of the above lists. These lists would be reviewed by the technical committee of the department at least once a year to include or delete items from time to time as per the requirement.

2. APPROVED SOURCES FOR PROCUREMENT:-

(i) Central and State Public Sector undertakings & Pharmacies under State Government and Cooperatives:-

(a) The essential drugs and medicines required for implementation of centrally sponsored schemes, state plan and Non Plan schemes and those under NHM will preferably be procured from central and state public sector undertakings and pharmacies under State Governments and Cooperatives, who have their own arrangements for manufacturing AYUSH medicines. The procurement of medicine is not permitted from the loan licensee manufacturers as per GOI guidelines issued *vide* No. R 14011/02/2012, H&D Cell dated 26.06.2012.

(b) All interested Central and State Public Sector undertakings, pharmacies under State Government and Cooperatives will be required to participate in the limited tendering process on the basis of condition imposed by GOI as mentioned in para (a) above.

(ii) Reputed companies as per CGHS/DS&D list for supply of classical/Patent medicines and first aid medicines not included in EDL.

For supply of classical/patent and first aid medicines available on CGHS/DS&D rates on standard terms and conditions fixed by Govt. of India. In case of medicines not available on CGHS/DS&D rates procurement will be done through open tendering.

(iii) For supply of herbs, oils, Panchkarma related supplies, laboratory reagents and dispensing material and miscellaneous items:-

Items required for consumption on daily basis in Panchkarma centres like Milk, Lassi etc will be locally purchased at the level of the Panchkarma Centre. Herbs, lab reagents, dispensing material and miscellaneous items will be purchased either at the level of Directorate or at the level of District Ayurvedic Officers with the permission of the directorate through tender/quotation depending on the quantities required.

Note.— In case any medicine procurement guidelines are prescribed by Govt. of India under National AYUSH Mission or National Health Mission then for utilization of funds related to these schemes, these guidelines shall be adopted mutatis-mutandis for the purpose of this procurement policy.

3. QUANTIFICATION OF DEMAND :-

Demand for medicines and other consumables depend upon the number and type of patients (OPD/IPD, etc.) and the patterns of diseases in that area. This would keep varying from season to season, area to area and year to year. By constant monthly monitoring of the demand and balance by making use of appropriate computer software, efforts will be made for maintaining accuracy of demand quantification.

While going for demand/quantification the DAOs would collect demand from various facilities under Plan, Non-plan, NHM by taking into consideration the consumption patterns of previous 12 months and the balance stock available with each facility. Further procurement will depend upon disease and consumption pattern for each facility.

4. BUDGET FOR PROCUREMENT:-

The projected estimates in terms of percentage of budget for procurement of EDL medicines, Patent and First Aid medicine, herbal material and oils, laboratory reagent and dispensing material will approximately be as under:-

Indicative percentage of budget distribution for procurement of EDL/Patient and First aid medicine/ herbal raw material, oils/ dispensing material under different schemes

Scheme	EDL medicine	Patent & First Aid medicine	Herbal raw material/ oil etc.	Dispensing material
CSS	95	-	-	5
Plan	85	5	5	5
Non -Plan	85	5	5	5
NHM	85	5	5	5

5. PLACING OF ORDERS:-

Supply order for medicines would be placed by the Department to Central & State Public Sector undertakings and state pharmacies. Department will call limited tenders from those Central and State Public Sector undertakings and State Pharmacies and Cooperatives, which are the actual manufacturers of essential drugs. The patent medicines would be procured by the Department on CGHS/DGS&D Rates or through tendering where such rates are not available. The orders for herbs, oils, laboratory reagents will also be placed by the department following the tender process.

The formal order issued to the supplier would be referred to as the supply order. Any supply without a valid supply order would not be accepted. All supply orders would be the basic documents which would be preserved for legal purpose if required at any time in future.

6. RECEIPT OF SUPPLY:-

Medicine supply would be received at a ware house located at Panchkula in the premises of AYUSH Directorate. Based on the supply order, the Ware House Manager (designated) would receive the physical supply of medicines along with following documents;

(i) Supply bills.

(ii) Transport receipt.

(iii) In- House test report.

Upon receipt of above documents along with medicines, the Ware House Manager would conduct inspection of the supply required on a specified Performa. The Ware House Manager along with an inspection team would also check the date of supply order and date of delivery and take appropriate action.

