

No.22D(18)/09/US(WE)/D(Res)/Pt-I  
Deptt of Ex-Servicemen Welfare  
Government of India  
Ministry of Defence  
New Delhi

Date 13 Apr, 2010

To

The Chief of Army Staff  
The Chief of Naval Staff  
The Chief of Air Staff

**Subject : PROCEDURE FOR PROCUREMENT OF MEDICAL EQUIPMENT FOR ECHS**

Sir,

1. With reference to Government of India, Ministry of Defence letter No.22(1)/01/US(WE)/D(Res) dated 30 Dec 2002 and 24(4)(b)/03/US(WE)/D(Res) dated 11th Aug 2003, I am directed to convey the sanction of the Government that the Procedure for Procurement of Medical Equipment as spelt out in Appendix to this letter, will be followed by the ECHS with immediate effect.
2. This supersedes GOI MoD letter No.24(4)(b)/03/US(WE)/D(Res) dated 11th Aug 2003.
3. This issues with the concurrence of Ministry of Defence (Finance) vide their U.O. No. 553/Fin/Pen dated 19 th Mar 2010.

Yours faithfully,

Sd/-xxx  
(MM Singh)  
Deputy Secretary to the Govt. of India

Dated. 13 Apr, 2010

**PROCEDURE FOR PROCUREMENT OF MEDICAL EQUIPMENT FOR EX-SERVICEMEN  
CONTRIBUTORY HEALTH SCHEME (ECHS)**

**Authorisation of Equipment**

1. The authorization of Medical Equipment for the ECHS Polyclinics will be governed by the provisions of Govt. of India letter No. 22 (1)/01/US(WE)/D(Res) dated 30th December 2002.

**Budgetary Support for Procurement of Medical Equipment**

2. The Department of Ex-servicemen Welfare will earmark annual budgetary funds for the procurement of medical equipment from relevant Budget Head in consultation with the Central Organisation ECHS and intimate the same to ADG (Financial Planning) for allocation to Director General Armed Forces Medical Services. (DGAFMS)

**Procurement of Medical Equipment**

3. In order to expedite the procurement of medical equipment and thereby ensure the effective functioning of the ECHS Polyclinics, an Empowered Committee with the following composition has been constituted:

- |     |                                    |   |  |
|-----|------------------------------------|---|--|
| (a) | Chairman                           | - | Joint Secretary (ESW)  |
| (b) | Member                             | - | Addl FA and JS   |
| (c) | Member Representative of<br>DGAFMS | - | DDG (Provisioning)   |
| (d) | Member-Professional user           | - | Specialist from related representative field<br>(as and when required) |
| (e) | Member Secretary                   | - | Director (Medical) ECHS  |

**Procedure to be followed by Empowered Committee**

4. As per the normal DGAFMS procedure of 2000, the mode of procurement is through Open tenders. However, to expedite the procurement, the empowered committee will use the vendor base generated on the basis of last procurement made by DGAFMS through Advertised Tender Inquiry (ATI), which should not be more than two years old.

5. A limit of past two years has been considered as adequate because the obsolescence rate in medical equipments is high, and so it would not be advisable to extend the limit beyond two years. The procedure for procurement will be as under:-

- (a) The Empowered Committee will go through the QRs of equipments which were procured by DGAFMS during the last 2 years (at the time of consideration by Empowered Committee) and decide as to whether the QRs are broad based and meet all the current technical requirements of ECHS Polyclinics.
- (b) In cases where the QRs are by and large found to be meeting the requirements and do not need any major modification, the Empowered Committee will examine the short listed vendors of the last procurement. Where the empowered Committee decides that there was adequate competition, DGAFMS may go ahead with inviting Technical and Commercial bids from short listed vendors. Thereafter, the procurement will be processed as per paras 6 and 7.

(c) In other cases Advertised Tender Inquiry (ATI) will be resorted to and procurement processed as per paras 6 and 7. These cases interalia, could be :-

- (i) Where Empowered Committee decides that adequate competition was not available in the last procurement ;or
- (ii) Where the QRs need to be formulated afresh; or
- (iii) Where the said equipment has not been procured in the last two years.

## 6. **Evaluation of Bids**

(a) **Technical Bids**: All technical bids will be evaluated by the following standing Technical Committee:

- Chairman - Commandant, Armed Forces Clinic (AFC)
- Member - Specialist from related field
- Member Secretary - Director (Medical), ECHS

The Report of the Technical Committee will be submitted for approval of Empowered Committee.

(b) **Commercial Bids**. After acceptance of the recommendations of the Technical Committee, Commercial bids of only technically acceptable firms will be opened in the office of DGAFMS following usual procedure. A CST (Comparative Statement of Tenders) will be prepared by the **DGAFMS and a proposal will be submitted to the duly constituted Price Negotiation Committee** (PNC) who will negotiate the terms and conditions with L-1 vendor as being done presently:-

(i) **For cases valued between Rs. 50 lakhs to Rs. 3 crores**

- Chairman - Dir/DS (Res-1)
- Member - Dir (F)/DFA Concerned
- Member - DDG (Prov)
- Member - Dir (Med) ECHS

(ii) **For cases valued above Rs. 3 crores**

- Chairman - JS (ESW)
- Member - JS & Addl FA
- Member - ADGAFMS (E&S)
- Member - Dir (Med) ECHS

7. **Approval of Tender**: The recommendations will be submitted to the Empowered Committee/CFA for Approval.

8. **Other Equipment**: Other medical items constituting stethoscopes, laboratory glassware, examination hammer, ophthalmoscope etc. will be processed as under:-

- (a) The scales for other equipment will be cleared by Empowered committee.
- (b) If the item can be procured within the financial powers of DGAFMS the same will be procured as per laid down procedures circulated by the Ministry of Defence vide their letter No. 14(1)/98/D (Med) dated 13 Mar 2000.
- (c) If the item is beyond the financial powers of DGAFMS, the same will be processed through Empowered Committee.

9. **Repair/Maintenance and Annual Contracts**. The repair and maintenance Procedure for medical equipment will be as per laid down procedures for Service Hospitals.