7. QUALITY TESTING:-

Every batch of medicines would undergo testing before it is distributed. On receipt of supply, the Ware House Manager would place the supply in a separate room and mark it "Un- Tested" till it is tested in a Govt. approved empanelled laboratory. Random sampling of drugs will undergo testing at a Govt. approved analytical laboratory. If any supply fails to meet the standard quality on test analysis or on inspection by the Competent Authority, the Supplier firm shall be liable to replace the entire consignment against the particular invoice.

The supply would remain in a separate room till it is passed by the Govt. approved analytical laboratory. Once it is passed, the stock would be entered into stock register/ computer and shifted to main store area for further distribution. In case the quality test fails, the stock would be labelled as "Frozen Stock" and kept along with testing report from supplier till the supplier picks it back. In case, the supplier doesn't pick it up, then the Warehouse Manager will dispose it off as per standard procedure.

However, the department may with the prior approval of Government exempt the testing for the drugs procured from the Government sources mentioned in letter No. F. Diary No. 8300/Director (SKC)/AYUSH/2008 dated 27th November, 2008 of Ministry of AYUSH, Govt. of India.

8. STOCK ENTRY:-

On receipt of quality report indicating passed samples, the Ware House Manager would take the following action:

(i) Ensure that a stock entry is made in the stock register/ computerized system.

(ii) Physically transfer the stock to the main Ware House Store and change its label to "Tested & Passed

9. DISTRIBUTION OF MEDICINE TO DAOS:-

On the basis of facility wise demand given by respective DAOs, Ware House Manager would issue medicines to them. For this, the Ware House Manager will issue a transport order to the empanelled transporters/couriers who shall collect the supply from the warehouse and deliver the supply on a specified date and time to concerned DAOs. He will obtain his/her representative's signatures on material receipt/certificate and submit it to the Ware House Manager for payment. Payment of the transporter/courier will be made by the Ware House Manager. Each DAO, after receipt of supply will immediately call facility Incharge to take delivery of medicines as per their demand given earlier.

Based on the consumption made by each facility, the subsequent demand will be monitored by the monitoring cell at headquarters and analyse the subsequent orders given by each facility for further purchase.

10. MONITORING & EVALUATION:-

An online system will be set up to closely monitor demand generation, procurement, supply and consumption process by 31.12.2017 or an earlier date.

11. STRUCTURE AND FUNCTION OF THE DEPARTMENTAL TECHNICAL COMMITTEE (DTC)

The Departmental Technical Committee will consist of Director AYUSH, Deputy Director/ Assistant Director and 3 DAOs (on annual rotation). One HMO/UMO will also be associated during the purchase of Homoeopathic and Unani Medicine respectively on rotation basis from the existing cadre of HMOs/UMOs. The committee will examine the list and quantity of medicines demanded by DAOs, evaluates it and make its recommendations to DG, AYUSH for further purchase by the competent authority. The committee will also be responsible for evaluation of other technical proposals.

12. ELIGIBILITY CONDITIONS OF FIRMS TO QUOTE IN TENDER PROCESS

FIRMS TO BE ELIGIBLE FOR SUPPLYING MEDICINES AND MEDICAL CONSUMABLE MUST FULFIL THE FOLLOWING CONDITIONS FOR CATEGORY I, II AND III.

1. Only Central Public Sector Undertakings (CPMU) or State Public Sector Undertakings (SPSU), Pharmacies under state Govt. and Co-operatives, who have their own arrangements for manufacturing AYUSH medicines. The procurement of medicines is not permitted from the loan licensee manufacturer.
2. Supplier Firm will have to submit audited financial statements for last three years in support of annual turnover. Turnover should be in respect of firms submitting the tender. Group turnover will not be considered for determining the eligibility.
3. A self- attested copy of the sales tax clearance certificate should accompany the tender.
4. A certificate from the State Drug Controller concerned that the firm has been manufacturing and marketing the product/ products for which the firm has quoted the price, for the last three years at the time of submission of offer.
5. Supplier firms should submit a non- conviction certificate issued by the State Drugs Controller, to the effect that the manufacturer has not been convicted under the Drugs and Cosmetics Act, 1940 and Drugs and Cosmetics Rules, 1945 during the preceding three years or any of the drugs for which it has quoted price. (applicable for items covered under drug manufacturing license).
6. There should be no case pending in the court w.r.t. the drugs for which the firm is submitting tender and the drug should not have been declared, sub standard/ spurious /adulterated/ miss branded by any Govt. during the previous three years. The firm has to submit an undertaking in this regard.

GENERAL CONDITIONS:-

1. The firm will have to submit the samples along with tenders for items specifically mentioned in the specification for that item. If firms fail to submit the samples, the offer will be rejected.
2. The department reserves the rights to invite in his sole discretion separate quotations to effect purchases outside this contract in the event of any urgent demand arising in locality where no stocks are held or otherwise.

3. Undertaking by the firm that it would own responsibility of any damage arising because of delay in supply, non- supply or supply of poor quality of drugs.
4. In all supplies, which are labelled with Haryana Government supply mark including rejected stores, it would be a condition that such supplies will not be sold to the general public.
5. Firms will indicate the assessed manufacturing/ productions capacity for each items quoted by him. They will be liable for cancellation of the contract for any misleading information found at any time during the currency of the contract.
6. The firm will have to supply the list of names of procurement agencies to whom drugs have been supplied during the last one year.
7. The firm will submit an affidavit that the firm has not been convicted/ black listed debarred for the last three years in respect of drug and non drugs items.
8. The consignee will, as soon as possible but not later than 10 days of the date of arrival of stores at destination, notify the firm/ department, of any loss damage to the stores that may have occurred during the transit.
9. Validity of the rate contract is one year from the date of finalization of the contract, but in case of exigencies, period can be extended further by mutual consent of both parties.

PACKING AND LABELLING:-

1. The firm shall supply the stores with proper packing and labelling if the drugs as per the procurement of Drugs and Cosmetics Rules, 1945 for transit, and should reach at the destination free from any loss or damage. The stores supplied by the firm should strictly conform to the labelling provisions laid down under the Drug & Cosmetics Rules, 1945.
2. All labels of cartons, ampoules**,** vials, bottles, jars, tubes, tins, strips, gauze, cotton, bandage containers etc., should be emboldened/ imprinted/stamped with CAPITAL AND BOLD LETTER, '**HARYANA GOVT. SUPPLY, NOT FOR SALE'.** MRP should not be printed. Such packing shall clearly indicate the description, quantity, name and address, contact no. for identification.
3. Loose supplies/ damaged packing/ tempered or damaged labelled supplies shall not be accepted under any circumstances and will be recovered from the firm.
4. Supplies to be made in proper boxes/ Cartons.
5. Liquid orals/oils to be supplied only in glass bottles/plastic bottles conforming to IP/ Drugs & Cosmetics Act.
6. All containers i.e. bottles/ tins, cartons, tubes etc. are required to be secured with pilfer- proof seals to ensure genuineness of the products packed and the correctness of the contents.
7. The tablets/ capsules should be packed in 10 tabs or capsules per strip and 10 strips in a box except otherwise mentioned.

SUPPLY PERIOD:-

1. Supply is to be made directly by the firm.
2. Maximum delivery period will be four weeks after issue of supply order.
3. The medicine should reach at F.O.R. destination within 1/6th of its total shelf life (i.e. at least 5/6 of shelf life must be remaining on the date of delivery). Batch number, date of manufacture and date of expiry should also be mentioned on the body of the bill.
4. If the firm fails to execute the supply order within the stipulated period, a penalty of 2% per week or a part of the week will be levied the maximum penalty of supply shall not exceed 8% of the total value of the order. The cutoff date of delivery period shall be counted from date of actual despatch of supply order to date of receipt of supply at F.O.R destination. If the articles are not supplied by the schedule date as indicated above or later till four weeks after the schedule date, the supply order will be cancelled at the risk and expense of the supplier. The extra expenditure involved in procuring supply from elsewhere will be recoverable from the supplier in full. Apart from risk purchase action, the firm shall invite other penal actions like debarring and black listing for present and future period not less than 2 years.
5. The firm is normally required to deliver full supplies within the stipulated period including permissible delay period. However, in exceptional circumstances and that too with the approval of DG AYUSH, supply may be accepted to an extent of minimum 50% of ordered quantity of each item. The remaining

supply will have to be given within the delay period along with penalty @ 2% per week for the remaining supply. However, the payment will be released after the receipt of 100% supply.

6. Inability to supply must be conveyed within 7 days of the receipt of the supply order, otherwise it will be presumed that supply order has been accepted.

7. A certificate should be recorded on the invoice/bill that the rates charged are not higher than the rates quoted by the approved source to any other Institution in India.

INSPECTION AND SAMPLING AT THE CONSIGNEE'S ADDRESS:-

1. The supplier should be accompanied with in-house or Govt. Approved lab test report. After the receipt of the consignment, the department will draw a sample out of reached consignment and will send it for testing at one of the Govt. /Govt. approved testing laboratories. The cost of testing of samples will be borne by the supplier. If the sample/samples is/are found not of standard quality, consignment shall be rejected. Where there are visible and obvious defect in the consignment, it shall be rejected. Manufacturer will provide working standards for testing of drugs with traceability certificate of the item supplied, if required.

2. Random sampling/test of drugs may be undertaken by Govt./Govt. approved laboratories at any time during the shelf life or whenever any defect noticed.

3. All rejected stores shall in any event remain and will always be at the risk of the firm immediately on such rejection.

4. The department reserves the right for inspection of the pharmaceuticals firms participating in the tenders, by officers appointed by the Director General AYUSH. They can carry out inspection for accessing the capacity/capability/eligibility of the firm to make supplies and to ensure that good manufacturing practices are being followed by manufacturer the decision of the Director General AYUSH shall be final in this regard. It is also open to the department to send persons as may be designated by him to inspect stores and draw samples from their before dispatch of the consignment.

5. The test report from the approved laboratory will be final and no representation would ordinarily be entertained. In exceptional cases, where the report of the duly approved laboratory is not acceptable to the firm and the firm represents giving sufficient reasons why a second test is warranted, a retesting may be undertaken.

   (a) Sample of that batch would be taken for testing in Govt. approved laboratory different from the previous one. The report received would be taken as final & action will be taken accordingly. No more representation would be entertained in this regard afterwards. Cost of retesting would be borne by the firm challenging the initial test results.

6. The samples will be sent after coding, to different laboratories for testing as decided by the department. If the drugs as per report is found not of standard quality in the first test, the supplier will be required to replace the entire quantity of that batch declared NSQ (not of standard quality) or the cost of it, in shape of bank draft in favour of AYUSH department and take back the available stock (unused) in different AYUSH institutions of the state at his own cost.

7. The firm will replace the full stock of the NSQ batch if it is informed in writing (date of issue of letter for replacement) within 30 days of receipt of their drugs/medical consumables that the drug/medical consumables has been declared NSQ, with good quality drugs/ medical consumables and take back the available NSQ stocks at their own cost. The department has the right to destroy such substandard goods, if the supplier does not take back the balance goods available at Government AYUSH Institutions of the State.

PAYMENT:

1. Payment for the supply will be made within 4 weeks after receipt and acceptance of the supply in good conditions.

2. No advance payments towards cost of drugs and medical consumables etc. will be made to the supplier.

3. All payments will be made preferable by E-Banking or the A/C payee cheques/RTGS/Bank drafts through registered post/courier/speed post of supplier.

PENALTIES:

1. Non-performance of contract provisions, part supply and non supply of purchase orders will disqualify a firm to participate in the tender for a period of 2 years and his security deposit will be forfeited.

2. If any store/stores supplied against the rate contract are found to be not of standard quality on test analysis from approved laboratory and/ or on inspection by competent authority, the firm will be liable

to replace the entire quantity or make full payment of entire batch irrespective of fact that part or whole of the supplied stores may have been consumed.

3. If the firm fails to replace the batch declared to be "not of standard quality" or fails to make payment in lieu of that, the firm is liable to be debarred for 3 years in respect of the one or more or all the item in the rate contract.

4. If at any time the product is found to be not of standard quality, the suppliers will however, make full payment of entire batch irrespective of the fact that part of the supplied stores may have been consumed. Where a drug supplied by a firm is found to be of "Not of standard quality" the firm will be debarred from supplying that drug for a period of 3 years. No further orders will be placed to the firm for that particular drug and rate contract for that particular drug will be cancelled.

5. If more than one item for the firm are declared as "not of standard quality/spurious" by a Government approved laboratory, then the firm will be debarred to participate in tender for one or more or all the products for a period of 3 years.

6. If Category A and Category B defect is found, then firm will be debarred for 3 (three) years for one or more or all the products in the rate contract. The classification of defect into – Category-A, Category-B and Category-C defects will be as per the guidelines issued by the Drug Controller General of India from time to time.

Chandigarh:
The 28th December, 2016

RAJAN GUPTA,
Additional Chief Secretary to Government Haryana.

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